

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 03–15]

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/COMPT/RM, (703) 604–6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 03–15 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: July 21, 2003.

Patricia L. Toppings,
Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001–08–M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

17 JUL 2003
In reply refer to:
I-03/003310

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 (AECA), as amended, we are forwarding herewith Transmittal No. 03-15, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services estimated to cost \$50 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,


Richard J. Millies
Deputy Director

Attachments

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. 03-15

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

- (i) **Prospective Purchaser:** Egypt
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|---------------------|
| Major Defense Equipment* | \$43 million |
| Other | <u>\$ 7 million</u> |
| TOTAL | \$50 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 414 AIM-9M-1/2 Sidewinder air-to-air missiles, missile containers, support equipment, spare and repair parts, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering and support services and other related elements of logistics support.
- (iv) **Military Department:** Navy (ACM)
- (v) **Prior Related Cases, if any:**
- | |
|--|
| FMS case ABR - \$36 million - 05Dec96 |
| FMS case AAP - \$37 million - 01Jul86 |
| FMS case AAJ -. \$14 million - 27Dec83 |
| FMS case AAD - \$27 million - 15Jun82 |
- (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:** See Annex attached
- (viii) **Date Report Delivered to Congress:**

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

POLICY JUSTIFICATION**Egypt – AIM-9M-1/2 Sidewinder Missiles**

The Government of Egypt has requested a possible sale of 414 AIM-9M-1/2 Sidewinder air-to-air missiles, missile containers, support equipment, spare and repair parts, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering and support services and other related elements of logistics support. The estimated cost is \$50 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 that has been and continues to be an important force for political stability and economic progress in the Middle East.

The missiles obtained in this proposed sale will augment existing inventories of AIM-9L and AIM-9M-1/2 Sidewinder air-to-air missiles and improve the defensive air intercept capabilities of Egyptian Air Force's F-16 fighters. Egypt will have no difficulty absorbing the additional missiles into its munitions inventory.

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

The prime contractor is the Raytheon Systems Corporation of Tucson, Arizona. There are no offset agreements proposed in connection with this potential sale.

Implementation of this sale will not require the assignment of any additional U.S. Government and contractor representatives in Egypt. However, there will be U.S. Government representatives for two-week intervals twice annually to participate in training, program management and technical review.

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

Transmittal No. 03-15

**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 external view of the AIM-9M-1/2 Sidewinder missile is Unclassified and not sensitive. The guidance and control system and target detector are Confidential and contain sensitive state-of-the-art technology. Manuals and technical documents, which are necessary for operational use and organization maintenance, include Confidential information. Performance and operating logic of the countermeasures circuits are Secret. This information is required for the effective deployment of the system and to enable the recipient country to maintain it properly.
2. 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.
3. A determination has been made that the Egypt can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.