

[Transmittal No. 96-63]

36(b) Notification

AGENCY: Department of Defense, Defense Security Assistance Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a

section 36(b) 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:

Mr. A. Urban, DSAA/COMPT/FPD, (703) 604-6575.

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

Representatives, Transmittal 96-63, with attached transmittal, policy justification and sensitivity of technology pages.

Dated: September 13, 1996.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5000-04-M



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

10 SEP 1996

In reply refer to:
I-04229/96ct

Honorable Newt Gingrich
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, we are forwarding herewith Transmittal No. 96-63, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Brunei for defense articles and services estimated to cost \$52 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

A handwritten signature in cursive script, appearing to read "H. Diehl McKalip".

H. Diehl McKalip
Acting Director

Attachments

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

Transmittal No. 96-63

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

- (i) Prospective Purchaser: Brunei
- (ii) Total Estimated Value:
- | | |
|--------------------------|---------------------|
| Major Defense Equipment* | \$38 million |
| Other | <u>\$14 million</u> |
| TOTAL | \$52 million |
- (iii) Description of Articles or Services Offered:
Ninety-six RIM-7M vertical launch SEASPARROW missiles (including training missiles), missile containers, 96 jet vane control units, U.S. Government and contractor technical and logistics personnel services, personnel training and training equipment, publications and technical documentation, spare and repair parts, support and test equipment and other related elements of logistics support.
- (iv) Military Department: Navy (LBA and BAB)
- (v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vi) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:
See Annex attached
- (vii) Date Report Delivered to Congress: **10 SEP 1996**

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

POLICY JUSTIFICATIONBrunei - SEASPARROW Missiles

The Government of Brunei has requested the purchase of 96 RIM-7M vertical launch SEASPARROW missiles (including training missiles), missile containers, 96 jet vane control units, U.S. Government and contractor technical and logistics personnel services, personnel training and training equipment, publications and technical documentation, spare and repair parts, support and test equipment and other related elements of logistics support. The estimated cost is \$52 million.

This sale is consistent with the stated U.S. policy of assisting friendly nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services.

This is the first procurement of the SEASPARROW missile by Brunei. Brunei will use the SEASPARROW as the primary surface-to-air armament on new off-shore patrol vessels being procured for the defense of its coastline and surrounding islands. The patrol vessels are being delivered with a MK-48 launching system which is compatible with the vertical launch SEASPARROW missile. Brunei will have no difficulty absorbing the missiles into its inventory.

The sale of these missiles and support will not affect the basic military balance in the region.

The principal contractors will be Raytheon Electronic Systems, Andover, Massachusetts, and Hughes Missile Systems Company, Tucson, Arizona. There are no offset agreements proposed in connection with this potential sale.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Brunei.

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

Transmittal No. 96-63

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control ActAnnex
Item No. vi(vi) Sensitivity of Technology:

1. The external view of the RIM-7M SEASPARROW missile is unclassified and not sensitive. However, this weapon does have the following classified components, including applicable technical equipment, documentation, and manuals:

- a. Guidance and Control Section (C)
- b. Rocket Motor (C)
- c. Safety and Arming Device (C)
- d. Fuzing Hardware (C)
- e. Fuze frequency/characteristics (S)
- f. Exportable parametric threat data (S)
programmed into ECM/ECCM software
packet
- g. Documentation* (C)

* Manuals and technical documents are those necessary for Organizational and Intermediate level maintenance.

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 or equivalent systems which could reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

3. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification. Moreover, the benefits to be derived from this sale, as outlined in the Policy Justification, outweigh the potential damage that could result if the sensitive technology were revealed to unauthorized persons.