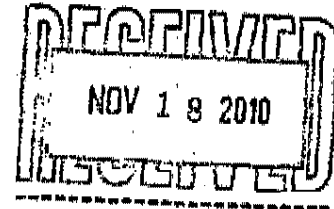


The Honorable Howard L. Berman, Chairman
Committee on Foreign Affairs
House of Representatives
Washington, D.C. 20515



Dear Chairman Berman:

Thank you for your letter of November 10th regarding potential arms sales to Saudi Arabia. We welcome the opportunity to address your questions regarding the impact such a sale would have on the national security interests of the United States.

To meet the criteria for U.S. government approval, any sale of defense articles and services must, among other considerations, support U.S. strategic and foreign policy interests, according to the Conventional Arms Transfer Policy (CAT), as detailed in Presidential Decision Directive 34 (PDD - 34, February 10, 1995).

We believe the proposed package promotes U.S. strategic and foreign policy interests, and it is a key component of our overall regional strategy. The United States is committed to deepening its bilateral and multilateral security relationships in the Gulf to enhance regional stability and security. A key component of our regional cooperation is enhancing the defensive capabilities of our Gulf partners.

Saudi Arabia is an important partner with whom we have a long history of close political-military relations. We coordinate closely with Saudi Arabia on a wide range of issues pertaining to Middle East regional security, and we have long been the principal supplier of defense equipment and defense services to support Saudi Arabia's legitimate defense needs. Our six-decade-long security relationship with Saudi Arabia is a primary security pillar in the region. This package continues that tradition.

This proposed sale will directly support U.S. interests by reinforcing our longstanding defense and security partnership with Saudi Arabia, enhancing Saudi

Arabia's ability to deter and defend itself against terrorist groups and other regional threats, improving interoperability with the U.S. military, and sending a strong message to all countries that the United States is committed to supporting the security of its key partners and allies in the Gulf and broader Middle East.

For the past twenty years, the F-15 has been a cornerstone of the relationship between the U.S. Air Force (USAF) and the Royal Saudi Air Force (RSAF). Selling new F-15SAs, upgrading the current F-15S fleet to the SA configuration, and providing the training component will enhance Saudi air defense and deterrence capabilities, ensure interoperability between the USAF and RSAF, and sustain long-term relationships to ensure continued U.S. influence for decades.

The proposed package will also enable the Saudi Arabian National Guard, Royal Saudi Land Forces, and Saudi Royal Guard to deploy the AH-64D, UH-60M, AH-60i, and MD-530F helicopters to defend vital government and energy installations, and bolster Saudi Arabia's counterterrorism capabilities, while increasing Saudi interoperability with the U.S. Army.

You asked what conditions were placed on the potential sale. All sales of U.S.-origin defense articles and defense services are subject to restrictions outlined in the Arms Export Control Act (AECA), as amended, including Section 4's limits on the purposes for which military sales are authorized and Section 3(g)'s requirement that any agreement for the sale of defense articles or services shall state that the United States Government retains the right to verify credible reports that any such article has been used for an unauthorized purpose. As with all Foreign Military Sales or Direct Commercial Sales, actual or possible end-use violations will be notified to Congress as required by Section 3(e) of the AECA.

On the question of threats to Saudi Arabia and its ability to meet those threats, Saudi Arabia faces an Iranian threat, including destabilizing actions in the region, and in the past year has faced Houthi attacks along its border with Yemen. Saudi Arabia also faces considerable challenges in countering domestic and regional terrorism, as exhibited by the February 2006 attack on the Abqaiq oil facility. This proposed sale will help improve Saudi Arabia's ability to deter and defend against threats, and carry out counterterrorism operations.

On the question of repercussions of future political change in Saudi Arabia, our strong political-military relationship with that nation helps ensure a continued long-term partnership between our countries. The Saudi choice to partner with the United States through such sales will have a decades-long impact, strengthening

and deepening our military-to-military relationship, and leading to extensive collaborative training and exercises. Such engagement helps deepen our relationship with Saudi Arabia beyond the senior political level, minimizing the chance that political change will negatively impact our relationship. Our close ties to Saudi Arabia also help to guard against potential repercussions for our friends in the region.

You highlighted that a recent GAO report noted the Administration, "did not consistently document how arms transfers to Gulf countries advanced U.S. foreign policy and national security goals..." We read the recent GAO report with great interest and are investigating the possibility of implementing their suggestions, where appropriate and feasible. Though record-keeping can always be improved, our departments thoroughly analyze every potential arms sale to gauge the impact on U.S. national security interests.

Regarding your concerns about Saudi support for wider regional U.S. policy goals, the Middle East Peace Process is one area where we coordinate closely with Saudi Arabia both publicly and privately. As a key member of the Arab League, the Saudis played a leadership role when the Arab League supported President Abbas's decision to enter into direct negotiations with Prime Minister Netanyahu. More recently, Saudi Arabia has granted the Palestinian Authority an additional \$100 million in budget support, above the \$46 million it provided in accordance with its Arab League commitment. We will continue to urge Saudi Arabia and other Arab countries to take concrete steps toward implementing the vision embodied in the Arab Peace Initiative.

You also raised a number of questions regarding aspects of Saudi Arabia's regional policy and its commitment to other key U.S. goals, including counterterrorism and countering terrorist financing. Saudi cooperation on counterterrorism issues is significant, and U.S. law enforcement and intelligence agencies continue to benefit from this relationship. Saudi Arabia played an integral role in helping the U.S. thwart the cargo package bomb plots of late October emanating from Yemen, and we have publicly thanked the Saudis for this critical information sharing. The Saudi government has also taken numerous regulatory and institutional steps to counter terrorist financing. These steps include a historic fatwa criminalizing terrorist finance released in April 2010 and endorsed by King Abdullah in May 2010, the development of regulatory and oversight infrastructure to counter money laundering and terrorist financing, and active participation by the Saudi government in international bodies devoted to these issues. Additionally, Saudi Arabia has been very involved in addressing regional

Gulf security issues related to Yemen. Saudi Arabia has been an active partner in the Friends of Yemen process and has made numerous efforts to help Yemen improve its ability to govern, which in turn reduces terrorism's appeal. We have every confidence that the proposed sale will deepen our partnership with Saudi Arabia, which in turn will reinforce and make more productive our work with Saudi Arabia on critical regional issues.

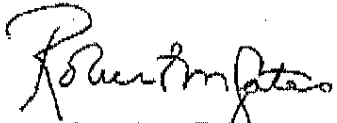
On counter-proliferation, Saudi Arabia has been responsive to UNSCR 1540 reporting requirements and has recently shown its support for a more substantive regional dialogue on counter-proliferation by offering to host a GCC workshop, scheduled for December 2010, on 1540 issues. The United States is developing an Export Control and Related Border Security (EXBS) Program with Saudi Arabia. As a next step in this program, a senior Saudi delegation is expected to visit Washington in January 2011 to meet with U.S. export control experts to discuss the importance of strategic trade controls and the provisions and processes essential for their effective implementation. The United States and Saudi Arabia also have signed a Memorandum of Understanding (MOU) on cooperation in nuclear energy. This MOU contains a statement of intent by Saudi Arabia to rely on the international market for fuel cycle services as an alternative to the pursuit of enrichment or reprocessing capabilities. This MOU was signed in May 2008 and entered into effect in January 2009 when Saudi Arabia brought its Nuclear Non-Proliferation Treaty safeguards agreement into force.

With regard to your concerns about the impact that this proposed sale will have on Israel's security and Qualitative Military Edge (QME), we concluded, as required by law and after a thorough interagency assessment, that this sale will not negatively impact Israel's security interests or its QME. A more detailed analysis on this issue was briefed to Congress as part of the Congressional notification process, and was provided in the Congressional Notification package. Our commitment to Israel's QME is rock solid and longstanding. Apart from evaluating our arms sales to the rest of the Middle East against QME criteria, the U.S. government ensures Israel's QME is upheld in numerous ways, including through sales of defense equipment to Israel, robust security assistance, cooperative research and development programs, and extensive combined training and exercises.

We believe that the sale of these advanced aircraft will support the national security interests of the United States now and in the years to come. We hope this

information is useful to you. Please do not hesitate to contact us again if we can be of further assistance.

Sincerely,



Robert M. Gates
Secretary of Defense

NOV 16 2010



Hillary Rodham Clinton
Secretary of State

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