



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 16-37]

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: Chang Suh, DSCA/SA&E/RAN, (703) 697-8975.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 16-37 with attached Policy Justification and Sensitivity of Technology.

Dated: November 1, 2016.

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



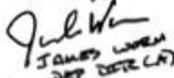
DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5406

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

SEP 16 2016

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. 16-37, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to the Government of Egypt for defense articles and services estimated to cost \$70 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,

for 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. 16-37

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: The Government of Egypt

(ii) Total Estimated Value:

Major Defense Equipment*	\$40 million
Other	\$30 million
 TOTAL	 <u>\$70 million</u>

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

Major Defense Equipment (MDE):

Eight (8) Sentinel AN/MPQ-64 F1 Radars

Non-MDE:

This request also includes the following Non-MDE: Software and training, as well as spares and support equipment, technical manuals, Single Channel Ground and Airborne Radio System (SINCGARS) VRC-92E Radios, 16 High Mobility Multipurpose Wheeled Vehicles (HMMWV) M1 152 with Shelter Carrier Kit, U.S. Government and contractor support, training and other associated support, equipment and services.

(iv) Military Department: U.S. Army (VGU)

(v) Prior Related Cases, if any:

EG-B-VDP (21 May 12, TCV: \$31.8M)

EG-B-UUJ (26 Nov 12, TCV: \$43.7M)

(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: September 16, 2016

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

POLICY JUSTIFICATION

The Government of Egypt – 8 Sentinel AN/MPQ-64F1 Radars and Related Equipment and Support

The Government of Egypt has requested a possible sale of eight (8) Sentinel AN/MPQ-64F1 Radars and software and training, as well as spares and support equipment, technical manuals, Single Channel Ground and Airborne Radio System (SINCGARS) VRC-92E Radios, 16 High Mobility Multipurpose Wheeled Vehicles (HMMWV) M1 152 with Shelter Carrier Kit, U.S. Government and contractor support, training and other associated support, equipment and services. The total estimated value of MDE is \$40 million. The total overall estimated cost is \$70 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 strategic partner that has been and continues to be an important force for political stability and economic progress in the Middle East.

The Government of Egypt intends to expand its existing air defense architecture to counter threats posed by air attack. This will contribute to Egypt's military goal of updating its capabilities while further enhancing interoperability among Egypt, the United States, and other allies. Egypt will have no difficulty absorbing this equipment into its armed forces.

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

The principal contractor involved in this program is Thales Raytheon Systems, Fullerton, California. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require ten (10) U.S. Government or contractor representatives to travel to Egypt for a period of 8 weeks for equipment checkout and training.

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

Transmittal No. 16-37

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 AN/MPQ-64 Sentinel Radar System is a fielded air defense radar system in the Army inventory. Sentinel is a derivative of the AN/TPQ-36 Firefinder System used for artillery detection and the AN/TPQ-36A Norwegian adapted Hawk system. The Sentinel radar (AN/MPQ-64) is the sensor for the Short Range Air Defense (SHORAD) weapon systems, including the Avenger and any ground launcher Stinger platforms. Sentinel is a mobile phased- array radar that provides highly accurate 3 dimensional radar track data to using systems via the Forward Area Air Defense (FAAD) Command, Control, and Intelligence (C2I) node. Sentinel's detection range, mobility, and 360 degree azimuth coverage allow it to support SHORAD weapons located throughout the division area. Sentinel acquires, tracks, and reports cruise missiles, unmanned aerial vehicles, fixed and rotary wing aircraft in clutter and electronic counter measures environments. The Sentinel Export configuration (AN/MPQ-64FI) is a derivative of the U.S. Army's Improved Sentinel Radar.
2. The Sentinel consists of a radar-based sensor system with the M1 152 HMMWV as the prime mover and the MEP-1041 Advanced Mobile Medium Power Source (AMMPS) Tactical Quiet Generator as the power source. The sensor is an advanced battlefield radar capable of X-Band air defense phased-array with an instrumented range of 75 kilometers with a rotating antenna providing 360 degree azimuth coverage for acquisition and tracking.
3. Sentinel has only one item currently designated Critical Program Information (CPI) and that is the Sentinel software modules containing routines for electronic counter-counter measures (ECCM) that have been determined to be CPI.
4. These items are classified IAW EO 12958 section 1.5, Classification categories as category 1.5(e) because they contain scientific, technological, or economic matters relative to the national security. Reports, test data, and all Sentinel related media that discloses operational parameters, performance, characteristics, ECCM techniques, vulnerabilities, limitations or performance weaknesses shall be classified at the highest level based on the information being conveyed as referenced in the Sentinel Security Classification Guide. Distribution of technical performance and system capabilities reports and data shall only be released up to the CONFIDENTIAL level. It is not possible to obtain the Sentinel wartime reserved frequencies by reverse engineering,

testing, or analyzing the unclassified Sentinel end item.

5. All defense articles and services listed in this transmittal are authorized for release and export to the Government of Egypt.

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