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DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 12-20)

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 12-20 with attached transmittal and policy justification.

Dated: July 17, 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

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

JUL 10 2012

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. 12-20, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Kuwait for defense articles and services estimated to cost \$200 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,

A handwritten signature in cursive script, reading "Richard A. Genaille, Jr.", is positioned above the typed name.

Richard A. Genaille, Jr.
Deputy Director

Enclosures:

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



Transmittal No. 12-20

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: Kuwait
- (ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$200 million</u>
TOTAL	\$200 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: continuing logistics support, training, depot-level repair services, and technical services in support of AH-64D APACHE helicopters, publications and technical documentation, U.S. Government and contractor technical and logistics personnel services and other related elements of program and logistics support.
- (iv) Military Department: Army (ULJ, Amd #3)
- (v) Prior Related Cases, if any: FMS case ULJ-\$46M-15Jan10
- (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: July 10, 2012

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

POLICY JUSTIFICATION

Kuwait – Follow-On Logistics and Technical Support

The Government of Kuwait has requested a possible sale for continuing logistics support, training, depot-level repair services, and technical services in support of AH-64D APACHE helicopters, publications and technical documentation, U.S. Government and contractor technical and logistics personnel services and other related elements of program and logistics support. The estimated cost is \$200 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 proposed sale of logistics and technical support will enable the Kuwaiti Air Force to ensure the reliability and performance of its APACHE helicopters. The follow-on support will allow Kuwait to maintain aircraft availability/operational rates, and enhance interoperability with the U.S. and other nations.

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

The principal contractors will be The Boeing Company in Mesa, Arizona; Lockheed Martin Corporation in Orlando, Florida; Longbow Limited Liability Corporation in Orlando, Florida; and Lockheed Martin Mission Sensors and Systems in Owego, New York. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale may require an extension to the assignment of additional U.S. Government or contractor representatives to Kuwait. There will be U.S. Government and contractor representatives for one-week intervals once annually to participate in working level meetings. Approximately 44 contractor representatives will serve as technical representatives for approximately three (3) years following the end of the current contract base year. Additionally, up to three (3) U.S. Government personnel and one (1) contractor representative, with various technical skills and disciplines, will be required to provide in-country support for an extended period of time.

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

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