

[Transmittal No. 96-62]

36(b) 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) 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: Mr. A. Urban, DSAA/COMPT/FPD, (703) 604-6575.

The following is a copy of the letter to the Speaker of the House of

Representatives, Transmittal 96-62, with attached transmittal and policy justification pages.

Dated: September 12, 1996.

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

05 SEP 1996

In reply refer to:
I-04223/96ct

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. 96-62, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance (LOA) to Singapore for defense articles and services estimated to cost \$500 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

A handwritten signature in black ink, reading "Thomas G. Rhame", is positioned above the typed name.

Thomas G. Rhame
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. 96-62

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

- (i) Prospective Purchaser: Singapore
- (ii) Total Estimated Value:
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$ 5 million |
| Other | <u>\$495 million</u> |
| TOTAL | \$500 million |
- (iii) Description of Articles or Services Offered:
Logistics support of four KC-135A aircraft during rework, overhaul and modification to the KC-135R tanker configuration to include repair, overhaul and/or replacement of aircraft components, parts and assemblies; modification, upgrade and installation of aircraft avionics equipment (includes embedded Global Positioning System hardware); aircraft engine rework/overhaul, provide/install wingtip refueling pods; spare and repair parts, personnel training and training equipment, the analysis, identification and procurement of maintenance facility requirements necessary to establish a KC-135R tanker aircraft depot level maintenance capability in country to include maintenance facility layout, shop support and test equipment, tooling, publications and technical data, calibration equipment, a U.S. Government Mobile Training Team (MTT) and other related elements of program support.
- (iv) Military Department: Air Force (NCK, KBU, and GEB)
- (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: **05 SEP 1996**

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

POLICY JUSTIFICATION

Singapore - Logistics Support for KC-135A Aircraft Modification Program

The Government of Singapore has requested logistics support of four KC-135A aircraft during rework, overhaul and modification to the KC-135R tanker configuration to include repair, overhaul and/or replacement of aircraft components, parts and assemblies; modification, upgrade and installation of aircraft avionics equipment (includes embedded Global Positioning System hardware); aircraft engine rework/overhaul, provide/install wingtip refueling pods; spare and repair parts, personnel training and training equipment, the analysis, identification and procurement of maintenance facility requirements necessary to establish a KC-135R tanker aircraft depot level maintenance capability in country to include maintenance facility layout, shop support and test equipment, tooling, publications and technical data, calibration equipment, a U.S. Government Mobile Training Team (MTT) and other related elements of program support. The estimated cost is \$500 million.

This 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 economic progress in Southeast Asia.

Singapore needs this logistics support to ensure the KC-135R tanker aircraft program, reported to Congress under Congressional notification Transmittal #96-33 on 15 April 1996, will provide the long-term in-flight refueling capability necessary to sustain F-16 aircraft air crew training requirements. Singapore will have no difficulty absorbing this support material into its inventory.

The sale of logistics support material and services will not affect the basic military balance in the region.

The principal contractors for the program will be Boeing Military Airplane Company, Wichita, Kansas and CFM International, Cincinnati, Ohio. There are no offset agreements proposed to be entered into in connection with this potential sale.

Implementation of this program will not require the assignment of any additional U.S. Government personnel or contractor representatives to Singapore.

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