

Transmittal No. 08-25**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act****Annex
Item No. vii****(vii) Sensitivity of Technology:**

1. The E-2C contains sensitive state-of-the-art technology. Some of the hardware, publications, performance specifications, operational capability, parameters, vulnerabilities to countermeasures, and software documentation are classified Secret. The classified information to be provided consists of that which is necessary for the operation, maintenance, and repair (through depot level) of the E-2C aircraft and its installed systems and related software.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware in the proposed sale, 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.

[FR Doc. 07-6060 Filed 12-17-07; 8:45 am]
BILLING CODE 5001-06-C

DEPARTMENT OF DEFENSE**Office of the Secretary****[Transmittal No. 08-23]****36(b)(1) Arms Sales Notification****AGENCY:** Defense Security Cooperation Agency, Department of Defense.**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. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 08-23 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: December 11, 2007.

L.M. Bynum,*OSD Federal Register Liaison Officer,
Department of Defense.***BILLING CODE 5001-06-M**



**DEFENSE SECURITY COOPERATION AGENCY
WASHINGTON, DC 20301-2800**

DEC 04 2007

**In reply refer to:
I-07/014195-CFM**

**The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515-6501**

Dear Madam 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. 08-23, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Kuwait for defense articles and services estimated to cost \$1.363 billion. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. J. Millies".

**Richard J. Millies
Deputy Director**

Enclosures:

- 1. Transmittal**
- 2. Policy Justification**
- 3. Sensitivity of Technology**

Same ltr to:

**House
Committee on Foreign Affairs
Committee on Armed Services
Committee on Appropriations**

**Senate
Committee on Foreign Relations
Committee on Armed Services
Committee on Appropriations**

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of the Arms Export Control Act, as amended**

- (i) **Prospective Purchaser:** Kuwait
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|------------------------|
| Major Defense Equipment* | \$ 362 million |
| Other | <u>\$1.001 billion</u> |
| TOTAL | \$1.363 billion |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 80 Phased Array Tracking Intercept of Target (Patriot) Advanced Capability-3 (PAC-3) Missiles, Patriot Guidance Enhanced Missile (GEM)-T Modification Kits to upgrade 60 PAC-2 missiles, 6 Patriot System Configuration 3 Modification kits to upgrade Patriot Radars to Radar Enhancement Phase III (REP III), communication support equipment, tools and test equipment, system integration and checkout, installation, personnel training, containers, spare and repair parts, publications and technical data, U.S. Government and contractor technical and logistics personnel services, and other related elements of program support.
- (iv) **Military Department:** Army (ULC and UKF, Amd #1)
- (v) **Prior Related Cases, if any:**
FMS Case UJO - \$706 million - 11Jan93
FMS Case UKF - \$ 40 million - 10Jun98
- (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 attached Annex
- (viii) **Date Report Delivered to Congress:** DEC 04 2007

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

POLICY JUSTIFICATION

Kuwait – PAC-3 Missiles, PAC-2 Missiles to GEM-T and PATRIOT System Upgrade

The Government of Kuwait has requested a possible sale of 80 PAC-3 Missiles, PATRIOT GEM-T Modification Kits to upgrade 60 PAC-2 missiles, 6 PATRIOT System Configuration 3 Modification kits to upgrade PATRIOT Radars to REP III, communication support equipment, tools and test equipment, system integration and checkout, installation, personnel training, containers, spare and repair parts, publications and technical data, U.S. Government and contractor technical and logistics personnel services, and other related elements of program support. The estimated cost is \$1.363 billion.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a major Non-NATO ally which has been, and continues to be, an important force for political stability and economic progress in the Middle East. Additionally, the proposed sale will demonstrate the U.S. Government's commitment to our bilateral relationship.

The proposed sale and upgrade will bring Kuwait's assets in line with U.S. PATRIOT assets, and ensure Kuwait maintains the ability to protect its borders. Kuwait needs this Air Defense System to develop an organic capability that will be responsive to hostile aircraft or missile threats upon its sovereign territory. The PATRIOT Air Defense System will go far in improving a current operational deficiency revealed during the Gulf War. Kuwait, which already has the PATRIOT system and PAC-2 missiles in its inventory, will have no difficulty absorbing these additional weapon systems into its Armed Forces.

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

The prime contractor will be the Raytheon Corporation of Andover, Massachusetts. There are no known offset agreements proposed in connection with this potential sale.

It is anticipated that upon implementation of this proposed sale, two U.S. Government representatives and 25 contractor personnel will be assigned to Kuwait for a period of 3-5 years.

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

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1. The PATRIOT Air Defense System contains classified Confidential components and critical/sensitive technology. The PATRIOT Advanced Capability-3 (PAC-3) Configuration 3 Missile System is classified Secret. With the incorporation of the PAC-3 missile, the PATRIOT System will continue to hold a significant technology lead over other surface-to-air missile systems in the world.

2. The Configuration 3 upgrade requested represents significant technological advances for the existing Kuwaiti PATRIOT system capabilities. The Configuration 3 Radar Enhancement Phase III (REP III) improvements double the average power of the PATRIOT radar and add a wideband capability to the radar for generating and processing high range and medium range resolution waveforms for target discrimination.

3. The PATRIOT PAC-3 missiles utilize hit-to-kill technology for greater lethality against Tactical Ballistic Missiles (TBMs) armed with weapons of mass destruction. Additionally, up to 16 PAC-3 missiles can be loaded per launcher increasing firepower and missile defense capabilities. The PAC-3 Missile sensitive/critical technology is primarily in the area of design and production know-how and primarily inherent in the design, development and/or manufacturing data related to the following components:

- a. PAC-3 Missile Guidance Processor Unit**
- b. PAC-3 Missile software**
- c. PAC-3 Missile associated ground equipment software**

Information on vulnerability to electronic countermeasures and counter-counter measures, system performance capabilities and effectiveness, survivability and vulnerability data, PAC-3 Missile seeker capabilities, non-cooperative target recognition, low observable technologies, select software documentation and test data are classified up to Secret. Information on operational effectiveness with respect to

electronic countermeasures and counter-counter measures, low observable technologies, select software documentation and test data are classified up to and including Secret.

4. The Guidance Enhanced Missile-T (GEM-T) modification kits represent significant technological advances for the existing Kuwait PATRIOT system capabilities. The upgrade to GEM-T provides improvements to performance against low radar cross-section low-altitude threats and higher speed TBM threats. The GEM-T upgrade adds a new oscillator and a new digital fuse to the older version PATRIOT missiles to further improve reaction time.

5. 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.

[FR Doc. 07-6062 Filed 12-17-07; 8:45 am]
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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 08-17]

36(b)(1) Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

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.

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Dated: December 11, 2007.

L.M. Bynum,
OSD Federal Register Liaison Officer,
Department of Defense.

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