

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 00-20]

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 00-20 with attached transmittal and policy justification.

Dated: November 15, 1999.

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

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DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

3 NOV 1999

In reply refer to:
I-99/013787

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. 00-20 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to the Netherlands for defense articles and services estimated to cost \$515 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

A handwritten signature in black ink, appearing to read "MS Davison", is located below the "Sincerely," text.

MICHAEL S. DAVISON, JR.
LIEUTENANT GENERAL, USA
DIRECTOR

Attachments

Separate Cover:
Classified Annex

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. 00-20

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

- (i) **Prospective Purchaser:** The Netherlands
- (ii) **Total Estimated Value:**

Major Defense Equipment*	\$ 470 million
Other	\$ <u>45 million</u>
TOTAL	\$ 515 million
- (iii) **Description of Articles or Services Offered:** One hundred twenty-eight PATRIOT Advance Capability-3 (PAC-3) guided missiles, trainers, support equipment, spare and repair parts, modification kits, fire solution computer, publications, U.S. Government and contractor engineering and logistics support services, personnel training and equipment and other related elements of logistic support.
- (iv) **Military Department:** Army (WZM, WZO and WZQ)
- (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:** 3 NOV 1999

POLICY JUSTIFICATION

The Netherlands - PAC-3 PATRIOT Missiles

The Government of the Netherlands has requested a possible sale of 128 PATRIOT Advance Capability-3 (PAC-3) guided missiles, trainers, support equipment, spare and repair parts, modification kits, fire solution computer, publications, U.S. Government and contractor engineering and logistics support services, personnel training and equipment and other related elements of logistic support. The estimated cost is \$515 million.

This proposed sale will contribute to the foreign policy and national security of the United States by improving the military capabilities of Netherlands and enhancing weapon system standardization and interoperability of this important NATO ally.

This proposed sale will provide the Netherlands with an effective, state-of-the-art anti-tactical missile capability and will greatly improve the defense posture of the Netherlands as well as other NATO countries. The Netherlands will have no difficulty absorbing these PAC-3 missiles into their inventory.

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

The principal contractors will be Lockheed Martin Federal Systems, Owego, New York; and Longbow LLC, Orlando, Florida. One or more proposed offset agreements may be related to this proposed sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government and contractor representatives to the Netherlands.

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