



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal No. 15-46)

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: Sarah A. Ragan or Heather N. Harwell, DSCA/LMO, (703) 604-1546/ (703) 607-5339.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 15-46 with attached Policy Justification.

Dated: August 11, 2015.

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 29 2015

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. 15-46, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Saudi Arabia for defense articles and services estimated to cost \$500 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 blue ink, appearing to read "J. W. Rixey".

J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

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

Transmittal No. 15-46

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

- (i) (U) Prospective Purchaser: Kingdom of Saudi Arabia
- (ii) (U) Total Estimated Value:
- | | |
|--------------------------|-----------------------|
| Major Defense Equipment* | \$ 150 million |
| Other | <u>\$ 350 million</u> |
| TOTAL | \$ 500 million |
- (iii) (U) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:
- (1,000,000) 430/M430A1 40mm High Explosive Dual Purpose (HEDP) Cartridges
(60,000) M456A1 105mm High Explosive Anti-Tank Tracer (HEAT-T) Cartridges
(60,000) M107 155mm High Explosive (HE) Projectiles
- Additional items included are M62 7.62mm 4 Ball/1 Tracer Linked Cartridges, .50 Cal Linked Cartridges (4 Armor Piercing Incendiary (API)/1 Armor Piercing Incendiary Tracer (API-T)), M792 25mm High Explosive Incendiary Tracer (HEI-T) Cartridges, M789 30mm High Explosive Dual Purpose (HEDP) Cartridges, M889A2 81mm High Explosive (HE) Cartridges with M783 Fuzes, 2.75 Inch Rockets with M151 High Explosive (HE) Warhead and Point-Detonating (PD) Fuzes, 105mm High Explosive (HE) M1 Cartridges without Fuzes, M557 Point-Detonating (PD) Fuzes, M4A2 155mm Propellant Charges, M3A1 155mm Propellant Charges, M82 Percussion Primers, M1A2 Bangalore Torpedoes, M18A/M18A1 Claymore Mines, M67 Fragmentation Hand Grenades, and Guided Precision Aerial Delivery System (GPADS).
- Also included are spare and repair parts, lot validation, publications and technical documentation, personnel training/training equipment, Quality Assurance Team, U.S. Government and contractor technical/logistics support services, and other related elements of logistics and program support.
- (iv) (U) Military Department: Army (VBQ, Amendment 2)
- (v) (U) Prior Related Cases, if any:

FMS case UKB - \$23.1M - 12 Feb 75
 FMS case VES - \$307K - 08 Mar 83
 FMS case VJK - \$22.7M - 23 Jan 89
 FMS case VMG - \$7.2M - 05 Sep 90
 FMS case JAS - \$15.5M - 30 Nov 90
 FMS case VTY - \$13.7M - 12 Oct 07
 FMS case VCH - \$9.3M - 24 Mar 11
 FMS case WAL - \$2.7B - 17 Oct 11

- (vi) (U) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) (U) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None
- (viii) (U) Date Report Delivered to Congress: 29 July 2015

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

POLICY JUSTIFICATION

(U) Kingdom of Saudi Arabia (KSA) – Ammunition for the Royal Saudi Land Forces (RSLF)

(U) The Kingdom of Saudi Arabia has requested a possible sale of (1,000,000) 430/M430A1 40mm High Explosive Dual Purpose (HEDP) Cartridges, (60,000) M456A1 105mm High Explosive Anti-Tank Tracer (HEAT-T) Cartridges, and (60,000) M107 155mm High Explosive (HE) Projectiles. Additional items included are M62 7.62mm 4 Ball/1 Tracer Linked Cartridges, .50 Cal Linked Cartridges (4 Armor Piercing Incendiary (API)/1 Armor Piercing Incendiary Tracer (API-T)), M792 25mm High Explosive Incendiary Tracer (HEI-T) Cartridges, M789 30mm High Explosive Dual Purpose (HEDP) Cartridges, M889A2 81mm High Explosive (HE) Cartridges with M783 Fuzes, 2.75 Inch Rockets with M151 High Explosive (HE) Warhead and Point-Detonating (PD) Fuzes, 105mm High Explosive (HE) M1 Cartridges without Fuzes, M557 Point-Detonating (PD) Fuzes, M4A2 155mm Propellant Charges, M3A1 155mm Propellant Charges, M82 Percussion Primers, M1A2 Bangalore Torpedoes, M18A/M18A1 Claymore Mines, M67 Fragmentation Hand Grenades, and Guided Precision Aerial Delivery System (GPADS). Also included are spare and repair parts, lot validation, publications and technical documentation, personnel training/training equipment, Quality Assurance Team, U.S. Government and contractor technical/logistics support services, and other related elements of logistics and program support. The estimated total cost is \$500 million.

(U) This proposed sale will enhance the foreign policy and national security objectives of the United States by helping to improve the security of a strategic partner which has been,

and continues to be, an important force for political stability and economic progress in the Middle East.

(U) The proposed sale will resupply the RSLF with the munitions they need to continue to protect their country's southern border from ongoing attacks by hostile Houthi militia and Al-Qaida in the Arabian Peninsula forces. The KSA will have no difficulty absorbing these items into its inventory.

(U) The proposed sale of this ammunition will not alter the basic military balance in the region.

(U) The principal contractor for GPADS will be Airborne Systems North America in Pennsauken, New Jersey. The remaining items will be procured from a combination of Army stocks and new procurement. The principal contractors for these items are unknown at this time. There are no known offset agreements proposed in connection with this potential sale.

(U) Implementation of this sale will not require the assignment of any additional U.S. Government or contractor representatives to Saudi Arabia. However, travel may be required for new equipment set up, training, and technical support. The number and duration will be determined during contract negotiations.

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

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