[FR Doc. 06–6729 Filed 8–4–06; 8:45 am]
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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 06–39]

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/ADM, (703) 604–6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 06–39 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: August 1, 2006.

C.R. Choate,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

28 JUL 2006

In reply refer to:
I-06/007041

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. 06-39, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Saudi Arabia for defense articles and services estimated to cost $400 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,

LIEUTENANT GENERAL, USA
DIRECTOR

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

Transmittal No. 06-39

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: Saudi Arabia

(ii) Total Estimated Value:

Major Defense Equipment*	$350 million
Other	$ 50 million
TOTAL	$400 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: remanufacture and upgrade of 12 AH-64A to AH-64D APACHE attack helicopters, 10 spare T-700-GE -701A engines converted to T-700-GE-701D models, Modernized Targeting Acquisition and Designation Systems, spare and repair parts, communications equipment, support equipment, simulators, quality assurance teams, chemical masks, tools and test sets, chaff dispensers, Integrated Helmet and Display Sight Systems, electronic equipment, test facility spares, publications, Quality Assurance Teams service, personnel training and training equipment, U.S. Government and contractor technical support and other related elements of logistics support.

(iv) Military Department: Army (VTX)

(v) Prior Related Cases, if any:
FMS Case JBN - $300 million - 21Dec90
FMS Case VNT - $900 million - Cancelled

(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: 28 JUL 2006

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

POLICY JUSTIFICATION

Saudi Arabia – REMANUFACTURE AND UPGRADE OF AH-64A to AH-64D APACHE HELICOPTERS

The Government of Saudi Arabia has requested a possible sale of the remanufacture and upgrade of 12 AH-64A APACHE attack helicopters to AH-64D configuration, 10 spare T-700-GE -701A engines converted to T-700-GE-701D models, Modernized Targeting Acquisition and Designation Systems, spare and repair parts, communications equipment, support equipment, simulators, quality assurance teams, chemical masks, tools and test sets, chaff dispensers, Integrated Helmet and Display Sight Systems, electronic equipment, test facility spares, publications, Quality Assurance Teams service, personnel training and training equipment, U.S. Government and contractor technical support and other related elements of logistics support. The estimated cost is $400 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 that has been and continues to be an important force for political stability and economic progress in the Middle East.

Saudi Arabia will use the AH-64D in the same manner as they are currently using their AH-64A models. Their focus is on national security, protecting their borders and oil infrastructure. The resulting effect will be more advanced targeting and engagement capabilities. The proposed sale will upgrade the Saudi anti-armor day/night missile capability, provide for the defense of vital installations, and provide close air support for the military ground forces. Saudi Arabia will have no difficulty absorbing these helicopters 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:

Boeing Corporation of Mesa, Arizona
General Electric Company of Fairfield, Connecticut
Lockheed Martin Corporation of Palmdale, California

There are no offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of up to 10 U.S. Government and contractor representatives required in-country to support the fielding and maintenance of the aircraft.

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

Transmittal No. 06-39

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 AH-64D APACHE Attack Helicopter includes the following sensitive and/or classified (up to and including secret) components:

a. The AN/APG-78 Longbow Fire Control Radar (FCR) is an active fire control radar system providing detection, location, classification and prioritization of targets to be engaged and handed over to other on-board sensor systems. This enables the APACHE helicopter to detect and fire upon targets under in visual conditions that preclude the use of visual or infrared imaging systems. Hardware and releasable technical manuals for operation and organic level maintenance are unclassified. The data, including operational software, proposed for release will not, in itself, facilitate reverse engineering.

b. The AN/APR-48A Radar Frequency Interferometer (RFI) is part of the AN/APG-78 FCR. It passively detects, locates in azimuth, identifies radar emitters, and sends the emitter identification and location to either the FCR or to the APACHE Weapons Processor for display to the aircrew. Emitter information can also be used to cue the FCR, as well as to make decisions on FCR target prioritization. Hardware is classified confidential when the User Data Module (UDM) is attached to the RFI Processor Assembly; unclassified when the UDM is absent. Releasable technical manuals for operation and organic level maintenance are unclassified. The data, including operational software, proposed for release will not facilitate reverse engineering.

c. The AN/ASQ-170 Modernized Target Acquisition and AN/AAQ-11 Designation Sight/Pilot Night Vision Sensor (TADS/PNVS) provides day, night, and limited adverse weather target information, as well as night navigation capabilities. The PNVS provides thermal imaging that permits nap-of-the-earth flight to, from, and within the battle area, while TADS provides the co-pilot gunner with search, detection, recognition, and designation by means of Direct View Optics (DVO), television, and Forward Looking Infrared sighting systems that may be used singly or in

combinations. The hardware is unclassified. The technical manuals for authorized maintenance levels are unclassified. Reverse engineering is not a major concern.

d. The Common Missile Warning System (CMWS) detects energy emitted by threat missiles in-flight, evaluates potential false alarm emitters in the environment, declares validity of threats, and selects appropriate counter-measures. The CMWS consists of an Electronic Control Unit (ECU) and four to six Electro-Optic Missile Sensors (EOMSs). The ECU provides the central processing and integrates the sub-components of the CMWS and processes information obtained from the EOMSs. The ECU hardware is unclassified; the software is secret. The EOMSs are passive starring detectors operating in the Ultraviolet (UV) electromagnetic spectrum. They detect UV radiation generated from the plume of an in-flight missile and transmit the information to the EUC. Both the EUC hardware and software are unclassified.

e. The AN/ALQ-144A(V)3 Infrared Jammer is an active, continuous operating, omni-directional, electrically fired infrared (IR) jammer system designed to confuse or decoy threat IR missile systems, in conjunction with low reflective paint and engine suppressors. Hardware is classified confidential and releasable technical manuals for operation and maintenance are classified secret. Reverse engineering and development of counter countermeasures are concerns if the hardware and releasable technical data are compromised to a competent adversary.

f. The AN/APR-39A(V)4 Radar Signal Detecting Set is a system, that provides warning of a radar directed air defense threat and allow appropriate countermeasures. This is the 1553 databus compatible configuration. The hardware is classified confidential when programmed with U.S. threat data; releasable technical manuals for operation and maintenance are classified confidential; releasable technical data (technical performance) is classified secret.

g. The AN/ALQ-136(V)5 Radar Jammer is an automatic radar jammer that analyzes various incoming radar signals. When threat signals are identified and verified, jamming automatically begins and continues until the threat radar breaks lock. The hardware is classified confidential; releasable technical manuals for operation and maintenance are classified secret; releasable technical data (technical performance) is classified secret.

h. The AN/AVR-2B Laser Warning Set is a passive laser warning system that receives, processes and displays threat information resulting from aircraft illumination by lasers on the multi-functional display. The hardware is classified confidential; releasable technical manuals for operation and maintenance are classified secret. Reverse engineering is not a major concern.

i. The M130 Flare and Chaff Dispenser consists of the dispenser assembly and the payload module. These components dispense decoy objects to confuse threat radar devices. Radar cross section and frequency coverage are sensitive elements. The hardware is unclassified; releasable technical publications for operation and maintenance are unclassified. Aircraft optimization is the critical element; reverse engineering is not a major concern.

j. The Integrated Helmet Display Sight System (IHDSS) is an enhanced version of its predecessor. It will provide improved operational performance primarily in resolution allowing greater utilization of the M-TADS/M-PNVS performance enhancements. The hardware is unclassified.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Docket No. [Transmittal No. 06–38]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: None.

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/ADM, (703) 604–6575.

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Dated: August 1, 2006.

C.R. Choate,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

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