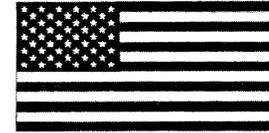




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**VICE PRESIDENT CHENEY  
TRIP TO THE MIDDLE EAST  
MARCH 10-20, 2002**



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**VICE PRESIDENT CHENEY'S TRIP TO THE MIDDLE EAST**

**March 10-20, 2002**

***DASD BRIEFING BOOK***

**TAB**

**SUBJECT**

- A. CENTCOM BRIEFING TO THE VICE PRESIDENT (TS)
- B. OPERATION ENDURING FREEDOM STATUS OF FORCES (S)
- C. CENTCOM AOR FORCE LAYDOWN (S)
- D. OSD PERIPHERY STRATEGY (S/NF)
- E. CENTCOM PERIPHERY STRATEGY (S/NF)

# **VICE PRESIDENT CHENEY'S TRIP TO THE MIDDLE EAST**

**March 10-20, 2002**

## ***REFERENCE BOOK***

### **TAB**

### **SUBJECT**

- A. ITINERARY (SENSITIVE)
- B. TASKS AND TALKING POINTS (S/NF)
- C. COUNTRY INFORMATION (S/NF)

### **SEQUENCE**

- Map
- NESAs One-Page Overview
- NESAs Country Paper
- DSCAs Background Paper
- Embassy Scen setter

### **ORDER OF VISIT**

- United Kingdom
- Jordan
- Egypt
- Yemen
- Oman
- United Arab Emirates
- Saudi Arabia
- Bahrain
- Qatar
- Kuwait
- Israel
- Turkey

- D. OPERATION ENDURING FREEDOM STATUS OF FORCES (S)
- E. CENTCOM AOR FORCE LAYDOWN (S)
- F. OSD PERIPHERY STRATEGY (S/NF)
- G. DRAFT CENTCOM PERIPHERY STRATEGY (S/NF)

# VICE PRESIDENT CHENEY'S TRIP TO THE MIDDLE EAST

March 10-20, 2002

## *DASD REFERENCE BOOK*

### TAB

### SUBJECT

- |    |                                 |
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<b>COUNTRY</b>	<b>NESA 1 PAGE</b>	<b>NESA COUNTRY PAPER</b>	<b>DSCA PAPER</b>	<b>SCENESETTER</b>
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<b>United Kingdom</b>				
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<b>Oman</b>				
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<b>UAE</b>				
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<b>Saudi Arabia</b>				
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<b>Bahrain</b>				
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<b>Qatar</b>				
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<b>Kuwait</b>				
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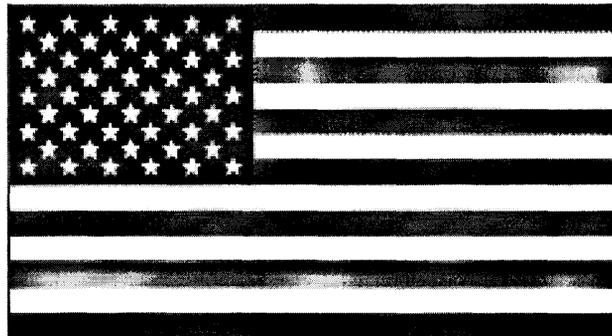
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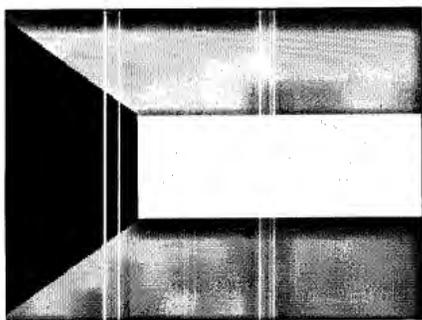
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**VICE PRESIDENT CHENEY  
TRIP TO THE MIDDLE EAST  
MARCH 10-20, 2002**

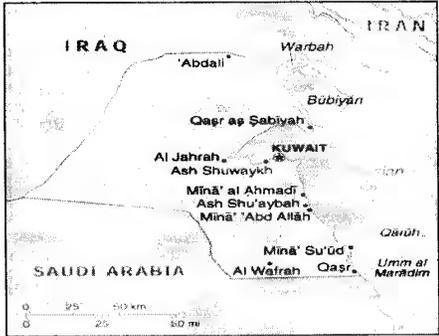


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# Kuwait Summary

Ambassador  
Richard Jones



**PROGRAM HISTORY: (\$ in millions):**

	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY00</u>	<u>FY01</u>
FMS Agreements	32.45	119.00	99.57	200.00	226.00

**SECURITY ASSISTANCE STAFFING:**

(b)(6) OMC-K has a division dedicated to the Security Cooperation function.

(b)(5),(b)(6)

**POLITICAL – MILITARY INFORMATION:**

On 9 July 2000, the Public Funds Committee reported to the Kuwait National Assembly that they have rejected the Ministry of Defense's selection of the Paladin Howitzer. On 10 July 2000, the Speaker of the Kuwait National Assembly announced a summer recess. On 18 July the US Army cancelled the proposed Paladin LOA as the data on the case had become obsolete and the government of Kuwait expressed no desire to pursue this sale. On 16 Aug 00 the Minister of Defense tendered his resignation which was swiftly rejected by the parliament. Continuing unrest in the fledging democracy has greatly affected the foreign acquisition of the Government of Kuwait.

**FINANCIAL/TRAINING INFORMATION:**

Kuwait receives no IMET or Credit Programs.

(b)(5)

(b)(5)

**EXCESS DEFENSE ARTICLES (EDA):** Kuwait is not eligible for EDA.

**SIGNIFICANT SECURITY ASSISTANCE TRENDS AND ISSUES:**

- **F/A -18 E F Next Generation Fighter (Current Status)**
- **AH-64D Apache Longbow Attack Helicopter (Current Status)**
- **M109A6 Paladin 155mm Howitzer( Current Status)**
- **M1A2 Tank Program (Current Status)**
- **Patriot Air Defense Missile System (Current)**
- **Tow-2B Anti-Armor Missile System**
- **AMRAAM**
- (b)(5)
- **AIM-9M 1/2 Sidewinder Missiles**
- **GEN III Night Vision Systems**
- **AEROSTAT PROGRAM**
- **OMC-K PERSONEL ISSUES**

**F/A -18 E F Next Generation Fighter (Current Status):**

The Kuwait Ministry of Defense has requested and received a (b)(5) briefing on the F/A-18 E-F aircraft in June of 2001 and it is believed to be their next generation fighter to compliment their current 40 F/A-18 C/D fleet. (b)(5)

(b)(5)

**AH-64D Apache Longbow Attack Helicopter (Current Status):**

Based on a request by the Kuwait Chief of Staff to the Commanding General of the Army Materiel Command during June 2001 visit, the US Army scheduled and completed an in-country briefing in Nov 2001 (b)(5)

(b)(5)

In late Jan-Feb 2002, the Kuwait Armed Forces completed an on-site flight evaluation of the Apache at the production facilities in Mesa, AZ and a review of the training program at Ft. Hood, TX. (b)(5)

(b)(5)

The LOA is being finalized now with an estimated completion date of May 2002. Congressional Notification has been completed for the AH-64D. However, the SIRFC and the Longbow elements require congressional notification.

**M109A6 Paladin 155mm Howitzer( Current Status):**

(b)(5)

**M1A2 Tank Program (Current Status):**

Based upon a Kuwaiti request, General Dynamics Land Systems with Army support provided an in-country demonstration of the M1A2 System Enhancement Program (SEP) in August 2001. (b)(5)

(b)(5)

(b)(5)

**M1A2 Tank Program (Background):**

Congress was notified on 5 Jan 93 of a proposed \$4.5B sale for 256 tanks with support and military construction. The program was significantly reduced to 218 tanks with a program value of \$1.9B. Fielding began in September 1995 with 16 delivered; the remainder was delivered during FY96. The tanks were sold with the M829 DU round. The training started in late 1995 and will continued through 1999. Also bought under the case are 14 M88A1E1 Recovery Vehicles, 16 M113A3 Ambulance variants and 30 M577A3 Command Post Carriers.

(b)(6)

Chief of Defense Forces for Kuwait visited the United States in May 00 to observe a live firing of the M1A2 System Enhancement Program (SEP). This project would upgrade the Kuwait M1A2 program (b)(5) and ensure continued supportability of the main battle tank. Kuwait and Saudi Arabia are the only international customers for the M1A2 tank

(b)(5)

**Patriot Air Defense Missile System (Current):**

Kuwait submitted a request for information on the PATRIOT PAC III missile in May 2001. Due to the fact that the PAC III missile was still under development, the Army informed Kuwait that it would keep its request open and inform Kuwait of the status of their request once the PAC III missile was closer to full rate production.

(b)(5)

**Patriot Air Defense Missile System (Background):**

Kuwait signed the Patriot LOA for \$790M in Dec 92. The program contains five fire units, 25 launchers and 210 missiles. First fire unit with launchers arrived Aug 97; fielding was completed in FY98.

(b)(5)

**Tow-2B Anti-Armor Missile System:**

Initial shipment of Tow-2Bs were delivered in Dec 97 and continued through FY99. Congressional Notification for 728 additional TOW 2B's was completed and the

(b)(5)

**AMRAAM:**

Kuwait provided a LOR for AIM-120 AMRAAM. Kuwait received approval for release of AMRAAM on 28 Apr 99. P&A data provided included \$43M for missiles, containers, and spares. The USAF awaits complete LOR to process Congressional Notification. Kuwait has initiated the software upgrades and IFF Mode IV requirements to accommodate the AMRAAM. An LOR is currently being worked.

(b)(5)

**AIM-9M 1/2 Sidewinder Missiles:** Kuwait LOR for AIM-9M 1/2 (9 Dec 95 message) was approved for Kuwait in Feb 96. Kuwait accepted FMS case for 60 AIM-9M missiles and support (\$5.36M cash case) in Sep 96.

**GEN III Night Vision Systems:** Kuwait has requested and has been approved to receive GEN III NVDs

(b)(5)

**AEROSTAT PROGRAM;** Kuwait submitted an LOR to replace the destroyed Low Altitude Surveillance System (LASS) in Aug 00 but the LOR was returned for clarification as the LOR asked for one item and the statement of work described another. Kuwait MOD is continuing discussions on P&A data - we expect an LOR later this year.

(b)(5)

**OMC-K PERSONEL ISSUES:**

(b)(5)

(b)(5)

**SIGNIFICANT COMMERCIAL TRENDS AND ISSUES:**

**C-130J Cargo Aircraft:**

(b)(5)

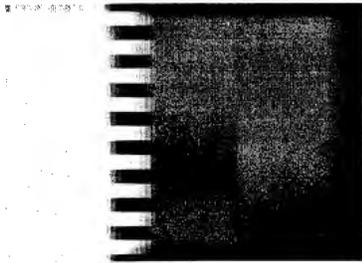
(b)(5)

**PANDUR Light Armored Vehicle (LAV):** The Kuwaiti National Guard (KNG) is fielding one armored LAV and one mechanized infantry battalion under their modernization program. The KNG signed a Direct Commercial Sales contract in Oct 96 with U.S. AV Technology for 70 PANDUR LAVs valued at \$173M. The U.S. Army and Lockheed Martin/AV Technology will conduct the initial maintenance and operational training of the KNG at Aberdeen Proving Grounds with follow-on training and maintenance taking place in Kuwait. Deliveries of the PANDUR vehicles started in 1998 and were completed in FY99.

(b)(5)

**Prepared by:** (b)(6)

**Current as of:** 4 Mar 2002



**Qatar Summary**

**Ambassador  
Maureen Quinn**



**PROGRAM HISTORY (\$ in million):**

	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
FMS (training cases only)	0	0	0	.2	-	3*

\* Includes 3 FMS training cases for \$1M each for each Service and \$50K for support costs associated with a M1A2 SEP demonstration in Doha.

**SECURITY ASSISTANCE STAFFING:**

(b)(6)

**FINANCIAL INFORMATION:**

Qatar is a Cash customer and is ineligible to receive Foreign Military Financing (FMF) or International Military Education Training grant aid. Qatar enjoys one of the highest per capita incomes in the world, far greater than either the U.S. or Saudi Arabia. Most of Qatar's income comes from its oil, produced at about 450,000 barrels per day. Qatar has control over one of the world's largest reserves of natural gas and has started to establish the infrastructure necessary for access. The FMS program consists of three open FMS cases, all of which are training cases with a total value of 4.9 million dollars.

**EXCESS DEFENSE ARTICLES (EDA):** Qatar is not eligible for EDA.

**TRAINING INFORMATION:** Qatar's FMS program totals \$4.9M in three training cases.

**SIGNIFICANT SECURITY ASSISTANCE/POLITICAL ISSUES:**

(b)(5)

**Recent Interest in U.S. Weapons Systems/Services:**

**Army**

(b)(5)

- Qatar expressed an interest in the U.S. Army Patriot missile defense system in the early 1990s.

(b)(5) In March 1998, Qatar requested information on the improved Patriot PAC III system and an (b)(5)

- In March 1998, Qatar expressed official interest in the M1A2 tank. (b)(5)

- In June 2000, the Qatar Armed Forces Chief of Staff sent a letter to General Dynamics (GD) via the USLO requesting a live fire demonstration of the M1A2 System Enhancement Program (SEP) in Doha.
- An FMS case for \$15K has been prepared to pay for costs associated with the demonstration and been sent to DSCA for coordination. LOA was delivered to Qatar in Dec 01, but remains unsigned.

- (b)(5)

**Navy**

- On 18 March 1999, the USLO notified the U.S. Navy of Qatari interest in the HARPOON missile system. (b)(5)

- In June 1999, Qatar began expressing interest in the Global Command and Control System - Maritime (GCCS-M). Qatar is interested in establishing a Naval Operations Center based on this system. Qatar is also considering maintenance and operations training and the costs of installing this capability on Qatari naval vessels.

**Air Force**

- (b)(5) Current FMS activity is limited to development of one FMS training case for \$1M and an FMS case for Shared Early Warning (SEW) system. The SEW FMS case was delivered to Qatar in August 2001.

**FMS:** All sales of U.S. military equipment to Qatar have been commercial. However, Qatar has requested the USG provide Shared Early Warning, part of the Cooperative Defense Initiative against WMD. The USAF completed a site survey in December 2000.

**Commercial Sales:**

- In January 1999, Lockheed-Martin advised of its efforts to market the C-130J as a replacement to Qatar's aging fleet of transport aircraft. (b)(5)

(b)(5)

- (b)(5)

- In April 1998, Qatar reportedly struck a deal with Oshkosh to purchase of six mobile rocket launchers for April 1999 delivery (\$3.1M). The launchers were to be used in conjunction with French Roland missiles.

- Qatar has expressed interest in a small number of PAS-19 night vision systems.

(b)(5)

- In August 1997, Qatar received two of four British fast-attack coastal patrol gunboats built by Vosper Thornycraft LTD. The remaining two boats were delivered in April 1998.

- Qatar Ministry of Interior has expressed interest in buying one Low Altitude Surveillance System (LASS) from the U.S. firm T-COM, L.P. for border and internal security. The purchase is estimated to cost approximately \$50M.

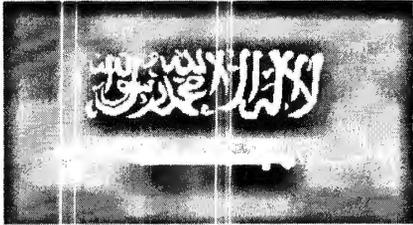
(b)(5)

**Qatari Regional Concerns:**

(b)(5)

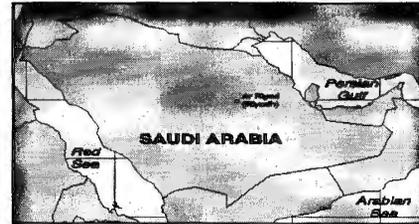
Prepared by: (b)(6)

Current as of: 7 March 2002



**SAUDI ARABIA**

**Ambassador  
Robert Jordan**



**I. PROGRAM HISTORY (in \$B):**

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
MODA Budget	\$4.0	\$3.5	\$3.0	\$2.1	\$1.8	\$1.2	\$1.2

**II. KEY SECURITY ASSISTANCE PERSONNEL:**

	<u>U.S. MILITARY</u>	<u>U.S. CIVILIAN</u>	<u>FSN EMPLOYEES</u>	<u>TOTAL</u>
(b)(6)				

Note: In addition, there are numerous U.S. contractor personnel in country supporting FMS programs. Expect to see reductions in USMTM numbers and contractor numbers as the Saudis pare down their FMS programs in response to decreasing revenues and support for their efforts to employ more Saudi nationals in the workforce.

**III. FINANCIAL INFORMATION:**

Saudi Arabia remains one of the largest FMS customers. They have purchased over \$60 billion in sales since the beginning of the program (including \$13 billion during Desert Shield/Storm).

(b)(5)

MODA and MOF have taken actions to limit FMS contracts consistent with available cash and DOD has helped the Saudi military services to prioritize their requirements within the budget guidance. Annually, in conjunction with DSCA and the MILDEPS, USMTM "racks and stacks" a recommended budget that prioritizes the Saudi forces requests for new procurements, training and sustainment requirements with current obligations.

MODA continues to delay signing new, multi-year cases to extend support for the Infantry, Armor, Army Aviation, Naval training, and Air Force sustainment. MODA is also continuing efforts to transition FMS support cases to "direct commercial contract" to support Saudiization.

(b)(5)

### Assistance-in-Kind (AIK):

Between CYs 98 and 00, the Saudis steadily reduced the amount of AIK they provided to coalition forces. In some areas, such as fuels, this reduction was well over 50%. As a result, the U.S. has taken on a larger financial burden to support OSW. Although the CY01 AIK will likely exceed CY00 by \$10M, the increase is primarily due to an increased allotment of fuel. Nine categories (laundry service, bottled water, bulk water, facility maintenance, sewage treatment, electricity, food service, fuel, and housing) comprise 96% of all AIK. The U.S. shares cost in six of the nine categories with Saudi Arabia providing all support in the areas of housing, laundry, and electricity.

### EXCESS DEFENSE ARTICLES:

Saudi Arabia is only able to purchase under FMS.

### INTERNATIONAL MILITARY EDUCATION AND TRAINING:

(b)(5)

School pricing is mandated by U.S. legislation to a tiered system. The FY 2002 Foreign Appropriations Act, signed by the President, authorizes Saudi Arabia (b)(5) of IMET funding. This authorization also makes Saudi Arabia eligible for pricing at the "FMS Incremental" level - a projected savings of over 50% for most non-aviation schools. Once the SECSTATE approved the allocation in early Feb 2002, the DSCA Comptroller began work to insure funds are distributed. The DSCA IMET Coordinator will insure that the Services are aware of the new pricing and coordinate with the Comptroller on the effective date for the new pricing.

### IV. SIGNIFICANT SECURITY ASSISTANCE ISSUES:

**Accomplishments:** Major force expansions occurred in the land and air forces during the Gulf War, to include the \$14 billion Emergency Arms Package (150 M60 tanks, 200 stinger missiles, 3600 rounds of depleted uranium (DU) tank ammunition, and 24 F-15 aircraft) and the Phase I Arms Package (200 Bradley IFVs, TOW IIA missiles, 12 Apache and 8 UH-60 MEDEVAC helicopters, 13 additional UH-60L aircraft, 15 OH-58D Kiowa Warriors, 315 M1A2 tanks and other armored vehicles, 9 MLRS, 6 Patriot Missile Batteries, 18,000 tactical wheeled vehicles, and navy communications equipment). Subsequent to the Gulf War the RSAF added 72 F-15S aircraft to their inventory.

**US-Saudi Arabian Joint Planning Committee Meeting:** The initial JPC convened 17 SEP 00 in Riyadh. A Follow-up Group meeting occurred April 2001, in Washington D.C.. The debate of the issues was spirited and focused on establishing greater communication between the countries. Key issues included US support for Saudiization and FMS Re-invention. MODA considered that the JPC process has provided them another forum for discussion of issues and agreed to the second JPC meeting, 27-30 Aug 2001. Unfortunately, the Saudis cancelled their participation the weekend prior to the conference - no alternate date has been set.

(b)(5)

**Secondary Arab Boycott of Israel:** This statute currently prohibits direct contracts with companies, which cannot certify non-support of the Secondary Arab Boycott of Israel. SECDEF waivers are required for any corporation that

cannot certify - currently we are not aware of any companies that have not certified non-support of the Secondary Arab Boycott of Israel.

(b)(5)



**V. Service Proposed Programs:**

(b)(5)



**F-15S:** Production delivery began in October 1995 and RSAF took possession of the first four F-15S in-kingdom in Nov/Dec 1995. The last of the original 72 aircraft were delivered on 31 July 2000. Beginning 1 October 2001, the RSAF awarded a direct commercial contract to a Saudi Company, Al-Salam, to provide CTS support. They are working with a US Company (DynCorp) as a sub-contractor.

(b)(5)



(b)(5)

**Munitions:** 28 AGM-65D and 300 GBU-24 precision guided munitions are on contract. These munitions would replace 1970's-vintage weapons currently employed on the F-15S and improve the RSAF's ability to operate as a coalition partner. (b)(5)

(b)(5)

**Training:** The RSAF pays the full FMS rate for significant CONUS training programs, including a 2-year curriculum at Pensacola to train weapon systems officers (WSO) for the F-15S. The RSAF is assessing alternatives to perform this training in Kingdom, as it can "grow" an F-15S pilot from the Air Academy all the way to mission qualified in Saudi Arabia. Other training initiatives include upgrades of its (b)(5) air-to-ground training ranges, procurement of F-15 simulators, and procurement of an air combat maneuvering and instrumentation (ACMI) system to support joint and combined training with JTF-SWA and transiting US Navy

(b)(5)

(b)(5)

**M1A2 Tank Program:** In 1992, the program underwent restructuring to accommodate MODA's decision to delay the Phase II tank (150 tanks) procurement. The Saudis decided to only field the Phase I quantity (315 tanks) and reduce the tank case value from \$5.9 billion to \$2.9 billion. A Saudi decision requesting the additional tanks of the Phase II buy is not expected anytime soon in light of the current economic situation. Under the current program, 315 M1A2 tanks were delivered to Saudi Arabia.

(b)(5)

**Tank Ammunition:** Presidential Determination (PD) for M829 Depleted Uranium (DU) ammunition was approved on 19 July 1994, and the Kingdom procured DU rounds on an amendment to the Abrams tank case (VKZ).

**Patriot Missile System, Phases I & II:** The Patriot Phase I LOA, valued at \$1.0 billion (6 fire units - 300 missiles), was implemented on NOV 1990. Delivery began in December 1991 and fielding was completed in March 1996. On 10 Dec 92, the Patriot Phase II LOA for \$3.1 billion (12 fire units - 661 missiles) was accepted and the program has also been implemented. Deliveries began in January 1993 and are now predominantly complete.

**Apache Helicopter Program:** Delivery of 12 AH-64A APACHE helicopters was completed in Apr 93. Support is limited by the Saudis cash flow problems. Continued readiness impacts will occur unless funding for spare parts, repair, and training is increased. Current case funding will expire later this summer (2002).

• **ROYAL SAUDI NAVAL FORCES:**

(b)(5)

No major U.S. purchases have been made since 1990, with the exception of a Navy Tactical Team Trainer. In the early 1990s the RSNF contracted for the new construction of three French frigates. Additionally, French-made helicopters were purchased. (b)(5)

(b)(5) U.S. FMS purchases are mainly training, C3, ship weapon refurbishment and maintenance, Harpoon, ammunition, and Supply Support.

**Training:** Approximately 1,215 RSNF officers and enlisted students both in-kingdom and CONUS are trained annually. This includes English Language Training, Command Preparation Courses and Naval Instruction, Basic Officer Qualification Courses, Supply and Logistics Training, Intelligence Training and CONUS General and

(b)(5)

**Command, Control, and Communications (C3) Program:** The current C3 case was implemented in 1991 to upgrade the RSNF's legacy C3 System. This provided the RSNF with USN baseline equipment and software to ensure future and continued U.S./Saudi interoperability. Follow-on cases for \$233 million, covering the next ten years, were submitted by the Saudis in spring 2001. The cases have passed through the US staffing process and the

(b)(5)

ensure continuation of interoperability with U.S. and Allied forces and installation on shipboard platforms.

**Ship Weapons Refurbishment and Follow on Technical Support:** The RSNF currently operate the Missile Patrol Gunboat (9), Missile Patrol Chaser (4), Coastal Minesweeper (4), Mechanized Landing Craft (8), Utility Landing Craft (2), Harbor Tug (2), and Patrol Craft Fast (17) for a total of 46 platforms. These platforms have various weapons that are currently being upgraded/overhauled to ensure the RSNF maintain an integral and self-contained naval force.

(b)(5)

- **SAUDI ARABIAN NATIONAL GUARD (SANG):**

The SANG is the kingdom's full-time, 100K man land force under the command of the HRH Crown Prince Abdullah. The SANG Budget has historically more than met their requirements. There appear to be no funding issues for the SANG program at this time.

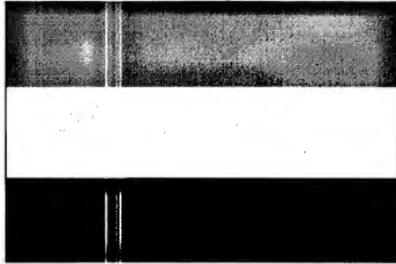
**Light Armored Vehicles (LAV):** The SANG purchased a total of 1117 LAVs variants with associated weapons and equipment under FMS cases. As of September 00, a quantity of 908 LAVs have been delivered to Kingdom. The balance of 209 chassis are scheduled for application of weapons systems and delivery in the outyears.

**Assault Gun:** The SANG decided on procurement of a 90mm assault gun (AG) from Cockerill Industries of Belgium for use on the LAV-25 vehicles now being delivered. The entire effort is being accomplished under an FMS case.

**Prepared by:**

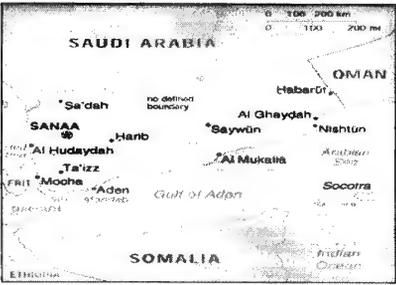
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**Current as of:** 4 Mar 2002.



**REPUBLIC OF YEMEN  
SUMMARY**

**Ambassador  
Edmund J. Hull**



**PROGRAM HISTORY (in \$M):**

	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>(Proj.) FY03</u>
IMET	.142	.122	.125	.198	.450	.650
Demining Funds*	.400	1.462	1.236	1.023	.750	N/A
FMF	-	-	-	-	-	2.0

\* Non-Proliferation Anti-Terrorism, Demining, and Related (NADR) funds.

**SECURITY ASSISTANCE MANNING:**

LTC (b)(6)  
MAJ

**BACKGROUND:**

- Cancellation of Security Assistance: All US military assistance to Yemen was cancelled in response to Yemen's support for Iraq within the UN. Termination of all new security assistance and training to Yemen was shaped by State cable 290324Z Jan 91 and implemented by DSCA in subsequent messages.
- Restoration of Assistance:
  - State message 012121Z Aug 96 restored IMET in Aug 96. State did not, however, restore full FMS for Yemen.
  - US commercial sales to Yemen were approved but limited truck parts, radar, radios, and safety spares for their F-5 aircraft. The sale of spare parts for armored vehicles was considered on a case-by-case basis. In Apr 97, State loosened its military equipment export policy towards Yemen, allowing export licenses for M113 APC, F-5 and tank parts.
  - Improvements in the US-Yemeni bilateral relationship, led to resumption of FMS/EDA to Yemen in Apr 99.

**FINANCIAL/IMET/TRAINING INFORMATION:**

Financial

- In Apr 99, Yemen had an estimated \$1.114M in prior year Military Assistance Program (MAP) grant monies and \$40K in their cash holding account. As of Nov 01, Yemen has \$49,858 in uncommitted MAP funds remaining.

### Training

- A modest restart of the International Military Education and Training (IMET) program began in FY96 with \$50K. Training is currently focused on English language instructor and officer training. Greater understanding of democratic principles and civil-military relations is sought through E-IMET course offerings.
- The FY02 IMET program is focused on enhancement of bilateral military cooperation and securing Yemen's active participation to promote regional stability. IMET will fund training and education for Yemeni military personnel as the military force shifts towards Western practices and doctrine.
- Additional emphasis will also be placed on assisting Yemen develop indigenous counter-terrorist and shore/coast guard seamanship capabilities.

### HUMANITARIAN ASSISTANCE/DEMINEING:

In Aug 96, DoD and State proposed the initiation of a Humanitarian Demining (HD) program in Yemen for FY98. The program funded US training of Yemeni personnel in the removal and disposal of anti-personnel landmines in lands made inaccessible after Yemen's brutal civil war.

- Overseas Humanitarian Disaster and Civic Aid (OHDACA).  
OHDACA funds are two-year DoD Operations and Maintenance funds under Title X of the U.S. Code. Funds are limited to paying for TDY costs of US trainers and personnel conducting HD operations in Yemen. Equipment purchases, supplies, and services are authorized in direct support of U.S. forces conducting HD operations.
- Non-Proliferation, Anti-Terrorism, Demining and Related (NADR).  
NADR funding provides long-term USG HD support to recipient nations and is available through State Department (State). These funds may be used to buy equipment, supplies, contract services in support of HD needs. All NADR funding must be obligated before the end of the year. In FY02, the NADR demining program will train, equip and deploy two additional demining companies.

### EXCESS DEFENSE ARTICLES:

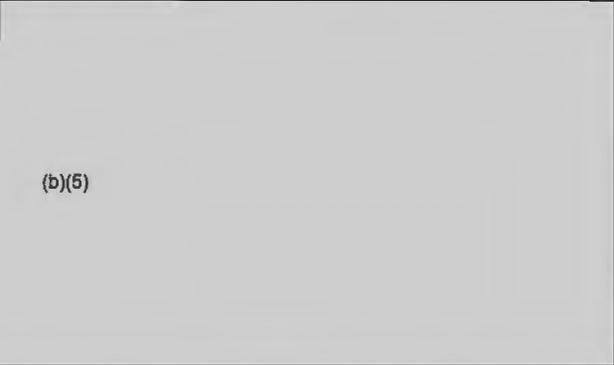
- In FY02, Yemen is eligible to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act.
- Yemen has been approved to receive six (6) 44-foot patrol boats under the grant EDA program in FY03. The transfer of this asset will permit Yemen to develop a rudimentary coast guard capability to monitor illegal trafficking, track environmental issues and enhance the safety of vessels passing through Bab el Mandeb.
- In Jul 00, Yemen was approved to receive an estimated 300 EDA ground radios. The radios are scheduled for shipment in Mar 02.

## ***SIGNIFICANT SECURITY ASSISTANCE TRENDS AND ISSUES***

### **CURRENT U.S. SECURITY ASSISTANCE POLICY:**

- **FMS Cases:** In Jun 99, the Yemeni Ministry of Defense (MOD) formally requested FMS cases to buy spare parts for their older vehicles and training totaling \$800K (\$300K Army, \$300K Navy, \$200K Air Force). The Army blanket training case, YE-B-OBL was implemented on 2 Sep 99. An Air Force FMS case YE-D-GAS (\$45K) was implemented in Dec 99 and funded a Maintenance Assistance Team to review the Yemeni Air Force F-5/C-130 aircraft.

### **New FMS Cases**

- On 14 Nov 00, the USDAO Sanaa forwarded a Yemeni MOD request to use the remaining \$471K in MAP funds. The break out is as follows:
  - A new Air Force blanket training case for \$221K.
  - Establish a new Army case for \$50K to purchase the Supply Tracking and Repairable Return/Personal Computer (STARR/PC).
  - Establishment of a new Army case for \$200K to pay for the evaluation repair and transport of EDA radios approved for transfer to Yemen.
- **F-5/C-130 Aircraft Assessment Team.** 

(b)(5)
- On 6 Nov 00, the YAF submitted a Letter of Request (LOR) requesting three LOAs to help sustain their aircraft. The first LOA request a blanket open-end case to purchase F-5 and C-130 aircraft spare parts for \$500K. The second LOA for an unspecified amount request Yemeni participation in the USAF's Cartridge Activated Propellant/Propellant Activated Device (CAD/PAD) program for 2001. The third and final LOA is for a \$100K blanket open-end case to pay for repair and return depot maintenance for their F-5 and C-130 aircraft. USAF is currently preparing the LOAS.
- **Vehicles.** In Aug 99, the Country Team forwarded a Yemeni request for an Army technical assessment team to travel to Sanaa and assess the condition of their M60 and M113 vehicles. 

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(b)(5)

The cost of these parts was estimated at \$5M. A Yemeni decision is still pending.

- EDA Radios: On 14 Nov 99, USDAO Sanaa forwarded a Yemeni request for EDA tactical radios to be mounted on tracked and tactical wheeled vehicles. Approval was granted in Jul 00, to transfer 300 EDA tactical radios with a total value of \$288K. On 14 Nov 00, USDAO Sanaa forwarded a Yemeni request to establish a \$200K FMS case for evaluation, repair and transport of these EDA assets. Assets are scheduled for delivery in Mar 02.

- Yemen Coast Guard.

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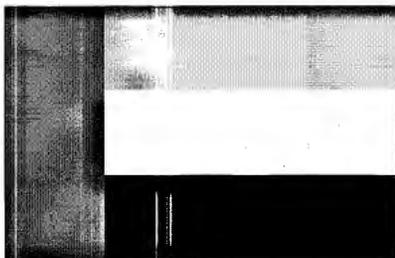
Funding for this initiative came from Traditional CinC Activity (TCA) funds.

- In Mar00, Yemen signed a \$300K FMS training case (YE-P-TAC) to fund two technical assistance teams to assist Yemen develop a Coast Guard structure.

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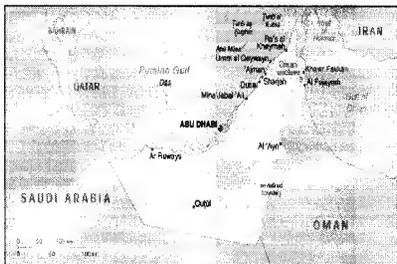
**Prepared by:**

**Current as of 7 Mar 02**



**UNITED ARAB EMIRATES  
SUMMARY**

**Ambassador  
Marcelle M. Wahba**



**PROGRAM HISTORY: (\$ in Millions)**

	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>Estimated FY 02*</u>	<u>Projected FY 03**</u>
FMS Agreements	5.6	69.8	47.0	278.0	146.0	367.0	1236.0

\* Includes weapons cases for F-16 Block 60 aircraft.

\*\* Includes anticipated FMS case for remanufacture upgrade of 30 UH-60 Apache helicopters to Longbow.

**SECURITY ASSISTANCE STAFFING:**

(b)(6)

**FINANCIAL OVERVIEW:**

- UAE sales are cash only; it receives no grant monies. The UAE has 41 open FMS cases with an estimated value of \$1.98B.

**TRAINING OVERVIEW:**

- The UAE training program is projected to have 220 students with an estimated value of \$12 million.

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**EXCESS DEFENSE ARTICLES (EDA):**

- HAWK AIR DEFENSE EQUIPMENT. In Apr 98, the UAE requested 11 Hawk loader transporters and three launch control station boxes to replace previously fielded items. Congress approved in Aug 98. Five additional Hawk units were approved for transfer on 14 Jun 99.
  - 21 Launch Control Boxes, 7 missiles, and 9 Vehicular Mod kits approved for sale in 15 Nov 99.
  - 100 Hawk missiles were approved (acquisition value \$23.4 million) in Jul 00.

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## ***SIGNIFICANT SECURITY ASSISTANCE TRENDS AND ISSUES***

### **UAE PARTICIPATION IN KFOR:**

- **In Jul 99, UAE requested Aircraft Survivability Equipment, secure radios, and operational support** (b)(5)  
(b)(5) An Army lease and FMS case were established to provide support in Sep 99 and the UAE signed a three-year extension to the lease in Dec 00.

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### **ARMY PROGRAMS AND ISSUES:**

- **APACHE Program.** UAE bought 20 AH-64 A-model Apache aircraft and support via FMS in Oct 91 for an estimated \$470 million. UAE also purchased 10 additional AH-64As in Jun 94. All aircraft deliveries were completed in Oct 96.

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- In February 2002, USG received a long-anticipated request from UAE for an estimated (b)(5) (b)(5) remanufacture of 30 AH-64A APACHE helicopters to the AH-64D LONGBOW configuration. The LOR also includes marinization of the airframe, two years of support, and

support for liaison officers at the contractor facility.

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- **HAWK Program.** In 1983, the UAE purchased five I-HAWK TRIAD batteries (343 missiles, 8 AN/TRC-170 Troposcatter radio sets) and full support through 2005 for \$547 million.

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#### **AIR FORCE PROGRAMS AND ISSUES:**

- **F-16 Block 60 Purchase.** On 7 Mar 00, the UAE signed a \$6.5 billion commercial contract for development and production of 80 F-16 Block 60 aircraft.

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Pursuant to this sale, UAE signed LOAs with SAF/IA for \$74 million in pilot training. Associated Air Force and Navy weapons cases are discussed separately in this document.

(b)(5)

(b)(5)

**NAVY PROGRAMS AND ISSUES:**

- **Frigates.** (b)(5) in favor of two Dutch Kortenaer "S" Class Frigates in the spring of 1996. The renamed ships, the "Abu Dhabi" and "Emirates" were delivered to the UAE in FY 98. (b)(5)
- **HARPOON Missiles.** In Jun 96, the UAE requested 24 HARPOON missiles for their frigates. The LOA was signed for an estimated \$56 million in Apr 98. Boeing delivered the first 16 missiles to the USG ahead of schedule in Dec 98. Follow on delivery to the UAE was completed in Mar 99. The remaining eight missiles were delivered to the UAE in Jun 00.

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UAE accepted the offer of 20 less capable RIM-7M (H-Build) missiles in May 99. Delivery was completed in Nov 99.

– **Rocket Motor Failures.**

(b)(5)

- Missile Loading.

(b)(5)

- HARM Missiles. [redacted] (b)(5) [redacted] and signed an \$70 million LOA for 150 missiles in Sep 01.
- HARPOON Block II (UAEAF). In Apr 00, the UAE requested briefings on the HARPOON Block II missile for possible installation on their F-16. [redacted] (b)(5) [redacted] An \$82 million LOA for 40 HARPOON Block II (air launched version) was delivered to UAE at the end of Nov 01. [redacted] (b)(5) [redacted]
- HARPOON Block II (UAEN). In May 01, the UAEN requested P&A associated with converting their current inventory of 24 HARPOON missiles from Block 1G to Block II. P&A (\$7 million) was delivered in Oct 01. Congressional notification was completed in Nov 01. Also, UAEN submitted an LOR for an additional 12 Block II missiles in Jun 01. Congressional notification was completed in Sep 01. [redacted] (b)(5) [redacted]
- AIM-9M 8/9 Sidewinder Missile. The UAE has been approved for a total of 256 each AIM-9M 1/2 missiles for deployment on their F-16 Block 60. [redacted] (b)(5) [redacted]

(b)(5)

The restated LOA was delivered to UAE in Jan 02 with an offer expiration date of 30 April 02.

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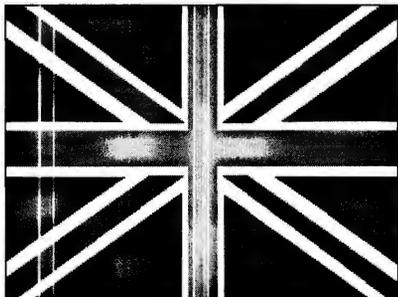


Prepared by:

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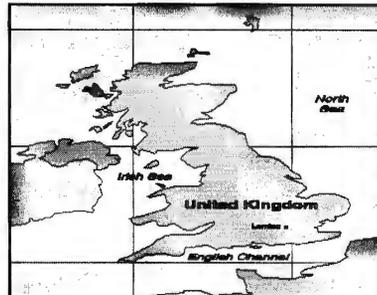
04 Mar 02

# Defense Security Cooperation Agency



## UNITED KINGDOM SUMMARY

Charge d'Affaires Glyn Davies  
 ODC Chief: Col Joseph B. Niemeyer, USAF  
 British DATT: AVM John Thompson



## Country Information Paper

### PROGRAM HISTORY: (\$M)

	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>EST</u> <u>FY02</u>	<u>PROJ</u> <u>FY03</u>
FMS Agreements	116.2	162.4	172.4	507.0	180.5
Commercial Exports (deliveries)	35.0	609.0	1,480.9		

### FINANCIAL/TRAINING INFORMATION:

The UK is a cash customer. All training is conducted through FMS cases.

**SECURITY ASSISTANCE STAFFING:** Security assistance funds three ODC billets--two military and one civilian. A new FMS case-funded billet (GS-13) resident in the ODC began working the Tomahawk program in Mar 01..

**EXCESS DEFENSE ARTICLES (EDA):** The United Kingdom is not eligible for grant transfer of excess defense articles, but is eligible to purchase lethal and non-lethal EDA (at 5-50% of acquisition value based on condition).

**HUMANITARIAN ASSISTANCE:** The United Kingdom receives no humanitarian assistance.

### *Significant Security Assistance Trends and Issues*

- **AMRAAM.** The UK selected the Matra British Aerospace Meteor for the BVRAAM air-to-air missile program, [REDACTED] (b)(5)
- **APACHE Program.** In 1995, the UK commercially purchased 67 Apache Longbow AH-64D helicopters (est. \$3.5B). The UK version is being built by the UK prime contractor, GKN Westland, using the Boeing model and employing Rolls Royce engines. The first helicopter (UK001) was delivered 28 Sep 98; helicopter deliveries are expected to be complete in the first quarter of 2003. [REDACTED] (b)(5)

- **Javelin.** The UK has signed an LOA for 14 Javelin missiles for testing purposes in FY 01 with an intent to purchase about 550 CLUs and 9,000 Medium-range anti-tank missiles for an in-service date of 2004. A competitor is the Rafael GILL. The UK announced 29 Jul 00 its intent to pull out of the European MR TRIGAT program.

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Congressional notification for 550 CLUs and support valued at \$235M occurred on 4 Oct 01. UK is currently conducting field tests.

- **E-2C HAWKEYE and V-22 Osprey.** UK signature is pending on an LOA (est. \$500K) for technical data on the E-2C and V-22 aircraft to support their Future Organic Airborne Early Warning program.

- **Multi-functional Information Distribution System (MIDS).**

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An LOA is being processed for an initial increment of 14 systems for the UK via NETMA.

- **Tomahawk Land Attack Missile (TLAM).** UK purchased via FMS 65 TLAMs on 16 Oct 95 and has received all 65 for installation into their TRAFALGAR class submarines.

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the UK initiated action to procure 48 additional missiles (\$87M). Congressional notification was completed

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The UK reduced the quantity requested to 22 and accepted the LOA in Dec 01.

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**C-17 Cargo Aircraft.** The UK signed a commercial contract on 3 Sep 00 to lease four C-17 aircraft to meet its Short-Term Strategic Airlift (STSA) requirement. All four aircraft were delivered between 17 May and 24 August 2001. FMS cases for contractor logistics support (est. \$200M) and training (est. \$13.2M), were signed on 28 Jun 00 and 23 May 00, respectively. The UK has already flown several operational missions in Essential Harvest and Enduring Freedom

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UK announced its decision to purchase 25 A400Ms for delivery in 2006-2010 to satisfy their Future Transport Aircraft (FTA) proposal; however, if problems arise, we expect the UK to consider procurement of C-17 aircraft instead.

- **C-130J Aircraft.** The UK commercially purchased and has taken delivery of 25 C-130J aircraft. The UK plans to provide its own training and support.
- **Future Strategic Tanker Aircraft (FTSA).** The UK is seeking to lease 20-30 tanker (cargo capable) aircraft from a third-party financing company for dual military-civil use.

Competitors include the A330 and Boeing 767; decision expected Jan 02. USG-UK discussions are ongoing.

- **Joint Strike Fighter.** The UK is the only full international partner in JSF and will pay 8% to participate in the EMD phase. JSF is critical to UK Joint Forces 2000 vision to populate RN and RAF strike aircraft on the new aircraft carriers in 2012. Baroness Symons, Minister of State for Defence Procurement, signed the EMD MOU with Dep SecDef De Leon on 17 Jan 01.
- **Cooperative Engagement Capability (CEC).** The US and UK signed an MOU in Jul 00 for the UK to participate in the CEC program. On 1 Jun 00, the UK accepted an FMS case for a CEC Land-Based Test Sigt.

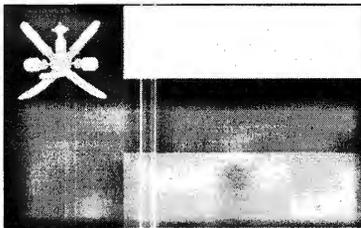
(b)(5)

- **Operation ENDURING FREEDOM.** The UK has submitted eight EF related cases (b)(5) (b)(5) DSCA has concurred with all cases. The LOAs for seven cases have been implemented and deliveries have begun.

(b)(5)

DSCA has received CENTCOM concurrence for project code use on 21 UK cases (eight Army, seven Air Force, and six Navy). All cases are blanket order spare parts type.

Prepared by: (b)(6)



**OMAN SUMMARY**

Ambassador – vacant  
Chargé d’Affairs  
Robert W. Dry



**PROGRAM HISTORY (in \$M):**

	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>Estimated</u> <u>FY 02</u>	<u>Projected</u> <u>FY 03</u>
FMS Agreements	11.5	1.97	4.2	4.4	4.2	1,050*	10.5
IMET	0.117	0.217	0.233	0.230	0.250	0.500**	0.500
NADR-HD	-	-	-	-	273	292	TBD

\* FY02 FMS estimate based on anticipated sale of 12 F-16 Block 52+ aircraft, associated weapons and training.

**KEY SECURITY ASSISTANCE PERSONNEL:**

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**FINANCIAL/TRAINING INFORMATION:** Oman has 36 open cases with a total value of \$82M. The uncommitted FMF (credit) balance is \$73K. Oman's International Military Education Training (IMET) program is focused on Professional Military Education, Management, and technical training. A total of 102 IMET and FMS case-funded students were trained FY00, and 111 were trained in FY01 and 122 are projected for FY02.

**HUMANITARIAN ASSISTANCE/DEMINEING:** In Aug 99, Oman formally requested demining assistance. On 9 Dec 99, a State-Chaired Inter-Agency Working Group provisionally authorized Oman to receive Humanitarian Demining (HD) assistance. A State-led requirements/policy survey team deployed to Oman in Apr 00. Former Ambassador Craig submitted the Oman demining plan to State and DoD, resulting in approval of \$273K for NADR in FY2001. FY02 allocations have not yet been determined.

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### *Significant Security Assistance Trends and Issues*

British influences over Omani weapons purchases and culture have remained strong over the years. However, US-Oman military assistance programs have had an increasing impact within the senior leadership. Sultan's Armed Forces (SAF) personnel are impressed with their U.S.-made equipment, which currently includes M60A3 tanks and support, TOW-2 missile system, C-130 aircraft, Bell helicopters, and AIM-9P missiles. Oman's intent to purchase a squadron of F-16 aircraft is the latest, and most significant, sign of a strong commitment to long-term security cooperation with the USG.

- F-16 Block 52+ Acquisition (\$800-900M). In Mar 01, Sultan Qaboos announced Oman's intent to purchase a squadron of F-16 aircraft. USG received a formal letter of request from the Royal Air Force of Oman (RAFO) in August 01, and DSCA formally notified Congress of the sale on 4 October. The RAFO recently announced the selection of General Electric engines for the aircraft, after a long and intense competition with Pratt & Whitney over concession packages. SAF/IA presented a letter of offer

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- Javelin Anti-Tank Weapon. In Oct 00, the RAO requested P&A data on the Javelin system. Country Team justification was submitted in Jan 01 in support of the inter-agency release. However, no action was taken pending decisions on release of TOW IIB. In Dec 01 DSCA and Army asked OMC to submit a revised country team assessment.

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Leases:

- Triple Ejector Racks (TERs). Oman requested the lease of four TERs in order to conduct compatibility testing on their Jaguar aircraft. The TERs would increase ordnance delivery capability while reducing overall weight. The lease and support case were concluded on 8 Jan 97 and shipped in Jul 97. Oman later terminated the lease on 20 Apr 98. The assets have been returned to U.S.
- Missile Test Sets. At Oman's request, the USAF leased one AN/ASN-447-40 AIM-9 missile test set to replace RAFO's inoperative test set in Jan 97. In Jan 00, the asset was sold to the RAFO for \$15K.
- Electronic Countermeasures and Direction Finding Equipment. A five-year "no rent" lease of sensitive Navy communications equipment and companion FMS case for maintenance were signed on 26 Jan 00. Initial installation of the non-sensitive equipment has been initiated.
- Night Vision Devices (NVDs). Waivers to DoD export policy on image intensifier night vision systems were approved for 41 sets of Gen III (AN/AVS-9) NVDs for use on Hawk and Jaguar aircraft, C-130, and helicopters. The use of these NVDs in the Jaguar/Hawk aircraft required the development of unique mount bracket for the Omani helmets. On 2 Jul 98, the OMC forwarded the RAFO request for pricing data for the NVD helmet mount. Oman completed evaluation of the ITT prototype helmet mount in Dec 98 followed by a letter of request on 23 Mar 99. Contracting difficulties at USAF delayed delivery of the LOA beyond the target date of Jun 99. However, USAF forwarded the final FMS case to OMC on 7 Feb 00 and signed on 21 Feb 00. The NVDs have been delivered.

Mine Hunters. The Royal Navy of Oman (RNO) has repeatedly expressed interest in acquiring a counter-mine capability to include the Avenger Class Mine Countermeasure (MCM) or Osprey class Mine Hunter Coastal (MHC) vessels as EDA. The high cost of a new MHC (\$150-200M) is expected to prevent Omani purchases for the foreseeable future. DoD has formally and informally advised the Omanis that this vessel will not be available as EDA for sometime. However in a new development, CDRNAVCENT has informally proposed stationing of MHC in Oman and UAE. The concept includes US/Omani manning (50/50 split), US Flagging, and US crews provided on a rotational TDY. The implementation of this plan faces substantial legal and financial hurdles and will require consensus within the Navy and interagency.

M16 Rifles.

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- On 3 Jan 00, the RGO requested pricing data for 895 each M16A4 rifles and support. The RGO had originally requested rifles built by Colt Industries, but were notified by the Army that rifles

produced by FNMI were the only ones available for new production.

(b)(5)

USASAC is in the process of preparing case the letter of offer and acceptance. A NC waiver for \$4680 is currently in staffing at DSCA with an ECD of late March.

#### HMMWV

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- Sultan Special Forces (SSF). On 14 Oct 98, the OMC forwarded an SSF request for [ ] HMMWVs. The SSF requested that these vehicles be based on the same chassis as the M1113 bought by the RGO. An FMS case was offered to Oman on 25 Jan 99 that incorporated Oman's non-standard engineering changes, but which also increased the overall costs. In Mar 99, the SSF balked at the costs and requested a new FMS case to procure the standard HMMWV minus the non-standard options. A re-stated FMS case was delivered in Jul 99, but was also rejected as too costly. In rejecting the FMS offer, the SSF Commander characterized the FMS process as "too laborious." The SSF elected to buy the vehicles commercially and is reportedly satisfied.
- Maritime Warfare Tactical Trainer (MWTT). On 11 Feb 98, the RNO requested a sole source procurement of a MWTT. Cost data was provided on 10 Jun 98 at a cost of \$372K. A new pricing scheme was developed in response to an RNO request for lower cost. A contract was awarded to Condor International via FMS and delivery concluded in Feb 99.
- Munitions. In Jul 98, the RAFO requested an FMS case for various air force munitions. An FMS case for the munitions was presented to Oman at the Feb 99 JMC. The FMS case was signed in Apr 99.
- E-2C Aircraft. On 19 Jul 99, the RAFO requested Price and Availability (P&A) data for E-2C Hawkeye Airborne Early Warning (AEW) aircraft, spare parts and support. The RAFO request was in response to a Northrup-Grumman (N-G) briefing detailing the capabilities of the aircraft. Coastal surveillance remains a significant priority for Oman. In Nov 99, P&A data was delivered to Oman for four E-2C Hawkeye aircraft valued at \$273M. Despite repeated extensions the RAFO declined the offer on 21 Mar 00 citing budgetary reasons. The RAFO later declined a second effort by Navy and N-G to reduce the package to a lower price of \$258M. This issue is closed for now.
- M240 Machine Gun Barrels. Oman has requested delivery of [ ] M240 Machine Gun barrels for their M60 Tanks by 31 Dec 99. The Royal Army of Oman (RAO) was accepted refurbished assets to meet there requested Dec 99 delivery. Delivery was completed on 18 Jan 00.
- EDA Patrol Boats: The Royal Omani Police Coast Guard (ROPCG) has requested 30 meter Patrol Boats to support anti-smuggling and other maritime activities along Oman's lengthy coastline. These assets are currently not available and are not projected to be available in FY2001.

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- Night Vision Goggles for SSF. On 5 Mar 00, the OMC Muscat forwarded a request for 200 AN/PVS-7D GEN III Night Vision Devices (NVD) and GEN III Day/Night Weapons Sights for the Sultan Special Forces (SSF). Due to the sensitivity of these items, the release of these assets and quantities will require additional justification to secure a waiver to DoD Generation III NVD policy. As of March 2002, OMC has not received the additional justification from SSF. SSF trained on Gen III's with US SOF summer 2000, but did not deliver promised input.
- Tank Ammunition. In Apr 00, the Royal Army of Oman (RAO) requested an FMS case for five types of 105mm ammunition for their M60 tanks. Upon review, the Army has determined that only two of the five types of ammunition requested may be available. This is due in part to an Army moratorium on 105mm ammunition and a decision on its future use.

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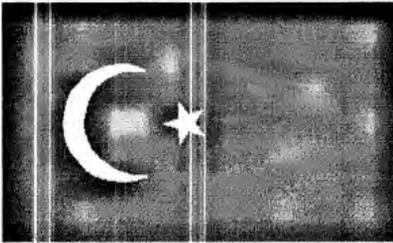
FMS case was written to include the costs of the ammunition, as well as, fund the inspection of the ammunition by USG personnel. The US Army has provided assurances to the RAO that Oman would be free to decline the ammunition if it was determined to be in less than condition code "A". The RAO has, however, resisted requests to sign the LOA prior to performing the inspection. On 16 Apr 01, the RAO provided a letter requesting cancellation of the LOA citing their inability to inspect the ammunition prior to case signature. USASAC cancelled the LOA on 16 May 01.

- STARR-PC Acquisition. In Aug 00, both the RAO and RAFO acquired STARR-PC systems. Each Omani military service has a unique download address, and the OMC Muscat provides a dedicated back-up site for both. These requisitioning and tracking systems have resulted in a demonstrated improvement in materiel management at a low cost.
- English Language Training. In early 2001 the RAFO requested U.S. assistance to improve and develop their English language training program. A mobile training team (MTT) from the Defense Language Institute (DLI) conducted a site survey in Oman in April 2001. The DLI team recommended that the RAFO purchase a 20-position Level IV or combination Level II-Level IV lab for the English Training Center at Ghalla Air Base; use the American Language Course (ALC) and ALC Placement Test; send two instructors to the Basic American Language Instructor Course; and begin English Language Training for their F-16 pilot candidates as soon as possible. The OMC is currently working with the RAFO on implementing the DLI team recommendations.

Prepared by: (b)(6)  
Current as of: 6 March 2002

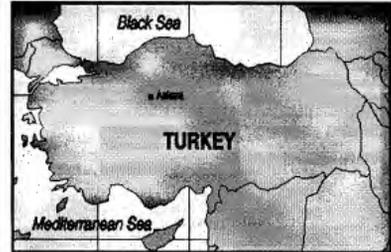
# Defense Security Cooperation Agency

## Country Information Paper



### TURKEY SUMMARY

**Ambassador Robert Pearson**  
 Chief, ODC: MG "Pete" Peterson, USAF  
 Turkish DAT: BG Orhan Ügürluoğlu, TUAF



**U.S. NATIONAL INTERESTS:** Turkey is vitally important to U.S. national security. Turkey is a key NATO ally located at the strategic nexus of Europe, the Middle East, the Caucasus and the Caspian, and an active participant in regional stabilization initiatives. Turkey borders three countries – Iran, Iraq and Syria – which pose military, terrorist, Weapons of Mass Destruction (WMD) and strategic economic threats to the United States. Turkey provides crucial cooperation with the U.S. on Iraq, including hosting Operation Northern Watch (ONW). Turkey has supported U.S. regional initiatives by consistently renewing authorization of ONW, strongly supporting the Middle East Peace Process and building solid, multifaceted ties with Israel. Turkey played the leading role in the establishment of the Multinational Peace Force-Southern Europe, and has participated constructively in the Southeast Europe Cooperation Initiative and the Black Sea Economic Cooperation Council. The USG has been able to promote and obtain Turkish participation in the Multinational Peacekeeping Force for Southern Europe, the Southeast Europe Cooperation Initiative, and the Black Sea Economic Cooperation Council. The U.S. national interest in Democracy is reflected in programs with the Turkish military promoting improved civil-military relations. Turkish efforts to combat narco-trafficking are also of serious national security concern to the U.S. Turkey has embarked on a major effort to upgrade and modernize its armed forces to enable it to meet NATO obligations and to counter the increasing security threat posed by terrorism and WMD being pursued by neighboring countries.

**PROGRAM HISTORY: (\$M)**

	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>PROJ FY01</u>	<u>PROJ FY02</u>
FMS Agreements	240.5	358.3	488.3	375.3	289.0
FMF Loans/Grants	0.0	0.0	0.0	20.0	0.0
IMET \$	1,505	1,514	1,554	1,689	2.7
IMET students	85	197	195	235	376

**FINANCIAL INFORMATION:**

All FMF loans and grants provided to Turkey through FY96 have been reserved for FMS cases and direct commercial contracts. The FY97 FMF loan of \$175M presently has \$4.5M uncommitted. Under the Administration's proposal, Turkey was planned to receive \$20.58M in FMF grant for FY98.

(b)(5)

Beginning in FY98, both ESF and FMF assistance was eliminated and IMET is our only remaining grant assistance program. Turkey is receiving \$20M from the FY01 Anti-Terrorism Supplemental.

Turkey is the largest recipient of International Military Education and Training Program (IMET) funds and is always able to fulfill its obligations and make use of additional allocations. Annually, the Turks attend Expanded IMET programs (Defense Resource Management Institute programs), senior service schools (e.g. Air War College), professional military education programs (e.g. Engineer Officer Advanced), English language training and "train-the-trainer" technical programs (e.g. maintenance data system analysis).

**SECURITY ASSISTANCE STAFFING:** Our Security Cooperation program is managed in Turkey by the Office of Defense Cooperation in Ankara. Security assistance funds a total of 33 billets (21 military, 3 U.S. civilian and 9 FSN).

**EXCESS DEFENSE ARTICLES (EDA):**

Turkey is eligible for grant EDA under Section 516 of the Foreign Assistance Act and a sampling of significant items transferred is as follows: 36 F-4E Aircraft; 27 AH-1P Helicopters; 4 C-130B Aircraft, 30 M35A1 Trucks, 7 KC-135R Aircraft, and 2 FFG-7 PERRY-Class Frigates.

***Significant Security Assistance Trends and Issues***

- **Financial Status:** The collapse of the Turkish economy resulted in a devaluation of the Turkish Lira and significantly impacted the Turkish Military's modernization program. [redacted]  
[redacted] (b)(5)  
[redacted] Only the first 50 of the ATAK Helicopter Program is identified as still funded.
  
- **Turkish Defense Fund (TDF) Transfer:** The Turks requested to have the TDF transferred to Turkey in October 1993. [redacted]  
[redacted] (b)(5)  
[redacted] for the Peace Onyx (PO) II program in a dollar denominated account. Total PO II collections (including USG, Turkish National Funds and TDF) have been \$2.9B; the current excess principle is \$467M and current unused interest is \$59.6M.
  
- **F-16 Program:** Turkey signed a Letter of Offer and Acceptance (LOA) for 40 F-16 aircraft on 26 Mar 92 as the initial phase of the 80 aircraft PEACE ONYX II program. The Turks signed an LOA for the second 40 F-16s on 28 February 1994. Funding for this \$3.5B program comes from \$500M U.S. FMF, \$500M Turkish National Funds, and \$2.5B from the Turkish Defense Fund (TDF). Production of PO II aircraft began in the summer of 1996 with the last four aircraft delivered in November 1999. [redacted]  
[redacted] (b)(5)
  
- [redacted] (b)(5)

(b)(5)

- **Attack Helicopter Competition:** On 31 May 1997, Turkey issued a Request for Proposal (RFP) for co-production of up to 145 attack helicopters (a \$3.5B program) as a Direct Commercial Sale. The original contenders included five competitors, of which two were U.S. (Bell's AH-1 Super/King Cobra and Boeing's AH-64 Apache) and three were foreign (Franco-German Tiger, Italian Mangusta A-129, and Russian-Israeli Havoc KA-50/52). In May 1999, the Turkish Ministry of Defense Industry (SSM) and Turkish Aerospace Industries (TAI) held the Attack Helicopter Program Bidder's Conference. Turkey desired to meet its requirement for 145 attack helicopters capable of attacking armor and materiel targets during day, night, and adverse weather with a co-production arrangement. On 6 March 2000, following evaluation of the competitors' proposals by the Turkish Ministry of Defense Industry, Turkey announced the executive counsel's decision to approve the "down selection" of three competitors: the Bell's AH-1 Super/King Cobra, Italy's A-129 and the Russian-Israeli KA-50/52. On 21 July 2000, Turkey announced the selection of the Bell- Textron AH-1 Super/King Cobra and will begin contract negotiations. Sale will involve as many as 18 Contracts with negotiations scheduled to begin in mid-September 2000. Originally anticipated completion of negotiations in Fall 2001, with Congressional Notification unlikely before Spring 2002.

(b)(5)

Current financial situation in Turkey

could result in a delay, however, the first 50 helicopters of this program appear to be protected by the Turkish military. As a result of meetings with SSM in August 2001, Northrop-Grumman (Litton) and Tubitak-MAM are negotiating development of the mission computer. All US contractors are currently reporting positive negotiations and contract award is anticipated in Summer 02. Main issue is the use of contract terms and conditions, which do not comply with international standards, forcing increased risk and liability on the companies.

- **Main Battle Tank (MBT) Competition:** The Turkish Land Forces Command (TLFC) issued a request for information (RFI) in early 1997 for industry responses by 1 June 1997, for the co-production of 250-1000 tanks. Major contenders will be General Dynamics Land Systems (GDLS) with the M1A2, the German Leopard, French LeClerc, Ukraine T-84 and the Italian Ariete main battle tanks. Turkey intends to establish a "Prime National Company" as the main contractor that will have a subcontractor, i.e. one of the competing foreign MBT producers, working through the prime contractor. SSM issued an RFP for Industrial Qualification of Turkish national companies in early 1999. On 6 September, SSM issued the RFP to the 5 tank competitors with a 30 November suspense date for responses. Later, an extension was granted delaying the RFP response date to 30 January 2000. GDLS responded with its RFP input on 30 January 2000. The tank producers are now participating in tank tests beginning in January 2000 through mid 2000. GDLS is in the process of completing the summer trials with a prototype M1A2 powered by a diesel engine. GDLS encountered several difficulties as a result of using the prototype. On 28 July 2000 a meeting was held between Undersecretariat for Defense Industries (SSM), the Turkish acquisition agency responsible for the program, and GDLS.

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(b)(5)

Expect this program to be placed on an indefinite hold as a result of the current financial situation.

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Recent developments on the M-60 upgrade indicate Turkey will shortly sign a contract with Israel that will effectively kill the Main Battle Tank program.

- **Airborne Early Warning & Control (AEW&C) Aircraft:** The Turkish Undersecretariat for Defense Industries, SSM, issued an RFP for AEW&C aircraft in July 1998 and indicated that the primary goal of the program is to maximize the amount of technology transfer that could be gained under a direct commercial sale. The Turks are looking to buy 4 aircraft. Competitors included the Northrup-Grumman's E-2C Hawkeye, Lockheed Martin's C-130J with an E-2C mission suite, Boeing's 767 AWACS and two commercial variants including a Boeing 737 platform and MESA Radar, and a Raytheon integrated Airbus 310 platform with an Israeli Radar. On 29 March 1999, the SSM executive committee including senior Turkish General Staff and Turkish Air Forces Command representatives announced their unanimous down selection decision to two aircraft, the Boeing 737 and the Raytheon/Airbus 310. SSM anticipates completing its final evaluations and making a selection by mid 2000. Presently, the Best and Final Offer (BAFO) inputs were submitted by the contractors to SSM on 10 February 2000. However, on 11 May another round of BAFOs was requested by SSM. Contractors are expecting the final announcement in Fall 2000.

(b)(5)

On 27 Nov 00, Turkey announced the selection of the Boeing 737 platform as the first choice for negotiations, but kept the option open to change to the Raytheon team if a contract agreement could not be reached. Technology transfer, software source code release, and licensing have continued as issues.

(b)(5)

Turkey

continues to identify this as a high priority program with short dates for contract award. The latest projection from the US side is April/May 02. Turkey submitted a Letter of Request for the FMS items in Dec 01.

- **Joint Strike Fighter (JSF) LOA Request:** Turkey requested participation in the JSF Program as a cooperative partner.

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An LOA was prepared for Turkish participation in the program that did not involve technology transfer and did not require the release of classified information. Information provided under the FMS case involves insight into the JSF requirement process and visibility into the operational capability of the aircraft at an unclassified level. On 21 May 1999, the State Department provided its concurrence with the JSF Concept Demonstration Phase LOA for Turkey. Turkey accepted the LOA on 23 Jun 99. Current action in the JSF International Strategy involves issuing invitations to participate in the Engineering and Manufacturing Development Phase (EMD).

Turkey and the JSF Office recently reached a tentative agreement for Turkish participation as a Level III partner during the EMD Phase. The cost for participating in EMD as a Level III partner will be about 1 to 2 percent of the overall program costs, roughly between \$150M to \$300M over seven years.

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- **FFG-7 PERRY-Class Frigates:** In 1996, the U.S. Navy offered three FFG-7 PERRY-Class Frigates (USS Antrim, Flatley and Clifton Sprague) to Turkey; two under EDA grants and one as a lease. All three vessels were delivered to Turkey following completion of maintenance work at Charleston in March 1998. During ship transfer planning in 1998, a Turkish request for three additional PERRY-Class frigates was included in the FY99 ship transfer legislation package as EDA sales. Turkey accepted the LOA for the three additional PERRY vessels including two operational vessels and one logistics asset on 4 January 1999. The FY00 ship transfer legislation included two EDA PERRY's for sale transfer to Turkey. One of the vessels is the USS FLATLEY that is currently being leased by Turkey, and the other is a vessel not previously offered for transfer, the JOHN A. MOORE.

(b)(5)

In late February 2000, Turkey submitted an LOR to purchase the USS MOORE as an EDA sale under the FY00 ship transfer legislation authority. Two additional ships are included under the FY02 ship transfer legislation, however the USN is indicating they may only transfer one ship and assign the second ship to the Homeland Defense mission.

- **Transfer of KNOX-Class Frigates:** A total of nine KNOX-Class frigates, eight leased and one non-operational ship provided under SRA, have been delivered to Turkey. Four leased ships were delivered in 1993. The U.S. Navy transferred four more leased frigates to Turkey in 1994. Support equipment and training cost for the last four ships was \$170M. A Turkish request for three additional KNOX-Class frigates, for spares support, and the permanent transfer of all eight leased frigates to the Turkish Navy was included in the FY99 ship transfer legislation package. The three logistics assets were proposed as grant EDA transfers and the leased vessels as EDA sales. Total value of the KNOX sales along with the associated support package for the vessels is \$35M.

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Turkey accepted the LOAs for the sale transfers and ship spares complement on 19 May 1999. Thus far, two of the eight leased KNOX-Class frigates have been permanently transferred to Turkey. As a result of the earthquake in 1999, the Turkish Navy placed one ship in storage and notified Navy IPO they wish to terminate the lease of the ex-BOWEN. FY02 Ship transfer language currently includes the grant transfer of the six KNOX-Class Frigates. In Nov 01, the six KNOX Class leases were converted to no-rent leases. Congressional language allows forgiveness of unpaid rent for up to one year prior to transfer. The six frigates were transferred under EDA Grant on 22 March 02.

- **HAWK Equipment:** In February 1999, the Interagency EDA Coordinating Committee proposed allocations for 25 excess HAWK Phase III Assault Fire Units (AFUs).

(b)(5)

DSCA

completed formal congressional notification for the 8 HAWK AFUs allocated to Turkey on 7 May 1999. ARMY developed Price and Availability (P&A) data for the refurbishment work necessary to bring the assets to operational condition and forwarded the data to ODC Ankara on 28 June 1999. Turkey requested ARMY assistance to review the P&A data for common equipment that could be procured locally in Turkey in order to reduce the overall FMS cost. In support of Turkey's request, USASAC invited Turkish representatives to conduct a P&A review and site survey with the U.S. Army in late January 00. The meetings were held during the week of 31 January through 4 February at AMCOM. Turkey requested LOAs and DSCA accomplished 36(b) notification to Congress (estimated value of \$250M). LOAs were provided to Turkey in August 2000 and signed in September 2000. HAWK training is an issue. The US Army no longer has HAWK in the active inventory and is closing the schoolhouse. Training will be available from contractors a significantly higher cost.

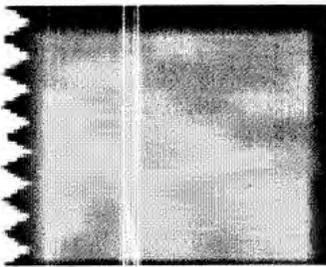
- **EDA 7:10 Ratio:** Section 516(b)(2) of the Foreign Assistance Act requires that the ratio of grant EDA made available to Greece and Turkey should be consistent with the manner in which grant EDA was made available to these two countries in the prior four year period (i.e., 7:10). Presently, the ratio of grant offers to Greece and Turkey is 8.2:10.

- **PATRIOT TMD Systems:**

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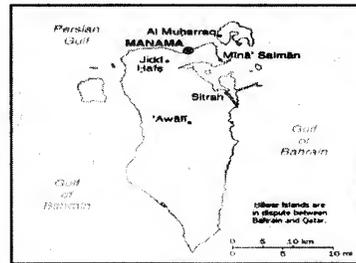
Prepared by: (b)(6)

5 Mar 02



## Bahrain Summary

Ambassador  
Ronald Neuman



**SUBJECT: Security Assistance Program Summary - Bahrain**

### PROGRAM HISTORY (\$ in millions):

	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
FMS Agreements	52.7	150.0	97.00	92.00	107.00
IMET	0.225	0.225	0.249	0.400	0.450

### SECURITY ASSISTANCE STAFFING:

Chief, OMC-M is (b)(6) are dedicated to the Security assistance mission. (b)(6) While there is currently (b)(5) (b)(5)

### FINANCIAL/TRAINING INFORMATION:

Bahrain was provided FMF grants in FY92 (\$1M) and FY93 (\$500K) which were eliminated in FY94. IMET was granted for the first time in FY92 (\$72K) and current FY 02 allocations are \$400 K. Current FMS program totals \$1.528 million in 181 open cases.

### EXCESS DEFENSE ARTICLES & LEASES:

Bahrain is eligible for Section 516 Grant EDA. They have received over \$200M of U.S. EDA since FY95. Highlights include:

- Bahrain requested approval for a second frigate for use while the Bans Sabha is in dry dock, (b)(5)
- Approval was granted to transfer 17 additional AH-1F Cobra's
- The Army transferred 48 M60A3 tanks previously provided to Bahrain under a no cost lease as EDA in Apr 99.
- In Sep 99 USAF transferred 118 CENTAF vehicles in place as they were being stored in Bahrain (b)(5)
- The I-HAWK PIP III battery transfer program was approved by Congress in Nov 95 and is comprised of three artillery fire units (six launchers) and 46 missiles.

- Offered three additional HAWK Missile Firing Units in FY99.
- The Defense Authorization Bill was passed on 10 Feb 96, giving the USG the authority for grant transfer of the USS JACK WILLIAMS to Bahrain. The USS JACK WILLIAMS was recommissioned as the Bahrain Amiri Naval Ship (BANS) SABHA. The frigate arrived in Bahrain homeport 8 Jul 97.
- 8-INCH projectiles (12,000) and propellant charges (61,000) for use with 25 M110 howitzers transferred previously under Section 516 EDA authority. Ammunition valued at \$11.9M. Ammunition was transferred in Apr 98.
- 18 MK46 Mod 5 torpedoes are being transferred under Section 516 EDA authority. Ammunition valued at \$4.14M. Torpedoes were accepted. Delivered to the Bahrain in Dec 98.
- Bahrain received 49 two and one-half (2 1/2) ton M35A2 trucks as EDA in 1995. All 49 trucks arrived in Bahrain in Jun 96. Trucks were valued at \$2.1M.
- 6 M578 Armored Recovery Vehicles were transferred in Mar 96 and valued at \$1.6M.
- 25 M110A2 8-inch Howitzers. Original acquisition value \$13.3M.

**SIGNIFICANT SECURITY ASSISTANCE ISSUES:**

**BAHRAIN NATIONAL GUARD:** At the governments request, a separate Foreign Military Sales account was established for the Bahrain National Guard, (b)(5). The Commander of the BNG is (b)(6).

**ATACMS:** Bahrain submitted a Letter of Request for 30 ATACMS rounds to complement their MLRS Batteries in Feb 99. (b)(5)

(b)(5) US Army has developed 36b Congressional Notification and DSCA has forwarded to DoS on 7 Sep 99. DoS pre-notified the package to the Senate Foreign Relations Committee and the 30-day notification expired on 20 Oct 00. An LOA was provided during the MCC and it was signed and implemented on 1 Nov 00. (b)(5)

**MLRS-ER** (b)(5) Bahrain requested 57 additional MLRS-ER pods as a follow-on by to their 1996 purchase of 54 pods. An LOA has been offered and accepted and subsequently implemented on 1 Nov 00.

**AMRAAM:** (b)(5) In Jan 98, BDF submitted LOR requesting both AMRAAM and AIFF. With Congressional Notification

complete, SAF/IA provided the LOA for 26 AMRAAM, valued at \$69 Million on 13 Nov 99 and the BDF accepted the case the same day. This represents the first sale of AMRAAM in the region. (b)(5) but completed on 26 February 2002.

**F-16 Aircraft:** In Jul 97, BDF announced that they would purchase ten F-16Cs, spare engines, missiles, and AIFF valued at \$390M. (b)(5) and the aircraft delivery began in first quarter FY01 and just one aircraft remains in CONUS and is being used for upgrading software requirements.

**Communications Interoperability Security Memorandum of Agreement (CISMOA):** On 14

(b)(5)

**AH-1E/1P Cobra Helicopter Program:** The BDF continue to operate the Cobra Helicopter and received approval for 17 additional AH-1F assets via EDA. Current totals in the BDF inventory are 24 AH-1E's, 6 AH-1P's all of which are operational.

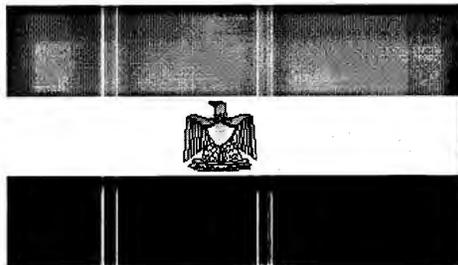
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**Upcoming Bilateral Meetings:** The annual DoD Military Consultative Committee is slated for 3-6 March 2002 in Manama.

**Prepared by:**

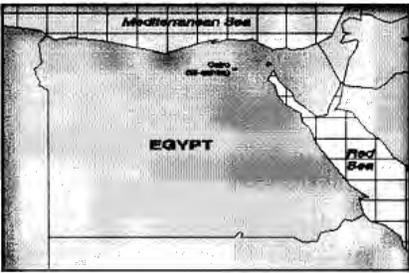
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**Current as of:** 27 February 2002.



# EGYPT SUMMARY

Ambassador  
David Welch



### PROGRAM HIGHLIGHTS: (\$ millions)

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
FMF	1300.0	1300.0	1300.0	1300.0	1300.0	1297.14*	1300.00
ESF	815.0	815.0	815.0	815.0	727.2	692.6	655.00
FMS Agreements	1483.4	958.3	1145.7	1085.7	1632.8	1758.9	311.43**
Commercial Agreements	172.0	112.3	157.89	235.8	157.6	657.8	153.97**
IMET	1,009	1.0	1.0	1.04	1.04	1.1	1.2
IMET Students	92	66	73	82	79	64	69

\*FMF annual allocation was reduced by 0.22% for rescission in the Federal Budget

\*\* as of 21 Feb 02

### KEY SECURITY ASSISTANCE PERSONNEL:

U.S. Ambassador: David Welch.

(b)(6)

(b)(5)

### FINANCIAL/TRAINING INFORMATION:

Cash flow financing - OMB approved disbursement of \$1.6B for FY01 and FY02. \$300M additional disbursements above the allocation of \$1.3B will come from Egypt's undisbursed balance.

### Interest-Bearing Account (IBA/Early Disbursement Program (EDP)).

(b)(5)

The Security Assistance Act of 2000, signed by President Clinton on 6 Oct 00, authorized an interest bearing account for Egypt. The authorization parallels the mechanism used for the Israeli IBA by providing language for early disbursement authority of a portion of Egyptian FMF annual appropriation (\$1.092B of \$1.3B). The Administration proposed this amount because it reflected the estimated FY01 outlay projection at the time of the proposal. (b)(5)

The Tripartite Agreement between DSCA, the FRB, and the Egyptian Procurement Office, establishing an interest bearing account, was signed on 1 Dec 00. The deposit in the FRB was made on 6 Dec 00. (b)(5)

(b)(5)

Wye River Funding - The FY00 Foreign Operations Bill contained \$25M for Egypt. On 6 Nov 00, OMB finally apportioned the Wye River funds in the Treasury Account (b)(5)

(b)(5)

IMET - Egypt's International Military Education and Training (IMET) program includes participation in various Command and Staff Colleges, numerous professional military education courses and expanded IMET training. Egypt is authorized to receive IMET training rates and travel and living allowances under FMF-financed training cases.

**EXCESS DEFENSE ARTICLES:**

Egypt relies (b)(5) on EDA for modernization of their armed forces. Egypt was the number four recipient for Congressional EDA notifications in FY00 (\$233.2M grant/\$47.1M sale). EDA sales and grant transfers have included two PERRY class and two KNOX frigates, numerous HAWK parts, mine rakes, helicopter spare parts and various types of ammunition. (b)(5)

(b)(5)

**SECURITY ASSISTANCE PROGRAM:**

Five-Year Defense Plan. Egypt has a Five-Year Defense Plan (FYDP) which outlines their future FMF funded program through the year 2007. The FY2002-2007 FYDP assumes \$1.3B in FMF will continue each year through fiscal year 2007.

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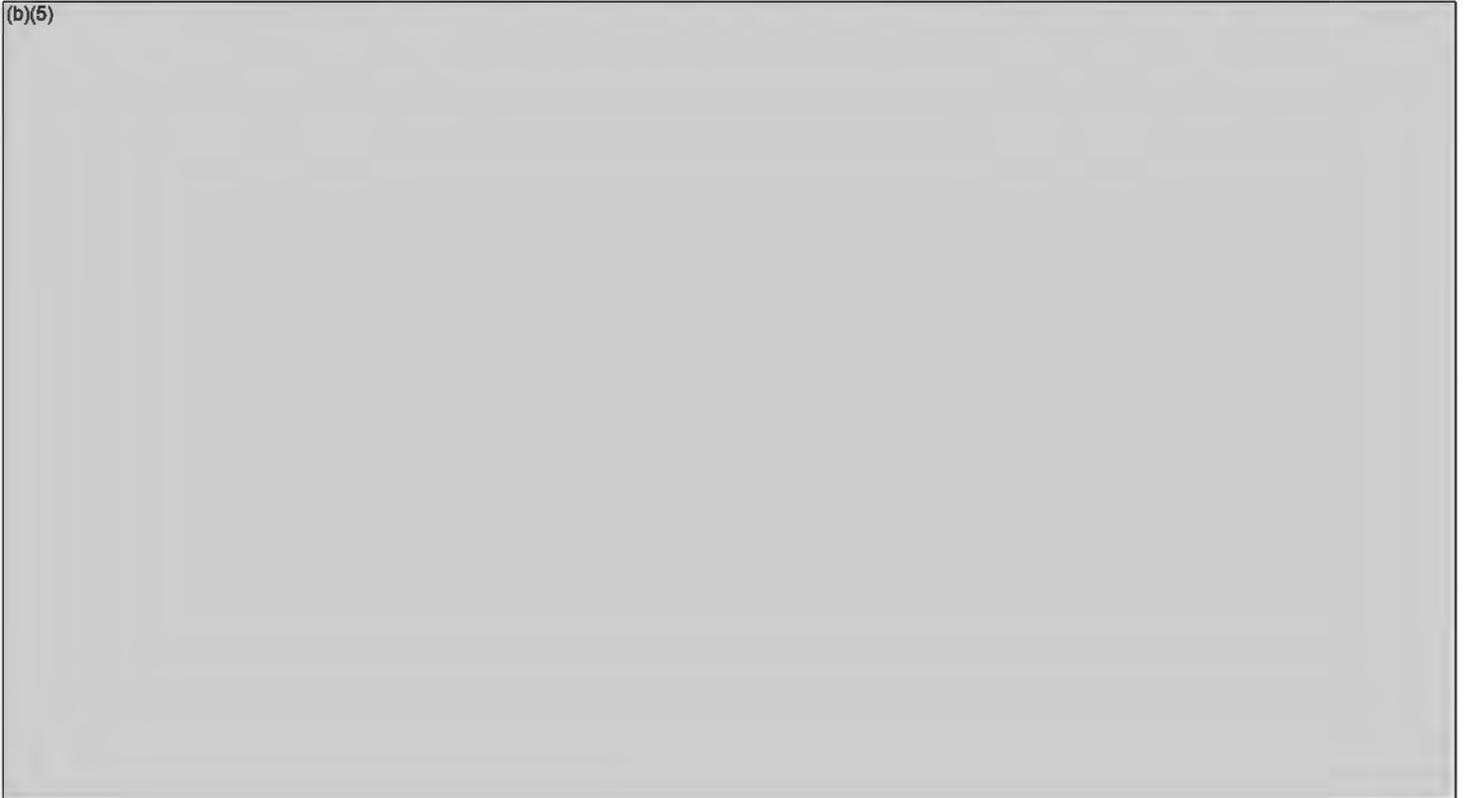
**SECURITY ASSISTANCE ISSUES:**

(b)(5)



management of Egypt's Five-Year Defense Plan to scrutinize big-ticket items, such as aircraft purchase/modernization and proposed coproduction efforts, as well as prudent management of their cash flow balance for FY02 and FY03 is an important focus of DSCA due to the potential of future funding adjustments.

(b)(5)





(b)(5)

**International Medical Center Training Program.** \$10 million was allocated to the training of medical personnel at Brooke and Madigan Army Medical Centers. The funds provided training for 138 doctors and 70 nurses. Some specialty doctors, heart surgeons and neurologists, received six weeks of civilian hospital training in conjunction with the military medical training. DSCA approved the use of FMF dollars to pay the TLA of participants as well as the authority to use FMS funds to pay for the training during the civilian portion of the training.

(b)(5)

**Peacekeeping.** Egypt actively participates in international peacekeeping operations. Since 1960, Egypt has

(b)(5)

**Expanding Egyptian Naval Fleet.** Ship transfer legislation in 1997 provided for the transfer of two PERRY-class and two previously leased KNOX-class frigates to Egypt in 1998. LOAs for the transfer were signed in Mar 98. The USS FAHRION, now ENS SHARM EL SHIEKH, arrived in Aug 98. The USS PULLER, now ENS

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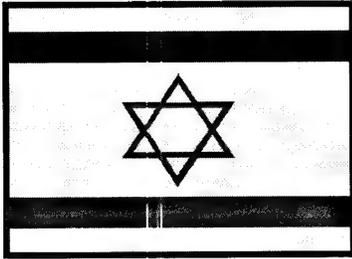


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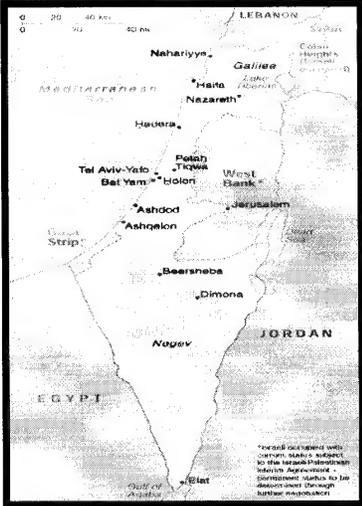


21 February 2002



**ISRAEL**

**Ambassador  
Daniel C. Kurtzer**



**PROGRAM HISTORY (in \$M):**

	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01(EST)</u>	<u>FY02(EST)</u>
FMS Agreements	628.4	2,345.7	1,112.5	2,941.0	612.0
Commercial Sales	523.3	525.0	1,335.5	610.0	485.0
FMF(G)	1,800.0	1,860.0	1,920.0	1,975.6*	2,040.0
Interest on FMF	71.7	57.7	46.1	45.0	40.0
OSP Authority	475.0	490.0	505.0	520.0	535.0
Wye Supplemental			1,200.0		
EDA Offered	5.3	34.7	40.2	46.1	
ESF	1,200.0	1,080.0	949.056	838.2*	720.0

\* Reflects impact of government-wide rescission of 0.22% (\$4.356M in FMF; \$1.848M ESF).

**Offshore Procurement:** Congress approved the use of FMF funds offshore in Israel, if requested by the GOI, as follows:

FY84 & FY85: \$250M (b)(5)  
 FY86 & FY87: \$300M  
 FY88-FY90: \$400M

(The Executive Branch approved an additional \$75M in OSP for FY90.)

FY91-FY98: \$475M annually for advanced fighters and advanced weapons systems.  
 FY99, FY00 & FY01: \$490M, \$505M & \$520M respectively (b)(5)

**Direct Offsets:** (b)(5)

**KEY SECURITY ASSISTANCE PERSONNEL:**

(b)(6)

**FINANCIAL/TRAINING INFORMATION:**

Israel does not have an IMET program.

Israel has received FMF grant funds since FY85.

(b)(5)

Since FY91, the annual appropriation bill has contained a special clause directing that Israel's FMF be disbursed within 30 days of enactment or by October 31 whichever is later. This is accomplished by transferring funds to a special Federal Reserve Bank (FRB) account in the GOI's name. Only DFAS may authorize the withdrawal of funds from this account, consistent with mutually agreed procedures. The FRB invests the funds in U.S. Treasury securities.

(b)(5)

**HUMANITARIAN ASSISTANCE INITIATIVES:**

Israel has no humanitarian assistance programs for which DoD is the implementing agency.

(b)(5)

**SIGNIFICANT SECURITY ASSISTANCE ISSUES:**

(b)(5)

**War Reserve Stockpile (WRS):**

(b)(5)

Legislation authorizing the sale to Israel of obsolete or surplus items in WRS-I is included in the Security Assistance Act of 2000.

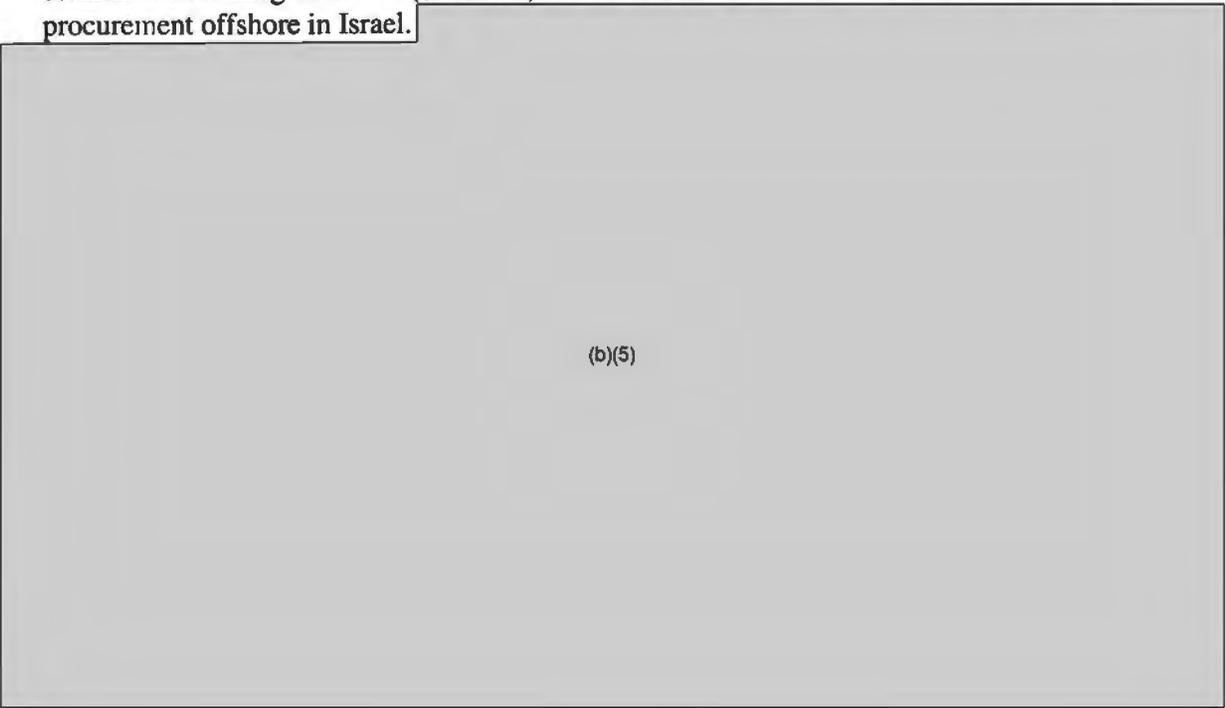
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release under FOIA  
exemption (b)(5)**

(b)(5)



**Wye River Supplemental:** The FY 2000 Omnibus Appropriation Act provides \$1.2B to Israel for security costs involved in the implementation of the Wye River Memorandum. Congress established a ceiling of 26.6% (\$315.6M) on the amount of these funds that can be used for procurement offshore in Israel.



(b)(5)



(b)(5) DOD has implemented procedures to enhance oversight and control over the use of FMF: FMF is not permitted for DCCs for standard DOD items; a minimum contract value of \$100,000 (\$30,000 for Israel) is required on all DCCs that are approved for FMF; price evaluations are conducted on all sole-source contracts of \$750,000 or more; proof of competition is required on all competitive buys; and contract administrative services are being performed by DLA on all contracts over \$500,000. Additionally, DCMA continues to conduct audits of selected contracts.

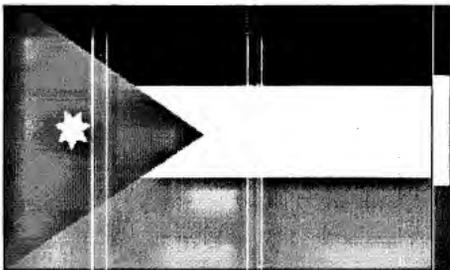
Counterterrorism (CT) Assistance to Israel:

(b)(5)

Congress approved separate funding requests of \$50M for both FY96 and FY97. State/CT and the GOI have agreed on a list of equipment to be procured with these funds, and the GOI MOD is negotiating commercial contracts with U.S. vendors for the items on the list. As negotiations are completed, the GOI submits each contract to DSCA for funding approval. (b)(5)

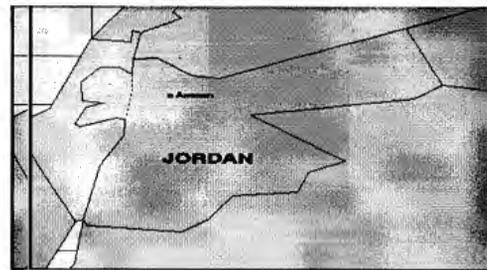
Prepared by: (b)(6)

Current as of: December 11, 2001



## JORDAN SUMMARY

Ambassador  
Edward W. Gnehm, Jr.



### PROGRAM HISTORY (In \$ M):

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	Estimated <u>FY02</u>	Projected <u>FY03</u>
FMS Agreements	218.5	18.3	16.7	45.0	75.715	74.630	75.0	198.0
FMS Loans/Grants	100.0	30.0	50.0	45.0	74.715	74.630	75.0	198.0
FMF Supplemental	0	0	0	50.0	150.0	0	0	0
NADR Funds*	.3	.4	.5	1.9	1.5	.947	.850	N/A
Drawdown Authority	100.0	0	25.0	25.0	0	0	0	0
IMET	1.202	1.655	1.6	1.654	1.6	1.7	2.0	2.4
ESF	112.2	150.0	150.0	150.0	100.0*	149.7	150.0	250.0
EIPC**	0	0	0	.9	.2	0	0	0

\*Includes \$50M for Wye Supplemental.

\*\* Enhanced International Peacekeeping Capabilities (EIPC)

\*\*\* \$20M in FY02 DOD Appropriations (section 304) monies were transferred to Jordan as reimbursement for OEF related expenses.

### KEY SECURITY ASSISTANCE PERSONNEL:

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The Chief of the Military Assistance Program (MAP), who also serves as the Defense Attaché, is COL Rich Reynolds, who arrived in country Jul 01. The U.S. Ambassador designate for Jordan is Edward W. Gnehm, Jr. The DCM is Greg Berry. Brigadier General Yassin Abdel Na'aim Yassin is the Jordan Defense Attaché in Washington D.C.

### FINANCIAL INFORMATION:

- From FY75 to FY84, U.S. security assistance funding for Jordan averaged nearly \$100M per year. Subsequently, it steadily declined to a low of \$10M in FY89. In order to shore up Jordan's U.S.-origin equipment, an upswing in FMF began in FY90; however, Jordan's pro-Iraqi stance during the Gulf War halted further increases. The State Department suspended Jordan's program (including FY90 and prior funds plus items in the pipeline) from Feb 90 through Dec 91. Additionally, State held up release of FY91 FMF until Jan 93 and release of FY92 FMF until Jul 93 (partial amount) and Sep 93 (for the remainder).
- On 1 Feb 99, the President submitted a request to the Congress for a \$200M FMF grant supplemental for Jordan to fund the implementation of the Wye River Memorandum. The criticality of providing this assistance increased due to the death of King Hussein and the Administration's desire to bolster Jordan's stability. As a result, on 22 Feb, the President submitted a request to the Congress to approve the \$200M in FMF by the end of March as an "emergency requirements" supplemental. The supplemental provided \$50M in FY99 and \$150M

in Wye River funding was approved under the Foreign Operations Bill for FY00. In addition, to the supplemental and Wye River funding, Jordan received \$74.715M in baseline FMF for FY00 and \$74.630M in baseline FMF for FY01. The FY01 funding level was reduced from \$75M to \$74.630M as the result of a government-wide congressionally mandated ricision. The Administration's FY02 request is for \$75M. However, Jordan's post-Sep 11 support and commitment to Operation Enduring Freedom (OEF) has resulted in calls for greater support to for Jordan in FY02.

- As of 31 December 2001, the uncommitted balance of the FY00 FMF baseline allocation of \$74.715M and the \$150M supplemental is \$29.398M. The JAF has a Five-Year Plan (FYP) that identifies specific programs and estimated cost. Actions are ongoing to execute the remainder of the uncommitted funds against this plan.

**TRAINING INFORMATION:**

- Jordan is among the top four worldwide IMET recipients for FY01. Its FY00 allocation was tied for number three and FY99 IMET funds ranked Jordan as number two. FY00 IMET allocation was \$1.6M for Jordan and the FY01 amount was \$1.7M. A total of \$1.9M has been proposed for FY02. Each fiscal year, funds have been held pending the President's approval of a wavier for countries not in compliance with the UN Security Council sanctions against Iraq, a violation of the FAA. This has resulted in the U.S. having to reprogram several IMET courses each year for Jordan.
- Attendance at U.S. military schools is a key to career progression within the Jordanian military and has been key to increasing the professionalism of the Jordanian Armed Forces. The proposed FY02 IMET program is focused on Command and General Staff Officer, Infantry Officer Advanced, Armor and Field Artillery Officer, UH-1 Flight Simulator, International Officer School and various technical training. Expanded-IMET courses include Defense Resource Management, Senior International Defense Management and Civil Affairs.

**EXCESS DEFENSE ARTICLES:**

- Since FY 94 Jordan has been offered on a grant basis EDA valued at \$917.9M in original acquisition value and \$189.7M in current value.





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**SIGNIFICANT SECURITY ASSISTANCE ISSUES:**

**Issue #1:** "Peace Dividend" Actions.

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- **Five-Year Plan (FYP) and Equipment Requirements Review (ERR):** In Mar 99, a DOD team met with the JAF to review their FYP which contained a listing of the JAF's priority military equipment requirements beginning in FY00. The JAF agreed to develop this plan during the Oct 98 JMC. During the March ERR, a DOD team assisted the JAF with developing and refining their military equipment requirements into a realistic prioritized plan that the U.S. could present to the Administration and Congress. The plan consisted of sustainment for the JAF's current inventory of U.S. manufactured equipment, TOW II missiles, ammo, and vehicles. The FYP, which will be funded with supplemental and baseline FMF, is now the basis for future requests and discussions with the U.S. on JAF equipment requirements and U.S. financial assistance. The

second Mid-Year Review was held 10 Mar 00 in the U.S. The most recent review was held during the April 01 U.S./Jordan JMC Security Assistance Subcommittee. A mid-year review will be held as part of a Joint Military Commission (JMC) meeting scheduled for April 02.

- **Five-Year Plan (FYP) Mid-Year Review, 10 Mar 00.** Per guidance by Mr. Keltz, Deputy DSCA, during the Nov 99 JMC, the JAF adjusted the FYP to include an execution year and five program years.

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- **Five-Year Plan Database.** In FY00, DSCA developed a software package to track equipment requirements and funding for the JAF's FYP. Software was briefed to MAP in Jun 00 and to the JAF (both RJAF and RLF) in Jan 01. In May 01, DSCA/IT installed the software in both MAP and JAF systems and provided training on use of the software package.
- **FY99 Drawdown Authority.** The FY99 Foreign Operations Bill approved a \$25M drawdown for Jordan. The President signed PD 99-18 on 25 Mar 99. On 16 Jul 99, DSCA released executive order one authorizing the MILDEPs to drawdown an equipment package consisting of ammo, night vision equipment, excess M901 TOW carriers, AIM and Maverick missiles, and Maverick support equipment. Total package is \$25M. All of the equipment, with the exception of the Maverick missiles, was delivered to Aqaba on 27 Feb 00. The Maverick missiles and related support equipment were delivered in April 2001.
- **FY98 Drawdown Authority.** The FY98 Foreign Operations Bill approved a \$25M drawdown authority for Jordan. The PD was signed by the President on 13 Mar 98. The JAF allocated \$16M in drawdown authority to the Royal Jordanian Army (RJA) and \$9M to the Royal Jordanian Air Force. Equipment consisted of M901 TOW carriers, M113A2s, hand-held radios, small ammo, NVDs, AIM-7 and AIM-9 missiles, pilot helmets, HAWK rocket motors and PCH&T for excess HAWK PIP II assets. On 20 Mar 98 DSCA authorized the drawdown and airlift of 20 each AIM-7 and AIM-9 missiles. The missiles arrived in Jordan on 27 Jun 98. On 1 May, DSCA directed the drawdown and sealift of the remaining equipment, which was delivered to Aqaba on 26 Jan 99. Additional items such as ammo, Maverick missiles, and PCH&T for HAWK PIP II assets and .50 cal ammo were drawn down against the remaining \$2M in authority. All of the equipment, with the exception of the Maverick missiles, was delivered on 27 Feb 00. The Maverick missiles were delivered in April 2001.
- **FY96 Drawdown Package:** As a result of SecState's Mar 95 visit to Jordan, SECDEF was asked to support a \$100M drawdown of DoD commodities and services to support the JAF which was later enacted as part of the FY96 Foreign Operations Appropriations Act. The initial package included 50 M60A3 TTS tanks, 18 UH-1H helicopters, 1 C-130H transport aircraft, 3 rescue/personnel boats, night vision equipment, and sustainment items. The majority of the

equipment arrived in Aqaba on 11 Dec 96. The C-130H was delivered on 24 Feb 97 following extensive refurbishment, and the remaining C-130 spare parts were shipped in Jun 97. 108 PVS-5 NVGs were refurbished and delivered to Jordan in 1998. An additional allocation of equipment against the US Army authority of \$86,929,035 was executed on 7 Apr 97. This package (approximately \$28M) included the following items which were delivered to Aqaba on 16 Jan 98:

- 38 refurbished M60A3 TTS tanks and two years spare parts	\$13.42M
- 38 M85 machine-guns	\$ 0.27M
- 38 M240 machine-guns	\$ 0.20M
- 38 Radios	\$ 0.07M
- 20 UH-1H helicopters "as is, where is" for Jordanian repair or parts	\$ 1.80M
- 18 8" howitzers and assorted 8" ammo, primers, propellant and fuzes	\$ 8.16M
- SIM of spare parts for M113A2	\$ 1.00M
- \$3M for transportation	\$ 3.00M

In Apr 98, MILDEPs reported final expenditures of \$85.4M against obligations for completed deliveries and services of Phase I and II equipment. Execute order #5 released 30 Dec 98 directed the drawdown of additional requirements against the remaining \$14.6M. Equipment to be provided include PCH&T for 9 each EDA and FMC AH-1 Cobra helicopters, excess vehicles, HAWK missiles, 8 HAWK AFUs, and M901A1 TOW carriers with launchers. All of the equipment, with the exception of the Cobra helicopters and HAWK AFUs, was delivered to Aqaba on 27 Feb 00. Five EDA Cobras and three AFUs were delivered in Sep 00 and the remaining EDA Cobras and AFUs were delivered in April 2001. The 9 FMC Cobra helicopters are undergoing safety-of-flight (SOF) engine repairs. ETD for these helos is early FY02.

- **F-16 Lease:** On 29 Jul 96, during a formal ceremony, the RJAF accepted two leases and a support LOA from the USAF for 16 F-16A/B aircraft. Total package cost consumed most of Jordan's FMF from FY96 through FY99. Additionally, Jordan expended its national funds for a \$16M construction program that began on 1 April 1997 to provide maintenance and equipment facilities, and other required infrastructure improvements for the F-16 operations at Muafaq Salti Air Base, Azraq, Jordan (approximately 50 miles east of Amman). Although construction start was late by USAF estimate, Jordan was able to receive the aircraft in December 1997. Following structural and engine modifications, the first four aircraft were delivered in Dec 97, the next nine in Jan/Feb 98, and the final three on 30 Mar 98. This program fulfilled Secretary Perry's commitment made to King Hussein in Jan 96 to try to satisfy Jordan's highest military priority for advanced fighter aircraft.
- **Jordan - Major Non-NATO Ally (MNNA) Status:** President Clinton designated MNNA status for Jordan in a letter dated 25 Sep 96. The SECDEF simultaneously designated MNNA status pursuant to Title 10 US Code section 2350a, which creates the category for cooperative R&D projects under the Nunn amendment of R&D authority. Both designations were presented to King Hussein during his meeting with the SECDEF on 3 Oct 96. These actions do not gain any immediate tangible benefits for Jordan. It does give Jordan another vestige of prestige recognizing them along with Egypt and Israel as a key participant in the peace process.

Issue #2: Request for Assistance

- **Joint Military Commission (JMC), 25-26 Apr 01.** Two days prior to the JMC the JAF submitted a 42-page package containing an updated Five-Year Plan and other equipment requirements. The MILDEPs agreed to monitor the package for equipment availability since the JAF asked for the equipment as EDA. The mid-year review of the FYP was also conducted during the JMC. The proposed changes were not significant.

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The next JMC will be held in FY02 in Jordan.

- **Joint Military Commission, 16-17 Nov 99.** Prior to holding the JMC Security Assistance Subcommittee, the JAF provided a large "wish list" package of equipment they wished to acquire via EDA, drawdown, or any similar programs. The items were not covered in the JAF's FYP. Initial review of the package by the MILDEPs revealed that none of the items was available. DSCA informed the JAF that the MILDEPs would continue to monitor the list for EDA availability. Jordan's drawdown authorities are currently fully committed, and the only option for obtaining this equipment if not available as EDA is through procurement using FMF.
- **Joint Military Commission, 21 Oct 98:** In preparation for the JMC, the JAF provided a long list of modernization, upgrade and sustainment requirements consisting of items such as small arms ammunition (5.56mm and 7.62mm), night vision devices, infrared systems and communications equipment for their border security needs, wheeled vehicles in the 2.5 and 5-ton category, sustainment spare parts for their tracked and wheeled vehicle fleets, and upgrades for TOW, Dragon, M113, M109A2, and Vulcan weapon systems. Most items are not available as EDA and no prior-year FMF was available for upgrades. ISA/NESA instructed the JAF to develop a Five-Year Plan based on yearly allocations of \$75M-\$130M. This plan was briefed to a DoD delegation during an Equipment Requirements Review (ERR) in Amman in Mar 99. The FYP, which is being funded with the Wye Supplemental and the baseline FMF, is the basis for future U.S. allocations of FMF to Jordan.

Issue #3: Jordanian Regional Security Efforts

- **Peacekeeping Participation:** Jordan has supported several recent peacekeeping missions. They are currently the fourth or fifth largest contributor with approximately 14,000 officers and NCO's participating. Under the UN, Jordan initially provided two battalions (approximately 2,200 men) to Croatia and a 95-man battery to operate artillery radars in Tuzla, Bosnia. In Feb 96, it deployed a 50-man special forces company to participate in IFOR under the French Flag, with logistical support provided by the French. Also, Jordan prepared a fully-equipped mechanized infantry battalion to participate in UNTAES in Eastern Slovenia. During recent years, Jordan provided a 60-man police company to Cambodia, 42 officers and men to Liberia, 163 troops to Haiti, and observers to Angola, Yemen, Rwanda, and Tajikistan. Jordan has also trained and equipped Palestinian police for duty in Jericho. The Jordanians are currently deployed in Kosovo, East Timor, and most recently, in Sierra Leone.

- **Demining Equipment:** Jordan has received demining funds since FY96. The first FMS case, JO-B-VTV, was implemented on 21 Nov 96. The second case, JO-B-VTY, was financed with FY97 NADR funds and signed by Jordan on 14 Mar 97. All equipment has been released to Jordan's freight forwarder. The FY98 allocation of \$500K was transferred to CentCom for mine detectors and protective gear. FY99 funds were used to purchase heavy engineering and construction equipment and quality assurance types of equipment. The Jordanians have indicated an interest in obtaining dogs in FY00; however, a final decision regarding this acquisition will be made after in-country demonstrations and briefings are held. The FY01 allocation is \$947K.
- **Enhanced International Peacekeeping Capabilities (EIPC).** Jordan received \$900K in FY99 EIPC funds and \$200K in FY00. DOD and State reviewed the JAF's request to use EIPC funds to construct and furnish a regional/international Peacekeeping Institute and determined that the funds could be used to purchase training and training related equipment such as English language labs, manuals, etc. for their institute. A Navy case valued at \$250K for EIPC training and site visits by reps from State and the Center for Civil-Military Relations (CCMR) was countersigned by DSCA in Mar 01. Jordan accepted the LOA in April. On 20 Jun 01, the JAF submitted a LOR for a blanket order case for training equipment with a value of \$850K. This case, when accepted by the JAF, will commit all of Jordan's FY99 and FY00 EIPC funds.

**Issue #4. Support For Operation Enduring Freedom (OEF)**

- Since the catastrophe of September 11th, Jordan has expressed open support for US counter-terrorist operations in Afghanistan. The U.S. has received several equipment lists to facilitate participation by Jordanian forces in OEF operations. The scope of these requirements far exceeds the baseline FMF that Jordan receives annually and would require a significant and continuous increase in that funding in the out years.
- Support to Jordan's participation remains a key priority. DOD transferred \$20M to Jordan from the FY 2002 DOD Appropriations Act. These funds were transferred to Jordan as payment for expenses incurred for their participation in Operation Enduring Freedom.

**Prepared by:**

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**Current as of:** 7 Mar 02