



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 20-16]

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 an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Karma Job at karma.d.job.civ@mail.mil or (703) 697-8976.

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 20-16 with attached Policy Justification and Sensitivity of Technology.

Dated: July 10, 2020.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, SUITE 101
ARLINGTON, VA 22202-5408

MAY 28 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-209, The Capitol
Washington, DC 20515

Dear Madam 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. 20-16 concerning the Army's proposed Letter(s) of Offer and Acceptance to the Government of Kuwait for defense articles and services estimated to cost \$800 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,

Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

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

Transmittal No. 20-16

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*	\$700 million
Other	<u>\$100 million</u>
TOTAL	\$800 million

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

Major Defense Equipment (MDE):

Eighty-four (84) Patriot Advanced Capability (PAC-3) Missile Segment Enhancements (MSEs) with Canisters

Two (2) Patriot MSE Test Missiles 2-Pack per Unit of Issue

Thirty-five (35) Remanufactured (Upgrades): Patriot Modification Kit, Missile Launchers A902+ Series to A903 Series

Twenty-six (26) PAC-3 Missile Round Trainer (MRT)

Twenty-six (26) Empty Round Trainer (ERT)

Non-MDE:

Also included is one (1) Flight Test Target - Zombie, PAC-3 missile spares held in Continental United States (CONUS) for repair and return, two (2) PAC-3 telemetry kits, training devices, simulators, transportation, organizational 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: Army (KU-B-UXI)

(v) Prior Related Cases, if any: KU-B-UJO; KU-B-UKE; KU-B-UKI; KU-B-ULP; KU-B-ULL; KU-B-ULV; KU-B-UMG; KU-B-UMI; KU-B-UME

(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 Attached Annex

(viii) Date Report Delivered to Congress: **May 28, 2020**

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

POLICY JUSTIFICATION

Kuwait – Patriot Advanced Capability (PAC-3) Missile Segment Enhancements (MSEs) with Canisters

The Government of Kuwait has requested to buy eighty-four (84) Patriot Advanced Capability (PAC-3) Missile Segment Enhancements (MSEs) with canisters; two (2) Patriot MSE test missiles 2-Pack per unit of issue; thirty-five (35) remanufactured (upgrades): Patriot modification kit, missile launchers A902+ Series to A903 Series; twenty-six (26) PAC-3 Missile Round Trainer (MRT); and twenty-six (26) Empty Round Trainer (ERT). Also included is one (1) Flight Test Target -Zombie, PAC-3 missile spares held in Continental United States (CONUS) for repair and return, two (2) PAC-3 telemetry kits, training devices, simulators, transportation, organizational 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. The total estimated program cost is \$800 million.

The proposed sale will support the foreign policy and national security of the United States by helping to improve the security of a Major Non-NATO Ally that is an important force for political stability and economic progress in the Middle East.

Patriot PAC-3 MSEs will supplement and improve Kuwait's capability to meet current and future threats and provide greater security for its critical oil and natural gas infrastructure. Kuwait will use the enhanced capability to strengthen its homeland air defense by better meeting current and future air threats. The acquisition of these missiles will allow for integration with U.S. forces for training exercises, which contributes to regional security and interoperability. Kuwait will have no difficulty absorbing this equipment and services into its armed forces.

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

The principal contractor involved in this program is Lockheed Martin Corporation (Grand Prairie), Dallas, TX. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of two U.S. Government and three contractor representatives to Kuwait to support delivery of the Patriot PAC-3 MSEs with Canisters and provide support and equipment familiarization.

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

Transmittal No. 20-16

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

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The Patriot Advanced Capability (PAC-3) Missile Segment Enhancements (MSEs) is a small, highly agile, kinetic kill interceptor for defense against tactical ballistic missiles, cruise missiles and air-breathing threats. The MSE variant of the PAC-3 missile represents the next generation in hit-to-kill interceptors and provided expanded battlespace against evolving threats. The PAC-3 MSE improves upon the original PAC-3 capability with a higher performance solid rocket motor, modified lethality enhancer, more responsible control surfaces, upgraded guidance software and insensitive munitions improvements. The PAC-3 MSE's sensitive/critical technology is primarily in the areas of design and production know-how and manufacturing data and processes. Information on limitations of the PAC-3 MSE, including survivability and vulnerability data, is classified. Classified information could be revealed through reverse engineering or testing the PAC-3 MSE interceptor.

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

3. A determination has been made that Kuwait can provide substantially the same degree of protection of this technology as the U.S. Government. This proposed sale is necessary in furtherance of U.S. foreign policy and national security objectives outlined in the Policy Justification.

4. All defense articles and services listed in this transmittal are authorized for release and export to the Government of Kuwait.