



This document is scheduled to be published in the Federal Register on 01/06/2012 and available online at <http://federalregister.gov/a/2012-00043>, and on FDsys.gov

Billing Code 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 11-50)

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 July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English,
DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives,
Transmittals 11-50 with attached transmittal and policy justification.

Dated: January 3, 2012.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

DEC 22 2011

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

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. 11-50, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to the Kingdom of Saudi Arabia for defense equipment and services in support of the PATRIOT Systems Engineering Services Program (ESP), estimated to cost \$120 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

William E. Landay III
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Regional Balance (Classified Document Provided Under Separate Cover)



Transmittal No. 11-50

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: Kingdom of Saudi Arabia, Ministry of Defense and Aviation (MODA)
 - (ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$120 million</u>
TOTAL	\$120 million
 - (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: Continuation of services for the PATRIOT Systems Engineering Services Program (ESP). Also included: modification kits, engineering changes, spare and repair parts, support and test equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support.
 - (iv) Military Department: Army (UAJ)
 - (v) Prior Related Cases, if any:
FMS Case JBV - \$2.74 billion - 28 Jul 08
FMS Case VNX - \$991 million - 21 May 11
 - (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: 22 December 2011
- * as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Saudi Arabia – Engineering Services Program (ESP)

The Kingdom of Saudi Arabia has requested a possible sale of the continuation of services for the PATRIOT Systems Engineering Services Program (ESP). Also included: modification kits, engineering changes, spare and repair parts, support and test equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support. The estimated cost is \$120 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.

The proposed sale will facilitate the continuation of existing services that Saudi Arabia has had under the Shared Engineering Services Program (SESP) for the past 20 years. The ESP provides material support to Saudi's defense and serves U.S. interests in the region.

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

The prime contractor will be Raytheon Integrated Defense in Andover, Massachusetts. 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 additional U.S. Government or contractor representatives to Saudi Arabia.

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

[FR Doc. 2012-43 Filed 01/05/2012 at 8:45 am; Publication Date: 01/06/2012]