

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 01-16]

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 01-16 with attached transmittal, policy justification, and Sensitivity of Technology.

L.M. Bynum,*Alternate OSD Federal Register Liaison Officer, Department of Defense.***BILLING CODE 5001-08-M**



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

26 JUN 2001

In reply refer to:
I-01/006649

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, we are forwarding herewith Transmittal No. 01-16 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 the Republic of Korea for defense articles and service estimated to cost \$2.4 billion. 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 are described in the enclosed confidential attachment.

Sincerely,


A.R. KELTZ
DEPUTY DIRECTOR

Attachment
As stated

Separate Cover:
Offset certificate

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

Transmittal No. 01-16**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act**

- (i) **Prospective Purchaser:** Republic of Korea
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$1.9 billion |
| Other | \$ <u>.5 billion</u> |
| TOTAL | \$2.4 billion |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** Thirty-six AH-64D Apache attack helicopters; 14 spare T-700-GE-701C engines; 85 M299 HELLFIRE launchers; 410 AGM-114L1 and 576 AGM-114K1 HELLFIRE II laser guided missiles; 40 AGM-114 training and 40 AGM-114 dummy missiles; 310 STINGER Block 1 missiles; two spare Modernized Targeting Acquisition and Designation Systems; 16 AN/APG-78 Longbow Fire Control Radar; 39 AN/ARC-210 SINCGARS radios with HAVE QUICK; 23,904 2.75 rockets, M130 chaff dispensers; spare and repair parts, communications equipment, support equipment, simulators, quality assurance teams, tools and test sets, chaff dispensers, Integrated Helmet and Display Sight Systems, 30mm cartridges, electronic equipment, test facility spares, publications, personnel training and training equipment, U.S. Government and contractor technical support and other related elements of logistics support.
- (iv) **Military Department:** Army (YVS, YVT, OFQ, KZJ, KWW, and BQS)
- (v) **Prior Related Cases, if any:** FMS case JAJ - \$404 million - Cancelled
- (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:** 26 JUN 2001

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

POLICY JUSTIFICATION

Republic of Korea - AH-64D Apache Helicopters

The Republic of Korea Government (ROKG) has requested the possible sale of 36 AH-64D Apache attack helicopters; 14 spare T-700-GE -701C engines; 85 M299 HELLFIRE launchers; 410 AGM-114L1 and 576 AGM-114K1 HELLFIRE II laser guided missiles; 40 AGM-114 training and 40 AGM-114 dummy missiles; 310 STINGER Block 1 missiles; two spare Modernized Targeting Acquisition and Designation Systems; 16 AN/APG-78 Longbow Fire Control Radar; 39 AN/ARC-210 SINGARS radios with HAVE QUICK; 23,904 2.75 rockets, M130 chaff dispensers; spare and repair parts, communications equipment, support equipment, simulators, quality assurance teams, tools and test sets, chaff dispensers, Integrated Helmet and Display Sight Systems, 30mm cartridges, electronic equipment, test facility spares, publications, personnel training and training equipment, U.S. Government and contractor technical support and other related elements of logistics support. The estimated cost is \$2.4 billion.

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 Northeast Asia.

Korea desires these articles to fulfill their strategic commitments for self-defense and self-reliance. The proposed sale will upgrade its anti-armor day/night missile capability, provide for the defense of vital installations and provide close air support for the military ground forces. Korea will have no difficulty absorbing these helicopters into its armed forces.

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

The principal contractors will be Boeing Company in Mesa, Arizona; Lockheed Martin Electronics and Missiles in Orlando, Florida; Lockheed Martin Federal Systems in Owego, New York; General Electric in Lynn, Massachusetts; and Longbow LLC in Orlando, Florida. One or more proposed offset agreements may be related to this proposed sale.

Implementation of this sale will require the assignment of several U.S. Government Quality Assurance Teams to Korea for one month to assist in the delivery and deployment of the missiles. There will be up to 15 U.S. Government representatives for two-week intervals twice annually to participate in program management and technical reviews. Five contractor representatives will serve as technical representatives for a period of three years following initial deployment. Contractor representatives representing varying technical skills and disciplines will be required to provide in-country support for an extended period of time. The specific requirements for this support will be established during program definition between representatives of the United States Government and the purchaser.

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

The ROKG is also considering a competing bid for 36 Super Cobra helicopters.

Transmittal No. 01-16**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act (U)****Classified Annex
Item No. vi****(vi) Sensitivity of Technology:**

1. The AH-64D Apache Attack Helicopter includes the following classified or sensitive components:

a. AN/APG-78 Longbow Fire Control Radar (FCR) is an active fire control radar system providing detection, location, classification and prioritization of targets to be prosecuted by the Longbow HELLFIRE Modular Missile System or handed over to other on-board sensor systems. This enables the Apache helicopter to detect and fire upon targets in visual conditions that preclude the use of visual or infrared imaging systems. Hardware is Unclassified, releasable technical manuals for operation and organic level maintenance are Unclassified. The data, including operational software, proposed for release will not, in itself, facilitate reverse engineering.

b. AN/APR-48A Radar Frequency Interferometer (RFI) is part of the AN/APG-78 FCR. It passively detects, locates in azimuth, and identifies radar emitters and sends the emitter identification and location to either the FCR or to the Apache Weapons Processor for display to the aircrew. Emitter information can also be used to cue the FCR, as well as for making decisions on FCR target prioritization. Hardware is classified Confidential when the User Data Module (UDM) is attached to the RFI Processor Assembly, Unclassified when the UDM is absent. Releasable technical manuals for operation and organic level maintenance are Unclassified. The data, including operational software, proposed for release will not facilitate reverse engineering.

c. The Modernized Target Acquisition and Designation Sight/Pilot Night Vision Sensor (TADS/PNVS) with Optical Improvements (OIP) system provides day, night, limited adverse weather target information, as well as night navigation capabilities. The PNVS provides thermal imaging that permits nap-of-the-earth flight to, from, and within the battle area, while TADS provides the co-pilot gunner with search, detection, recognition, and designation by means of Direct View Optics (DVO), television, and Forward Looking Infrared (FLIR) sighting systems that may be used singularly or in combinations. Hardware is Unclassified. Technical manuals for authorized maintenance levels are Unclassified. Reverse engineering is not a major concern.

d. The AGM-114K1 and AGM-114L1 HELLFIRE air-to-surface laser missile hardware and documentation are unclassified. Missile performance parameters and characteristics, including susceptibility to countermeasures, are classified up to Secret and considered very sensitive. Missile hardware is considered sensitive and knowledge of the warhead timing mechanism would be useful in development of countermeasures. Technology contained within the missile is sensitive and Unclassified. The sensitivity of the system is primarily in the software programs which enable the missile to operate in a countermeasures environment. Training, maintenance, operations and related documentation are unclassified and not considered sensitive.

e. The Stinger Block I missile, Platform Launch, was specifically designed to counter the threat of high speed, maneuvering aircraft, advanced helicopters and UAVs/RVS.

The Stinger Weapon System affords a quick reaction, fire and forget capability not available with conventional defense systems. Stinger utilizes a passive IR/UV seeker and proportional navigational guidance, which allows the gunner to acquire, track and engage targets at any aspect. The materiel is classified Confidential and the releasable technical manuals are Restricted.

f. AN/ALQ-144A(V)3 Infrared Countermeasure Set - an active, continuous operating, omni-directional, electrically fired infrared jammer system designed to confuse or decoy threat IR missile systems, in conjunction with low reflective paint and engine suppressors. Hardware is classified Confidential. Technical manuals for authorized maintenance levels are classified Secret. Reverse engineering and development of counter-countermeasures are concerns if the hardware and releasable technical data were compromised.

g. M130 Chaff-flare Dispenser - a multi-purpose system which dispenses decoys to confuse threat radar and missile IR seekers. Radar cross section and frequency coverage are sensitive elements. Hardware is Unclassified. Technical publications for authorized maintenance levels are Unclassified. Aircraft optimization is the critical element; reverse engineering is not a major concern.

h. AN/APR-39A(V)4 Radar Signal Detecting Set - provides warning of a radar directed air defense threat to permit appropriate countermeasures. It is programmed with appropriate threat data. Hardware is classified Confidential. Technical manuals for the maintenance levels are classified Confidential. Technical performance data is classified Secret.

i. AN/ALQ-136(V)5 Radar Jammer Countermeasure Sets - an omni-directional radar jammer which provides protection against threat radar detecting devices. Equipment is programmed with appropriate threat data provided by purchasing country. Hardware is classified Confidential. Releasable technical manuals for the maintenance are classified Secret; releasable technical performance data is classified Secret. Technology involved in design, manufacturing and testing of the jammer is sensitive. Reverse engineering is a primary concern.

j. The Suite of Integrated Radio Frequency Countermeasures (SIRFC)/Suite of Integrated Infrared Countermeasures detects, identifies, and counters multiple, simultaneous, modern surface and airborne threat radars. SIRFC combines both radar warning and electronic countermeasures, and also provides full-threat radar warning frequency coverage including millimeter wave, while countering pulse, pulse doppler, continuous wave, and pulse compression threats.

k. AN/AVR-2A(V) Laser Warning Set is a passive laser warning system which receives, processes and displays threat information resulting from aircraft illumination by lasers, on the multi-functional display. The hardware is classified Confidential. Technical manuals for operation and maintenance levels are classified Secret.

l. AN/ARC-210 SINGAR radio with HAVE QUICK II is a voice communications radio system and considered unclassified without HAVE QUICK II. HAVE QUICK II employs cryptographic technology which is classified Secret. Classified elements include operating characteristics, parameters, technical data, and keying material.

m. AN/APX-100 Identify Friend or Foe (IFF) Mode IV is Classified. Software is classified Confidential. Classified elements of the IFF system include operating characteristics, parameters, and technical data.

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 Korea 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. 01-18062 Filed 7-18-01; 8:45 am]

BILLING CODE 5001-08-C

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 01-17]

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 01-17 with attached transmittal, policy justification, and Sensitivity of Technology.

L. M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-08-M