

and Budget, Desk Officer for DoD, Room 10236, New Executive Office Building, Washington, DC 20503.

DoD Clearance Officer: Mr. Robert Cushing.

Written requests for copies of the information collection proposal should be sent to Mr. Cushing, WHS/ESCD/Information Management Division, 1225 South Clark Street, Suite 504, Arlington, VA 22202-4326.

Dated: July 12, 2004.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 04-16259 Filed 7-16-04; 8:45 am]

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 04-05]

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 21 July 1986.

FOR FURTHER INFORMATION CONTACT: Ms. J. Hurd, DSCA/OPS-ADMIN, (703) 604-6575

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 04-05 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: July 12, 2004.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-06-M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

8 JUL 2004
In reply refer to:
I-03/017401

The Honorable J. Dennis Hastert
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, as amended, we are forwarding herewith Transmittal No. 04-05, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services estimated to cost \$565 million. The Fast Missile Craft Program was originally notified by a Section 36(c) Direct Commercial Contract, transmittal number DTC 116-01 dated February 13, 2002. This Section 36(b) notification replaces the original Section 36(c), the license for which has been revoked, and is in addition to the Section 36(b) notification for the Support Package for Fast Missile Craft, transmittal number 02-06 dated February 13, 2002. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard J. Millies".

Richard J. Millies
Deputy Director

Enclosures:

1. Transmittal No. 04-05
2. Policy Justification
3. Sensitivity of Technology

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

Transmittal No. 04-05

**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:** Egypt
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$465 million |
| Other | <u>\$100 million</u> |
| TOTAL | \$565 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** three (3) Fast Missile Crafts; three (3) 76mm/62 caliber MK 75 Dual Purpose guns with Super Rapid Kits; three (3) MK 31 Mod 3 Rolling Airframe Missile Guided Missile Weapons Systems; installation of Hull, Mechanical, and Electrical equipment; communications; operations equipment; spare and repair parts; support equipment; personnel training and training equipment; publications and technical documents; and U.S. Government and contractor technical and logistics personnel services and other related elements of logistics services.
- (iv) **Military Department:** Navy (SBU and ACK)
- (v) **Prior Related Cases, if any:**
FMS case ACN - \$77 million - 11Mar03
FMS case LDU - \$61 million - 26Jun02
- (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:** 8 JUL 2004

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

POLICY JUSTIFICATION**Egypt – Fast Missile Crafts**

The Government of Egypt has requested a possible sale of three (3) Fast Missile Crafts; three (3) 76mm/62 caliber MK 75 Dual Purpose guns with Super Rapid Kits; three (3) MK 31 Mod 3 Rolling Airframe Missiles Guided Missile Weapons Systems; installation of Hull, Mechanical, and Electrical equipment; communications; operations equipment; spare and repair parts; support equipment; personnel training and training equipment; publications and technical documents; and U.S. Government and contractor technical and logistics personnel services and other related elements of logistics services. The estimated cost is \$565 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 friendly country which has been and continues to be an important force for political stability and economic progress in the Middle East. This sale is consistent with these U.S. objectives and with the 1950 Treaty of Mutual Cooperation and Security.

The Egyptian Navy does not currently have a modern, high speed, ship capable of providing deep and shallow water defensive protection for the approaches to the Suez Canal. Egypt intends to purchase these ships to enhance its overall ability to defend its coastal areas and the approaches to the Suez Canal and will have no difficulty absorbing these crafts into its armed forces.

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

The prime contractor will be Vision Technology-Marine of Gulfport Mississippi. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of additional U.S. Government or contractor representatives to Egypt.

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

Transmittal No. 04-05**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 Fast Missile Craft is a design to specification high speed (33+ kts), 75 meter Corvette sized ship. Its hull design is based on existing commercially available designs manufactured by the prime contractor Vision Technology Halter Marine. Primary installed Hull Mechanical & Electrical systems are all commercially available non-U.S. Navy inventory items. Design and manufacture of this ship will not include any sensitive or classified technology. Because the platform is not in U.S. Navy inventory it is defined as Significant Military Equipment rather than Major Defense Equipment. The installed command and control equipment, sensors, communications and Electronic Support Measures (ESM)/Electronic Counter-measures (ECM) will be commercially available non-U.S. Navy inventory equipment. Parametric performances of the ESM/ECM system will be governed by existing export controls promulgated by Defense Technology Security Agency. No classified data or threat libraries will be transferred with this equipment.

2. There will be installed weapon systems identified as U.S. Navy cognizant MDE. These are the: Harpoon Block II Anti-Ship Cruise Missile; Close-In-Weapons System (CIWS); 76mm MK 75 DP Gun; and the Rolling Airframe Missile (RAM) System. Sale and Sensitivity of Technology for the Harpoon Block II and the CIWS have previously been reported in Congressional Notification 02-06.

3. There is no sensitive or classified material or data associated with the transfer to the Egyptian Navy with the sale of three (3) 76mm MK-75 Dual Purpose (DP) Guns modified to Super Rapid configuration via a modification kit.

4. The following equipment and documentation will be provided with the MK-31 RAM GMWS:

- a. MK-49 MOD 3 Guided Missile Launching System
 - MK-447 MOD 0 Weapon Control Panel
 - MK 201 MOD 2 Launcher Server Control Unit
 - MK-144 MOD 2 Guided Missile Launcher
 - Deck Station Launcher Control Junction Box
 - Heater Power Transformer
 - MK-69 MOD 2 Maintenance Assist Module Cabinet
 - Launcher Safety Switch
- b. MK-44 Guided Missile Round Pack
- c. Support and Test Equipment
- d. General Purpose Test Equipment
- e. Publications (Maintenance, Operations and Training)
- f. System Supporting Software

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

6. A determination has been made that Egypt 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.

[FR Doc. 04-16264 Filed 7-16-04; 8:45 am]

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 04-10]

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 69(b)(1) 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: Ms. J. Hurd, DSCA/OPS-ADMIN, (703) 604-6575

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 04-10 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: July 12, 2004.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

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