

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 00-27]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation 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 Pub. L. 104-164 dated 21 July 1996.

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

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 00-27 with attached transmittal and policy justification.

Dated: February 8, 2000.

L.M. Bynum,
Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-10-M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

2 FEB 2000
In reply refer to:
I-00/000137

Honorable J. Dennis Hastert
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. 00-27, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to Israel for design and construction services estimated to cost \$200 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 "Edward W. Ross", is written over a horizontal line.

Edward W. Ross
Acting 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. 00-27

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

- (i) **Prospective Purchaser:** Israel
- (ii) **Total Estimated Value:**

Major Defense Equipment*	\$ 0 million
Other	\$ <u>200 million</u>
TOTAL	\$ 200 million
- (iii) **Description of Articles or Services Offered:** This case provides for the construction of two infantry training bases and a storage and logistics base for a reserve armored division. The planning, design, acquisition, construction administration, and management for these construction projects will be provided by the U.S. Army Corps of Engineers.
- (iv) **Military Department:** Army (HAC)
- (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:** 2 FEB 2000

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

POLICY JUSTIFICATION

Israel - Planning, Design, and Construction Services

The Government of Israel (GOI) has requested a possible sale for defense services for the construction of two infantry training bases and a storage and logistics base for a reserve armored division. The U.S. Army Corps of Engineers will provide planning, design, acquisition, construction administration, and management services for this program. The estimated cost is \$200 million.

The construction of the proposed bases is part of United States assistance to Israel in support of the Wye River Memorandum, a Middle East Peace agreement signed on October 23, 1998 (hereafter referred to as the "Wye River Accords").

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 Middle East.

The implementation of the Wye River Accords necessitates that certain Israeli Defense Forces military facilities, along with their respective units, be relocated from occupied territory in the West Bank. By providing military facilities in Israel, the proposed sale of defense construction services will assist the GOI in relocating military units from occupied territory. As the proposed sale will provide only facilities for relocating military units, it should have no adverse impact on the regional military balance.

The military facilities to be constructed under the terms of the proposed sale are needed to provide facilities for military units being relocated under the terms of the Wye River Accords. The proposed sale partially implements United States commitments made to Israel in connection with the Wye River Accords.

The identity and location of the prime or principal contractor(s) has not been determined. There are no offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of 20 U.S. Government representatives to Israel for three years. The number of contractor representative required in-country to support the program will be determined after prime or principal contractor(s) has been determined.

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