



DOMESTIC PRODUCTION RIGHTS AGREEMENT

1997

TOP SECRET



Pretext

This agreement is between the Kingdom of Sweden and the Republic of Germany in respect to the sale of Domestic Production Rights to enable domestic production of the Sachsen-Class Frigate. The document that follows was drafted on 25 August 1997 and takes effect on the date of ratification and is made between the Department of Defence of the Kingdom of Sweden and the Ministry of Defence of the Federal Republic of Germany for and on behalf of their respective governments.



Chapter I - Domestic Production Rights

Article 1. Product Definition

1. This treaty is for the sole purpose of the sale of Domestic Production Rights for the Sachsen-Class Frigate, originating in the Federal Republic of Germany, and the relevant documentation for such materiel held by the German Navy (Deutsche Marine).
2. For the purpose of legal status, this vessel is recognised as a highly advanced air-defence frigate with enhanced stealth features designed to deceive an opponent's radar and acoustic sensors.
3. General characteristics include the designation as a frigate at a displacement of 5,690 long tons at a length of 469ft, beam of 57.2ft and draft of 20ft.
4. A combined diesel and gas propulsion system including two propeller shafts and controllable-pitch propellers, two MTU V20 diesel engines of 7.4MW each and a single General Electric LM2500 gas turbine.
5. Statistics generally see an average speed of 29kn and a range of 4,000nm at 18kn.
6. As standard the vessels come from manufacturer with various sensors and processing systems including a Thales Nederland SMART-L long-range air and surface surveillance D band radar, a Thales Nederland APAR air and surface search, tracking and guidance radar, a Thales Nederland Sirius IRST long-range infrared surveillance and tracking system, two STN Atlas 9600-M multi-function I/J band ARPA radars, a STN Atlas MSP 500 electro-optical fire control system and a STN Atlas DSQS-24B bow sonar.
7. In addition the vessel includes a FL 1800 S II electronic countermeasures suite and six Sippican Hycor SRBOC launchers.
8. Armament of the vessel include the OTO-Melara 76mm dual-purpose gun, two Mauser MLG 27 27mm autocannons, thirty-two Mk41 VLS cells for twenty four SM-2 Block IIIA and thirty two RIM-162 ESSM surface-to-air missiles, two RAM launches with twenty one surface-to-air or CIWS missiles each, two quadruple Harpoon anti-ship missile launches and two triple torpedo launchers with EuroTorp MU90 Impact torpedoes.
9. In brief, the Sachsen-Class Frigate Domestic Production Rights as sold in this agreement should not deviate from that as available to the German Navy (Deutsche Marine).

Article 2. Duration of Rights

1. The duration of the rights held by the Kingdom of Sweden in-line with this agreement should see to the minimum production of seven Sachsen-Class Frigates or exist for a period of at least three years, whichever comes later.
2. The duration of these rights may not be restricted any further following the ratification of this agreement.



Article 3. Restrictions

1. The Kingdom of Sweden may not produce this vessel for any third party; this includes private individuals or organisations and government or state entities.
2. Provided Domestic Production Rights does not, in any way, affect the legal status of the vessel as being of German origin and intellectual property of the respective designers, manufacturers and government or state entities.
3. The Kingdom of Sweden does not retain the right to transfer the Domestic Production Rights to any third party, including the aforementioned entities.

Chapter II - Terms of Sale

Article 1. Finance

1. The Kingdom of Sweden vows to make a single payment of \$900,000,000.00 (nine-hundred million) dollars.
 - a. This agreement does not define or exclude the existence of locally agreed payment plans made in good faith and in-line with the expectations of the Nordic Council and strengthened bilateral relations.
2. Payment, in full, must be made prior to the lawful termination of the Domestic Production rights as detailed in Chapter I Article 2.1.

Article 2. Risk Assessment

1. With note to the existing tension between continental state actors and the highly advanced nature of the Sachsen-Class Frigate an extensive risk assessment has been conducted, prior to the drafting of this agreement, by the Swedish Department of Defence which sought to analyse the legal, national security and infrastructure ramifications as a result of this agreement which determined;
 - a. There is a clear infringement of Swedish national security and that of states, whether founding, full or observer, within the Nordic Council with access, or potential access, to this product as a result of public accessibility via German Defence Exports.
 - i. The Swedish National Security Office notes, following extensive analysis of public records, have determined that to the date of this draft there are no existing sales of this product.
 1. On ratification, this product should be removed from the German Defense Exports catalogue and remain a restricted product.



- b. There is a clear international interest in technologically advanced naval equipment specifically with a focus on stealth, sensor and surveillance capable materiel.
 - i. On ratification, the specifications of this vessel as defined in Chapter I Article 1 should be restricted to 'TOP SECRET' classification in line with the Swedish Document Classification and Security Act 1995 and the relevant German equivalent to this classification and act.
- c. A potential political controversy by the sale of highly advanced military equipment between states.
 - i. On ratification, both parties agree not to refer to or publicly acknowledge this agreement.

Article 3. Governing Law

- 1. This agreement shall be governed by German domestic law.
- 2. Any violation of the terms of this agreement should be resolved by the German judicial system initially and any violation of international law or circumstance which remains within the remit of the International Court of Justice should be referred for their judgement.
 - a. Violation of any clause of this agreement does not invalidate the remaining clauses.

Article 4. Termination

- 1. Both parties acknowledge that the provision of Domestic Production Rights may not be terminated unless automatically revoked by the meeting of terms met in Chapter I Article 2.
- 2. This agreement will unconditionally terminate should the Kingdom of Sweden provide notice to the Federal Republic of Germany indicating such.

for the Kingdom of Sweden:

for the Federal Republic of Germany:

Secretary of Defence

Minister of Defence

____ / ____ / 1997
Date of Ratification