

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 00-46].

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 P.L. 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 of the Speaker of the House or Representatives, Transmittal 00-46 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: July 26, 2000.

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

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DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

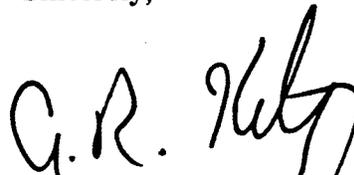
10 JUL 2000
In reply refer to:
I-00/007131

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, we are forwarding herewith Transmittal No. 00-46, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to New Zealand for defense articles and services estimated to cost \$32 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,


A.R. KELTZ
DEPUTY 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. 00-46**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act**

- (i) **Prospective Purchaser:** New Zealand
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$ 20 million |
| Other | \$ <u>12 million</u> |
| TOTAL | \$ 32 million |
- (iii) **Description of Articles or Services Offered:** Twenty-four JAVELIN anti-tank missile systems (consisting of 24 JAVELIN command launch units and 164 JAVELIN missile rounds), simulators, trainers, support equipment, spare and repair parts, publications and technical data, personnel training and equipment, U.S. Government and contractor engineering and logistics personnel services, a Quality Assurance Team, and other related elements of logistics support.
- (iv) **Military Department:** Army (VJA)
- (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 JUL 2000

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

POLICY JUSTIFICATION

New Zealand - JAVELIN Anti-tank Missile Systems

The Government of New Zealand has requested a possible sale for 24 JAVELIN anti-tank missile systems (consisting of 24 JAVELIN command launch units and 164 JAVELIN missile rounds), simulators, trainers, support equipment, spare and repair parts, publications and technical data, personnel training and equipment, U.S. Government and contractor engineering and logistics personnel services, a Quality Assurance Team, and other related elements of logistics support. The estimated cost is \$32 million.

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

New Zealand will use these JAVELIN anti-tank missile systems to enhance their anti-tank ground forces and to increase interoperability with U.S. forces. New Zealand will have no difficulty absorbing this equipment into its armed forces.

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

The prime contractor will be JAVELIN Joint Venture (Raytheon and Lockheed Martin) of Orlando, Florida. There are no offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of a U.S. Government Quality Assurance Team to New Zealand for a week to assist in the delivery and deployment of the missiles. Two contractor representatives will be required for two years to perform maintenance services.

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

Transmittal No. 00-46**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act****Annex
Item No. vi****(vi) Sensitivity of Technology:**

1. The JAVELIN anti-tank missile system provides a man-portable, medium anti-tank capability to infantry, scouts, and combat engineers. JAVELIN is comprised of two major tactical components; a reusable Command Launch Unit (CLU) and a missile sealed in a disposable launch tube assembly. The CLU incorporates an integrated day/night sight and provides target engagement capability in adverse weather and countermeasure environments. The CLU may also be used in the stand-alone mode for battlefield surveillance and target detection. JAVELIN's key technical feature is the use of fire-and-forget technology which allows the gunner to fire and immediately take cover. Additional special features are the top attack and/or direct fire modes (for targets under cover), integrated day/night sight, advanced tandem warhead, imaging infrared seeker, target lock-on before launch, and soft launch from enclosures or covered fighting positions. If the software was compromised, it could result in a loss of sensitive technology, revealing the performance capabilities of the JAVELIN Missile System. Reverse engineering of the software would require a substantial effort. While the JAVELIN system is Unclassified, Secret disclosure are required in order to employ, operate, and train on the system.

2. A determination has been made that the Government of New Zealand can provide substantially the same degree of protection for the 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 portion of the notification. Further, the sale strengthens collective security and contributes to the standardization and interoperability in the case of coalition warfare. The benefits to be derived from the sale outweigh the potential damage that could result if the sensitive technology were revealed to unauthorized persons.