**[Transmittal No. 96–74]**

## 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 96–74, with attached transmittal and policy justification pages.

Dated: October 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

25 SEP 1996

In reply refer to:
I-04298/96ct

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. 96-74 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter(s) of Offer and Acceptance (LOA) to Portugal for defense articles and services estimated to cost $258 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. 96-74

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

(i) Prospective Purchaser: Portugal

(ii) Total Estimated Value:

| | |
|---|---|
| Major Defense Equipment* | $ 93 million |
| Other | $165 million |
| TOTAL | $258 million |

(iii) Description of Articles or Services Offered:
Twenty-five used F-16A/B aircraft with engines, five spare F100-PW-220E aircraft engines, preparation and activation of aircraft for ferry to a rework/overhaul facility, the upgrade of the F-16A/B aircraft engine F100-PW-200 to the F100-PW-220E configuration including procurement and installation of retrofit kits, procurement and installation of aircraft and aircraft systems upgrades and modifications, spare and repair parts, support equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering and logistics personnel services and other related elements of program support.

(iv) Military Department: Air Force (SAH)

(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: 25 SEP 1996

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

## POLICY JUSTIFICATION

### Portugal - F-16A/B Aircraft

The Government of Portugal has requested the purchase of 25 used F-16A/B aircraft with engines, five spare F100-PW-220E aircraft engines, preparation and activation of aircraft for ferry to a rework/overhaul facility, the upgrade of the F-16A/B aircraft engine F100-PW-200 to the F100-PW-220E configuration including procurement and installation of retrofit kits, procurement and installation of aircraft and aircraft systems upgrades and modifications, spare and repair parts, support equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering and logistics personnel services and other related elements of program support. The estimated cost is $258 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Portugal while enhancing weapon system standardization and interoperability with the U.S. forces in the region.

This sale will be a follow-on to Portugal's initial procurement of F-16A/B aircraft which have been delivered and are operational in-country. It will enable Portugal to augment its current F-16 aircraft inventory and to develop and maintain a continuous air defense capability within its national boundaries. Portugal will have no difficulty absorbing these additional aircraft into its armed forces.

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

This sale will include used U.S. Air Force aircraft and the rework/overhaul of these aircraft at a facility to be determined. There are no offset agreements proposed to be entered into in connection with this potential sale.

Implementation of this program will require the assignment of U.S. Government personnel and contractor representatives to Portugal to provide technical and logistics services, including flight instruction, after delivery of the first aircraft. The number of personnel and types of skills necessary to support the program will be determined jointly between U.S. and Portuguese representatives upon program implementation.

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

[FR Doc. 96–25553 Filed 10–3–96; 8:45 am]
BILLING CODE 5000–04–C