



**Billing Code: 5001-06**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**[Transmittal No. 16-63]**

**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:** Pamela Young, DSCA/SA&E-RAN, (703) 697-9107.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 16-63 with attached Policy Justification.

Dated: January 25, 2017.

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



**DEFENSE SECURITY COOPERATION AGENCY**  
201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

JAN 2 8 2017

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. 16-63, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to the Government of Kuwait for defense articles and services estimated to cost \$400 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,

  
J. W. Elzey  
Vice Admiral, USN  
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Regional Balance (Classified document provided under separate cover)



## Transmittal No. 16-63

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 Kuwait

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$400 million</u>
TOTAL	\$400 million

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

Non-MDE:

Non-MDE items include support equipment and services for AH-64D Apache helicopters, to include: Apache Maintainer unit support, Depot Level support, training devices, helmets, simulators, generators, transportation, wheeled vehicles and organization equipment, spare and repair parts, support equipment, tools and test equipment, technical data and publications, personnel training and training equipment, U.S. Government and contractor engineering, technical, and logistics support services, and other related elements of logistics support.

(iv) Military Department: U.S. Army (UMN and UMP)

(v) Prior Related Cases, if any:

KU-B-UKS (31 Aug 02, \$827,515,435)  
 KU-B-ULM (17 Dec 09, \$21,102,796)  
 KU-B-ULK (17 Dec 09, \$21,700,694)  
 KU-B-ULJ (2 Nov 09, \$183,209,259)

(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: January 23, 2017

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

## POLICY JUSTIFICATION

### Government of Kuwait – Sustainment and Contractor Logistics Support for AH-64D Apache Helicopters

The Government of Kuwait has requested the sale of support equipment and services for its AH-64D Apache helicopters, to include: Apache Maintainer unit support, Depot Level support, training devices, helmets, simulators, generators, transportation, wheeled vehicles and organization equipment, spare and repair parts, support equipment, tools and test equipment, technical data and publications, personnel training and training equipment, United States Government and contractor engineering, technical, and logistics support services, and other related elements of logistics support. The total overall estimated value is \$400 million.

The proposed sale will contribute to the foreign policy and national security of the U.S by helping to improve the security of a Major Non-NATO Ally that has been and continues to be an important force for political stability and economic progress in the Middle East region. Kuwait plays a large role in U.S. efforts to advance stability in the Middle East, providing basing, access, and transit for U.S. forces in the region.

Kuwait requires continued support for equipment already procured to ensure national security interests and objectives are met. The defense articles maintained are used solely by the Ministry of Defense to protect the sovereign border and to conduct operations and training to include joint exercises with the U.S. military. Kuwait will be able to absorb this additional equipment and support into its armed forces.

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

The U.S. companies potentially involved in the sale are Boeing, Mesa, AZ; Longbow Limited, Orlando, FL/Owego, NY (Joint Venture between Lockheed Martin and Northrop Grumman); Lockheed Martin, Orlando, FL; and DynCorp International, Fort Worth, TX. There are no known offset agreements for the sale.

Implementation of this proposed sale will require the assignment of four (4) U.S. Government representatives and sixty-five (65) contractor representatives in country for up to five year.

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