

POLICY JUSTIFICATION

Egypt – Gulfstream G-IV SP Aircraft

The Government of Egypt has requested a possible sale of two Gulfstream G-IV SP aircraft including four Rolls Royce engines (two engines per aircraft), support equipment, spare and repair parts, personnel training and training equipment, publications and technical data, maintenance of repairable material, U.S. Government and contractor engineering and logistics services, aircraft ferry services, and other related elements of program support. The estimated cost is \$102 million (\$20 million from Egyptian National Funds for the VIP package and \$82 million from foreign military financing (FMF) for the basic Gulfstream aircraft program).

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.

Egypt will use these aircraft to augment and enhance its existing airlift capability, including the movement of its National Command Authority. Egypt, which already has Gulfstream aircraft in its inventory, will have no difficulty absorbing these additional aircraft.

The prime contractor will be the Gulfstream Aerospace Corporation of Savannah, Georgia. There are no offset agreements proposed in connection with this potential sale.

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

There will be 10 each U.S. Government and contractor representatives for one-week intervals twice semi-annually to participate in program management and technical reviews.

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

[FR Doc. 02-23418 Filed 9-13-02; 8:45 am]

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 02-47]

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/COMPT/RM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 02-47 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: September 9, 2002.

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

BILLING CODE 5001-08-M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

4 SEP 2002
In reply refer to:
I-02/009670

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 (AECA), as amended, we are forwarding herewith Transmittal No. 02-47, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services estimated to cost \$44 million. 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 "Tome Walters, Jr.", written in a cursive style.

TOME H. WALTERS, JR.
LIEUTENANT GENERAL, USAF
DIRECTOR

Attachments

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

Transmittal No. 02-47

**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* | \$37 million |
| Other | <u>\$ 7 million</u> |
| TOTAL | \$44 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 12 AN/MPQ-64 SENTINEL radar systems, 12 AN/VRC-92E SINCGARS radio sets, generators, spare and repair parts, test and tool sets, personnel training and equipment, communications equipment, publications, U.S. Government and contractor engineering and logistics personnel services, Quality Assurance Team, and other related elements of logistics support.
- (iv) **Military Department:** Army (UUJ)
- (v) **Prior Related Cases, if any:** none
- (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:** 4 SEP 2002

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

POLICY JUSTIFICATION**Egypt – AN/MPQ-64 SENTINEL Radar Systems**

The Government of Egypt has requested a possible sale of 12 AN/MPQ-64 SENTINEL radar systems, 12 AN/VRC-92E SINCGARS radio sets, generators, spare and repair parts, test and tool sets, personnel training and equipment, communications equipment, publications, U.S. Government and contractor engineering and logistics personnel services, Quality Assurance Team, and other related elements of logistics support. The estimated cost is \$44 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.

Egypt desires to replace its aging TRACKSTAR radar systems which support their Chaparral fire units. The SENTINEL is the combat Short Range Air Defense system sensor that provides the low altitude air picture over and beyond the Forward Line of Own-Troops, contributing to the mission of defeating the low altitude air threat.

The prime contractor will be Thales Raytheon System of El Segundo, California. There are no offset agreements proposed in connection with this potential sale.

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

Implementation of this proposed sale will require the assignment of two U.S. Government Quality Assurance Teams and five contractor representatives for one week intervals to participate in program review and technical reviews to Egypt.

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

Transmittal No. 02-47

**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 AN/MPQ-64 SENTINEL radar is a highly mobile phased-array radar that provides highly accurate three-dimensional radar track data to Short Range Air Defense (SHORAD) weapon systems via the Forward Area Air Defense (FAAD) Command, Control, and Intelligence (C2I) node. This export version is classified Confidential at the system level. The export SENTINEL hardware configuration consists of the M1097A High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) group and the Antenna Transceiver Group mounted on a 1-ton wide-track trailer. The HMMWV is the prime mover for the radar with the MEP-813A Tactical Quiet Generator as the power source. The SENTINEL is X-band phased-array radar with the instrumented range of 40 kilometers that provides 360 degree azimuth coverage for acquisition and tracking.

2. The highest level of classified information required to be released for training, operation and maintenance of the SENTINEL is Confidential. The highest level which could be revealed through reverse engineering of the end item is Confidential. The SENTINEL technical data/information includes performance and capability data, classified Confidential. No radar test data or technical information comparing this radar with any other U.S. Army radar system will be released. If a technologically advanced potential adversary were to obtain access to this information, countermeasures could be developed which would reduce the effectiveness of the radar system. Distribution of technical performance and system capabilities reports shall only be released up to the Confidential level.

3. 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. 02-23419 Filed 9-13-02; 8:45 am]
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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 02-51]

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/COMPT/RM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 02-51 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: September 9, 2002.

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

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