



**Billing Code: 5001-06**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**(Transmittal No. 16-82)**

**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:** Pamela Young, DSCA/SA&E-RAN, (703) 697-9107.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 16-82 with attached Policy Justification and Sensitivity of Technology.

Dated: January 25, 2017.

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



DEFENSE SECURITY COOPERATION AGENCY  
201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5400

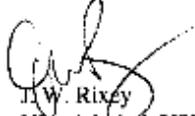
NOV 13 2017

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. 16-82, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to the Government of the United Kingdom for defense articles and services estimated to cost \$400 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,



J. W. Rixey  
Vice Admiral, USN  
Director

Enclosures:

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



## Transmittal No. 16-82

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 the United Kingdom

(ii) Total Estimated Value:

Major Defense Equipment	\$ 0 million
(MDE)* Other	<u>\$400 million</u>
TOTAL	\$400 million

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

MDE: None

Non-MDE includes:

Follow-on support for eight (8) C-17 aircraft, including contract labor for sustainment engineering, on-site COMSEC support, Quality Assurance, support equipment repair, supply chain management, spares replenishment, maintenance, back shop support, and centralized maintenance support/associated services. Required upgrades will include fixed installation satellite antenna, Mode 5+ installation and sustainment, Automatic Dependent Surveillance-Broadcast Out, Communications Modernization (CNS/ATM) Phase II, Replacement Heads-Up Display and three special operations loading ramps.

(iv) Military Department: Air Force (X7-D-QDD)

(v) Prior Related Cases, if any: UK-D-QBK, UK-D-QBL, UK-D-QCX, UK-D-QCY

(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: January 23, 2017

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

## POLICY JUSTIFICATION

### United Kingdom – Continuation of C-17 Logistics Support Services and Equipment

The Government of the United Kingdom has requested a possible sale of continued logistics support for eight (8) C-17 aircraft which will include: contract labor for sustainment engineering, on-site COMSEC support, Quality Assurance, support equipment repair, supply chain management, spares replenishment, maintenance, back shop support, centralized maintenance support/associated services, and additional spare and repair parts, publications and technical documentation. Required upgrades will include fixed installation satellite antenna, Mode 5+ installation and sustainment, Automatic Dependent Surveillance-Broadcast Out, Communications Modernization (CNS/ATM) Phase II, Replacement Heads-Up Display and three special operations loading ramps. The estimated total cost is \$400 million.

The United Kingdom is a close ally and an important partner on critical foreign policy and defense issues. The proposed sale will enhance U.S. foreign policy and national security objectives by enhancing the United Kingdom's capabilities to provide national defense and contribute to NATO and coalition operations.

The proposed sale of defense articles and services are required to maintain the operational readiness of the Royal Air Force. The United Kingdom's current contract supporting its C-17 aircraft will expire in September 2017. The United Kingdom will have no difficulty absorbing this support into its armed forces.

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

The prime contractor will be the Boeing Corporation of Chicago, Illinois. The U.S. Government is not aware of any known offsets associated with this sale. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this sale will require the assignment of approximately three additional U.S. Government and approximately 55 contractor representatives to the United Kingdom.

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

## Transmittal No. 16-82

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
Of the Arms Export Control Act

Annex A  
Item No. vii

(vii) Sensitivity of Technology:

1. This sale will involve the release of sensitive technology to the United Kingdom in the performance of services to sustain eight (8) United Kingdom C-17 aircraft. While much of the below equipment supporting the C-17 is not new to the country, there will be replenishment spares of the below sensitive technologies purchased to support the fleet.
2. The Force 524D is a 24-channel SAASM based Global Positioning System (GPS) receiver, with precise positioning service (PPS) capability built upon Trimble's next generation OPS technology. The Force 524D retains backward compatibility with the proven Force 5GS, while adding new functionality to interface with digital antenna electronics, to significantly improve anti-jam (AJ) performance. The host platform can select the radio frequency (RF) or digital antenna electronics (DAE) interface. In the digital mode, the Force 524D is capable of controlling up to 16 independent beams. The hardware and software associated with the 524D receiver card is UNCLASSIFIED.
3. The C-17 aircraft will be equipped with the GAS-1, which is comprised of the Controlled Reception Pattern Antennas (CRPA), with the associated wiring harness and the Antenna Electronics (AE)-1, to provide AJ capability. The hardware is UNCLASSIFIED.
4. The KIV-77 is the crypto applique for Mode V Identification Friend of Foe (IFF). The hardware is UNCLASSIFIED and COMSEC controlled.
5. Software, hardware, and other data/information, which is classified or sensitive, is reviewed prior to release to protect system vulnerabilities, design data, and performance parameters. Some end-item hardware, software, and other data identified above are classified at the CONFIDENTIAL and SECRET level. Potential compromise of these systems is controlled through management of the basic software programs, of highly sensitive systems and software-controlled weapon systems, on a case-by-case basis.
6. The United Kingdom is both willing and able to protect United States classified military information. The United Kingdom's physical and document security standards are equivalent to U.S. standards. The United Kingdom has demonstrated its willingness and capability to protect sensitive military technology and information released to its military in the past. The United Kingdom is firmly committed to its relationship with the United States and to its promise to protect classified information and prevent its transfer to a third party.

7. If a technologically advanced adversary were to obtain knowledge of the specific hardware or software source code 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 systems with similar or advanced capabilities. The benefits to be derived from this sale in the furtherance of the U.S. foreign policy and national security objectives, as outlined in the Policy Justification, outweigh the potential damage that could result if the sensitive technology, were revealed to unauthorized persons.

8. All defense articles and services listed in this transmittal are authorized for release and export to the Government of the United Kingdom.

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