

Billing Code



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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 20-58]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Karma Job at karma.d.job.civ@mail.mil or (703) 697-8976.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 20-58 with attached Policy Justification.

Dated: December 18, 2020.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, SUITE 101
ARLINGTON, VA 22202-5408

DEC 01 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-209, The Capitol
Washington, DC 20515

Dear Madam 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. 20-58 concerning the Army's proposed Letter(s) of Offer and Acceptance to the Kingdom of Saudi Arabia for defense articles and services estimated to cost \$350 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,

A handwritten signature in black ink, reading "Heidi H. Grant", is positioned below the word "Sincerely,".

Heidi H. Grant
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. 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: Kingdom of Saudi Arabia

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$350 million</u>
TOTAL	\$350 million

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

Major Defense Equipment (MDE):

None

Non-MDE:

U.S. Security Assistance Office (SAO) support services to include technical assistance and advisory support to the Kingdom of Saudi Arabia's Ministry of Defense (MOD) for an additional five years, through the U.S. Military Training Mission to Saudi Arabia (USMTM) located in Riyadh, Saudi Arabia. SAO support services provided includes: Pay and allowances for U.S. Military, U.S. Government, and Foreign National staff members; USMTM communications support costs; local contracting costs; construction and renovation costs of housing area; transportation costs; U.S. Mail services support costs; dependent education (grades K through 12); administrative costs; temporary duty costs for USMTM personnel; Value Added Taxes (VAT) assessed by Saudi Arabia; future transition costs to move USMTM to a proposed new housing location in Saudi Arabia; and other related elements of logistical and program support.

(iv) Military Department: Army (SR-B-ABY)

(v) Prior Related Cases, if any: SR-B-ABV, SR-B-ABW, SR-B-ABX

(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: **December 1, 2020**

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

POLICY JUSTIFICATION

Saudi Arabia – Security Assistance Office (SAO) Support Services, U.S. Training Mission to Saudi Arabia (USMTM)

The Kingdom of Saudi Arabia has requested U.S. Security Assistance Office (SAO) support services to include technical assistance and advisory support to the Kingdom of Saudi Arabia's Ministry of Defense (MOD) for an additional five years, through the U.S. Military Training Mission to Saudi Arabia (USMTM) located in Riyadh, Saudi Arabia. SAO support services provided includes: Pay and allowances for U.S. Military, U.S. Government, and Foreign National staff members; USMTM communications support costs; local contracting costs; construction and renovation costs of housing area; transportation costs; U.S. Mail services support costs; dependent education (grades K through 12); administrative costs; temporary duty costs for USMTM personnel; Value Added Taxes (VAT) assessed by Saudi Arabia; future transition costs to move USMTM to a proposed new housing location in Saudi Arabia; and other related elements of logistical and program support. The total estimated cost is \$350 million.

This proposed sale will support the foreign policy goals and national security objectives of the United States by improving the security of a friendly country that is a force for political stability and economic progress in the Middle East.

This proposed sale will continue to improve Saudi Arabia's capability to meet current and future threats by utilizing USMTM's continued efforts to train, advise, and assist the Saudi Arabian Armed Forces to build defense capacity and capability through military exercises and professional military education. USMTM conducts non-combat, institutional advising that assists the MOD in developing, training, and sustaining a capable deterrent to regional threats.

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

There is no prime contractor associated with this proposed sale. There are no known offset agreements in connection with this potential sale.

Implementation of this proposed sale will continue to require the permanent assignment of approximately 330 U.S. Military, U.S. Government, and Foreign National USMTM staff members to Saudi Arabia. Additional Training Advisory Field Teams (TAFT) and Support teams will travel to the country on a temporary basis as required.

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