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[FR Doc. E9-20012 Filed 8-20-09; 8:45 am]

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DEPARTMENT OF DEFENSE BILLING

Office of the Secretary

[Transmittal Nos. 09-40]

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 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

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

Representatives, Transmittals 09-40 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: August 12, 2009.

Patricia L. Toppings,

*OSD Federal Register Liaison Officer,
Department of Defense.*

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**DEFENSE SECURITY COOPERATION AGENCY**

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

AUG 6 2009

**The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515-6501**

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. 09-40, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to Saudi Arabia for defense articles and services estimated to cost \$1.5 billion. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, reading "Beth M. McCormick", is positioned above the typed name.

**Beth M. McCormick
Deputy Director**

Enclosures:

- 1. Transmittal**
- 2. Policy Justification**
- 3. Sensitivity of Technology**

Same ltr to:

House

**Committee on Foreign Affairs
Committee on Armed Services
Committee on Appropriations**

Senate

**Committee on Foreign Relations
Committee on Armed Services
Committee on Appropriations**

Transmittal No. 09-40

**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* | \$.150 billion |
| Other | <u>\$1.350 billion</u> |
| TOTAL | \$1.500 billion |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** A two-phased approach for the Communication Navigation and Surveillance/Air Traffic Management (CNS/ATM) upgrades of the communication and navigation systems for the Royal Saudi Air Force's fleet of thirteen (13) RE-3, KE-3, and E-3 aircraft. Phase 1 will include Global Positioning System/Inertial Navigation Systems (GINS), 8.33 kHz Very High Frequency (VHF) radios, Traffic Collision Avoidance Systems (TCAS), Mode S Transponders, Mode 4/5 Identification Friend or Foe (IFF) Encryption, High Frequency (HF) radio replacements, Multifunctional Information Display Systems (MIDS) for Link 16 operations, Have Quick II radios, Satellite Communications (SATCOM) and Common Secure Voice (CSV) encryptions. Phase 2 will include digital flight deck instrumentation and displays, flight director system/autopilot, flight management system, cockpit data line message and combat situational awareness information. Also included are spare and repair parts, support and test equipment, publication and technical documentation, personnel training and training equipment, personnel support and test equipment to include flight simulators, U.S. government and contractor engineering support, technical and logistics support services, and other related elements of logistical and program support.

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

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- (iv) **Military Department:** Air Force (QAT)
 - (v) **Prior Related Cases, if any:** FMS Case SJA-\$3.2B-Jun 82
 - (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:** AUG 6 2009

POLICY JUSTIFICATION

Saudi Arabia – Communication and Navigation Surveillance/Air Traffic Management (CNS/ATM) Upgrades

The Government of Saudi Arabia has requested a possible sale of a two-phased approach for the Communication Navigation and Surveillance/Air Traffic Management (CNS/ATM) upgrades of the communication and navigation systems for the Royal Saudi Air Force's fleet of thirteen (13) RE-3, KE-3, and E-3 aircraft. Phase 1 will include Global Positioning System/Inertial Navigation Systems (GINS), 8.33 kHz Very High Frequency (VHF) radios, Traffic Collision Avoidance Systems (TCAS), Mode S Transponders, Mode 4/5 Identification Friend or Foe (IFF) Encryption, High Frequency (HF) radio replacements, Multifunctional Information Display Systems (MIDS) for Link 16 operations, Have Quick II radios, Satellite Communications (SATCOM) and Common Secure Voice (CSV) encryptions. Phase 2 will include digital flight deck instrumentation and displays, flight director system/autopilot, flight management system, cockpit data line message and combat situational awareness information. Also included are spare and repair parts, support and test equipment, publication and technical documentation, personnel training and training equipment, personnel support and test equipment to include flight simulators, U.S. government and contractor engineering support, technical and logistics support services, and other related elements of logistical and program support. The estimated cost is \$1.5 billion.

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.

The proposed upgrade will enable the Royal Saudi Air Force (RSAF) to sustain its current capability, maintain interoperability with the USAF and other coalition forces, and provide flexibility options for future growth. The upgrade will enhance the RSAF's ability to use a common architecture for efficiently communicating the gathered electronic data, within the RSAF and with other regional coalition forces. Saudi Arabia will have no difficulty absorbing these additional capabilities.

A U.S. prime contractor will be chosen after a competitive source selection. There are no known offset agreements in connection with this proposed sale.

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

Implementation of this proposed sale will require temporary assignment of additional U.S. Government and contractor representatives in Saudi Arabia during the implementation phase of the upgrades. Additionally, six contractor representatives will be required on a full-time basis to provide technical assistance during the integration of the systems into the aircraft. This program will require up to six U.S. government and four contractor representatives to participate in program and technical reviews in Saudi Arabia for a period of approximately six weeks per year.

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

Transmittal No. 09-40**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 Communication Navigation Surveillance/Air Traffic Management (CNS/ATM) upgrade and its support elements will update late 60-70's technology with off-the-shelf newer equipment and software to resolve supportability problems and add capabilities to foster interoperability in support of coalition operations and joint training exercises with the USAF and other GCC countries. The modernized navigation system performs the same basic function as the older technology, but with the added benefits of greater speed, sensitivity, capacity, accuracy, and level of automation resulting from the use of current technology equipment. None of the technology, such as receivers, processor boards, etc. could be re-used in another application.

2. Sensitive elements include the Multifunctional Information Distribution System (MIDS) COMSEC device that provides improved situational awareness. The MIDS provides Link 16 data link networking with other Link 16 capable aircraft, command, and control systems. The MIDS shares a number of components with the MIDS terminal secure communications systems, search and locations system, signal processing systems, and databases. Classified elements include U.S. Government-provided secure communications equipment and keying material. Detailed system design information and software source code will not be provided to Saudi Arabia.

3. If a technologically advanced adversary were to obtain knowledge of the specific hardware or software in this proposed sale, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of systems with similar or advance capabilities.

[FR Doc. E9-20011 Filed 8-20-09; 8:45 am]

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 09-43]

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 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 09-43 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: August 12, 2009.

Patricia L. Toppings,
OSD Federal Register Liaison Officer,
Department of Defense.

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