DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 98–57]

36(b)(1) Arms Sales Notification

AGENCY: Defense Security Assistance Agency, DOD.

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 Pub. L. 104–164 dated July 21, 1996.

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

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 98–57, with attached transmittal, policy justification and sensitivity of technology.

Dated: September 29, 1998.

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

16 SEP 1998

In reply refer to:
I-71760/98

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. 98-57, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Spain for defense articles and services estimated to cost $105 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

MICHAEL S. DAVISON, JR.
LIEUTENANT GENERAL, USA
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. 98-57

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

(i) **Prospective Purchaser:** Spain

(ii) **Total Estimated Value:**

Major Defense Equipment*	$ 82 million
Other	$ 23 million
TOTAL	$ 105 million

(iii) **Description of Articles or Services Offered:** One hundred twelve SM-2 Block IIIA STANDARD missiles (80 tactical missiles with warheads and 32 telemetry missiles), containers, canisters, spare and repair parts, supply and follow-on support, engineering technical assistance, training, and other related elements of logistics support.

(iv) **Military Department:** Navy (AMB)

(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:** 16 SEP 1998

POLICY JUSTIFICATION

Spain - SM-2 Block IIIA STANDARD Missiles

The Government of Spain has requested a possible sale of 112 SM-2 Block IIIA STANDARD missiles (80 tactical missiles with warheads and 32 telemetry missiles), containers, canisters, spare and repair parts, supply and follow-on support, engineering technical assistance, training, and other related elements of logistics support. The estimated cost is $105 million.

This proposed sale will contribute to the foreign policy and national security objectives of the United States by helping to improve the military capabilities of Spain and furthering standardization and interoperability.

Spain will install these missiles on their new AEGIS F100 Class ships and operate the ships in a manner similar to its current ship operations. Spain, which already has STANDARD missiles in its inventory, will have no difficulty absorbing these additional missiles.

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

The principal contractors will be Standard Missile Company, McLean, Virginia and Raytheon Missile Systems Company, Tucson, Arizona. One or more proposed offset agreement may be related to this proposed sale.

Implementation of this sale may require the assignment of U.S. Government personnel or contractor representatives in-country for up to two weeks for engineering technical assistance following delivery of the missiles.

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

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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 SM-2 Block IIIA STANDARD missile is a U.S. Navy surface launched guided missile and is classified Secret. It is operationally deployed on cruisers, destroyers, and frigates for use against air and surface threats (aircraft, missiles, and ships). The guidance system employs a continuous-wave radar link for homing on a target. Steering and roll commands from the adaptive auto-pilot system provide flight stability via four aft mounted control surfaces. Propulsion is provided by a solid propellant, dual thrust rocket motor which is an integral part of the missile airframe. The target detecting device is a complex fuze with dual radar systems to optimize warhead lethality against a spectrum of target sizes and speeds. The sale of the missiles will result in the transfer of sensitive technology to Spain.

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 might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

3. A determination has been made that Spain 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.

[FR Doc. 98–26517 Filed 10–2–98; 8:45 am]
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