



Defense Security Cooperation Agency
NEWS RELEASE

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Saudi Arabia – Cooperative Logistics Supply Support Arrangement

Washington, July 21, 2006 - The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Saudi Arabia to provide funds for blanket order requisitions, under a Cooperative Logistics Supply Support Agreement (CLSSA). The total value, if all options are exercised, could be as high as \$276 million.

The Government of Saudi Arabia has requested a possible sale for a Foreign Military Sales Order (FMSO) to provide funds for blanket order requisitions FMSO II, under the CLSSA for spare parts in support of M1A2 Abrams Tanks, M2 Bradley Fighting Vehicles, High Mobility Multipurpose Wheeled Vehicles (HMMWVs), construction equipment, and support vehicles and equipment in the inventory of the Royal Saudi Land Forces Ordnance Corps. The estimated cost is \$276 million.

The CLSSA Program for M1A2 Abrams Tanks, M2 Bradley Fighting Vehicles, and HMMWVs consists of two cases: a stock level case which establishes equity in the U.S. supply system, and a requisition case which allows direct orders to be placed on U.S. stocks.

We previously notified transmittal number 91-16 to Congress on 22 March 1991 for a FMSO I amendment to increase the capability value of the stock level equity portion of an existing Cooperative Logistics Supply Support Agreement and a FMSO II sale to provide funds for blanket order spare and repair part requisitions in support of major items of equipment of U.S. origin already delivered to and being operated by Saudi Arabia in support of Desert Storm for an estimated value of \$461 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country that has been and continues to be an important force for political stability and economic progress in the Middle East.

The uninterrupted supply of spare parts will allow Saudi Arabia to keep its vehicle fleet at the highest state of readiness.

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

Procurement of these items will be from the many contractors providing similar items to the U.S. forces. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Saudi Arabia.

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

This notice of a potential sale is required by law; it does not mean that the sale has been concluded.