



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 18-30]

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: DSCA at dscan.cr.lmo.mbx.info@mail.mil or (703) 697-9709.

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 18-30 with attached Policy Justification and Sensitivity of Technology.

Dated: September 18, 2018.

Shelly E. Finke,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

JUL 3 1 2018

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. 18-30, concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Kingdom of Denmark for defense articles and services estimated to cost \$152 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,

A handwritten signature in black ink, appearing to read "C. W. Hooper", written over a large, stylized oval shape.

Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

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

Transmittal No. 18-30

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: Kingdom of Denmark

(ii) Total Estimated Value:

Major Defense Equipment*	\$130 million
Other	<u>\$ 22 million</u>
TOTAL	\$152 million

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

Major Defense Equipment (MDE):

Up to forty-six (46) Standard Missile, SM-2 Block IIIA Vertical Launching
Tactical All-Up Rounds, RIM-066M-03-BK IIIA (VLS)

Up to two (2) Standard Missile, SM-2 Block IIIA Telemetry, Omni-Directional
Antenna, Warhead Enabled, RIM 066M-03-BK IIIA (VLS)

Up to two (2) Standard Missile, SM-2 Block IIIA Telemetry, Omni-Directional
Antenna, Warhead Dud Capable, RIM 066M-03-BK IIIA (VLS)

Non-MDE:

Also included are MK 13 MOD 0 Vertical Launching System Canisters, operator
manuals and technical documentation, U.S. Government and contractor engineering,
technical, and logistics support services, and other related elements of logistics and
program support.

(iv) Military Department: Navy (DE-P-AED)

(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 Attached Annex

(viii) Date Report Delivered to Congress: July 31, 2018

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

POLICY JUSTIFICATION

Denmark – SM-2 Block IIIA Standard Missiles

The Government of Denmark has requested to buy up to forty-six (46) Standard Missile, SM-2 Block IIIA Vertical Launching Tactical All-Up Rounds, RIM 066M-03-BK IIIA (VLS); up to two (2) Standard Missile, SM-2 Block IIIA Telemetry, Omni-Directional, All-Up Rounds, RIM-066M-03-BK IIIA (VLS); and up to two (2) Standard Missile, SM-2 Block IIIA Telemetry, Omni-Directional Antenna, Warhead Dud Capable, RIM 066M-03-BK IIIA (VLS). Also included are MK 13 MOD 0 Vertical Launching System Canisters, operator manuals and technical documentation, U.S. Government and contractor engineering, technical, and logistics support services, and other related elements of logistics and program support. The total estimated program cost is \$152 million.

This proposed sale will support the foreign policy and national security of the United States by helping to improve the security of a NATO ally that is an important force for political stability and economic progress in the European region.

This proposed sale would support Denmark's anti-air warfare capabilities for the Royal Danish Navy's IVER HUITFELDT Frigate Class ships. The SM-2 Block IIIA missiles, combined with the Anti-Air Warfare System (AAWS) combat system, will provide significantly enhanced area defense capabilities over critical Northern Europe air-and-sea-lines of communication. Denmark will have no difficulty absorbing this equipment and support into its armed forces.

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

The principal contractor will be Raytheon Cooperation in Tucson, Arizona; Raytheon Company, Camden, Arkansas; and BAE of Minneapolis, Minnesota and Aberdeen, South Dakota. 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 Denmark.

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

Transmittal No. 18-30

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. A completely assembled Standard Missile-2 (SM-2) Block IIIA with or without a conventional warhead, whether a tactical, telemetry, or inert (training) configuration, is classified CONFIDENTIAL. Missile component hardware includes: Guidance Section (classified CONFIDENTIAL), Target Detection Device (classified CONFIDENTIAL), Warhead (UNCLASSIFIED), Dual Thrust Rocket Motor (UNCLASSIFIED), Steering Control Section (UNCLASSIFIED), Safe and Arming Device (UNCLASSIFIED), Autopilot Battery Unit (classified CONFIDENTIAL), and if telemetry missiles, AN/DKT-71 Telemeters (UNCLASSIFIED).
2. SM-2 operator and maintenance documentation is usually classified CONFIDENTIAL. Shipboard operation/firing guidance is generally classified CONFIDENTIAL. Pre-firing missile assembly/pedigree information is UNCLASSIFIED.
3. 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.
4. A determination has been made that Denmark 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.
5. All defense articles and services listed in this transmittal have been authorized for release and export to Denmark.

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