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**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**(Transmittal Nos. 11-40)**

**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:** 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 11-40 with attached transmittal and policy justification.

Dated: November 17, 2011.

Aaron Siegel,  
Alternate OSD Federal Register Liaison Officer,  
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY  
201 12<sup>TH</sup> STREET SOUTH, STE 203  
ARLINGTON VA 22202-6408

NOV 08 2011

The Honorable John A. Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

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. 11-40, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to Peru for defense articles and services estimated to cost \$74 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 that reads "William E. Landay III".

William E. Landay III  
Vice Admiral, USN  
Director

Enclosures:

1. Transmittal
2. Policy Justification



Transmittal No. 11-40

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: Peru
- (ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$74 million</u>
TOTAL	\$74 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: modification and refurbishment of two C-130E aircraft being provided as Excess Defense Articles (grant EDA notification submitted separately) to include: aircraft ferry, spare and repair parts, support equipment, personnel training and training equipment, publications and technical data, U.S. Government and contractor engineering and logistics support services, and other related elements of logistics support.
- (iv) Military Department: Air Force (SLC)
- (v) Prior Related Cases, if any: None
- (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: 8 November 2011

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

## POLICY JUSTIFICATION

### Peru – Refurbishment of Two C-130E Aircraft

The Government of Peru has requested a possible sale for the modification and refurbishment of two C-130E aircraft being provided as Excess Defense Articles (grant EDA notification submitted separately) to include: aircraft ferry, spare and repair parts, support equipment, personnel training and training equipment, publications and technical data, U.S. Government and contractor engineering and logistics support services, and other related elements of logistics support. The estimated cost is \$74 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 that has been, and continues to be, a close partner in countering illicit drug trafficking, a force for economic progress in South America, and a proponent of hemispheric cooperation.

This proposed sale will enable the Peruvian Air Force to modernize its aging aircraft and enhance its capacity to support humanitarian efforts in the region. Peru occupies a strategic location in South America, and the sale of refurbishment support for its EDA grant C-130 aircraft will improve Peru's efforts in conducting maritime interdiction operations, improve its ability to execute counter-narcotics and counterterrorism capabilities, and ensure Peru's overall ability to maintain the integrity of its borders. Additionally, this transfer will enhance the Peruvian Military's ability to support to Humanitarian Assistance and Disaster Relief (HA/DR) efforts. Peru, which already has C-130 and L-100 aircraft in its inventory, will have no difficulty absorbing these additional aircraft into its armed forces.

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

The prime contractor for the refurbishment is undetermined at this time. 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 and contractor representatives to Peru.

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

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