

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 05-30]

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/DBO/ADM, (703) 604-6575.

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

Representatives, Transmittal 05-30 with attached transmittal and policy justification, and Sensitivity of Technology.

Dated: September 29, 2005.

L.M. Bynum,

*OSD Federal Register Liaison Officer
Department of Defense.*

BILLING CODE 5001-06-M



DEFENSE SECURITY COOPERATION AGENCY
WASHINGTON, DC 20301-2800

28 SEP 2005

In reply refer to:
I-05/006514

**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, as amended, we are forwarding herewith Transmittal No. 05-30, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Chile for defense articles and services estimated to cost \$50 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,


**Richard J. Millies
Deputy Director**

Enclosures:

- 1. Transmittal**
- 2. Policy Justification**
- 3. Sensitivity of Technology**

**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. 05-30

**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:** Chile
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|---------------------|
| Major Defense Equipment* | \$42 million |
| Other | <u>\$ 8 million</u> |
| TOTAL | \$50 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 20 RGM-84L HARPOON Block II missiles; containers; training devices; spare and repair parts; supply/technical support; support equipment; personnel training and training equipment; technical data and publications; U.S. Government and contractor engineering and logistics support services; and other related elements of logistics support.
- (iv) **Military Department:** Navy (AFJ)
- (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:** 28 SEP 2005

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

POLICY JUSTIFICATION**Chile - HARPOON Block II Missiles**

The Government of Chile has requested a possible sale of 20 RGM-84L HARPOON Block II missiles; containers; training devices; spare and repair parts; supply/technical support; support equipment; personnel training and training equipment; technical data and publications; U.S. Government and contractor engineering and logistics support services; and other related elements of logistics support. The estimated cost is \$50 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in South America.

Chile intends to use the HARPOON missile to maintain the Anti-Ship Warfare capability of its frigates purchased from the Royal Netherlands Navy. The RGM-84 HARPOON Block II upgraded targeting capability significantly reduces the risk of hitting non-combatant targets thus improving Chile's naval operational flexibility. The missiles will assist the Chilean Navy to develop and enhance standardization and operational ability with the United States. Chile will have no difficulty absorbing these additional missiles 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 The Boeing Company of St. Louis, Missouri. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Chile permanently. There may be U.S. Government or contractor personnel in-country on a temporary basis in conjunction with program technical and management oversight and support requirements.

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

Transmittal No. 05-30

**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 HARPOON Block II AGM, RGM, or UGM-84L missiles are air, ship, and submarine launched Anti-Surface Warfare missiles that provide naval forces with capabilities to engage targets in both the "blue water" regions and the littorals of the world. Only the ship-launched missile variant is associated with this proposed sale. The RGM-84L Block II HARPOON missile, including publications, documentation, operations, supply, maintenance, and training is Confidential.

2. The RGM-84L incorporates components, software, and technical design information that are considered sensitive. The following HARPOON components being conveyed by the proposed sale that are considered sensitive and are classified Confidential include:

- a. Radar seeker
- b. Global Positioning System/Inertial Navigation System (GPS/INS)
- c. Operational Flight Program (OFP) software
- d. Missile operational characteristics and performance data

These elements are essential to the ability of the HARPOON missile to selectively engage hostile targets under a wide range of operational, tactical, and environmental conditions.

3. 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.