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## **DEPARTMENT OF DEFENSE**

### **Office of the Secretary**

**[Transmittal No. 19-75]**

### **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](mailto: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 19-75 with attached Policy Justification and Sensitivity of Technology.

Dated: March 10, 2020.

**Aaron T. Siegel,**

*Alternate OSD Federal Register Liaison Officer,*

*Department of Defense.*



**DEFENSE SECURITY COOPERATION AGENCY**  
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ARLINGTON, VA 22202-5408

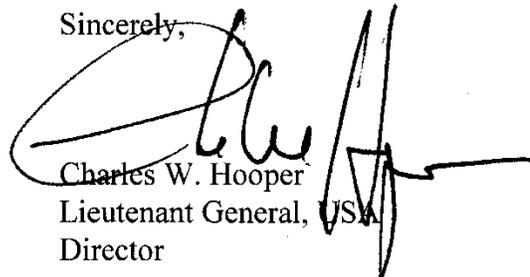
The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
H-209, The Capitol  
Washington, DC 20515

FEB 25 2020

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. 19-75 concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of the Netherlands for defense articles and services estimated to cost \$85 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", is written over the typed name and title of the sender.

Charles W. Hooper  
Lieutenant General, USA  
Director

Enclosures:

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

Transmittal No. 19-75

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 the Netherlands

(ii) Total Estimated Value:

Major Defense Equipment*	\$75 million
Other	<u>\$10 million</u>
TOTAL	\$85 million

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

Major Defense Equipment (MDE):

Sixteen (16) MK-48 Mod 7 Advanced Technology (AT) Torpedo Conversion Kits

Non-MDE:

Also included are spare parts, containers, associated hardware, torpedo handling equipment, and cables; U.S. Government and contractor engineering, technical, and logistics support services; and other related elements of logistics and program support.

(iv) Military Department: Navy (NE-P-LHC A5)

(v) Prior Related Cases, if any: NE-P-LHC

(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: **February 25, 2020**

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

## POLICY JUSTIFICATION

### Netherlands – MK-48 Torpedo Conversion Kits

The Government of the Netherlands has requested to buy sixteen (16) MK-48 Mod 7 Advanced Technology (AT) torpedo conversion kits. Also included are spare parts, containers, associated hardware, torpedo handling equipment, and cables; 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 \$85 million.

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

The Netherlands desires to upgrade additional MK 48 Mod 4 torpedoes to the MK 48 Mod 7 AT model. They intend to use the MK 48 Mod 7 AT torpedo on their Walrus Class submarines. The Netherlands will have no difficulty absorbing this equipment into its armed forces.

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

The prime contractor will be Raytheon Company, Portsmouth, RI. The Netherlands may require offset agreements in connection with this potential sale. Any offset agreement will be defined in negotiations between the Purchaser and the prime contractor.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to the Netherlands. Travel of U.S. Government or contractor representatives to the Netherlands on a temporary basis for program technical support and management oversight will be required.

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

Transmittal No. 19-75

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 Mod 7 configuration is the United States Navy's most capable submarine launched torpedo. It has a new sonar receiver that has a broader bandwidth capability than previous versions, and also employs a new tactical processor that has increased memory and throughput. The Mod 7AT configuration has the same guidance and control system and the same software as the Mod 7. However, it employs the Mod 4M afterbody which results in higher radiated noise.

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 that 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 the Netherlands can provide substantially the same degree of protection for the technology being released as the U.S. Government. This proposed sustainment program is necessary to the furtherance of the U.S. foreign policy and national security objectives as outlined in the Policy Justification.

4. All defense articles and services listed in this transmittal have been authorized for release and export to the Netherlands.

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