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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26-68]

Arms Sales Notification

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

ACTION: Arms sales notice.

SUMMARY: The DoD (referred to herein as "the Department," "Department of War" or "DoW") is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Urooj Zahra at (703) 695-6233, urooj.zahra.civ@mail.mil, or dsca.ncr.rsrcmgmt.list.cns-mbx@mail.mil.

SUPPLEMENTARY INFORMATION: This 36(b) 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 the attached Transmittal 26-68, Policy Justification, and Sensitivity of Technology.

Dated: October 15, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.

Transmittal No. 26-68

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*	$300 million
Other	$450 million
TOTAL	$750 million

Funding Source: National Funds

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

Major Defense Equipment (MDE):
Sixty (60) AGT-1500 tank engines

Non-MDE:
The following non-MDE items will also be included: AGT-1500 containers; spare parts, consumables, and accessories; contractor logistics support; U.S. Government and contractor engineering, technical, and logistics support services; and other related elements of logistics and program support.

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

(v) Prior Related Cases, if any: None

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None known at this time

(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: September 1, 2026

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

POLICY JUSTIFICATION

Kingdom of Saudi Arabia – AGT-1500 Engines

The Kingdom of Saudi Arabia has requested to buy sixty (60) AGT-1500 tank engines. The following non-major defense equipment items will also be included: AGT-1500 containers; spare parts, consumables, and accessories; contractor logistics support; U.S. Government and contractor engineering, technical, and logistics support services; and other related elements of logistics and program support. The estimated total cost is $750 million.

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

The proposed sale will improve Saudi Arabia's capability to meet current and future threats by bolstering its readiness, its ability to support operational requirements, and contributing to capabilities necessary to achieve improved interoperability and execution of bilateral contingency plans. The Kingdom of Saudi Arabia will have no difficulty absorbing these articles and services 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 will be Honeywell, located in Anniston Army Depot, AL. At this time, the U.S. Government is not aware of any offset agreement proposed in connection with this potential sale. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this proposed sale will not require the assignment of any additional 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.

Transmittal No. 26-68

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. AGT-1500 gas turbine propulsion system: The use of the AGT-1500 gas turbine propulsion system in the M1A1 is a unique application of armored vehicle power pack technology. The hardware is composed of the AGT-1500 engine and transmission and is not classified. Manufacturing processes associated with the production of turbine blades, recuperator, bearings and shafts, and hydrostatic pump and motor are proprietary and therefore sensitive in nature.

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 specific hardware and software elements, the information could be used to develop countermeasures that 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 proposed 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 have been authorized for release and export to the Kingdom of Saudi Arabia.

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