

[Transmittal No. 97-04]**36(b) Notification; Arms Sales**

AGENCY: Department of Defense, Defense Security Assistance Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a

section 36(b) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated 21 July 1996.

FOR FURTHER INFORMATION CONTACT: Mr. A. Urban, DSAA/COMPT/FPD, (703) 604-6575.

The following is a copy of the letter to the Speaker of the House of

Representatives, Transmittal 97-04, with attached transmittal and policy justification pages.

Dated: December 1, 1996.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5000-04-M



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

15 NOV 1996

In reply refer to:
I-05485/96

Honorable Newt Gingrich
Speaker of the House of
Representatives
Washington, D.C. 20515-6501

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 97-04, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Spain for defense articles and services estimated to cost \$50 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

A handwritten signature in black ink, reading "Thomas G. Rhame".

Thomas G. Rhame
Lieutenant General, USA
Director

Same ltr to: House Committee on International Relations
Senate Committee on Appropriations
Senate Committee on Foreign Relations
House Committee on National Security
Senate Committee on Armed Services
House Committee on Appropriations

Attachments

Transmittal No. 97-04

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

- (i) Prospective Purchaser: Spain
- (ii) Total Estimated Value:

Major Defense Equipment*	\$39 million
Other	<u>\$11 million</u>
TOTAL	\$50 million
- (iii) Description of Articles or Services Offered:

Twenty vehicles, with ancillary equipment, from the family of Assault Amphibious Vehicles (AAV), communications equipment, 17 HBM2 .50 caliber machine guns, 17 M19 40MM machine guns, 17 M257 smoke grenade launchers, two M240 7.62 machine guns, spare and repair parts, support equipment, publications and technical data, personnel training and training equipment, U.S. Government and contractor technical and logistics services and other related elements of program support.
- (iv) Military Department: Navy (SCP)
- (v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vi) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:
None
- (vii) Date Report Delivered to Congress: 15 NOV 1996

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

POLICY JUSTIFICATIONSpain - Assault Amphibious Vehicles

The Government of Spain has requested the purchase of 20 vehicles, with ancillary equipment, from the family of Assault Amphibious Vehicles (AAV), communications equipment, 17 HBM2 .50 caliber machine guns, 17 M19 40MM machine guns, 17 M257 smoke grenade launchers, two M240 7.62 machine guns, spare and repair parts, support equipment, publications and technical data, personnel training and training equipment, U.S. Government and contractor technical and logistics services and other related elements of program support. The estimated cost is \$50 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Spain.

Spain will use this new equipment as replacements for its current inventory of amphibious vehicles, previously procured from the United States Government, and to modernize and strengthen its Naval operational amphibious capability in support of national defense objectives. Having had previous operational experience with amphibious vehicles, Spain will have no difficulty absorbing this new equipment into its armed forces.

The sale of these vehicles and support will not affect the basic military balance in the region.

The Assault Amphibious Vehicles will be procured for Spain through a competitive procurement. There are no offset agreements proposed in connection with this potential sale.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Spain.

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