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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 16-49]

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 16-49 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 22202-5408

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

OCT 06 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. 16-49, 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 \$81.4 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
James Warren
Dep Dir (IA)
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)



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* \$56.4 million

Other \$25.0 million

TOTAL \$81.4 million

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

Major Defense Equipment (MDE):

Sixty-seven (67) AN/AAR-57 Common Missile Warning Systems (CMWS)

Non-MDE:

This request also includes the following Non-MDE: OCONUS Installation/Integration, Installation Mounting Kits, Countermeasure Dispenser Test Set AN/ALM-294, Technical Assistance, U.S. Government Training and OCONUS Contractor Training, publications and technical documents, quality assurance and other related elements of logistics and program support.

(iv) Military Department: Army (VGJ)

(v) Prior Related Cases, if any: EG-B-VBT, A04 (02 JUL 15, TCV: \$17.8M)

(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: October 6, 2016

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

POLICY JUSTIFICATION

Government of Egypt – Description of Sale: Common Missile Warning System (CMWS) for AH-64E Apache, UH-60 Blackhawks and CH-47 Chinook Helicopters

The Government of Egypt has requested a possible sale of:

Major Defense Equipment (MDE):

Sixty-seven (67) AN/AAR-57 Common Missile Warning Systems (CMWS).

This request also includes the following Non-MDE: OCONUS Installation/Integration, Installation Mounting Kits, Countermeasure Dispenser Test Set AN/ALM-294, Technical Assistance, U.S. Government Training and OCONUS Contractor Training, publications and technical documents, quality assurance and other related elements of logistics and program support. The estimated cost is \$81.4 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 proposed sale of the CMWS will equip the Egyptian Air Force's fleet of multi-mission helicopters with a detection system for infrared missile threats. 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 prime contractors will be BAE Systems and DynCorp. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of two (2) U.S. Government and two (2) contractor representatives to Egypt to support delivery of such equipment, installation and integration, maintenance and to provide technical support and equipment familiarization. Additionally, this program will require multiple trips involving U.S. Government and contractor personnel to participate in technical reviews, training and installation.

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

Transmittal No. 16-49

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. AN/AAR-57 – Common Missile Warning System (CMWS) – The Common Missile Warning System (CMWS) provides superior detection of infrared missile threats for rotary-wing, transport, and tactical aircraft. It is the detection component of a suite of countermeasures to increase survivability of current generation combat, airlift, and special operations aircraft against the threat posed by infrared guided missiles. It also provides automatic, passive missile detection, threat declaration, crew warning, software reprogramming, false alarm suppression and cues to other on-board systems, such as dispensers, which may be utilized for flare decoys. Each platform includes: Electro-optical Missile Sensors, and Electronic Control Unit (ECU), Sequencer, and the Improved Countermeasures Dispenser (ICMD). The ECU hardware is classified CONFIDENTIAL; releasable technical manuals for operation and maintenance are classified SECRET.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software equipment, the information could be used to develop countermeasures or equivalent systems which may reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

3. A determination has been made that Egypt can provide substantially the same degree of protection for this technology as the U.S. Government. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

4. All defense articles and services listed in this transmittal have been authorized for release and export to Egypt.

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