



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 17-72]

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: 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 17-72 with attached Policy Justification.

Dated: April 12, 2018.

Shelly E. Finke,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5406

APR 04 2018

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. 17-72, concerning the Army's proposed Letter(s) of Offer and Acceptance to the Government of Australia for defense articles and services estimated to cost \$148 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,



Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

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

Transmittal No. 17-72

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*	\$ 4.4 million
Other	<u>\$143.6 million</u>
TOTAL	\$148.0 million

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

Major Defense Equipment (MDE):

Two thousand, five hundred four (2,504) rounds of M795 with Insensitive Munitions Explosive (IMX) 101 Explosive Fill 155mm HE Projectile

Non-MDE includes:

Also included are 155mm High Explosive, Illumination and White Phosphorous munitions, point detonating fuzes, electronic-timed fuzes, M231 and M232/M232A1 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

(v) Prior Related Cases, if any: AT-B-UCY and UEJ

(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: April 4, 2018

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

POLICY JUSTIFICATION

Australia – M795 with Insensitive Munitions Explosive (IMX) 101 Explosive Fill 155mm HE Projectile

The Government of Australia has requested to buy two thousand, five hundred four (2,504) rounds of M795 with Insensitive Munitions Explosive (IMX) 101 Explosive Fill 155mm High Explosive (HE) Projectile. Also included are 155mm High Explosive, Illumination and White Phosphorous munitions, point detonating fuzes, electronic-timed fuzes, M231 and M232/M232A1 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 \$148 million.

This proposed sale will enhance the foreign policy and national security objectives of the United States by helping to improve the security of a strategic partner which has been, and continues to be an important force for political stability and economic progress in the East Asia and Pacific region.

The proposed sale of 155mm howitzer ammunition will improve Australia's capability to meet out-year Operational Readiness Training requirements. Australia will use this capability to strengthen its homeland defense and deter regional threats. Australia will have no difficulty absorbing this equipment into its armed.

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. Material could potentially be sourced from a combination of stock and 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 any additional 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.

Transmittal No. 17-72

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 M795 Insensitive Munitions Explosive (IMX) 101 Explosive Fill 155mm HE Projectile is UNCLASSIFIED. The M231/M232A1 Modular Artillery Charge System (MACS) consists of two propelling charges, the M231 and the M232/232A1, and associated packaging. The system is compatible with all current and planned 155mm field artillery weapons. MACS uses a “build-a-charge” concept in which increments are identical to all others in the same lot desiccation, retained for future use. The M231 is fired either singly (Charge 1-L) or in pairs (Charge-2L) to engage targets. The M232/M232A1 is fired in groups of 3 (Charge-3H) or groups of 4 (Charge-4H) or groups of 5 (Charge-5H) to engage targets. The highest classification level of the charge is UNCLASSIFIED.

2. Although the charges are UNCLASSIFIED, they have associated technology that is sensitive. Certain aspects of the performance, specifically the interior ballistics characteristics, and some of the design features are considered sensitive data. This UNCLASSIFIED sensitive data could be used by a technologically advanced potential enemy to duplicate the charges through reverse engineering. No technical data packages or test information should be supplied.

3. 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 sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

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

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