

Defense Services Proposed to be Sold:
See Attached Annex

(viii) *Date Report Delivered to Congress:* 10 February 2016

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

POLICY JUSTIFICATION

Kingdom of Saudi Arabia-MK 15 Phalanx Close-In Weapons System (CIWS) Block 1B Baseline 2 Kits

The Kingdom of Saudi Arabia has requested a sale for the upgrade and conversion of five (5) MK 15 Phalanx Close-In Weapons System (CIWS) Block 0 systems to the Block 1B Baseline 2 configuration. The Block 0 systems are currently installed on four (4) Royal Saudi Naval Forces (RSNF) Patrol Chaser Missile (PCG) Ships (U.S. origin) in their Eastern Fleet and one (1) system is located at its Naval Forces School. Also included are; five (5) local control stations, spare and repair parts, support and test equipment, personnel training and training equipment, publications, software, and technical documentation, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of program and logistics support. The total estimated value of MDE is \$72.5 million. The overall total estimated value is \$154.9 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 strategic regional partner, which has been, and continues to be, an important force for political stability and economic progress in the Middle East. This acquisition will enhance regional stability and maritime security and support strategic objectives of the United States.

The proposed sale will provide Saudi Arabia with self-defense capabilities for surface combatants supporting both national and multi-national naval operations. The sale will extend the life of existing PCG Class ships. Saudi Arabia will use the enhanced capability as a deterrent to regional threats and to strengthen its homeland defense. Saudi Arabia will have no difficulty absorbing this equipment into its armed forces.

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

The prime contractor will be Raytheon Missiles Systems of Tucson, Arizona. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Saudi Arabia; however, contractor engineering and technical services may be required on an interim basis for installations and integration.

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

Transmittal No. 15-82

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 MK 15 CIWS Phalanx Block 1B is a fast reaction detect-through-engage combat system that provides terminal defense against low-flying, high speed, anti-ship missiles; slow speed general purpose aircraft, helicopters, and small surface craft; and rockets, artillery, and mortars. The system is an automatic, self-contained unit consisting of a search and track radar, digitalized fire control system, and electro-optical thermal imager, and a stabilization system, as well as a 20mm M61A1 gun subsystem. CIWS Block 0 provides terminal defense capability but is no longer in the U.S. Navy inventory decreasing its sustainability. By comparison, the CIWS Block 1B upgrade included in this sale would add surface mode and enhanced anti-air warfare capabilities.

a. There is no Critical Program Information associated with the MK 15 CIWS Phalanx hardware, technical documentation, or software. The highest classification of the hardware to be exported is UNCLASSIFIED. The highest classification of the technical documentation to be exported is CONFIDENTIAL. The highest classification of software to be exported 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.

3. A determination has been made that the recipient country 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.

4. All defense articles and services listed in this transmittal have been authorized for release and export to Saudi Arabia.

[FR Doc. 2016-04823 Filed 3-3-16; 8:45 am]

BILLING CODE 5001-06-P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 16-14]

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 July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Sarah A. Ragan or Heather N. Harwell, DSCA/LMO, (703) 604-1546/(703) 607-5339.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 16-14 with attached Policy Justification.

Dated: February 29, 2016.

Aaron Siegel,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-06-P



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-6408

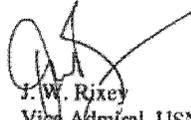
The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

FEB 17 2016

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. 16-14, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to the Kingdom of Saudi Arabia for defense articles and services estimated to cost \$200 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,


J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Regional Balance (Classified Document Provided Under Separate Cover)



BILLING CODE 5001-06-C

Transmittal No. 16-14

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:* Kingdom of Saudi Arabia

(ii) *Total Estimated Value:*

Major Defense Equipment * ..	\$ 0 million
Other	\$200 million
Total	\$200 million

(iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:* The Kingdom of Saudi Arabia has requested a possible sale of three years of support services by the United States Military Training Mission to Saudi Arabia (USMTM). USMTM is the Security Cooperation Organization (SCO) responsible for identifying, planning, and executing U.S. Security Cooperation training and advisory support for the Kingdom of Saudi Arabia Ministry of Defense.

(iv) *Military Department:* U.S. Army (ABT, Basic Case)

(v) *Prior Related Cases, if any:* SR-B-ABS-A01; \$90M; implemented 30 Dec 13

(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:* None

(viii) *Date Report Delivered to Congress:* 17 February 2016

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

POLICY JUSTIFICATION*Kingdom of Saudi Arabia—Support Services*

The Government of Saudi Arabia has requested a possible sale of support services by the United States Military Training Mission to Saudi Arabia (USMTM). USMTM is the Security Cooperation Organization (SCO) responsible for identifying, planning, and executing U.S. Security Cooperation training and advisory support for the Kingdom of Saudi Arabia Ministry of Defense. The estimated cost is \$200 million.

This proposed sale will enhance the foreign policy and national security objectives of the United States by helping to improve the security of an important partner which has been and continues to be an important force for political stability and economic progress in the Middle East.

This proposed sale will provide the continuation of Technical Assistance Field Teams (TAFT) and other support for USMTM services to the Kingdom of Saudi Arabia. The proposed sale supports the United States' continued commitment to the Kingdom of Saudi Arabia's security and strengthens U.S.-Saudi Arabia strategic partnership. Sustaining the USMTM supports Saudi Arabia in deterring hostile action and increases U.S.—Saudi Arabia military interoperability. Saudi Arabia will have no difficulty absorbing this support.

The proposed sale will not alter the basic military balance in the region. It will support Combatant Command initiatives in the region by enabling Saudi Arabia's efforts to combat aggression and terrorism.

There is no prime contractor associated with this proposed sale. There are no known offset agreements in connection with this potential sale.

Implementation of this proposed sale will approve the permanent or temporary assignment of up to 202 case-funded U.S. Government or contractor personnel to the Kingdom of Saudi Arabia.

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

[FR Doc. 2016-04706 Filed 3-3-16; 8:45 am]

BILLING CODE 5001-06-P

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Docket ID: DOD-2016-OS-0018]

Privacy Act of 1974; Notice of a Computer Matching Program

AGENCY: Defense Manpower Data Center, DoD.

ACTION: Notice of a computer matching program.

SUMMARY: Subsection (e)(12) of the Privacy Act of 1974, as amended (5 U.S.C. 552a), requires agencies to publish advance notice of any proposed or revised computer matching program by the matching agency for public comment. The Defense Manpower Data Center (DMDC) of the Department of Defense (DoD), as the matching agency under the Privacy Act is hereby giving notice to the record subjects of a computer matching program between the Department of Veterans Affairs (VA) and DMDC that their records are being matched by computer. The purpose of this match concerns Reserve pay reconciliation.

DATES: This proposed action will become effective April 4, 2016 and matching may commence unless changes to the matching program are required due to public comments or by Congressional or by Office of Management and Budget objections. Any public comment must be received before the effective date.

ADDRESSES: You may submit comments, identified by docket number and title, by any of the following methods:

* *Federal Rulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

* *Mail:* Department of Defense, Office of the Deputy Chief Management Officer, Directorate of Oversight and Compliance, Regulatory and Audit Matters Office, 9010 Defense Pentagon, Washington, DC 20301-9010.

Instructions: All submissions received must include the agency name and docket number for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the Internet at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT: Mrs. Mary Fletcher at telephone (703) 571-0070.

SUPPLEMENTARY INFORMATION: Pursuant to subsection (o) of the Privacy Act of

1974, as amended (5 U.S.C. 552a), the DMDC and VA have concluded an agreement to conduct a computer matching program between the agencies. The purpose of this agreement is to verify eligibility for DoD/United States Coast Guard (USCG) members of the Reserve forces who receive VA disability compensation or pension in addition to receiving military pay and allowances when performing reserve duty. The parties to this agreement have determined that a computer matching program is the most efficient, expeditious, and effective means of obtaining and processing the information needed by the VA to identify those individuals who are receiving both VA compensation or pension and DoD/USCG payments for those periods when they are performing reserve duty. By law, the individual must waive his or her entitlement to VA disability compensation or pension if he or she desires to receive DoD/USCG pay and allowances for the period of duty performed. This matching agreement will result in an accurate reconciliation of such payments by permitting the VA to determine which individuals are being paid by DoD/USCG for duty performed and are being paid VA disability compensation or pension benefit for the same period of time without a waiver on file with the VA. If this reconciliation is not done by computer matching, but is done manually, the cost would be prohibitive and most dual payments would not be detected.

A copy of the computer matching agreement between VA and DMDC is available upon request to the public. Requests should be submitted to Office of the Secretary of Defense, Office of the Deputy Chief Management Officer, Attn: Chief, Defense Privacy and Civil Liberties Division 9010 Defense Pentagon, Washington, DC 20301-9010 or to the Department of Veterans Affairs, Veterans Benefit Administration, 810 Vermont Avenue NW., Washington, DC 20420.

Set forth below is the notice of the establishment of a computer matching program required by paragraph 6.c. of the Office of Management and Budget Guidelines on computer matching published in the **Federal Register** at 54 FR 25818 on June 19, 1989.

The matching agreement, as required by 5 U.S.C. 552a(r) of the Privacy Act, and an advance copy of this notice was submitted on February 11, 2016, to the House Committee on Government Reform, the Senate Committee on Governmental Affairs, and the Administrator of the Office of Information and Regulatory Affairs,