

# Proposed U.S. Arms Export Agreements From January 1, 2005 to December 31, 2005

August 2006. Press Contact: Wade Boese, Research Director, at (202) 463-8270 x104 or wade@armscontrol.org

During 2005, the Pentagon notified Congress of an estimated \$12.329 billion in proposed, government-to-government, conventional arms transfer agreements with 22 countries and 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.<sup>1</sup> However, if the proposed sale involves NATO members, Australia, Japan, or 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.<sup>2</sup> 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.

Greece, Saudi Arabia, and Australia were the only three interested buyers in 2005 that asked for more than a billion dollars worth of U.S. arms. Greece topped this trio with a \$3.1 billion request for 40 F-16C/D fighter aircraft and associated weapons and equipment. A major procurer of U.S. arms since the 1991 Persian Gulf War, Saudi Arabia tallied nearly \$2.9 billion in possible purchases, which were largely focused on modernizing and upgrading existing Saudi forces and weapons. Australia devoted most of its \$1.2 billion total to missiles.

Although six more countries requested FMS deals in 2005 than in 2004, the total value of proposed sales dipped about \$150 million. This slight reduction reflected the fact that most potential buyers in 2005—except for Greece—concentrated on pursuing missiles and other ancillary weaponry and equipment rather than major combat systems. —*Researched by Jeremy Wolland.*

Sources: Congressional Research Service, Defense Security Cooperation Agency, and Department of State.

Country	Total Value	Weapons/Services
Greece	\$3.1 billion	<ul style="list-style-type: none"> <li>• 40 F-16C/D Block 52+ aircraft and associated equipment.</li> </ul>
Saudi Arabia	\$2.879 billion	<ul style="list-style-type: none"> <li>• Upgrade kits and services for 54 C-130E/H aircraft.</li> <li>• 165 Fighter Data Link terminals.</li> <li>• Maintenance, spare and repair parts, and contractor services for a variety of aircraft and missiles.</li> <li>• Modernization of Saudi Arabian National Guard, including 144 armored personnel carrier vehicles and 51,400 F-2000 5.56mm assault rifles.</li> </ul>
Australia	\$1.258 billion	<ul style="list-style-type: none"> <li>• 260 JASSM missiles (air-to-surface).</li> <li>• 260 SLAM-ER missiles (air-to-surface).</li> <li>• Three MK 7 Aegis Weapons Systems.</li> <li>• 175 SM-2 Block IIIA Standard missiles (ship-based anti-aircraft).</li> </ul>
Singapore	\$741 million	<ul style="list-style-type: none"> <li>• Weapons, training, and logistic support for F-15 combat aircraft, including 200 AIM-120C Advanced Medium Range Air-to-Air Missiles and 200 AIM-9X Sidewinder Missiles.</li> </ul>
Israel	\$630 million	<ul style="list-style-type: none"> <li>• 100 Guided Bomb Units (GBU-28).</li> <li>• U.S. contractor management and logistics support for Israeli F-15 and F-16A/B combat aircraft engines, as well as spare and repair parts.</li> </ul>

1. The Department of State 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 data on government-to-government transactions (Grimmett, Richard F., *Conventional Arms Transfers to Developing Nations, 1997-2004*, Washington, D.C., Congressional Research Service, p. 15). The annual Section 655 report, prepared by the State and Defense Departments 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.