

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 19-42]

Arms Sales Notification**AGENCY:** Defense Security Cooperation Agency, Department of Defense.**ACTION:** Arms sales notice.**SUMMARY:** The Department of Defense is publishing the unclassified text of an arms sales notification.**FOR FURTHER INFORMATION CONTACT:**Karma Job at *karma.d.job.civ@mail.mil* or (703) 697-8976.**SUPPLEMENTARY INFORMATION:** This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164

dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 19-42 with attached Policy Justification and Sensitivity of Technology.

Dated: September 20, 2019.

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

DEFENSE SECURITY COOPERATION AGENCY
 201 12TH STREET SOUTH, SUITE 101
 ARLINGTON, VA 22202-5408

JUL 12 2019

The Honorable Nancy Pelosi
 Speaker of the House
 U.S. House of Representatives
 H-209, The Capitol
 Washington, DC 20515

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. 19-42 concerning the Army's proposed Letter(s) of Offer and Acceptance to the Government of Germany for defense articles and services estimated to cost \$401 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

Charles W. Hooper
 Charles W. Hooper
 Lieutenant General, USA
 Director

Enclosures:

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

BILLING CODE 5001-06-C

Transmittal No. 19-42

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*: Government of Germany

(ii) *Total Estimated Value*:

Major Defense Equipment *	\$229 million
Other	\$172 million
Total	\$401 million

(iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase*:

Major Defense Equipment (MDE):

Fifty (50) Patriot Advanced Capability 3 (PAC-3) Missiles Segment Enhanced (MSE)

Non-MDE:

Also included are PAC-3 MSE launcher conversion kits; Missile Round Trainers (MRTs); Empty Round Trainers (ERTs); Launcher Stations (LS) heater controllers; PAC-3 ground support equipment; concurrent spare parts; documentation and publications; PAC-3 MSE shorting plugs; Quality Assurance Team; missile canister consumables; missile skid kits; PAC-3 MSE repair and return; missile Field Surveillance Program (FSP) for PAC-3 MSE; U.S. Government transportation; MSE launcher spare parts; PAC-3/MSE GMT kits; MSE DC motor kits; targets; Telemetry; U.S. Government range support; MSE flight test support; U.S. Government and contractor engineering; technical and logistics support services; and other related elements of logistical and program support.

(iv) *Military Department*: Army (GY-B-XAV)

(v) *Prior Related Cases, if any*: N/A

(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 Attached Annex

(viii) *Date Report Delivered to Congress*: July 12, 2019

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

POLICY JUSTIFICATION

Government of Germany – Patriot Advanced Capability 3 (PAC-3) Missiles Segment Enhanced

The Government of Germany has requested to buy fifty (50) Patriot Advanced Capability 3 (PAC-3) Missiles Segment Enhanced (MSE). Also

included are PAC-3 MSE launcher conversion kits; Missile Round Trainers (MRTs); Empty Round Trainers (ERTs); Launcher Stations (LS) heater controllers; PAC-3 ground support equipment; concurrent spare parts; documentation and publications; PAC-3 MSE shorting plugs; Quality Assurance Team; missile canister consumables; missile skid kits; PAC-3 MSE repair and return; missile Field Surveillance Program (FSP) for PAC-3 MSE; U.S. Government transportation; MSE launcher spare parts; PAC-3/MSE GMT kits; MSE DC motor kits; targets; Telemetry; U.S. Government range support; MSE flight test support; U.S. Government and contractor engineering; technical and logistics support services; and other related elements of logistical and program support. The total estimated value is \$401 million.

This proposed sale will support to the foreign policy and national security of the United States by helping to improve the security of a NATO ally, which is an important force for political and economic stability in Europe. It is vital to U.S. national interests to assist our German ally in developing and maintaining a strong and ready self-defense capability.

The proposed sale will enhance Germany's capability to maintain the largest air defense capacity in Europe. The purchase of these additional missiles will allow Germany to build a more robust air defense capability and increase its air lethality against air defense threats. This purchase also assist Germany with its NATO commitments. Germany will have no difficulty absorbing these additional missiles into its armed forces.

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

The prime contractor will be Lockheed Martin, Dallas, TX. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require additional contractor representatives to travel to Germany. It is not expected additional U.S. Government personnel will be required in country for an extended period of time.

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

Transmittal No. 19-42

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 PATRIOT Air Defense System contains classified CONFIDENTIAL hardware components, SECRET tactical software and critical/sensitive technology. The Patriot Advanced Capability 3 (PAC-3) Missile Segment Enhancement (MSE) hardware is classified CONFIDENTIAL and the associated launcher hardware is UNCLASSIFIED. The PAC-3 MSE is a high velocity, hit-to-kill, surface-to-air missile that provides critical air and missile defense by intercepting and destroying Tactical Ballistic Missiles (TBM), Air-Breathing Threats (ABT), cruise missiles, and Unmanned Aerial Systems (UAS).

2. The PAC-3 MSE sensitive/critical technology is primarily in the area of design and production know-how and primarily inherent in the design, development and/or manufacturing data related to certain components. The list of components is classified CONFIDENTIAL.

3. Information on system performance capabilities, effectiveness, survivability, missile seeker capabilities, select software/software documentation and test data are classified up to and including SECRET.

4. If a technologically advanced adversary were to obtain knowledge of the hardware and software elements, the information could be used to develop countermeasures or equivalent systems, which might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.

5. A determination has been made that the recipient country 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.

6. All defense articles and services listed in this transmittal are authorized for release and export to the Government of Germany.

[FR Doc. 2019-20839 Filed 9-24-19; 8:45 am]

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