

**POLICY JUSTIFICATION****Germany - Tornado Aircraft Training and Logistics Support**

**The Government of Germany has requested a possible sale for the continuation of base services for the German Air Force Tornado aircraft operations at Holloman Air Force Base (AFB), New Mexico. Base services provided will be for operations and logistics support including training, fuel, munitions, base operating support, and other related operational/logistics requirements. The estimated cost is \$150 million.**

**This proposed sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Germany and enhancing standardization and interoperability with U.S. forces.**

**Holloman AFB is the only location where the German Air Force trains aircrews in Tornado aircraft operations and tactics. These operations began at U.S. Air Force facilities in 1989.**

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

**There is no prime contractor involved in this program. There are no known offset agreements proposed in connection with this potential sale.**

**Implementation of this proposed sale will not require the assignment of any U.S. Government or contractor representatives to Germany.**

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

[FR Doc. 05-13003 Filed 6-30-05; 8:45 am]

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**DEPARTMENT OF DEFENSE****Office of the Secretary**

[Transmittal No. 05-26]

**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 Public Law 104-164 dated 21 July 1996.

**FOR FURTHER INFORMATION CONTACT:** Ms. J. Hurd, DSCA/OPS-ADMIN, (703) 604-6576

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 05-26 with attached transmittal policy justification, Sensitivity of Technology.

Dated: June 27, 2005.

**Jeannette Owings-Ballard,**  
*OSD Federal Register Liaison Officer,*  
*Department of Defense.*

BILLING CODE 5001-06-M



## DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

27 JUN 2005

**In reply refer to:  
I-05/005363**

**The 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, as amended, we are forwarding herewith Transmittal No. 05-26, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Egypt for defense articles and services estimated to cost \$126 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 "J. B. Kohler".

**JEFFREY B. KOHLER  
LIEUTENANT GENERAL, USAF  
DIRECTOR**

**Enclosures:**

- 1. Transmittal**
- 2. Policy Justification**
- 3. Sensitivity of Technology**

**Same ltr to: House Committee on International Relations  
Senate Committee on Foreign Relations  
House Committee on Armed Services  
Senate Committee on Armed Services  
House Committee on Appropriations  
Senate Committee on Appropriations**

**Transmittal No. 05-26****Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended**

- (i) **Prospective Purchaser:** Egypt
- (ii) **Total Estimated Value:**
- |                          |                      |
|--------------------------|----------------------|
| Major Defense Equipment* | \$ 66 million        |
| Other                    | <u>\$ 60 million</u> |
| TOTAL                    | \$126 million        |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 25 complete AVENGER Fire Units, 30 AN/VRC-92E Single Channel Ground and Airborne Radio System (SINCGARS) radios, 29 captive flight trainers, 25 aerial handling trainers, 25 1097A2 High Mobility Multi-Purpose Wheeled Vehicle carriers, support equipment, spare and repair parts, publications and technical data, personnel training and training equipment, U. S. Government Quality Assurance Teams and other related elements of logistics.
- (iv) **Military Department:** Army (UXH)
- (v) **Prior Related Cases, if any:**  
FMS case UTD - \$206 million - 23Mar00
- (vi) **Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:** none
- (vii) **Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:** none
- (viii) **Date Report Delivered to Congress:** 27 JUN 2005

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

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**POLICY JUSTIFICATION****Egypt - AVENGER Fire Units**

**The Government of Egypt has requested a possible sale of 25 complete AVENGER Fire Units, 30 AN/VRC-92E Single Channel Ground and Airborne Radio System (SINCGARS) radios, 29 captive flight trainers, 25 aerial handling trainers, 25 1097A2 High Mobility Multi-Purpose Wheeled Vehicle carriers, support equipment, spare and repair parts, publications and technical data, personnel training and training equipment, U. S. Government Quality Assurance Teams, and other related elements of logistics. The estimated cost is \$126 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 that has been and continues to be an important force for political stability and economic progress in the Middle East.**

**This proposed sale will reduce Egypt dependence on its Soviet air defense systems and will enhance potential interoperability with U. S. forces. This will provide Egypt with two additional short-range air defense brigades of 12 AVENGER fire units per brigade (6 fire units per battalion). One of the 25 fire units will be used as an operational float and/or for training at the Air Defense Institute. Egypt will use the fire units to upgrade its air defense capability and will have no difficulty absorbing these additional fire units into its armed forces.**

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

**The principal contractors will be Boeing Aerospace Company of Huntsville, Alabama; and International Telephone and Telegraph of Fort Wayne, Indiana. There are no known offset agreements proposed in connection with this potential sale.**

**Implementation of this proposed sale will require the assignment of two field service representatives for one year to support the fire units and SINCGAR radios. There will be a U.S. Government Quality Assurance Team for three weeks intervals quarterly to participate in program management and technical reviews.**

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

**Transmittal No. 05-26****Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act****Annex  
Item No. vii****(vii) Sensitivity of Technology:**

**1. The highest classification of the AVENGER hardware is Confidential and the highest classification of data and information is Secret.**

**a. The sensitivity of AVENGER critical technologies is primarily in the area of design and production know-how and not end items. Critical technologies by major subcomponent include:**

**(1) The AVENGER control electronics unit integrates several inputs and outputs for the overall fire unit control. Access to the microprocessor and firmware could allow extraction of the fire permit and other information disclosing system capabilities that could be used to develop evasive tactics.**

**(2) The interface electronic assembly/electronics control assembly contains programming that is uploaded to the missile. Access to this programming could disclose missile capabilities and weaknesses.**

**(3) The laser range finder and FLIR technology could reveal detailed design and fabrication information of the system which may be applied to systems used against the U.S. The reverse engineering potential is not significant; however, release of some end items could lead to development of countermeasures. The critical technologies in the AVENGER fire unit are: microprocessors, optical coatings, microcircuit technology, semiconductor detectors, printed circuit boards, preparation, purification, compounding and handling of electronic, electro-optic, and optical materials, cryogenic cooling, integrated optics and opto-electronics technology, infrared band sensor, and laser range finder technology. This configuration will not allow for man-portable operation of the system.**

**3. (U) If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.**

[FR Doc. 05-13004 Filed 6-30-05; 8:45 am]

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**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

[Transmittal No. 05-24]

**36(b) (91) 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/OPS-ADMIN, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 05-24 with attached transmittal and policy justification.

Dated: June 27, 2005.

**Jeannette Owings-Ballard,**  
*OSD Federal Register Liaison Officer,*  
*Department of Defense.*

BILLING CODE 5001-06-M