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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 16-08]

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: Chandelle K. Parker, DSCA/LMO, (703) 697-9027.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 16-08 with attached Policy Justification and Sensitivity of Technology.

Dated: June 27, 2016.

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

MAY 11 2016

The Honorable Paul D. Ryan
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. 16-08, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to the United Arab Emirates for defense articles and services estimated to cost \$476 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

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



Transmittal No. 16-08

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: United Arab Emirates

(ii) Total Estimated Value:

Major Defense Equipment* \$468 million

Other \$8 million

TOTAL \$476 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Four-thousand (4,000) AGM-114R/K Hellfire Missiles

Also included are the following non-MDE items: training and technical assistance. The estimated cost is \$476 million.

(iv) Military Department: Army (AE-B-ZUF, Amendment 2)

(v) Prior Related Cases, if any:

AE-B-JAH-02 Jan 92-\$606 million

AE-B-UDE-06 Jan 00-\$195 million

AE-B-ZUF-31 Dec 08-\$174 million

AE-B-ZUL-21 Oct 09-\$252 million

(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 Attached Annex

(viii) Date Report Delivered to Congress: 11 May 2016

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

POLICY JUSTIFICATION

United Arab Emirates-AGM-114 R/K Hellfire Category III Missiles

The United Arab Emirates (UAE) has requested a possible sale of four-thousand (4,000) AGM-114 R/K Hellfire Missiles over the next three (3) years in increments of one-thousand (1,000) to one-thousand five-hundred (1,500) missiles. Also included in this possible sale are training and technical assistance. The total estimated value of MDE is \$468 million. The overall total estimated value is \$476 million.

This proposed sale will enhance the foreign policy and national security of the United States by helping to improve the security of a partner country, which has been, and continues to be, an important force for political stability and economic progress in the Middle East.

The proposed sale will improve the UAE's capability to meet current and future threats and provide greater security for its critical infrastructure. The UAE will use the enhanced capability to strengthen its homeland defense. UAE will have no difficulty absorbing these Hellfire missiles into its armed forces.

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

The prime contractor will be Lockheed Martin Missile and Fire Control in Dallas, Texas. 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 the United Arab Emirates.

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

Transmittal No. 16-08

Notice of Proposed Issuance of Letter of Offer
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Annex
Item No. vii

(vii) Sensitivity of Technology

1. The AGM-114 R/K Hellfire Category III Missile is an air-to-ground missile used against heavy and light armored targets, thin-skinned vehicles, urban structures, bunkers, caves, and personnel. The missile is Inertial Measurement Unit-based, with a variable

delay fuze, improved safety and reliability. The highest level for release of the AGM-114 R/K Hellfire Missile Semi-Active Laser is SECRET, based upon the software. The highest level of classified information that could be disclosed by a proposed sale or by testing of the end item is SECRET; the highest level that must be disclosed for production, maintenance or training is CONFIDENTIAL. Reverse engineering could reveal CONFIDENTIAL information. Vulnerability data, countermeasures, vulnerability/susceptibility analyses and threat definitions are classified up to SECRET.

2. A determination has been made that the Government of the United Arab Emirates can provide substantially the same degree of protection for the 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.

3. All defense articles and services listed in this transmittal have been authorized for release and export to the United Arab Emirates.