



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 17-11]

36(b)(1) Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification.

FOR FURTHER INFORMATION CONTACT: Kathy Valadez, (703) 697-9217 or Pamela Young, (703) 697-9107; 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 17-11 with attached Policy Justification and Sensitivity of Technology.

Dated: May 9, 2017.

Aaron Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



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

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

APR 27 2017

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. 17-11, concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Australia for defense articles and services estimated to cost \$137.6 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,

A handwritten signature in black ink, appearing to read "J. W. Rixey".

J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

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



Transmittal No. 17-11

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*	\$119.5 million
Other	<u>\$ 18.1 million</u>
Total	\$137.6 million

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

Major Defense Equipment (MDE):

Up to seventy (70) AGM-88B High Speed Anti-Radiation Missiles (HARM)
Tactical Missiles

Up to forty (40) AGM-88E Advanced Anti-Radiation Guided Missiles (AARGM)
Tactical Missiles

Up to sixteen (16) CATM-88B HARM Captive Air Training Missiles (CATM)

Up to sixteen (16) CATM-88E AARGM CATM

Up to twenty-five (25) AGM-88B Control Sections

Up to twenty-five (25) AGM-88B Guidance Sections

Up to twenty (20) AGM-88E Control Sections

Up to twenty (20) AGM-88E Guidance Sections

Non-MDE includes:

Up to forty-eight (48) Telemetry/Flight Termination Systems, U.S. Government and contractor engineering, technical and logistics support services, and other associated support equipment and services.

(iv) Military Department: Navy

(v) Prior Related Cases, if any: AT-P-AZN

(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 Annex Attached.

(viii) Date Report Delivered to Congress: April 27, 2017

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

POLICY JUSTIFICATION

Government of Australia—Anti-Radiation Missiles

Australia has requested a possible sale of up to seventy (70) AGM-88B High Speed Anti-Radiation Missiles (HARM) Tactical Missiles; up to forty (40) AGM-88E Advanced Anti-Radiation Guided Missiles (AARGM) Tactical Missiles; up to sixteen (16) CATM-88B HARM Captive Air Training Missiles (CATM); up to sixteen (16) CATM-88E AARGM CATM; up to twenty-five (25) AGM-88B Control Sections; up to twenty-five (25) AGM-88B Guidance Sections; up to twenty (20) AGM-88E Control Sections; up to twenty (20) AGM-88E Guidance Sections; up to forty eight (48) Telemetry/Flight Termination Systems; U.S. Government and contractor engineering, technical and logistics support services; and other associated support equipment and services. The total estimated cost is \$137.6 million.

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 the Western Pacific. Australia is an important Major non-NATO Ally and partner that contributes significantly to 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.

Australia is requesting these missiles for its Electronic Attack EA-18G Growler aircraft. The proposed sale will improve Australia's capability in current and future coalition efforts. Australia will use this capability as a deterrent to regional threats and to strengthen its homeland defense. Australia will have no difficulty absorbing these additional missiles into its armed forces.

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

The prime contractors will be Orbital ATK (OA), Ridgecrest, CA, and Raytheon Missile Systems Company, Tucson, AZ. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of additional U.S. Government or contractor representatives to travel to Australia.

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

Transmittal No. 17-11

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control ActAnnex
Item No. vii(vii) Sensitivity of Technology:

1. The AGM-88E Advanced Anti-Radiation Guided Missile (AARGM) weapon system is an air-to-ground missile intended to suppress or destroy land or sea-based radar emitters associated with enemy air defenses and provides tactical air forces with a lethal countermeasure to enemy radar directed, surface-to-air missiles, and air defense artillery weapons systems. Destruction or suppression of enemy radars denies the enemy the use of air defense systems, thereby improving the survivability of our tactical aircraft. It uses a multimode seeker that incorporates global positioning system/inertial measurement unit (GPS/IMU) midcourse guidance, a radio frequency (RF) radiation homing receiver, an active millimeter wave seeker, an Integrated Broadcast Service Receiver (IBS-R) and a Weapons Impact Assessment (WIA) transmitter. The AARGM AGM-88E when assembled is classified SECRET. The AARGM Guidance Section (seeker hardware) and Control Section with the Target Detector is classified CONFIDENTIAL.

2. The AGM-88B High Speed Anti-Radiation Missiles (HARM) weapon system is an air-to-ground missile intended to suppress or destroy land or sea-based radar emitters associated with enemy air defenses and provides tactical air forces with a lethal countermeasure to enemy radar directed, surface-to-air missiles, and air defense artillery weapons systems. Destruction or suppression of enemy radars denies the enemy the use of air defense systems, thereby improving the survivability of our tactical aircraft. The AGM-88B HARM when assembled is classified CONFIDENTIAL. The HARM Guidance Section (seeker hardware), and Control Section with the Target Detector are classified CONFIDENTIAL.

3. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements of this possible 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 Government of Australia can provide substantially the same degree of protection for the technology being released as the US Government. The sale is necessary in furtherance of the US foreign policy and national security objectives as outlined in the Policy Justification of the notification.

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

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