

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 97-33]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Assistance Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated 21 July 1996.

FOR FURTHER INFORMATION CONTACT: Ms. J. Hurd, DSAA/COMPT/CPD, (703) 604-6575

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 97-33, with attached transmittal and policy justification pages.

Dated: September 9, 1997.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5000-04-M

**DEFENSE SECURITY ASSISTANCE AGENCY**

WASHINGTON, DC 20301-2800

03 SEP 1997

In reply refer to:

I-51077/97

Honorable Newt Gingrich
Speaker of the House of
Representatives
Washington, D.C. 20515-6501

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 97-33, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services estimated to cost \$100 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

A handwritten signature in black ink, appearing to read "MS Davison".

**MICHAEL S. DAVISON, JR.
LIEUTENANT GENERAL, USA
DIRECTOR**

Attachments Same ltr to: House Committee on International Relations
Senate Committee on Appropriations
Senate Committee on Foreign Relations
House Committee on National Security
Senate Committee on Armed Services
House Committee on Appropriations

Transmittal No. 97-33

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

- (i) Prospective Purchaser: Egypt
- (ii) Total Estimated Value:
- | | |
|--------------------------|-----------------------|
| Major Defense Equipment* | \$ 0 million |
| Other | \$ <u>100 million</u> |
| TOTAL | \$ 100 million |
- (iii) Description of Articles or Services Offered:
Medical equipment, medical furnishings, training and other related elements of logistics support to fully furnish and support a 650 bed International Medical Center in Egypt which will be independently funded and constructed by the Government of Egypt.
- (iv) Military Department: Army (HAW)
- (v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: none
- (vi) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:
none
- (vii) Date Report Delivered to Congress: 03 SEP 1997

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATIONEgypt - Medical Equipment

The Government of Egypt (GOE) has requested the purchase of medical equipment, medical furnishings, training and other related elements of logistics support to fully refurbish and support a 650 bed International Medical Center in Egypt which will be independently funded and constructed by GOE. The estimated cost is \$100 million.

This sale will contribute to the foreign policy and national security of the United States by helping to improve the medical services provided to the military forces of a friendly country which has been and continues to be an important force for political stability and economic progress in the Middle East.

The sale of this equipment and support will not affect the basic military balance in the region.

The principal contractors are undetermined at this time. There are no offset agreements proposed to be entered into in connection with this potential sale.

The number of U.S. Government personnel and contractor representatives required in-country to support the program will be determined in joint negotiations as the program proceeds through the development, production and equipment installation phases.

There will be no adverse impact on U.S. defense readiness as a result of this sale.