



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal No. 16-76)

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: Pam Young, DSCA/SE&E-RAN, (703) 697-9107.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 16-76 with attached Policy Justification and Sensitivity of Technology.

Dated: December 9, 2016.

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



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

DEC 02 2016

The Honorable Paul D. Ryan
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. 16-76, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance for the Government of Peru for defense articles and services estimated to cost \$668 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,

A handwritten signature in black ink, appearing to read "J.W. Rixey".

J.W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 16-76

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: Government of Peru

(ii) Total Estimated Value:

Major Defense Equipment*	\$434 million
Other	<u>\$234 million</u>
TOTAL	\$668 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

One hundred and seventy-eight (178) Reconditioned Stryker Infantry Carrier Vehicles
One hundred and seventy-eight (178) M2 Flex .50 Cal Machine Guns
One hundred and seventy-eight (178) Remote Weapon Stations (RWS)

Non-MDE includes:

Driver's vision enhancers; Global Positioning System (GPS) navigational capability; sets of special tools testing equipment; associated M2 Flex spare parts and tripods; M6 Smoke Grenade launchers and associated spares; VIC-3 systems; Operators New Equipment Training (OPNET) and Field Level Maintenance Training (FLMNET); publications; training manuals; Contractor Field Service Representative support; contractor and concurrent spare parts; project office technical support; U.S. Government technical assistance; packaging, crating, and handling; de-processing services for shipment; and associated transportation.

(iv) Military Department: Army

(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: See Annex Attached

(viii) Date Report Delivered to Congress: December 2, 2016.

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

POLICY JUSTIFICATION

Government of Peru – Reconditioned Stryker Infantry Carrier Vehicles

The Government of Peru has requested a possible sale of one hundred and seventy-eight (178) Reconditioned Stryker Infantry Carrier Vehicles; one hundred and seventy-eight (178) M2 Flex .50 Cal Machine Guns; and one hundred and seventy-eight (178) Remote Weapon Stations (RWS). Also included are driver's vision enhancers; Global Positioning System (GPS) navigation capability; sets of special tools testing equipment; associated M2 Flex spare parts and tripods; M6 Smoke Grenade launchers and associated spares; VIC-3 systems; Operators New Equipment Training (OPNET) and Field Level Maintenance Training (FLMNET); publications; training manuals; Contractor Field Service Representative support; contractor and concurrent spare parts; project office technical support; U.S. Government technical assistance; packaging, crating, and handling; de-processing services for shipment; and associated transportation. Total estimated program cost is \$668 million.

This proposed sale will contribute to the foreign policy 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, peace, and economic progress in South America. It is in the U.S. national security interest for Peru to field capable forces and multi-role equipment for border security, disaster response, and to confront de-stabilizing internal threats, such as the terrorist group Sendero Luminoso (Shining Path).

Peru intends to use these defense articles and services to modernize its armed forces. This will contribute to the Peruvian military's goal of updating its capabilities while further enhancing interoperability between Peru, the United States, and other allies and partners. This acquisition would support the first major step in Peru's acquisition strategy to build a multi-dimensional brigade by 2030. Peru will have no difficulty absorbing this equipment 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 this program is General Dynamics Land Systems. There are no known offset agreements in connect with this potential sale.

Implementation of this proposed sale will require the temporary assignment of U.S. Government or contractor representatives to Peru for up to three years.

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

Transmittal No. 16-76

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control ActAnnex
Item No. vii(vii) Sensitivity of Technology:

1. The following Major Defense Equipment items do not contain any sensitive technologies or classified material: 178 M1126 Stryker Infantry Carrier Vehicles with M2 Flex .50 Cal machine guns and Remote Weapon Systems. The M1126 Stryker is an infantry carrier vehicle transporting nine soldiers, their mission equipment and a crew of two consisting of a driver and vehicle commander. It is equipped with armor protection, M2 machine guns and M6 smoke grenade launchers for self-protection. The Stryker is an eight-wheeled vehicle powered by a 350hp diesel engine. It incorporates a central tire inflation system, run-flat tires, and a vehicle height management system. The Stryker is capable of supporting a communications suite, a Global Positioning System (GPS), and a high frequency and near-term digital radio systems. The Stryker is deployable by C-130 aircraft and combat capable upon arrival. The Stryker is capable of self-deployment by highway and self-recovery. It has a low noise level that reduces crew fatigue and enhances survivability. It moves about the battlefield quickly and is optimized for close, complex, or urban terrain. The Stryker program leverages non-developmental items with common subsystems and components to quickly acquire and file these systems.

2. The AN/VAS-5 Driver's Vision Enhancer (DVE) is a compact thermal camera providing armored vehicle drivers with day or night time visual awareness in clear or reduced vision (fog, smoke, dust) situations. The system provides the driver a 180 degree viewing angle using a high resolution infrared sensor and image stabilization to reduce the effect of shock and vibration. The viewer and monitor are ruggedized for operation in tactical environments. The system is UNCLASSIFIED but considered sensitive technology. If a technically advanced adversary were to obtain knowledge of the AN/VAS-5, the information could be used to identify ways to countering the system or improve the adversary's ability to avoid detection by the system in low-visibility environments. This is a low-level concern because the thermal imaging technology used in the AN/VAS-5 is considered mature and available in other industrial nation's comparable performance thresholds.

3. A determination has been made that the recipient country can provide 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 Peru.

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