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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 19-35]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Karma Job at karma.d.job.civ@mail.mil or (703) 697-8976.

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 19-35 with attached Policy Justification and Sensitivity of Technology.

Dated: December 17, 2019.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



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

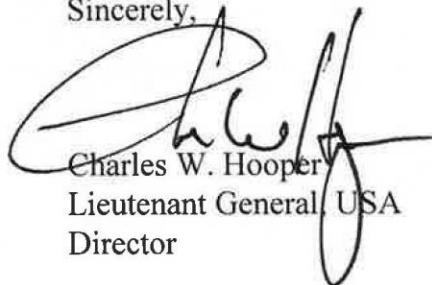
JUL 29 2019

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-209, The Capitol
Washington, DC 20515

Dear Madam 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. 19-35 concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Canada for defense articles and services estimated to cost \$44 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,



Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

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

Transmittal No. 19-35

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 Canada

(ii) Total Estimated Value:

Major Defense Equipment*	\$38 million
Other	<u>\$ 6 million</u>
TOTAL	\$44 million

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

Major Defense Equipment (MDE):

One hundred fifty-two (152) MIDS JTRS (5) with Remote Power Supply

Non-MDE:

Also included are spare cables and MIDS batteries; Link-16 mobile racks; diagnostic support tools; technical documentation; training and engineering technical support; and other related elements of logistics and program support.

(iv) Military Department: Navy (CN-P-LKT)

(v) Prior Related Cases, if any: None

(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: July 29, 2019

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

POLICY JUSTIFICATION

Canada – Multifunctional Information Distribution System (MIDS)- Joint Tactical Radio System (JTRS) (5)

The Government of Canada has requested to buy one hundred fifty-two (152) MIDS JTRS (5) with Remote Power Supply. Also included are spare cables and MIDS batteries; Link-16 mobile racks; diagnostic support tools; technical documentation; training and engineering technical support; and other related elements of logistics and program support. The total estimated program cost is \$44 million.

This proposed sale will support the foreign policy and national security objectives of the United States by helping to improve the military capability of Canada, a NATO ally that is an important force for ensuring political stability and economic progress and a contributor to military, peacekeeping and humanitarian operations around the world.

Canada intends to upgrade its current inventory of CF-18 Aircraft, CC-130J, and the Royal Canadian Air Force's Ground Stations with the purchase of these MIDS JTRS (5) terminals to be fully interoperable with U.S. and allied forces to support and compliment joint operations in a net-enabled environment; have modernized electronic protection and secure, jam-resistant wave forms; and be capable of improved Link 16 message exchange and information fidelity including support to advanced weapon employment. Canada will have no difficulty absorbing this equipment into its armed forces.

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

The principal contractors for MIDS JTRS are Viasat, Incorporated, headquartered in Carlsbad, CA and Data Link Solutions, headquartered in Cedar Rapids, IA. The Government of Canada is expected to negotiate an offset agreement with the principal contractor(s), in accordance with Canada's Industrial and Technological Benefits (ITB) Policy, before signing the Letter of Offer and Acceptance (LOA), but details are not known at this time.

Implementation of this proposed sale will not require the assignment of additional U.S. Government or contractor representatives to Canada. However, it is anticipated that engineering and technical support services provided by the U.S. Government may be required on an interim basis for training and technical assistance.

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

Transmittal No. 19-35

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 Multifunctional Information Distribution System (MIDS) Joint Tactical Radio (JTRS) is a software defined radio. The MIDS JTRS Programmable Secure Information Security Architecture Module (PSISAM) is Critical Program Information (CPI). The PSISAM is embedded in a MIDS JTRS Shop Replaceable Unit (SRU) and contains the information security hardware and cryptographic keys necessary to operate the terminal. MIDS JTRS contains embedded COMSEC and is capable of processing up to TOP SECRET information. Each MIDS JTRS contains an embedded SRU that is UNCLASSIFIED Controlled Cryptographic Information (CCI). Un-keyed terminals and de-energized terminals are UNCLASSIFIED CCI. When a terminal is operating on the host platform it is classified up to the level of data being transmitted.
2. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures or equivalent systems, which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.
3. A determination has been made that Canada can provide substantially the same degree of protection for the technology being released as the U.S. Government. This sale supports the U.S. foreign policy and national security objectives as outlined in the Policy Justification.
4. All defense articles and services listed in this transmittal have been authorized for release and export to Canada.

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