

Written comments and recommendations on the proposed information collection should be sent to Mr. Springer at the Office of Management and Budget, Desk Officer for DoD, Room 10236, New Executive Office Building, Washington, DC 20503.

*DOD Clearance Officer:* Mr. Robert Cushing.

Written requests for copies of the information collection proposal should be sent to Mr. Cushing, WHS/DIOR, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302.

Dated: April 3, 1998.

**Patricia L. Toppings,**

*Alternate OSD Federal Register, Liaison Officer, Department of Defense.*

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BILLING CODE 5000-04—M

## DEPARTMENT OF DEFENSE

### Office of the Secretary

[Transmittal No. 98-29]

### 36(b)(1) Arms Sales Notification

**AGENCY:** Defense Security Assistance 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. J. Hurd, DSAA/COMPT/RM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 98-29, with attached transmittal, policy justification, and sensitivity of technology pages.

Dated: April 3, 1998.

**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

20 MAR 1998  
In reply refer to:  
I-63081/98

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. 98-29, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to Kuwait for defense articles and services estimated to cost \$496 million. 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 located below the "Sincerely," text.

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. 98-29

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

- (i) Prospective Purchaser: Kuwait
- (ii) Total Estimated Value:
- |                          |                       |
|--------------------------|-----------------------|
| Major Defense Equipment* | \$ 241 million        |
| Other                    | <u>\$ 255 million</u> |
| TOTAL                    | \$ 496 million        |
- (iii) Description of Articles or Services Offered:  
Two fully equipped Paladin artillery battalions to include 48 M109A6 self-propelled howitzers, 154 M2 machine guns, 18 M88A2 recovery vehicles, 24 M113A3 battalion/battery reconnaissance vehicles, 64 M992A2 field artillery ammunition support vehicles, 136 AN/VRC and 125 AN/PRC SINCGARS radio systems, two AN/TPQ-36(V)9 FIREFINDER radar sets, trucks and trailers, generation II+ night vision goggles, meteorological radar station, radios and radio systems, simulators, U.S. Government and contractor technical and logistic support, maintenance vehicles, spare and repair parts, support and test equipment, personnel training and training equipment, Quality Assurance Team, Technical Assistance Field Team, publications and technical data, support equipment and various other elements of logistics to ensure total program support.
- (iv) Military Department: Army (JBE)
- (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: 20 MAR 1998

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

POLICY JUSTIFICATION

Kuwait - Fully Equipped Paladin Artillery Battalions

The Government of Kuwait has requested a possible sale of two fully equipped Paladin artillery battalions to include 48 M109A6 self-propelled howitzers, 154 M2 machine guns, 18 M88A2 recovery vehicles, 24 M113A3 battalion/battery reconnaissance vehicles, 64 M992A2 field artillery ammunition support vehicles, 136 AN/VRC and 125 AN/PRC SINCGARS radio systems, two AN/TPQ-36(V)9 FIREFINDER radar sets, trucks and trailers, generation II+ night vision goggles, meteorological radar station, radios and radio systems, simulators, U.S. Government and contractor technical and logistic support, maintenance vehicles, spare and repair parts, support and test equipment, personnel training and training equipment, Quality Assurance Team, Technical Assistance Field Team, publications and technical data, support equipment and various other elements of logistics to ensure total program support. The estimated cost is \$496 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 which has been and continues to be an important force for political stability and economic progress in the Middle East.

The proposed sale of the battalions to fulfill their strategic commitments for self defense with coalition support in the region. These battalions could allow the U.S. Government to curtail some deployed U.S. Army anti-armor forces. Kuwait will have no difficulty absorbing these battalions 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 United Defense Limited Partnership, York, Pennsylvania. There are no offset agreements proposed to be entered into in connection with this potential sale.

Implementation of this proposed sale will require the assignment of a Quality Assurance Team for up to a month and a Technical Assistance Field Team for one to two years. Contractor representatives may be required to provide in-country support for two years.

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

## Transmittal No. 98-29

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

Annex  
Item No. vi

(vi) Sensitivity of Technology:

1. The M109A6 howitzer is unclassified. The dynamic reference unit (DRU) contains a ring laser gyroscope, the manufacturing process of which is proprietary to industry. The Government will furnish the DRU in a "black box" configuration and reverse engineering is considered feasible. The degree of sensitivity is low.

2. The following components of the AN/TPQ-36 radar contain critical technology: the signal processor unit and related software of the operations control group; the antenna array group, receiver, transmitter, and electronic counter-countermeasures of the antenna transceiver group. Certain operating characteristics of the radar are classified Confidential. The radar system is highly susceptible to the development of countermeasures (CMs) in a short period of time if both the hardware and software were acquired by a potential adversary.

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

4. 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 proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.