

## Transmittal No. 03-28

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

Annex  
Item No. vii

(vii) Sensitivity of Technology:

1. The AN/AAQ-24(V) NEMESIS Directional Infrared Countermeasures (DIRCM) with a multi-band laser on large infrared signature aircraft reduces the number of required transmitters and increases effectiveness against threats from modern Man-Portable Air Defense Systems. This aircraft self-protection suite will provide fast and accurate threat detection, processing, tracking, and countermeasures to defeat current and future generation infrared missile threats. DIRCM is designed for installation on a wide range of rotary and fixed-wing aircraft.

2. 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 advance capabilities.

3. A determination has been made that Saudi Arabia 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. 03-23144 Filed 9-10-03; 8:45 am]

BILLING CODE 5001-08-C

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

[Transmittal No. 03-29]

**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. 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 03-29 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: September 5, 2003.

**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

3SEP03

In reply refer to:

I-03/009165

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. 03-29 and under separate cover the classified offset certificate thereto. This Transmittal concerns the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to Canada for defense articles and services estimated to cost \$101 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,

  
Richard J. Millies  
Deputy Director

Attachments

Separate Cover:  
Offset certificate

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

## Transmittal No. 03-29

**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:** Canada
- (ii) **Total Estimated Value:**
- |                          |                      |
|--------------------------|----------------------|
| Major Defense Equipment* | \$111 million        |
| Other                    | <u>\$ 21 million</u> |
| TOTAL                    | \$132 million        |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** JAVELIN anti-tank missile systems (consisting of 200 JAVELIN command launch units and 840 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 (ZUA)
- (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:** 03SEP03

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

## POLICY JUSTIFICATION

### Canada - JAVELIN Anti-tank Missile Svstems

The Government of Canada has requested a possible sale of JAVELIN anti-tank missile systems consisting of 200 JAVELIN command launch units and 840 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 \$132 million.

This proposed sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Canada to fulfill its NATO obligations; furthering NATO rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

Canada will use these JAVELIN anti-tank missile systems to enhance their direct fire capability for infantry, cavalry and commando units against armored vehicles, buildings and field fortifications. These systems will provide Canada with a strong man-portable, direct fire capability and will increase interoperability with U.S. forces. Canada will have no difficulty absorbing these systems 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. One or more proposed offset agreements may be related to this proposed sale.

Implementation of this proposed sale will require the assignment of a U.S. Government Quality Assurance Team consisting of two U.S. Government and one contractor representatives to Canada for one week to assist in the delivery and deployment of the missiles.

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

## Transmittal No. 03-29

**Notice of Proposed Issuance of Letter of Offer  
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of the Arms Export Control Act**

**Annex  
Item No. vii**

**(vii) 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 that 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 is required in order to employ, operate, and train on the system.

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 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 Canada can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

[FR Doc. 03-23145 Filed 9-10-03; 8:45 am]  
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**DEPARTMENT OF DEFENSE****Office of the Secretary**

[Transmittal No. 03-30]

**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. 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 03-30 with attached transmittal and policy justification.

Dated: September 5, 2003.

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

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