

Proposed U.S. Arms Export Agreements From January 1, 2004 to December 31, 2004

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January 2005

During 2004, the Pentagon notified Congress of an estimated \$12.477 billion in proposed, government-to-government, conventional arms transfer agreements with 16 countries, including Taiwan.

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 stopped a sale once formally notified.

Two traditional purchasers of U.S. arms—Turkey and Tai-

wan—topped all potential buyers in seeking the largest sums of weapons in 2004. Turkey requested nearly \$4 billion in upgrades and armaments for 218 F-16 combat aircraft perviously acquired from the United States, while Taiwan asked to procure two long-range early warning radars worth almost \$1.8 billion. Pakistan and Afghanistan, which reemerged as destinations for U.S. arms transfers as part of the U.S.-led war on terror following more than a decade of being denied access to American weapons, were the only other countries in 2004 to seek more than a billion dollars in U.S. military buys. Pakistan sought a range of advanced weaponry, including early warning aircraft and anti-tank missiles, totaling roughly \$1.3 billion. Still in the process of forming a professional military, Afghanistan requested \$1 billion to recruit, train, and house its budding army.

The Pentagon notified Congress of \$5 billion more in possible arms agreements in 2004 than the preceding year even though four fewer countries sought U.S. weapons deals. One factor for the larger 2004 sum was that potential recipients pursued more expensive purchases. Turkey, Taiwan, and Afghanistan each requested separate deals worth more than \$1 billion, while in 2003 no proposed individual deal surpassed the \$1 billion mark.

THE TOP FIVE RECIPIENTS OF PROPOSED FMS DEALS FROM JANUARY 1 TO DECEMBER 31, 2004

Country	Total Value	Weapons/Services
Turkey	\$3.984 billion	Equipment and weapons upgrades for 218 F-16 combat aircraft. The weapons include 225 AIM-9X SIDEWINDER missiles, 5 AIM-9X Dummy Air Training missiles, and 20 AIM-9X Captive Air Training missiles.
Taiwan	\$1.776 billion	2 Ultra High Frequency long-range early warning radars.
Pakistan	\$1.285 billion	8 P-3C aircraft with T-56 engines. 2,000 TOW-2A anti-armor missiles. 6 PHALANX Close-In Weapon Systems (CIWS) and upgrades for 6 PHALANX CIWS. Harris High Frequency/Very High Frequency radio systems, including 1,635 20-Watt High Frequency (HF) Man Packs, 1,635 20-Watt HF Vehicular Systems, 50 150 Watt HF Vehicular Systems, six 400-Watt HF Base Station Systems, and two Radio Frequency Remote Control Systems.
Afghanistan	\$1 billion	Facilities and infrastructure for recruitment, garrison, and training for the Afghan National Army

Country	Total Value	Weapons/Services
Japan	\$903 million	<p>20 PATRIOT Advanced Capability-3 (PAC-3) missile interceptors</p> <p>40 SM-2 Block IIIB Tactical Standard missiles.</p> <p>9 SM-3 Block 1A Standard missiles.</p>

—Researched by Daniel Zeitlin

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, 1996-2003,” 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