

[FR Doc. E8-23345 Filed 10-3-08; 8:45 am]

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 08-62]

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. 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 08-62 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: September 25, 2008.

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

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

**SEP 08 2008
In reply refer to:
USP005974-08**

**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. 08-62, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Israel for defense articles and services estimated to cost \$164 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,

A handwritten signature in black ink, appearing to read "Jeffrey A. Wieringa".

**Jeffrey A. Wieringa
Vice Admiral, USN
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**

Transmittal No. 08-62

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

- (i) **Prospective Purchaser:** Israel
- (ii) **Total Estimated Value:**
- | | |
|---------------------------------|----------------------------|
| Major Defense Equipment* | \$163 million |
| Other | <u>\$ 1 million</u> |
| TOTAL | \$164 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 3 PATRIOT System Configuration 3 Modification kits to upgrade 3 PATRIOT fire units to Radar Enhancement Phase 3 (REP-3) and Classification, Discrimination and Identification Phase 3 (CDI-3). Non-MDE includes: communication support equipment, tools and test equipment, integration and checkout, spares and repair parts, installation and training, publications and technical documents, U.S. Government and contractor technical assistance, and other related elements of logistics and program support.
- (iv) **Military Department:** Army (XDF)
- (v) **Prior Related Cases, if any:** FMS Case YCE - \$96M - 17May91
- (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:** SEP 0 8 2008

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

POLICY JUSTIFICATION**Israel – Patriot Missile Fire Unit Upgrades**

The Government of Israel has requested a possible sale of 3 PATRIOT System Configuration 3 Modification kits to upgrade 3 PATRIOT fire units to Radar Enhancement Phase 3 (REP-3) and Classification, Discrimination and Identification Phase 3 (CDI-3). Non-MDE includes: communication support equipment, tools and test equipment, integration and checkout, spares and repair parts, installation and training, publications and technical documents, U.S. Government and contractor technical assistance, and other related elements of logistics and program support. The estimated cost is \$164 million.

Israel's strategic position makes it vital to the United States' interests throughout the Middle East. Our policy has been to promote Middle East peace, support Israeli commitment to peace with other regional Arab countries, enhance regional stability and promote Israeli readiness and self-sufficiency. It is vital to the U.S. national interest to assist Israel to develop and maintain a strong and ready self-defense capability. This proposed sale is consistent with those objectives.

Israel will have no difficulty absorbing this system into its armed forces. The proposed sale will not affect the basic military balance in the region.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to the recipient.

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

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

Transmittal No. 08-62**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 PATRIOT Air Defense System contains critical/sensitive technology and classified Confidential components. The Configuration 3 upgrade represents significant technological advances for the existing PATRIOT system capabilities. The Configuration 3 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 certain critical components. 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.

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 that 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

[Transmittal Nos. 08-64]

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. 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 08-64 with attached transmittal, and policy justification.

Dated: September 25, 2008.

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

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