

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 97-36]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Assistance 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, DSAA/COMPT/CPD, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of

Representatives, Transmittal 97-36, with attached transmittal, policy justification, and sensitivity of technology pages.

Dated: September 9, 1997.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5000-04-M



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

03 SEP 1997

In reply refer to:
I-51074/97

Honorable Newt Gingrich
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, we are forwarding herewith Transmittal No. 97-36, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance (LOA) to Korea for defense articles and services estimated to cost \$3.0 billion. 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 "MS Davison", is positioned above the typed name.

MICHAEL S. DAVISON, JR.
LIEUTENANT GENERAL, USA
DIRECTOR

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

Transmittal No. 97-36

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

- (i) Prospective Purchaser: Korea
- (ii) Total Estimated Value:
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$2.7 billion |
| Other | <u>\$0.3 billion</u> |
| TOTAL | \$3.0 billion |
- (iii) Description of Articles or Services Offered:
Four E-767 Airborne Warning and Control Systems (AWACS), spare and repair parts, support equipment, publications and technical documentation, personnel training and training equipment, U.S. government and contractor technical and logistics personnel services, logistics support and other related program elements to ensure complete AWACS program supportability.
- (iv) Military Department: Air Force (SIP)
- (v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: none
- (vi) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:
See Annex attached.
- (vii) Date Report Delivered to Congress: 03 SEP 1997

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

POLICY JUSTIFICATIONKorea - E-767 Airborne Warning and Control Systems

The Government of Korea has requested the purchase of four E-767 Airborne Warning and Control Systems (AWACS), spare and repair parts, support equipment, publications and technical documentation, personnel training and training equipment, U.S. government and contractor technical and logistics personnel services, logistics support and other related program elements to ensure complete AWACS program supportability. The estimated cost is \$3.0 billion.

This 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 Northeast Asia.

These AWACS will supplement their air/maritime defense forces and Korea will have no difficulty absorbing these aircraft into its armed forces.

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

The prime contractor will be Boeing Company, Seattle, Washington. One or more proposed offset agreements may be related to this proposed sale.

Implementation of this sale will require the assignment of two U.S. government personnel and up to 12 contractor representatives to Korea for periods ranging from one year to two years.

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