

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 98-36]

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/RM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 98-36, with attached transmittal and policy justification.

Dated: April 26, 1998.

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

21 APR 1998

In reply refer to:
I-64759/98

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. 98-36 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 Saudi Arabia for defense articles and services estimated to cost \$115 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,


H. Diehl McKelip
Acting Director

Attachments

Separate Cover:
Classified Annex

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. 98-36

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

- (i) Prospective Purchaser: Saudi Arabia
- (ii) Total Estimated Value:
- | | |
|--------------------------|----------------|
| Major Defense Equipment* | \$ 30 million |
| Other | \$ 85 million |
| TOTAL | \$ 115 million |
- (iii) Description of Articles or Services Offered:
Upgrade of 1,500 AIM-9L missiles to the newer AIM-9M configuration; and possible sale of five sets of PATHFINDER/SHARPSHOOTER navigation and targeting pods. The upgrade includes removing and replacing the older AIM-9L guidance control units (GCUs) and older rocket motors with the new AIM-9M GCUs and MK 36 MOD 11 rocket motors. This effort includes support equipment, spare and repair parts, publications and technical documentation, personnel training and training equipment, and other related elements of logistics support.
- (iv) Military Department: Air Force (SRC, Amendment 7)
- (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 Annex under separate cover.
- (vii) Date Report Delivered to Congress: 21 APR 1998

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

POLICY JUSTIFICATION**Saudi Arabia - Upgrade of AIM-9L to AIM-9M Missiles**

The Government of Saudi Arabia has requested a possible upgrade of 1,500 AIM-9L missiles to the newer AIM-9M configuration; and possible sale of five sets of PATHFINDER/SHARPSHOOTER navigation and targeting pods. The upgrade includes removing and replacing the older AIM-9L guidance control units (GCUs) and older rocket motors with the new AIM-9M GCUs and MK 36 MOD 11 rocket motors. This effort includes support equipment, spare and repair parts, publications and technical documentation, personnel training and training equipment, and other related elements of logistics support. The estimated cost is \$115 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 Middle East.

The upgraded missiles will complement 300 AIM-9M missiles previously purchased. They will be used on the Saudi Arabian F-15S aircraft currently being delivered. The country will have no difficulty absorbing these additional missiles into its inventory.

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

The principal contractors will be Raytheon Systems, Boston, Massachusetts and Lockheed Martin, Orlando, Florida. There are no offset agreements proposed to be entered into in connection with this potential sale.

Implementation of this proposed sale will require the assignment of one additional U.S. Government personnel and four contractor representatives for a four month period in-country.

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