

Transmittal No. 07-11**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 possible sale of SM-2 Block IIIB STANDARD missiles will result in the transfer of sensitive technology and information as well as classified and unclassified defense equipment and technical data. The STANDARD missile hardware guidance section and target detection device are classified Secret. The warhead, rocket motor, steering control section, safe and arming device, auto-pilot battery unit, and telemeter are classified Confidential. Certain operating frequencies and performance characteristics are classified Secret. Confidential documentation to be provided includes: parametric documents, general performance data, firing guidance, kinematics information, Intermediate Maintenance Activity (IMA)-level maintenance, and flight analysis procedures.

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 which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

[FR Doc. 07-2095 Filed 4-27-07; 8:45 am]
BILLING CODE 5001-06-C

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 07-17]

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 07-17 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: April 24, 2007.

L.M. Bynum,*OSD Federal Register Liaison Officer,
Department of Defense.*

BILLING CODE 5001-06-M



DEFENSE SECURITY COOPERATION AGENCY
WASHINGTON, DC 20301-2800

In reply refer to:
I-07/003383

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515-6501

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. 07-17, concerning the Department of the Navy's proposed Letters(s) of Offer and Acceptance to Turkey for defense articles and services estimated to cost \$105 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 black ink, appearing to read "J. B. Kohler".

JEFFREY J. KOHLER
CAPTAIN GENERAL, USAF
DIRECTOR

Enclosures:

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

Transmittal No. 07-17

**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended (U)**

- (i) **Prospective Purchaser:** Turkey
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$ 65 million |
| Other | \$ <u>40 million</u> |
| TOTAL | \$105 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 100 MK-54 Lightweight All-Up-Round Warshot Torpedoes, 50 containers, required equipment platform and auxiliary upgrades and modifications, kits, support equipment, exercise hardware, maintenance facility upgrades, software development/integration, test sets and support equipment, spare and repair parts, publications and technical data, maintenance, training equipment, U.S. Government (USG) and contractor representatives, contractor engineering and technical support services, and other related elements of logistics support.
- (iv) **Military Department:** Navy (LAC)
- (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 Annex attached
- (viii) **Date Report Delivered to Congress:** APR 20 2007

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

POLICY JUSTIFICATION

Turkey – MK-54 Lightweight All-Up Round Warshot Torpedoes

The Government of Turkey has requested a possible sale of 100 MK-54 Lightweight All-Up-Round Warshot Torpedoes, 50 containers, required equipment platform and auxiliary upgrades and modifications, kits, support equipment, exercise hardware, maintenance facility upgrades, software development/integration, test sets and support equipment, spare and repair parts, publications and technical data, maintenance, training equipment, U.S. Government (USG) and contractor representatives, contractor engineering and technical support services, and other related elements of logistics support. The estimated cost is \$105 million.

Turkey is a political and economic power in Europe and the eastern Mediterranean, and a partner of the United States in ensuring peace and stability in those regions. It is vital to the U.S. national interest to assist our North Atlantic Treaty Organization (NATO) ally in developing and maintaining a strong and ready self-defense capability that will contribute to an acceptable military balance in the area. This proposed sale is consistent with those objectives.

The proposed sale of torpedoes will materially assist the Turkish Naval Forces Command (TNFC) in NATO, United Nations, and coalition operations such as United Nations Interim Force in Lebanon and BLACKSEAFOR in the Black Sea and Eastern Mediterranean regions.

Turkey intends to use the MK-54 torpedo on numerous platforms including Class Ship Frigates, SH 70B Sea Hawk Helicopters, and Sea Patrol Aircraft already in-country. The Turkish Naval Forces Command has significant experience with modern weapon systems, particularly the MK-46 Mod 5A(S) torpedo, the direct predecessor to the MK-54 and a torpedo of similar complexity and capability. The MK-54 torpedo was designed to be easily integrated into the upgrade path of the MK-46 torpedo and uses the same maintenance/support equipment and infrastructure with minimal upgrades. Turkey maintains a robust MK-46 program, which it intends to upgrade to support the MK-54 torpedo. Accordingly, the TNFC will be capable of integrating, employing, and maintaining the MK-54 torpedo. The torpedo will be provided in accordance with, and subject to the limitation on use and transfer provided under the Arms Export Control Act, as amended, and as embodied in the Letter of Offer and Acceptance.

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 question.

The prime contractor will be Raytheon Company Integrated Defense Systems of Keyport, Washington. Although generally the purchaser requires offsets, at this time, there are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require assignment of U.S. Government and contractor representatives to Turkey on a temporary basis for program technical/management oversight and support.

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

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1. The MK-54 is a conventional torpedo that can be launched from surface ships, helicopters, and fixed wing aircraft. The MK-54 is an upgrade to the MK-46 torpedo, which is currently in-service in over twenty countries including Turkey and the United States. The MK-54's increased capabilities entails replacement of the torpedo's sonar and guidance and control systems with modern technology. The new guidance and control system uses a mixture of commercial-off-the-shelf and custom-built electronics. The new sonar system is the same design as is used on the United States Navy's MK-50 torpedo. The warhead, fuel tank, and propulsion system from the MK-46 torpedo are re-used in the MK-54 configuration with minor modifications. The MK-54 is highly effective against modern diesel and nuclear submarines. It has advanced logic that allows it to detect and prosecute threat submarines operating in challenging littoral environments. It is also effective in the presence of advanced acoustic countermeasures that may be deployed by threat submarines. Currently the MK54 does not have the capability to attack surface ships.

2. There is no sensitive technology in the MK-54 or its support and test equipment. The assembled MK-54 torpedo and several of its individual components are classified Confidential. The MK-54 operational software is classified as Secret as is any hardware upon which the software has been installed. Turkey has not requested nor will it be provided with the source code for the MK-54 operational software. The MK-54 has a feature referred to as "Memory Scuttle" that erases the operational software at the conclusion of any practice firing so that the software will not be compromised if the torpedo is not recovered after the exercise firing.

3. Possession of the MK-54 torpedoes and associated equipment should not lead to any vulnerability disclosures as this country has been a longstanding North Atlantic Treaty Organization ally and has safely maintained a large inventory of MK-46 torpedoes.

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

Pursuant to Section 620C(d) of the Foreign Assistance Act of 1961, as amended (the Act), Executive Order 12163, State Department Delegation of Authority No. 293-1, and a State Department Delegation of Authority signed March 12, 2007, I hereby certify that the furnishing to Turkey of 100 MK-54 Lightweight All-Up-Round Warshot Torpedoes, 50 containers, required equipment platform and auxiliary upgrades and modifications, kits, support equipment, exercise hardware, maintenance facility upgrades, software development/integration, test sets and support equipment, spare and repair parts, publications and technical data, maintenance, training equipment, U.S. Government (USG) and contractor representatives, contractor engineering and technical support services, and other related elements of logistics support is consistent with the principles contained in Section 620C(b) of the Act.

This certification will be made part of the notification to Congress under Section 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.



John C. Rood
Assistant Secretary of State
International Security and Nonproliferation

UNCLASSIFIED