POLICY JUSTIFICATION

Japan - Logistics Support for the 767 AWACS Aircraft

The Government of Japan has requested the purchase of logistics support for the 767 AWACS aircraft to include test sets and ground support equipment, maintenance of system software and related services, spare and repair parts, publications and technical documentation, U.S. Government and contractor technical and logistics services, and other related elements of program support. The estimated cost is $200 million.

This 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 Asia.

Japan previously purchased four AWACS aircraft and needs this logistics support to help maintain the operational readiness of its extended Airborne Early Warning (AEW) and command, control and communications (C3) systems. Japan will have no difficulty absorbing this logistics support into its armed forces.

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

The prime contractor is the Boeing Aerospace Company, Seattle, Washington. There are no offset agreements proposed to be entered into in connection with this potential sale.

Implementation of this sale will require the assignment of six U.S. Government personnel and six contractor representatives to Japan for periods ranging from three years up to five years.

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

[FR Doc. 96–19885 Filed 8–5–96; 8:45 am]
BILLING CODE 5000–04–C

[Transmittal No. 96–65]

36(b) Notification

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 P.L. 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 96–65, with attached transmittal and policy justification pages.

Dated: August 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

26 JUL 1996

In reply refer to:
I-04592/95ct

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. 96-65 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Thailand for defense articles and services estimated to cost $100 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

Thomas G. Rhame
Lieutenant General, USA
Director

Attachments

Separate Cover:
Classified Annex

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

Transmittal No. 96-65

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

(i) Prospective Purchaser: Thailand

(ii) Total Estimated Value:

Major Defense Equipment*	$ 13 million
Other	$ 87 million
TOTAL	$100 million

(iii) Description of Articles or Services Offered:
The KNOX Class Fast Frigate the "USS OUELLET" with weapons and ammunition to include eight HARPOON missiles, 4,000 rounds of 5"/54 and 20,000 rounds of 20mm PHALANX Close-in-Weapon System (CIWS) ammunition, miscellaneous chaff cartridges, sonobuoys and other related ammunition items, United States shipyard/port support services and post transfer activities relating to the "cold ship" turnover of the "USS OUELLET" from the U.S. Navy, U.S. Government and contractor engineering and logistics personnel support services, repair, overhaul, refurbishment and calibration of all shipboard systems and equipment, publications and technical data/drawings, personnel training and training equipment, spare and repair parts, follow-on maintenance of weapon systems and shipboard equipment, support equipment and other elements of logistics necessary to prepare the frigate for transfer to Thailand in a "Safe to Steam" condition with all systems operational.

(iv) Military Department: Navy (SCC)

(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:
See Annex under separate cover

(vii) Date Report Delivered to Congress: 26 JUL 1996

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

POLICY JUSTIFICATION

Thailand - KNOX Class frigate "USS OUELLET" with Weapons, Ammunition, and Support Services

The Government of Thailand has requested the purchase of the KNOX Class Fast Frigate the "USS OUELLET" with weapons and ammunition to include eight HARPOON missiles, 4,000 rounds of 5"/54 and 20,000 rounds of 20mm PHALANX Close-in-Weapon System (CIWS) ammunition, miscellaneous chaff cartridges, sonobuoys and other related ammunition items, United States shipyard/port support services and post transfer activities relating to the "cold ship" turnover of the "USS OUELLET" from the U.S. Navy, U.S. Government and contractor engineering and logistics personnel support services, publications, repair, overhaul, refurbishment and calibration of all shipboard systems and equipment, publications and technical data/drawings, personnel training and training equipment, spare and repair parts, follow-on maintenance of weapon systems and shipboard equipment, support equipment and other elements of logistics necessary to prepare the frigate for transfer to Thailand in a "Safe to Steam" condition with all systems operational. The estimated cost is $100 million.

This 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 southeast Asia.

Acquisition of the fast frigate "USS OUELLET" will provide the Royal Thai Navy an anti-surface and anti-submarine capability upgrade to its existing force structure thereby improving its ability to safeguard sea lines of communications as well as territorial and exclusive economic zones. Thailand will have no difficulty absorbing this naval vessel into its armed forces.

The sale of this naval vessel with support will not affect the basic military balance in the region.

New production HARPOON missiles will be procured from the McDonnell-Douglas Missile Systems Company, St. Charles, Missouri. There are no offset agreements proposed in connection with this sale.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel to Thailand. A number of U.S. contractor representatives however, of varying skills and technical disciplines, will be required to provide in-country technical support for the ship transfer program.

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

[FR Doc. 96–19446 Filed 8–5–96; 8:45 am]
BILLING CODE 5000–04–C