

Billing Code



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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 20-78]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

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 20-78 with attached Policy Justification and Sensitivity of Technology.

Dated: December 21, 2020.

Kayyonne T. Marston,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



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

December 4, 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. 20-78 concerning the Army's proposed Letter(s) of Offer and Acceptance to the Government of Australia for defense articles and services estimated to cost \$132.2 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, reading "Heidi H. Grant", is positioned above the printed name and title.

Heidi H. Grant
Director

Enclosures:

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

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 Australia

(ii) Total Estimated Value:

Major Defense Equipment*	\$0
Other	<u>\$132.2 million</u>
TOTAL	\$132.2 million

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

Major Defense Equipment (MDE):

None

Non-MDE:

M825A1 155mm White Phosphorous projectile munitions, M782 Multi-Option Fuze for Artillery, M762A1 electronic-timed fuzes, M231 and M232A2 propelling charges, percussion primers, technical publications and books, technical data for operational maintenance, technical assistance and services, and other related elements of logistics and program support.

(iv) Military Department: Army (AT-B-ULC)

(v) Prior Related Cases, if any: AT-B-UGN

(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: **December 4, 2020**

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

POLICY JUSTIFICATION

Government of Australia – 155mm Ammunition and Accessories

The Government of Australia has requested to buy M825A1 155mm White Phosphorous projectile munitions, M782 Multi-Option Fuze for Artillery, M762A1 electronic-timed fuzes, M231 and M232A2 propelling charges, percussion primers, technical publications and books, technical data for operational maintenance, technical assistance and services, and other related elements of logistics and program support. The total estimated program cost is \$132.2 million.

This proposed sale will support the foreign policy and national security objectives of the United States. Australia is one of our most important allies in the Western Pacific. The strategic location of this political and economic power contributes significantly to ensuring peace and economic stability in the region.

This purchase will enable effective training and extend the Australian Defence Force's (ADF) capability to conduct combined operations. The ADF already has these rounds in service, and is trained and equipped to use them. Australia will not have any difficulty absorbing these weapons into its armed forces.

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

The principal contractor will be determined at a later date. The material could potentially be sourced from a combination of DoD stocks and new procurement. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of U.S. Government or contractor representatives to Australia.

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

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

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The M825A1 is a 155mm artillery projectile which utilizes a payload of white phosphorous impregnated felt to produce a smoke screen at a target location. The Government of Australia has stated their commitment to use these rounds exclusively for its intended purpose, which is to provide signaling and to obscure enemy visibility on the battlefield.
2. The M782 Multi-Option Fuze for Artillery (MOFA). The M782 is a selectable multi-option fuze that provides height of burst capability to artillery rounds. The M782 is a sensitive military technology and has been approved for release to the Government of Australia.
3. Also included in this case are propelling charges and other fuzes that enable the effective use of the M825A1 end item. While these technologies are controlled military hardware they do not represent a significant technology transfer risk.
4. The highest level of classified information associated with the sale of this equipment is SECRET.
5. If a technologically advanced adversary obtains knowledge of the specific hardware and software elements, the information could be used to develop countermeasures or equivalent systems that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.
6. A determination has been made that Australia can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This proposed sale is necessary to further the U.S. foreign policy and national security objectives outlined in the Policy Justification.
7. All defense articles and services listed on this transmittal are authorized for release and export to the Government of Australia.