

**DEPARTMENT OF DEFENSE****Office of the Secretary****[Transmittal Nos. 07–39]****36(b)(1) Arms Sales Notification****AGENCY:** Department of Defense, Defense Security Cooperation 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. B. English, DSCA/DBO/CFM, (703) 601–3740.

The following is a copy of a letter to the Speaker of the House of

Representatives, Transmittals 07–39 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: August 8, 2007.

**C.R. Choate,**

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

**BILLING CODE 5001–06–M**



## DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

AUG 03 2007  
In reply refer to:  
I-07/008285-CFM

The Honorable Nancy Pelosi  
Speaker of the House of Representatives  
Washington, DC 20515-6501

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 07-39, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Brazil for defense articles and services estimated to cost \$58 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

A handwritten signature in cursive script, reading "Richard J. Millies", is positioned below the word "Sincerely,".

Richard J. Millies  
Deputy Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Same ltr to:

House

Committee on Foreign Affairs  
Committee on Armed Services  
Committee on Appropriations

Senate

Committee on Foreign Relations  
Committee on Armed Services  
Committee on Appropriations

## Transmittal No. 07-39

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: Brazil
- (ii) Total Estimated Value:
- |                          |                      |
|--------------------------|----------------------|
| Major Defense Equipment* | \$ 32 million        |
| Other                    | \$ <u>26 million</u> |
| TOTAL                    | \$ 58 million        |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: Integrated Combat Systems for five (5) submarines and one (1) shore-based training facility. The Integrated Combat System is the Lockheed Martin Corporation's integrated submarine sensor, which includes fire control weapons control suites. Also requested are software and systems integration to interface the Integrated Combat System with the MK-48 AT torpedoes, weapon system software, support equipment, spare and repair parts, publications and technical data, training, contractor engineering and technical support services, and other related elements of logistics support.
- (iv) Military Department: Navy (LDA)
- (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: AUG 03 2007

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

## **POLICY JUSTIFICATION**

### **Brazil – Integrated Combat System**

The Government of Brazil has requested a possible sale of Integrated Combat Systems for five (5) submarines and one (1) shore-based training facility. The Integrated Combat System is the Lockheed Martin Corporation's integrated submarine sensor, which includes fire control weapons control suites. Also requested are software and systems integration to interface the Integrated Combat System with the MK-48 AT torpedoes, weapon system software, support equipment, spare and repair parts, publications and technical data, training, contractor engineering and technical support services, and other related elements of logistics support. The estimated cost is \$58 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country that has been, and continues to be, an important force for political stability and economic progress in South America.

The proposed sale will further build the capacity of the Brazilian Armed Forces by improving the capabilities of its TUPI and TIKUNA class submarines as well as the shore-based training facility. The proposed sale of this equipment and support will not affect the basic military balance in the region.

The principal contractor will be: Lockheed Martin of Manassas, Virginia. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale does not require the assignment of contractor/U.S. Government representatives to Brazil.

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

**Transmittal No. 07-39****Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act****Classified Annex  
Item No. vii****(vii) Sensitivity of Technology:**

1. The Integrated Combat System is the Lockheed Martin Corporation's integrated submarine sensor, which includes fire control weapons control suites, and includes the following component parts: four (4) Multi-Function Control Consoles for Fire Control and Sonar Control, two (2) Weapons Control Manager consoles, two (2) Local Control panels, Cylindrical Array Sonar processing equipment, Active Intercept Sonar processing equipment, navigation plotting tables, digital charts, and Identification Friend or Foe (IFF).
2. The Progeny Systems Multi-Tube Weapons Simulator (MTWS) is a training aid used to conduct training simulations of the MK-48 AT torpedo in conjunction with the Integrated Combat System, and contains sensitive technology.
3. If a technologically advanced adversary were to obtain knowledge of the specific hardware or software in this proposed sale, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

**DEPARTMENT OF DEFENSE****Office of the Secretary****(Transmittal No. 07–40)****36(b)(1) Arms Sales Notification****AGENCY:** Department of Defense, Defense Security Cooperation Agency.**ACTION:** Notice.

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