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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 20-22]

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 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 20-22 with attached Policy Justification and Sensitivity of Technology.

Dated: April 21, 2020.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, SUITE 101
ARLINGTON, VA 22202-5408

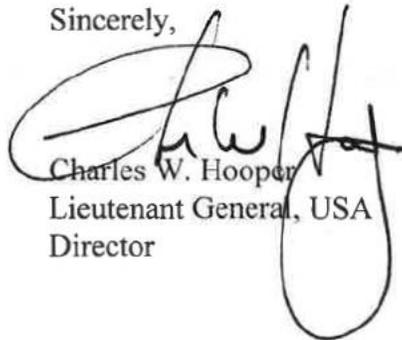
April 10, 2020

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

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. 20-22 concerning the Army's proposed Letter(s) of Offer and Acceptance to the Government of the Netherlands for defense articles and services estimated to cost \$40.55 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. Hooper", is written over the typed name and title.

Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

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

Transmittal No. 20-22

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*	\$33.70 million
Other	<u>\$ 6.85 million</u>
TOTAL	\$40.55 million

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

Major Defense Equipment (MDE):

One hundred ninety-nine (199) Excalibur Increment IB M982A1 Tactical Projectiles

Non-MDE:

Also included is U.S. Government technical assistance, training, associated support equipment, and other related elements of logistics and program support.

(iv) Military Department: Army (NE-B-YAD; NE-B-YAE)

(v) Prior Related Cases, if any: NE-B-WGT

(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: **April 10, 2020**

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

POLICY JUSTIFICATION

The Netherlands – Excalibur Projectiles

The Government of the Netherlands has requested to buy one hundred ninety-nine (199) Excalibur Increment IB M982A1 tactical projectiles. Also included with this request is U.S. Government technical assistance, training, associated support equipment, and other related elements of logistics and program support. The total estimated program cost is \$40.55 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 will integrate these munitions with conventional artillery units equipped with the PzH2000NL self-propelled howitzer (SPH) to provide precision fires capability in order to reduce collateral damage and increase effectiveness in various areas of operation. The Netherlands will have no difficulty absorbing this equipment into its armed forces.

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

The prime contractor will be the Raytheon Company, Tucson, AZ. 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 the Netherlands.

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

Transmittal No. 20-22

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 Excalibur M982A1 Increment IB projectile is a Global Positioning System (GPS) Precise Positioning Service (PPS) guided precision munition that uses deployable fins and canards to guide the projectile to the target. The Excalibur is designed for use on digitized 155mm howitzers, including: the M109A6 Paladin, the M109A5 Self-Propelled Howitzer, the M198 Towed Howitzer, and the M777A2 Light Weight Howitzer. The highest classification of items included in this potential sale is up to and including SECRET.
2. 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.
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 potential sale is necessary in 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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