

ARMS CONTROL ASSOCIATION

Fact Sheet

Proposed U.S. Arms Export Agreements From January 1, 2002 to December 31, 2002

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January 2003

During 2002, the Pentagon notified Congress of an estimated **\$15.534 billion** in proposed, government-to-government, conventional arms transfer agreements with 29 countries, including Taiwan. The Pentagon also offered NATO up to **\$1.1 billion** in military deals.

The United States conducts government-to-government transfers through the Defense Department's Foreign Military Sales (FMS) program. Not all notified sales result in final transactions. Under the 1976 Arms Export Control Act, Congress must be notified of proposed sales of "major defense equipment," as defined on the U.S. Munitions List, that equals or exceeds \$14 million; defense articles and services that are not defined as "major defense equipment" which total \$50 million or more; and construction or design services amounting to or surpassing \$200 million.¹ However, if the proposed sales involve NATO members, Australia, Japan, and New Zealand, the notification thresholds are \$25 million for major defense equipment, \$100 million for other defense articles and services, and \$300 million for construction or design services.² Once notified, Congress has 30 calendar days (15 in the case of NATO members, Australia, Japan, and New Zealand) to block a sale by passing a joint resolution of disapproval, though it has never blocked a sale once formally notified.

Kuwait topped the list of all potential recipients with requests for \$2.29 billion in weaponry, including 16 AH-64D Apache Longbow combat helicopters and 80 AIM-120C Advanced Medium Range Air-to-Air Missiles (AMRAAMs). Kuwait finalized a deal for the helicopters in September 2002.

The United Arab Emirates (U.A.E.) and Taiwan ranked second and third respectively in possible arms buys. U.A.E. requests totaled \$2.14 billion for the upgrade of 30 Apache helicopters and the purchase of five E-2C Hawkeye early-warning aircraft and 237 Sea Sparrow ship-to-air missiles. Taiwan sought \$1.52 billion in potential deals, including four Kidd-class guided-missile destroyers and hundreds of anti-armor and anti-aircraft missiles. The United States publicly authorized selling the destroyers to Taiwan in April 2001.

Other major weapons sales proposed by the Pentagon in 2002 were 18 F/A-18F fighter jets to Malaysia, 30 F-16A/B or 24 F-16C/D combat aircraft to Austria, and 12 F-16C/D aircraft to Brazil. By the end of 2002, Malaysia and Austria still had not decided whether they would purchase the American fighters, while Brazil announced in early January 2003 that it would postpone any fighter buy for at least a year.

During 2001, the Pentagon notified Congress of \$18.88 billion in possible agreements.

The Top Five Recipients of Proposed FMS Deals From January 1 to December 31, 2002

COUNTRY	TOTAL VALUE	WEAPONS/SERVICES
Kuwait	\$2.289 billion	Aerostat balloon/radar system and other radars. 80 AIM-120C Advanced Medium Range Air-to-Air Missiles (AMRAAMs). 16 AH-64D Apache Longbow combat helicopters with spare engines and armaments, including 96 Longbow Hellfire AGM-114L3 and 288 Hellfire AGM-114K3 missiles.
U.A.E.	\$2.145 billion	Five refurbished E-2C Hawkeye 2000 early-warning aircraft with radars. Upgrade of 30 AH-64A Apache attack helicopters to the AH-64D version. 32 AN/APG-78 AH-64D Longbow Fire Control Radars, 32 spare engines, 32 night vision sensors, 240 AGM-114L3 Hellfire missiles, 49 AGM-114M3 Hellfire blast fragmentation anti-armor missiles, and 90 M299 Hellfire missile launchers. 237 Sea Sparrow ship-to-air missiles.

ACA Fact Sheet

COUNTRY	TOTAL VALUE	WEAPONS/SERVICES
Taiwan	\$1.521 billion	<p>290 TOW-2B anti-tank missiles with spare and repair parts.</p> <p>Four Kidd-class guided-missile destroyers, 248 SM-2 Block IIIA Standard ship-to-air missiles, 32 RGM-84L Block II Harpoon anti-ship missiles.</p> <p>48 rebuilt Standard Assault Amphibious Personnel Vehicles, four Assault Amphibious Command Vehicles, and two Assault Amphibious Recovery Vehicles.</p> <p>Maintenance and spare parts for military aircraft and missiles.</p> <p>182 AIM-9M-1/2 Sidewinder air-to-air missiles.</p> <p>449 AGM-114M3 Hellfire blast fragmentation anti-armor missiles.</p> <p>Three AN/MPN-14(SS) radar sets with spare and repair parts.</p>
Malaysia	\$1.483 billion	<p>18 F/A-18F Super Hornet combat aircraft with 39 engines, radars, and other electronic support packages.</p>
South Korea	\$1.266 billion	<p>Nine excess P-3B Orion long-range maritime patrol and anti-submarine aircraft with spare engines and parts.</p> <p>Three AEGIS shipboard combat systems and associated equipment and services.</p>

NOTES

1. The State Department is also required to report to Congress any **commercial** sales it approves of “major defense equipment” that amount to \$14 million or more, defense articles and services that equal or exceed \$50 million, and any items defined as “significant military equipment.” As in the case of FMS sales, Congress can block the sale with a joint resolution of disapproval within 30 calendar days of notification (15 in the case of NATO members, Australia, Japan, and New Zealand). There are no official compilations of commercial agreement data and it is often incomplete and less precise than the data on government-to-government transactions (Grimmett, Richard F. *Conventional Arms Transfers to Developing Nations, 1994-2001*, Washington D.C.: The Library of Congress, p. 15). The annual Section 655 report, prepared by the State Department and Defense Department for Congress, details commercial licenses approved, but states have four years to act under the licenses. The State Department’s Office of Defense Trade Controls has final responsibility for license applications for commercial defense trade exports and all issues related to defense trade compliance, enforcement, and reporting.

2. Congress approved the higher notification thresholds for NATO members, Australia, Japan, and New Zealand in legislation passed in September 2002.

Sources: Defense Security Cooperation Agency, Department of State, and Arms Control Association

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