POLICY JUSTIFICATION

Netherlands – Logistics Support for F-16 Aircraft

The Government of the Netherlands has requested a possible purchase of logistics support services/equipment for the F-16 aircraft including avionics/computer software support, aircraft engine services/modifications, publications and technical documentation, contractor technical services, spare and repair parts, depot level repair support and other related program elements of support to ensure aircraft operational availability. The estimated cost is $150 million.

This proposed sale contributes to the foreign policy and national security objectives of the U.S. by improving the military capabilities of the Netherlands and enhancing standardization and interoperability with U.S. forces, as well as with the European Participating Group (EPG) countries in the F-16 Multi-National Fighter Program (MNFP).

The Netherlands needs this logistics support to maintain the operational level of its F-16 squadrons in support of organic and NATO mission commitments, such as its current operations in Afghanistan, continued contributions to the Global War on Terrorism, and possible future coalition operations. The Netherlands will have no difficulty absorbing these logistic support services and equipment.

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

The contractors expected to participate in this program are United Technologies Corporation, Pratt & Whitney, West Palm Beach, Florida; Lockheed Fort Worth Company, Fort Worth, Texas; and Westinghouse Electric Corporation, Baltimore, Maryland. There are no offset agreements proposed to be entered into in connection with this potential sale. There is no prime contractor involved in this program. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale may require the assignment of two U.S. Government personnel and one contractor representative in the Netherlands for a period of up to five years.

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

[FR Doc. 06–8317 Filed 9–26–06; 8:45 am]
BILLING CODE 5001–06–C

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 06–55]

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. J. Hurd, DSCA/DBO/CFM, (703) 604–6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 06–55 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: September 22, 2006.

C.R. Choate,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001–06–M

DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

21 SEP 2006

In reply refer to:
I-06/009376

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, DC 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. 06-55, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to United Arab Emirates for defense articles and services estimated to cost $752 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

Richard J. Millies
Deputy Director

Enclosures:
1. **Transmittal**
2. **Policy Justification**
3. **Sensitivity of Technology**

Same ltr to:

House	Senate
Committee on International Relations	Committee on Foreign Relations
Committee on Armed Services	Committee on Armed Services
Committee on Appropriations	Committee on Appropriations

Transmittal No. 06-55

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**: United Arab Emirates

(ii) **Total Estimated Value**:

Major Defense Equipment*	$580 million
Other	$172 million
TOTAL	$752 million

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

Major Defense Equipment (MDE)

20 High Mobility Artillery Rocket Systems (HIMARS) Launchers;
101 M39A1 Army Tactical Missile System (ATACMS) Block 1A Anti-Personnel-Anti-Material Rocket Pods;
101 M39A1 ATACMS Block 1A Unitary Rocket Pods;
130 M30 Guided Multiple Launch Rocket Systems (GMLRS) Dual Purpose Improved Conventional Munitions Rocket Pods;
130 M31 Unitary High Explosive GMLRS Pods
60 Multiple Launcher Rocket Systems (MLRS) Practice Rocket Pods;
104 M26 MLRS Rocket Pods;
20 M1084A1 Family of Medium Truck Vehicles; and
3 M108A1 Wreckers.

Also included are support equipment, communications equipment, spare and repair parts, test sets, batteries, laptop computers, publications and technical data, facility design, personnel training and equipment, systems integration support, a Quality Assurance Team and a Technical Assistance Fielding Team service support, United States (U.S.) Government and contractor engineering and logistics personnel services, and other related elements of logistics support.

(iv) **Military Department**: Army (ZUD)

(v) **Prior Related Cases, if any**: none

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

(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**: 21 SEP 2006

POLICY JUSTIFICATION

United Arab Emirates - High Mobility Artillery Rocket Systems

The Government of United Arab Emirates (UAE) has requested a possible sale of

Major Defense Equipment (MDE)

20 High Mobility Artillery Rocket Systems (HIMARS) Launchers;
101 M39A1 Army Tactical Missile System (ATACMS) Block 1A Anti-Personnel-Anti-Material Rocket Pods;
101 M39A1 ATACMS Block 1A Unitary Rocket Pods;
130 M30 Guided Multiple Launch Rocket Systems (GMLRS) Dual Purpose Improved Conventional Munitions Rocket Pods;
130 M31 Unitary High Explosive GMLRS Pods
60 Multiple Launcher Rocket Systems (MLRS) Practice Rocket Pods;
104 M26 MLRS Rocket Pods;
20 M1084A1 Family of Medium Truck Vehicles; and
3 M108A1 Wreckers.

Also included are support equipment, communications equipment, spare and repair parts, test sets, batteries, laptop computers, publications and technical data, personnel training and equipment, systems integration support, a Quality Assurance Team and a Technical Assistance Fielding Team service support, United States (U.S.) Government and contractor engineering and logistics personnel services, and other related elements of logistics support. The estimated cost is $752 million.

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

The HIMARS will enhance UAE military capability by providing a highly effective indirect area fire artillery system that is critical to successful deterrence and national defense. HIMARS supplements traditional cannon artillery by delivering high volume firepower in a short time against time-sensitive targets. At shorter ranges, HIMARS complements tube artillery with heavy barrages against assaulting forces, counter-fire and defense suppression. This proposed sale would enhance the UAEs ability to deter and repulse aggression by hostile forces, and contribute directly to greater stability in the Gulf region. The UAE will have no difficulty absorbing and integrating this system into its armed forces.

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

The principal contractors will be: Lockheed Martin Missile and Fire Control at Dallas, Texas and Stewart & Stevenson at Sealy, Texas. The purchaser has requested offsets; agreements are undetermined and will be defined in negotiations between the purchaser and contractor.

Implementation of this sale will require the assignment of a U.S. Government Quality Assurance Team of up to five contractor representatives to UAE for two weeks to assist in the delivery and deployment of the HIRMARS and sequential deliveries. There will be a three-man Technical Assistance Fielding Team for training mission for up to two years. A U.S. Government representative will remain in country for a minimum of two years in order to assist in the security assistance aspects of the mission.

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

Transmittal No. 06-55

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

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The High Mobility Artillery Rocket System (HIMARS) is a highly mobile, all-weather indirect area fire artillery system. The HIMARS mission is to supplement cannon artillery to deliver a large volume of firepower within a short time against critical time-sensitive targets. At shorter ranges, HIMARS complements tube artillery with heavy barrages against assaulting forces as well as in the counter-fire, or defense suppression roles.

2. The highest classification level for release of the M39A1 Army Tactical Missile Systems (ATACMS) Block 1A Anti Personnel-Anti Material and M39 ATACMS Block 1A Unitary Rocket Pods is Secret, based upon the software. The highest level of classified information that could be disclosed by a proposed sale, production, or by testing of the end item is Secret; the highest level that must be disclosed for production, maintenance, or training is Confidential. Reverse engineering could reveal Secret information. Launcher platform software, weapon operational software, command and control special application software, and command and control loadable munitions module software are considered Secret. The system specifications and limitations are classified Secret. Vulnerability data is classified up to Secret. Countermeasures, counter-counter-measures, vulnerability/susceptibility analyses, and threat definitions are classified Secret.

3. The Global Positioning System Precise Positioning Service (GPS PPS) component of the HIMARS munitions (Guided Multiple Launch Rocket Systems (GMLRS) and ATACMS) is also contained in the Fire Direction System, is classified Secret, and is considered sensitive. To that end, no GPS PPS design information, including GPS software algorithms, will be disclosed in the course of this proposed sale to United Arab Emirates. Susceptibility of GMLRS to diversion or exploitation is considered low risk. The GMLRS employs an inertial navigational system that is aided by a Selective Availability Anti-Spoofing Module (SAASM) equipped GPS receiver.

4. Susceptibility of ATACMS Block1A to diversion or exploitation is considered low risk. Components of the system are also considered highly resistant to reverse engineering. Detailed knowledge of the technical capabilities of the system could enable an enemy to tailor defenses and adjust tactics and procedures to minimize the effectiveness of the system.

[FR Doc. 06–8318 Filed 9–26–05; 8:45 am]
BILLING CODE 5001–06–C

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 06–68]

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. J. Hurd, DSCA/DBO/CFM, (703) 604–6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 06–68 with attached transmittal and policy justification.

Dated: September 22, 2006.

C.R. Choate,

Alternate OSD Register Register Liaison Officer, Department of Defense.

BILLING CODE 5001–06–M