Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 14-55]

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 July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 14-55 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: February 12, 2015.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.

DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

FEB 06 2015

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. 14-55, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to The Netherlands for defense articles and services estimated to cost $339 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

J. W. Rixey
Vice Admiral, USN
Director

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

Transmittal No. 14-55

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: The Netherlands

(ii) Total Estimated Value:

Major Defense Equipment*	$108 million
Other	$231 million
TOTAL	$339 million

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

4 MQ-9 Block 5 Reaper Remotely Piloted Aircraft
4 Mobile Ground Control Stations Block 30 (option Block 50)
6 Honeywell TPE331-10T Turboprop Engines (4 installed and 2 spares)
2 SATCOM Earth Terminal Sub-System
6 AN/DAS-1 Multi-Spectral Targeting Systems (MTS)-B
4 General Atomics Lynx (exportable) Synthetic Aperture Radar/Ground Moving Target Indicator (SAR/GMTI) Systems, w/Maritime Wide Area Search capability
2 Ruggedized Aircraft Maintenance Test Stations
20 ARC-210 RT-1939 Radio Systems
8 KY-1006 Common Crypto Modules
8 Ku-band Link-Airborne Communications Systems
4 KIV-77 Mode 4/5 Identification Friend or Foe
4 AN/APX-119 Mode 4/5 Identification Friend or Foe (IFF) Transponder (515 Model)
14 Honeywell H-764 Adaptive Configurable Embedded Global Positioning System/Inertial Guidance Units (EGI) with Selective Availability Anti-Spoofing Module (SAASM) (12 installed and 2 spares)

Also provided are an Initial Spares Package (ISP) and Readiness Spares Package (RSP) to support 3400 Flight Hours for a three (3) year period, support and test equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support.

(iv) Military Department: Air Force (SMQ)

(v) Prior Related Cases, if any: None

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

(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: 06 Feb 2015

POLICY JUSTIFICATION

The Netherlands – MQ-9 Reapers

The Government of the Netherlands has requested a possible sale of:

- 4 MQ-9 Block 5 Reaper Remotely Piloted Aircraft
- 4 Mobile Ground Control Stations Block 30 (option Block 50)
- 6 Honeywell TPE331-10T Turboprop Engines (4 installed and 2 spares)
- 2 SATCOM Earth Terminal Sub-System
- 6 AN/DAS-1 Multi-Spectral Targeting Systems (MTS)-B
- 4 General Atomics Lynx (exportable) Synthetic Aperture Radar/Ground Moving Target Indicator (SAR/GMTI) Systems, w/Maritime Wide Area Search capability
- 2 Ruggedized Aircraft Maintenance Test Stations
- 20 ARC-210 RT-1939 Radio Systems
- 8 KY-1006 Common Crypto Modules
- 8 Ku-band Link-Airborne Communications Systems
- 4 KIV-77 Mode 4/5 Identification Friend or Foe
- 4 AN/APX-119 Mode 4/5 Identification Friend or Foe (IFF) Transponder (515 Model)
- 14 Honeywell H-764 Adaptive Configurable Embedded Global Positioning System/Inertial Guidance Units (EGI) with Selective Availability Anti-Spoofing Module (SAASM) (12 installed and 2 spares)

Also provided are an Initial Spares Package (ISP) and Readiness Spares Package (RSP) to support 3400 Flight Hours for a three (3) year period, support and test equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support. The estimated cost is $339 million.

The Netherlands is one of the major political and economic powers in Europe and NATO and an ally of the United States in the pursuit of peace and stability. It is vital to the U.S. national interest to assist the Netherlands to develop and maintain a strong and ready self-defense capability. This potential sale will enhance the intelligence, surveillance, and reconnaissance (ISR) capability of the Dutch military in support of national, NATO, UN-

mandated, and other coalition operations. Commonality of ISR capabilities will greatly increase interoperability between U.S and Dutch military and peacekeeping forces.

The Netherlands requests this capability to provide for the defense of its deployed troops, regional security, and interoperability with the U.S. The proposed sale will improve the Netherland's capability to meet current and future threats by providing improved ISR coverage that promotes increased battlefield situational awareness, anticipates enemy intent, augments combat search and rescue, and provides ground troop support. The Netherlands will have no difficulty absorbing this additional capability into its armed forces.

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

The principal contractor will be General Atomics Aeronautical Systems, Inc. in San Diego, California. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale may require U.S. contractor representatives to make multiple trips to the Netherlands and potentially to deployed locations to provide initial launch, recovery, and maintenance support.

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

Transmittal No. 14-55

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 MQ-9 Block 5 Reaper is a long-endurance, high-altitude, Remotely Piloted Aircraft that can be used for surveillance, military reconnaissance, and targeting missions. Real-time missions are flown under the control of a pilot in a Ground Control Station (GCS). A data link is maintained that uplinks control commands and downlinks video with telemetry data. The data link can be a C-Band Line-of-Sight (LOS) communication or Ku–Band Over-the-Horizon Satellite Communication (SATCOM). Payload imagery and data are downlinked to a GCS. Pilots can change mission parameters as often as required. The aircraft can also be handed off to other strategically placed ground- or sea-based GCSs. The MQ-9 air vehicle is a Missile Technology Control Regime (MTCR) Category 1 system, designed to carry 800 pounds of internal

payload with maximum fuel and 3000 pounds of external payload. It can carry multiple mission payloads aloft with a range of 1800km. The MQ-9 will be configured for the following payloads: Electro-Optical/Infrared (EO/IR), Synthetic Aperture Radar (SAR), and laser designators. The MQ-9 systems will include the following components:

a. The GCS can be either fixed or mobile. The fixed GCS is enclosed in a customer-specified shelter. It incorporates workstations that allow operators to control and monitor the aircraft, as well as record and exploit downlinked payload data. The mobile GCS allows operators to perform the same functions and is installed on a mobile trailer. Workstations in either GCS can be tailored to meet customer requirements. The GCS, technical data, and documents are Unclassified.

b. The Lynx IIe family includes the AN/APY-8 Block 20 and AN/DPY-1 Block 30 Synthetic Aperture Radar and Ground Moving Target Radar systems, which provide all-weather surveillance, tracking and targeting for military and commercial customers from manned and unmanned vehicles. The AN/DPY-1's three- meter resolution can image up to a 10-km wide swath for wide-area surveillance. The Lynx IIe-9 (exportable) SAR/GMTI radar system and technical data/documents are Unclassified.

c. The Raytheon AN/DAS-1 Multi-Spectral Targeting System (MTS-B) is a multi-use infrared (IR), electro-optical (EO), and laser detecting ranging-tracking set, developed and produced for use by the U. S. Air Force on the MQ-9 Reaper. This advanced EO and IR system provides long-range surveillance, high altitude, target acquisition, tracking, range finding, and laser designation for all tri-service and NATO laser-guided munitions.

d. The Honeywell H-764 Adaptive Configurable Embedded Global Positioning System/Inertial Guidance Unit (EGI) contains the Force 524D GPS Receiver card with Selective Availability Anti-Spoofing Module (SAASM). The Force 524D is a 24-channel SAASM based GPS receiver with precise positioning service capability built upon Trimble's next generation GPS technology. The Force 524D retains backward compatibility with the proven Force 5GS while adding new functionality to interface with the digital antenna electronics to significantly improve anti-jam performance. The host platform can select the radio frequency of digital antenna electronics interface. In the digital mode, the Force 524D is capable of controlling up to 16 independent beams.

2. The MQ-9 Reaper Remotely Piloted Aircraft is Unclassified. The highest level of classified information required for training, operation, and maintenance is Secret.

3. If a technologically advanced adversary were to obtain knowledge of the specific hardware or software in this proposed sale, 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.

4. A determination has been made that the recipient country can provide the same degree of protection for the sensitive technology being released as the U.S.

Government. This sale is necessary in furtherance of the US foreign policy and national security objectives outlined in the Policy Justification.

5. All defense articles and services listed in this transmittal have been authorized for release and export to the Government of the Netherlands.

[FR Doc. 2015-03387 Filed 02/18/2015 at 8:45 am; Publication Date: 02/19/2015]