



DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 21-62]

Arms Sales Notification

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

ACTION: Arms sales notice.

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

FOR FURTHER INFORMATION CONTACT: Neil Hedlund at neil.g.hedlund.civ@mail.mil or (703) 697-9214.

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 21-62 with attached Policy Justification and Sensitivity of Technology.

Dated: July 25, 2023.

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

FEB 03 2022

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. 21-62 concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Kingdom of Saudi Arabia for defense articles and services estimated to cost \$23.7 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 that reads "James A. Hursch".

James A. Hursch
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: Kingdom of Saudi Arabia

(ii) Total Estimated Value:

Major Defense Equipment*	\$16.7 million
Other	<u>\$ 7.0 million</u>
TOTAL	\$23.7 million

Funding Source: National Funds

(iii) Description and Quantity or Quantities of Articles or Services Under Consideration for Purchase: Foreign Military Sales (FMS) case SR-P-LCO, was below congressional notification threshold at \$3.0 million (\$2.823 million in MDE) and included eleven (11) Multifunctional Information Distribution System-Low Volume Terminals (MIDS-LVT). The Kingdom of Saudi Arabia (KSA) has requested the case be amended to include thirty-one (31) MIDS-LVT Block Upgrade 2 (BU2) terminals. This amendment will push the current case above the MDE notification threshold and thus requires notification of the entire case.

Major Defense Equipment (MDE):

Eleven (11) Multifunctional Information Distribution System-Low Volume Terminals (MIDS-LVT) Block Upgrade 1 (BU1)

Thirty-one (31) Multifunctional Information Distribution System-Low Volume Terminals (MIDS-LVT) Block Upgrade 2 (BU2)

Non-MDE:

Also included is communications equipment; support equipment; engineering and technical support and assistance; training; and other related elements of logistics and program support.

(iv) Military Department: Navy (SR-P-LCO)

(v) Prior Related Cases, if any: None

(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: **February 3, 2022**

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

POLICY JUSTIFICATION

Saudi Arabia – Multifunctional Information Distribution System-Low Volume Terminals (MIDS-LVT)

The Kingdom of Saudi Arabia has requested to buy thirty-one (31) Multifunctional Information Distribution System-Low Volume Terminals (MIDS-LVT) Block Upgrade 2 (BU2), that will be added to a previously implemented case. The original FMS case, valued at \$3.0 million, included eleven (11) Multifunctional Information Distribution System-Low Volume Terminals (MIDS-LVT) Block Upgrade 1 (BU1). Therefore, this notification is for a total of eleven (11) Multifunctional Information Distribution System-Low Volume Terminals (MIDS-LVT) Block Upgrade 1 (BU1) and thirty-one (31) Multifunctional Information Distribution System-Low Volume Terminals (MIDS-LVT) Block Upgrade 2 (BU2). Also included is communications equipment; support equipment; engineering and technical support and assistance; training; and other related elements of logistics and program support. The total estimated cost is \$23.7 million.

This proposed sale will support U.S. foreign policy and national security objectives by helping to improve the security of a friendly country that continues to be an important force for political stability and economic growth in the Middle East.

The proposed sale will provide the Saudi armed forces with the equipment, training, and follow-on support necessary to protect Saudi Arabia, and the region, from the destabilizing effects of terrorism, countering Iranian influence, and other threats. The proposed MIDS-LVT (BU2) terminals will be installed on Terminal High Altitude Air Defense (THAAD) platforms, while the previously provided MIDS-LVT (BU1) terminals were installed on PATRIOT. Saudi Arabia 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 is undetermined as there will be a competitive contractual award process after LOA implementation. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this sale will not require the assignment of any U.S. Government or contractor representatives to Saudi Arabia.

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

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 MIDS-LVT is used by Navy, Marine Corps, and Air Force, and other foreign partners and allows Air Defense units to engage incoming missile or manned and unmanned airborne platforms in day, night, and adverse weather conditions. The MIDS-LVT utilizes an encrypted frequency hopping pattern to transmit tactical situational awareness data (Link 16). Link 16 is the standard Tactical Data Link (TDL) used by both U.S. and foreign nations to provide real time operational awareness for both individual units as well as overall command and control components.
2. The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.
3. If a technologically advanced adversary were to obtain knowledge of the hardware and software elements, the information could be used to develop countermeasures or equivalent systems which might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.
4. A determination has been made that Saudi Arabia can provide substantially the same degree of protection for the sensitive 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.
5. All defense articles and services listed in this transmittal are authorized for release and export to the Kingdom of Saudi Arabia.