



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 17-13]

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 17-13 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. 17-13, concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of New Zealand for defense articles and services estimated to cost \$1.46 billion. 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 blue 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. 17-13

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: New Zealand

(ii) Total Estimated Value:

Major Defense Equipment*	\$1.03 billion
Other	\$.43 billion
 Total	<hr/> \$1.46 billion

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

Major Defense Equipment (MDE):

Four (4) P-8A Patrol Aircraft, which includes:

Eight (8) Multifunctional Information Distribution System Joint Tactical Radio System (MIDS JTRS) (one (1) for each aircraft, two (2) for the ground operations support center, and two (2) spares)

Five (5) Guardian Laser Transmitter Assemblies (GLTA) for the AN/AAQ-24(V)N Large Aircraft Infrared Counter Measures (LAIRCM) system (one (1) for each aircraft and one (1) spare)

Five (5) System Processors for AN/AAQ-24(V)N LAIRCM system (one (1) for each aircraft and one (1) spare)

Thirty (30) AN/AAR-54 Missile Warning Sensors for the AN/AAQ-24(V)N LAIRCM system (six (6) for each aircraft and six (6) spares)

Ten (10) LN-251 with Embedded Global Positioning Systems (GPS)/Inertial Navigations Systems (EGIs) (two (2) for each aircraft and two (2) spares)

Non-MDE includes:

Commercial engines; Tactical Open Mission Software (TOMS); Electro-Optical (EO) and Infrared (IR) MX-20HD; AN/AAQ-2(V)1 Acoustic System; AN/APY-10 Radar; ALQ-240 Electronic Support Measures; support equipment; operation support systems; maintenance trainer/classrooms; publications; software, engineering, and logistics technical assistance; foreign Liaison officer support, contractor engineering technical services; repair and return; transportation; aircraft ferry; and other associated training, support equipment and services.

(iv) Military Department: Navy (XX-P-SAH)

(v) Prior Related Cases, if any: This would be New Zealand's first purchase of the P-8A

Patrol Aircraft. New Zealand has one related P-8A case, NZ-P-GEE, which provides P-8A study and technical analysis support.

(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

New Zealand –P-8A Aircraft and Associated Support

New Zealand has requested the potential sale of up to four (4) P-8A Patrol Aircraft. Each includes: commercial engines, Tactical Open Mission Software (TOMS), Electro-Optical (EO) and Infrared (IR) MX-20HD, AN/AAQ-2(V)1 Acoustic System, AN/APY-10 Radar, ALQ-240 Electronic Support Measures. Also included are eight (8) Multifunctional Information Distribution System Joint Tactical Radio System (MIDS JTRS); five (5) Guardian Laser Transmitter Assemblies (GLTA) for the AN/AAQ-24(V)N; five (5) System Processors for AN/AAQ-24(V)N; thirty (30) AN/AAR-54 Missile Warning Sensors for the AN/AAQ-24(V)N; ten (10) LN-251 with Embedded Global Positioning Systems (GPS)/Inertial Navigations Systems (EGIs); support equipment; operation support systems; maintenance trainer/classrooms; publications; software, engineering, and logistics technical assistance; foreign Liaison officer support, contractor engineering technical services; repair and return; transportation; aircraft ferry; and other associated training, support equipment and services. The total estimated cost is \$1.46 billion.

This proposed sale will enhance the foreign policy and national security of the United States by strengthening the security of a Major Non-NATO ally which has been, and continues to be, an important force for political stability within the region. New Zealand is a close ally in the region and an important partner on critical foreign policy and defense issues.

The Government of New Zealand intends to use these defense articles and services to continue its Maritime Surveillance Aircraft (MSA) capability, following retirement of its P-3K maritime patrol aircraft. The sale will strengthen collective defense and enhance New Zealand's regional and global allied contributions.

New Zealand has procured and operated U.S. produced P-3 MSA for over 40 years, providing critical capabilities to NATO and coalition maritime operations. New Zealand has maintained a close MSA acquisition and sustainment relationship with the U.S. Navy over this period. The

proposed sale will allow New Zealand to recapitalize, modernize and sustain its MSA capability for the next 30 years. As a long-time P-3 operator, New Zealand will have no difficulty transitioning its MSA force to the P-8A and absorbing these aircraft into its armed forces.

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

The prime contractor will be The Boeing Company, Seattle, WA. Additional contractors include:

Air Cruisers Co LLC
Arnprior Aerospace, Canada
AVOX Zodiac Aerospace
BAE
Canadian Commercial Corporation (CCC)/EMS
Compass David Clark
DLS/NiaSat, Carlsbad, CA
DRS
Exelis, McLean VA
GC Micro, Petaluma, CA
General Electric, UK
Harris
Joint Electronics
Marin Baker
Northrop Grumman Corp, Falls Church, VA
Pole Zero, Cincinnati, OH
Raytheon, Waltham, MA
Raytheon, UK
Rockwell Collins, Cedar Rapids, IA
Spirit Aero, Wichita, KS
Symmetries Telephonics, Farmingdale, NY
Terma, Arlington, VA
Viking
WESCAM

There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require approximately five (5) contractor representatives to support the program in New Zealand.

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

Transmittal No. 17-13

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 P-8A aircraft is a militarized version of the Boeing 737-800 Next Generation (NG) commercial aircraft. The P-8A is replacing the P-3C as the Navy's long-range Anti-Submarine Warfare (ASW), Anti-Surface Warfare (ASuW), Intelligence, Surveillance and Reconnaissance (ISR) aircraft capable of broad-area, maritime and littoral operations. The overall highest classification of the P-8A weapon system is SECRET. The P-8A mission systems hardware is largely UNCLASSIFIED, while individual software elements (mission systems, acoustics, ESM, EWSP, etc.) are classified up to SECRET.

2. P-8A mission systems include:

a. Tactical Open Mission Software (TOMS). TOMS functions include environment planning, tactical aids, weapons planning aids, and data correlation. TOMS includes an algorithm for track fusion which automatically correlates tracks produced by on board and off board sensors.

b. Electro-Optical (EO) and Infrared (IR) MX-20HD. The EO/IR system processes visible EO and IR spectrum to detect and image objects.

c. AN/AAQ-2(V)1 Acoustic System. The Acoustic sensor system is integrated within the mission system as the primary sensor for the aircraft ASW missions. The system has multi-static active coherent (MAC) 64 sonobuoy processing capability and acoustic sensor prediction tools.

d. AN/APY-10 Radar. The aircraft radar is a direct derivative of the legacy AN/APS-137(V) installed in the P-3C. The radar capabilities include GPS selective availability anti-spoofing, SAR and ISAR imagery resolutions, and periscope detection mode.

e. ALQ-240 Electronic Support Measures (ESM). This system provides real time capability for the automatic detection, location, measurement, and analysis of RF-signals and modes. Real time results are compared with a library of known emitters to perform emitter classification and specific emitter identification (SEI).

f. Electronic Warfare Self Protection (EWSP). The P-8A aircraft Directional Infrared Countermeasures (DIRCM) suite consists of the ALQ-213 Electronic Warfare Management System

(EWMS), ALE-47 Countermeasures Dispensing System (CMD5), and the AN/AAQ-24(V)N Large Aircraft Infrared Countermeasure (LAIRCM) Guardian Laser Transmitter Assemblies (GLTA) processor, and AAR-54 Missile Warning Sensors (MWS). The AN/AAQ-24(V)N LAIRCM is a self-contained, directed energy countermeasures system designed to protect aircraft from infrared guided surface-to-air missiles. The system features digital technology and micro-miniature solid state electronics. LAIRCM system software, including Operation Flight Program is classified SECRET. Technical data and documentation to be provided are UNCLASSIFIED.

g. Multifunctional Information Distribution System-Joint Tactical Radio System (MIDS JTRS) is an advanced Link-16 command, control, communications, and intelligence (C3I) system incorporating high-capacity, jam-resistant, digital communication links for exchange of near real-time tactical information, including both data and voice, among air, ground, and sea elements. The MIDS JTRS terminal hardware, publications, performance specifications, operational capability, parameters, vulnerabilities to countermeasures, and software documentation are classified CONFIDENTIAL. The classified information to be provided consists of that which is necessary for the operation, maintenance, and repair (through intermediate level) of the data link terminal, installed systems, and related software.

3. If a technologically advanced adversary were to obtain access of the P-8A specific hardware and software elements, systems could be reverse engineering to discover USN capabilities and tactics. The consequences of the loss of this technology, to a technologically advanced or competent adversary, could result in the development of countermeasures or equivalent systems, which could reduce system effectiveness or be used in the development of a system with similar advanced capabilities.

4. A determination has been made that the recipient government can provide substantially the same degree of protection for the technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. 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 New Zealand.

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