

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 06-54]

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/DBO/CFM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of

Representatives, Transmittal 06-54 with attached transmittal, policy justification, Sensitivity of Technology, and Section 620C(d).

Dated: September 28, 2006.

C.R. Choate,

Alternate OSF Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-06-M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

27 SEP 2006

**In reply refer to:
I-06/009229**

**The Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, DC 20515-6501**

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. 06-54, concerning the Department of the Army's proposed Letters(s) of Offer and Acceptance to Greece for defense articles and services estimated to cost 66 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

You will also find attached a certification as required by Section 620C(d) of the Foreign Assistance Act of 1961, as amended, that this action is consistent with the principles set forth in subsection 620C(b) of that Act as codified in section 2373 of title 22, United States Code.

Sincerely,

A handwritten signature in cursive script that reads "Richard J. Millies".

Richard J. Millies
Deputy Director

Enclosures:

- 1. Transmittal**
- 2. Policy Justification**
- 3. Sensitivity of Technology**
- 4. Section 620C(d)**

Same ltr to:

House
Committee on International Relations
Committee on Armed Services
Committee on Appropriations

Senate
Committee on Foreign Relations
Committee on Armed Services
Committee on Appropriations

Transmittal No. 06-54

**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:** Greece
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|---------------------|
| Major Defense Equipment* | \$62 million |
| Other | <u>\$ 4 million</u> |
| TOTAL | \$66 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 633 AGM-114K1 HEAT HELLFIRE II missiles, 24 AGM-114M1 Blast Fragmentation Warhead Missiles, 3 M36E HELLFIRE II Training missiles, 3 M34 HELLFIRE Drill missiles, publications, technical support, and related elements of logistics support.
- (iv) **Military Department:** Army (XNQ)
- (v) **Prior Related Cases, if any:**
- | | |
|----------------|------------------------|
| FMS case XIE - | \$ 14 million- 29Sep99 |
| FMS case JAS - | \$106 million- 5Aug93 |
| FMS case XDU - | \$268 million- 24Nov91 |
- (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:** 27 SEP 2006

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

POLICY JUSTIFICATION**Greece – AGM-114 HELLFIRE Missiles**

The Government of Greece has requested a possible sale of 633 AGM-114K1 HEAT HELLFIRE II missiles, 24 AGM-114M1 Blast Fragmentation Warhead Missiles, 3 M36E HELLFIRE II Training missiles, 3 M34 HELLFIRE Drill missiles, publications, technical support, and related elements of logistics support. The estimated cost is \$66 million.

This proposed sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Greece and further weapon system standardization and interoperability with U.S. forces.

Greece needs these missiles in order to defend its own borders and to remain militarily viable in the region. The proposed sale of HELLFIRE missiles will greatly improve Greece's defense posture. The missiles will be provided in accordance with, and subject to the limitation on use and transfer provided under the Arms Export Control Act, as amended, as embodied in the Letter of Offer and Acceptance.

Greece, which already has HELLFIRE missiles in its inventory, will have no difficulty absorbing the additional missiles.

This proposed sale will not adversely affect either the military balance in the region or U.S. efforts to encourage a negotiated settlement of the Cyprus questions.

The prime contractor will be HELLFIRE Systems Limited Liability Company of Orlando, Florida. The purchaser has requested offsets; agreements are undetermined and will be defined in negotiations between the purchaser and contractor.

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

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

Transmittal No. 06-54**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended****Annex
Item No. vii****(vii) Sensitivity of Technology:**

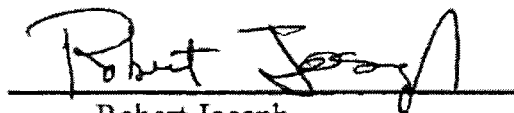
1. The highest level for release of the HELLFIRE II is Secret, based upon the software. The highest level of classified information that could be disclosed by a proposed sale or by testing of the end item is Secret; the highest level that must be disclosed for production, maintenance, or training is Confidential. Vulnerability data, countermeasures, vulnerability/susceptibility analyses, and threat definitions are classified Secret or Confidential. Reverse engineering could reveal confidential information. Susceptibility of HELLFIRE II to diversion or exploitation is considered low risk. Components of the system are also considered highly resistant to reverse engineering.

2. The Government of Greece is expected to afford all system related information and technologies the same degree of protection given to it by the United States.

**CERTIFICATION PURSUANT TO § 620C(d) OF THE FOREIGN
ASSISTANCE ACT OF 1961, AS AMENDED**

Pursuant to § 620C(d) of the Foreign Assistance Act of 1961, as amended (the Act), Executive Order 12163 and State Department Delegation of Authority No. 145, I hereby certify that the sale of defense articles and defense services, to include 633 AGM-114K1 HEAT HELLFIRE II missiles, 24 AGM-114M1 Blast Fragmentation Warhead Missiles, 3 M36E HELLFIRE II Training missiles, 3 M34 HELLFIRE Drill missiles and other related elements of program support to the Government of Greece is consistent with the principles set forth in § 620C(b) of the Act.

This certification will be made part of the notification to Congress in accordance with § 36(b) of the Arms Export Control Act, as amended, regarding the proposed sale of the above-named articles and services and is based on the justification accompanying said notification, of which said justification constitutes a full explanation.



Robert Joseph
Under Secretary of State
for Arms Control and
International Security