

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 17-35]

36(b)(1) Arms Sales Notification**AGENCY:** Defense Security Cooperation Agency, Department of Defense.**ACTION:** Notice.**SUMMARY:** The Department of Defense is publishing the unclassified text of an arms sales notification.**FOR FURTHER INFORMATION CONTACT:**Pamela Young, (703) 697-9107
pamela.a.young14.civ@mail.mil or
Kathy Valadez, (703) 697-9217,
kathy.a.valadez.civ@mail.mil; DSCA/
DSA-RAN.**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 17-35 with attached Policy Justification and Sensitivity of Technology.

Dated: August 2, 2017.

Aaron Siegel,*Alternate OSD Federal Register Liaison Officer, Department of Defense.***BILLING CODE 5001-06-P****DEFENSE SECURITY COOPERATION AGENCY**201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

JUL 10 2017

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

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. 17-35, concerning the Army's proposed Letter(s) of Offer and Acceptance to the Government of Romania for defense articles and services estimated to cost \$3.9 billion. 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 "J. W. Rixey".

J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

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

BILLING CODE 5001-06-C

Transmittal No. 17-35

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 Romania

(ii) *Total Estimated Value:*

Major Defense Equipment *	\$1.3 billion
Other	\$2.6 billion
TOTAL	\$3.9 billion

(iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:* Seven (7) Phased Array Tracking to Intercept of Target (Patriot) Configuration-3+

Modernized Fire Units consisting of: Major Defense Equipment (MDE):

Seven (7) AN/MPQ-65 Radar Sets

Seven (7) AN/MSQ-132 Engagement Control Stations

Thirteen (13) Antenna Mast Groups

Twenty-eight (28) M903 Launching Stations

Fifty-six (56) Patriot MIM-104E

Guidance Enhanced Missile Tactical Ballistic Missile (GEM-T) Missiles

One hundred sixty-eight (168) Patriot Advanced Capability-3 (PAC-3)

Missile Segment Enhancement (MSE) Missiles

Seven (7) Electrical Power Plants (EPP) III

Non-MDE includes:

Also included with this request are communications equipment, tools and test equipment, support equipment, prime movers, generators, publications and technical documentation, training equipment, spare and repair parts, personnel training, TAFT team, U.S. Government and contractor technical, engineering, and logistics support services, Systems Integration and Checkout (SICO), field office support, and other related elements of logistics and program support.

(iv) *Military Department:* Army

(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 Attached Annex.

(viii) *Date Report Delivered to Congress:* July 10, 2017

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

POLICY JUSTIFICATION

Romania—Patriot Air Defense System and Related Support and Equipment

The Government of Romania has requested the possible sale of seven (7) Patriot Configuration-3+ Modernized

Fire Units consisting of: seven (7) AN/MPQ-65 radar sets, seven (7) AN/MSQ-132 engagement control stations, thirteen (13) antenna mast groups, twenty-eight (28) M903 launching stations, fifty-six (56) Patriot MIM-104E Guidance Enhanced Missile-TBM (GEM-T) missiles, one hundred and sixty-eight (168) Patriot Advanced Capability-3 (PAC-3) Missile Segment Enhancement (MSE) missiles, and seven (7) Electrical Power Plants (EPP) III. Also included with this request are communications equipment, tools and test equipment, support equipment, prime movers, generators, publications and technical documentation, training equipment, spare and repair parts, personnel training, TAFT team, U.S. Government and contractor technical, engineering, and logistics support services, Systems Integration and Checkout (SICO), field office support, and other related elements of logistics and program support. The total estimated program cost is \$3.9 billion.

This proposed sale will enhance the foreign policy and national security objectives of the United States by helping to improve the security of a NATO ally that has been, and continues to be an important force for political stability and economic progress within Europe. The proposed sale of the Patriot system will support Romania's needs for its own self-defense and support NATO defense goals.

Romania will use the Patriot missile system to strengthen its homeland defense and deter regional threats. The proposed sale will increase the defensive capabilities of the Romanian military to guard against aggression and shield the NATO allies who often train and operate within Romania's borders. Romania should have no difficulty absorbing this system into its armed forces.

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

The prime contractors will be Raytheon Corporation in Andover, Massachusetts, and Lockheed-Martin in Dallas, Texas. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require approximately 30 U.S. Government and 40 contractor representatives to travel to Romania for an extended period for equipment de-processing/fielding, system checkout, training, and technical and logistics support.

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

Transmittal No. 17-35

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 Patriot Air Defense System contains classified CONFIDENTIAL hardware components, SECRET tactical software and CRITICAL/SENSITIVE technology. Patriot ground support equipment and Patriot missile hardware is classified CONFIDENTIAL and the associated launcher hardware is UNCLASSIFIED. Information on system performance capabilities, effectiveness, survivability, missile seeker capabilities, select software/software documentation and test data are classified up to and including SECRET. The items requested represent significant technological advances for Romania Patriot. The Patriot Air Defense System continues to hold a significant technology lead over other surface-to-air missile systems in the world.

2. The Patriot Air Defense System's sensitive/critical technology is primarily in the area of design and production know-how and primarily inherent in the design, development and/or manufacturing data related to certain components. The list of components is classified CONFIDENTIAL. For more information contact the PEO Missiles and Space Lower Tier Project Office.

3. The loss of this hardware, software, documentation and/or data could permit development of information which may lead to a significant threat to future U.S. military operations. If an adversary were to obtain this sensitive technology, the missile system effectiveness could be compromised through reverse engineering techniques.

4. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification. Moreover, the benefits to be derived from this sale, as outlined in the Policy Justification, outweigh the potential damage that could result if the sensitive technology were revealed to unauthorized persons.

5. All defense articles and services listed in this transmittal have been authorized for release and export to Romania.

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