

DEPARTMENT OF DEFENSE**Office of the Secretary****[Transmittal No. 02-48]****36(b)(1) Arms Sales Notification****AGENCY:** Department of Defense, Defense Security Corporation Agency.**ACTION:** Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated 21 July 1996.

FOR FURTHER INFORMATION CONTACT: Ms. J. Hurd, DSCA/COMPT/RM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 02-48 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: July 23, 2002.

Patricia L. Toppings,
*Alternate OSD Federal Register Liaison
Officer, Department of Defense.*

BILLING CODE 5001-08-M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

22 JUL 2002

In reply refer to:
I-02/009672

The Honorable J. Dennis Hastert
Speaker of the House of
Representatives
Washington, D.C. 20515-6501

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act (AECA), as amended, we are forwarding herewith Transmittal No. 02-48 and under separate cover the classified offset certificate thereto. This Transmittal concerns the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to the Czech Republic for defense articles and services estimated to cost \$35 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Reporting of Offset Agreements in accordance with Section 36(b)(1)(C) of the Arms Export Control Act (AECA), as amended, requires a description of any offset agreement with respect to this proposed sale. Section 36(g) of the AECA, as amended, provides that reported information related to offset agreements be treated as confidential information in accordance with section 12(c) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(c)). Information about offsets for this proposed sale is described in the enclosed confidential attachment.

Sincerely,

A handwritten signature in cursive script, reading "Richard J. Millies", is positioned above the typed name and title.

Richard J. Millies
Acting Director

Attachments

Separate Cover:
Offset certificate

Same ltr to: House Committee on International Relations
Senate Committee on Appropriations
Senate Committee on Foreign Relations
House Committee on Armed Services
Senate Committee on Armed Services
House Committee on Appropriations

Transmittal No. 02-48

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Czech Republic
- (ii) Total Estimated Value:
- | | |
|--------------------------|---------------------|
| Major Defense Equipment* | \$25 million |
| Other | <u>\$10 million</u> |
| TOTAL | \$35 million |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 150 AIM-9M-8/9 Sidewinder missiles, training missiles, All-Up-Round containers, test and tool sets, support equipment, maintenance facilities, spare and repair parts, personnel training and equipment, publications, U.S. Government and contractor engineering and personnel services, and other related elements of logistics support.
- (iv) Military Department: Navy (AAB)
- (v) Prior Related Cases, if any: none
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: none
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Annex attached
- (viii) Date Report Delivered to Congress: 22 JUL 2002

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION**Czech Republic – AIM-9M-8/9 Sidewinder Missiles**

The Government of the Czech Republic has requested a possible sale of 150 AIM-9M-8/9 Sidewinder missiles, training missiles, All-Up-Round containers, test and tool sets, support equipment, maintenance facilities, spare and repair parts, personnel training and equipment, publications, U.S. Government and contractor engineering and personnel services, and other related elements of logistics support. The estimated cost is \$35 million.

This proposed sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the Czech Republic and further weapon system standardization and interoperability with U.S. forces.

The proposed sale of the AIM-9M missile system is being addressed in conjunction with the planned upgrade of Advance Light Attack Combat aircraft (L-159). These missiles will enhance the Czech Republic Armed Forces' current air-to-air intercept capability to equipment capabilities within their region of operations.

The prime contractor will be Raytheon Systems Corporation of Tucson, Arizona. One or more proposed offset agreements may be related to this proposed sale.

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

Implementation of this proposed sale will require the assignment of several U.S. Government and contractor representatives for one week intervals to participate in program review and technical reviews to the Czech Republic.

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

Transmittal No. 02-48

**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended**

**Annex
Item No. vii**

(vii) Sensitivity of Technology:

1. The external view of the AIM-9M-8/9 Sidewinder missile is Unclassified and not sensitive. Advanced technology included in the missile: Active Optical Target Detector (AOTD), Gyro Optics Assembly within the Guidance Control Section (GCS), Infrared Countermeasures (IRCM) Detection and Rejection Circuitry, and a reduced smoke rocket motor. The equipment/hardware, software, and maintenance are classified Confidential. Pilot training is classified Secret. Manuals and technical documents are classified Secret. Performance and operating information are classified Secret.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that could reduce overall effectiveness.

3. A determination has been made that the Czech Republic can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.