



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 17-04]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification.

FOR FURTHER INFORMATION CONTACT: Pamela Young, (703) 697-9107

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DSCA/DSA-RAN.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 17-04 with attached Policy Justification.

Dated: July 21, 2017.

Aaron Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 209
ARLINGTON, VA 22202-5406

MAY 22 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. 17-04, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance for the Kingdom of Saudi Arabia for defense articles and services estimated to cost \$250 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. Rixey
Vice Admiral, USN
Director

Enclosures:

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



Transmittal No. 17-04

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: Kingdom of Saudi Arabia

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$250 million</u>
TOTAL	\$250 million

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

Major Defense Equipment (MDE): None

Non-MDE includes:

Continuation of a naval blanket order training program inside and outside of Saudi Arabia that includes, but is not limited, to English Language training, professional military education, technical training, publications and technical documentation, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support.

(iv) Military Department: Navy

(v) Prior Related Cases, if any: SR-P-TCY

(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: May 22, 2017

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

POLICY JUSTIFICATION

Kingdom of Saudi Arabia – Navy Blanket Order Training

The Kingdom of Saudi Arabia has requested the continuation of a naval blanket order training program inside and outside of Saudi Arabia that includes, but is not limited to English Language training, professional military education, technical training, publications and technical documentation, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support. The estimated value is \$250 million.

This proposed sale will enhance the foreign policy and national security objectives of the United States by helping to improve the security of a strategic regional partner that has been, and continues to be, an important force for political stability and economic progress in the Middle East.

The proposed sale will enable Saudi Arabia and the Royal Saudi Naval Force (RSNF) to maintain military performance levels and provide an increased ability to meet current and future maritime threats. The training will support the RSNF in its role patrolling and providing protection for critical industrial infrastructure and for the sea lines of communications. The RSNF will also use the training to enhance interoperability with the United States and other coalition maritime forces. Saudi Arabia will have no difficulty absorbing these services.

The proposed sale of this training will not alter the basic military balance in the region.

The prime contractor will be Kratos Defense & Security Solutions of San Diego, CA. There are no known offset agreements in connection with this potential sale.

Implementation of this proposed sale will require the assignment of approximately 88 contractor representatives to Saudi Arabia for approximately three years to support personnel training. Implementation of this sale will not require the assignment of any additional U.S. Government representatives to Saudi Arabia.

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