

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 98-01]

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 P.L. 104-164 dated 21 July 1996.

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

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 98-01, with attached transmittal and policy justification.

Dated: October 20, 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

10 OCT 1997

In reply refer to:
I-54410/97

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. 98-01 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter(s) of Offer and Acceptance (LOA) to Korea for defense articles and services estimated to cost \$90 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Diehl McKalip".

H. Diehl McKalip
Acting Director

Attachments

Separate Cover:
Classified Annex

Transmittal No. 98-01

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

- (i) Prospective Purchaser: Korea
- (ii) Total Estimated Value:
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$ 60 million |
| Other | \$ <u>30 million</u> |
| TOTAL | \$ <u>90 million</u> |
- (iii) Description of Articles or Services Offered:
One hundred fifty-nine AIM-120B Advanced Medium Range Air-to-Air Missiles, missile containers, spare and repair parts, support and test equipment, software support, publications and technical documentation, U.S. Government and contractor technical assistance and other related elements of logistics and program support.
- (iv) Military Department: Air Force (YGS)
- (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:
See classified Annex attached.
- (vii) Date Report Delivered to Congress: 10 OCT 1997

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

POLICY JUSTIFICATIONKorea - AIM-120B Advanced Medium Range Air-to-Air Missiles

The Government of Korea has requested the possible sale of 159 AIM-120B Advanced Medium Range Air-to-Air Missiles (AMRAAM), missile containers, spare and repair parts, support and test equipment, software support, publications and technical documentation, U.S. Government and contractor technical assistance and other related elements of logistics and program support. The estimated cost is \$90 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in the Pacific region.

The proposed sale of these missiles will augment current procurement programs, provide an opportunity for Korea to strengthen its air-to-air defensive capability and enhance interoperability with U.S. forces. Korea, which already has AMRAAM in its inventory, will have no difficulty absorbing these additional missiles.

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

The principal contractors will be Hughes Missile Systems Company, Tucson, Arizona and Raytheon Company, Bedford, Massachusetts. There are no offset agreements proposed to be entered into in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Korea.

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