



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal No. 15-22)

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 15-22 with attached transmittal, and policy justification.

Dated: May 11, 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

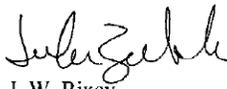
APR 28 2015

The Honorable John A. Boehner
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. 15-22, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Australia for defense articles and services estimated to cost \$1.5 billion. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,


for J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification



Transmittal No. 15-22

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: Australia
- (ii) Total Estimated Value:
- | | |
|--------------------------|-----------------------|
| Major Defense Equipment* | \$0.00 billion |
| Sustainment | <u>\$1.50 billion</u> |
| TOTAL | \$1.50 billion |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: follow-on sustainment support and services for twenty four (24) AF/A-18Fs Super Hornet and twelve (12) AEA-18G Growler aircraft. The sustainment efforts will include software and hardware updates, Engineering Change Proposals, System Configuration upgrades, system integration and testing, engine component improvement, tools and test equipment, spare and repair parts, support equipment, publications and technical documentation, personnel training and training equipment, aircrew trainer devices upgrades, U.S. Government and contractor technical assistance, and other related elements of logistics and program support.
- (iv) Military Department: Navy (GQF)
- (v) Prior Related Cases, if any:
- FMS case SAF-\$2.2B-02May07
 - FMS case GQY-\$358M-6May11
 - FMS case LEN- \$992M-13Sep12
 - FMS case SCI- \$1.3B-04Jul13
- (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: None
- (viii) Date Report Delivered to Congress: 28 April 2015

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

POLICY JUSTIFICATION

Australia – F/A-18E/F Super Hornet and EA-18G Growler Aircraft Sustainment

The Government of Australia has requested a possible sale of follow-on sustainment support and services for twenty four (24) AF/A-18Fs Super Hornet and twelve (12) AEA-18G Growler aircraft. The sustainment efforts will include software and hardware updates, Engineering Change Proposals, System Configuration upgrades, system integration and testing, engine component improvement, tools and test equipment, spare and repair parts, support equipment, publications and technical documentation, personnel training and training equipment, aircrew trainer devices upgrades, U.S. Government and contractor technical assistance, and other related elements of logistics and program support. The estimated cost is \$1.5 billion.

This sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a major contributor to political stability, security, and economic development in Southeast Asia and around the world. Australia is an important ally and partner that contributes significantly to coalition, peacekeeping, and humanitarian operations around the world. It is vital to the U.S. national interest to assist our ally in developing and maintaining a strong and ready self-defense capability. This proposed sale is consistent with those objectives and facilitates burden sharing with a key ally.

The proposed sale of follow-on sustainment support and services will enable the Royal Australian Air Force to ensure the reliability and performance of its F/A-18 fleet. The follow-on support will allow Australia to maintain aircraft availability/operational rates, and enhance interoperability with the U.S. and other nations.

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

The principal contractor will be The Boeing Company in St. Louis, Missouri. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale may require continued assignment of U.S. Government and contractor representatives to Australia.

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