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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 20-28]

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 20-28 with attached Policy Justification and Sensitivity of Technology.

Dated: August 14, 2020.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, SUITE 101
ARLINGTON, VA 22202-5408

July 23, 2020

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. 20-28 concerning the Air Force's proposed Letter(s) of Offer and Acceptance to the Government of Chile for defense articles and services estimated to cost \$634.70 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 "Ch Hooper", is written over the typed name.

Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

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

Transmittal No. 20-28

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 Chile

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 30.52 million
Other	<u>\$604.18 million</u>
TOTAL	\$634.70 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: Equipment and related services for F-16 Modernization to include:

Major Defense Equipment (MDE):

Nineteen (19) Joint Helmet-Mounted Cueing Systems (JHMCS)

Six (6) Inert MK-82 (500LB) General Purpose Bomb Bodies

Two (2) MXU-650KB Air Foil Groups (AFG)

Forty-four (44) LN-260 Embedded GPS/INS (EGI)

Forty-nine (49) Multifunctional Information Distribution System Joint Tactical Radios (MIDS JTRS)

Non-MDE:

Also included are avionics and Mode 5 equipment and software upgrades, integration, and test; software and software support; ARC-238 Radios; Combined Altitude Radar Altimeters (CARA); Joint Mission Planning System (JMPS) support; Identification Friend or Foe (IFF) AN/APX-126 Combined Interrogator Transponders, cryptographic appliques, keying equipment, and encryption devices; weapon system spares and support; bomb components; High-Bandwidth Compact Telemetry Modules (HCTMs); secure communications and precision navigation equipment; aircraft displays; additional spare and repair/return parts; publications, charts, and technical documentation; integration and test equipment; U.S. Government and contractor engineering, technical and logistical support services; and other related elements of logistics and program support.

(iv) Military Department: Air Force (CI-D-VAZ)

(v) Prior Related Cases, if any: CI-D-CAW, CI-D-FAA, CI-D-GBK, CI-D-GBL, GBM, CI-D-GBO, CI-D-GRS, CI-D-KAB, CI-D-KBB, CI-D-MAA, CI-D-OAA, CI-D-PAC, CI-D-QAA, CI-D-QAB, CI-D-QAE, CI-D-QAN, CI-D-QAP, CI-D-RAD, CI-D-RAG, CI-D-SGB, CI-D-VAE, CI-D-YAA, CI-D-YAB

(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 23, 2020**

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

POLICY JUSTIFICATION

Chile – F-16 Modernization

The Government of Chile has requested to buy equipment and related services for F-16 Modernization to include: nineteen (19) Joint Helmet-Mounted Cueing Systems (JHMCS); six (6) inert MK-82 (500LB) general purpose bomb bodies; two (2) MXU-650KB Air Foil Groups (AFG); forty-four (44) LN-260 Embedded GPS/INS (EGI); forty-nine (49) Multifunctional Information Distribution System Joint Tactical Radios (MIDS JTRS). Also included are avionics and Mode 5 equipment and software upgrades, integration, and test; software and software support; ARC-238 Radios; Combined Altitude Radar Altimeters (CARA); Joint Mission Planning System (JMPS) support; Identification Friend or Foe (IFF) AN/APX-126 Combined Interrogator Transponders, cryptographic appliques, keying equipment, and encryption devices; weapon system spares and support; bomb components; High-Bandwidth Compact Telemetry Modules (HCTMs); secure communications and precision navigation equipment; aircraft displays; additional spare and repair/return parts; publications, charts, and technical documentation; integration and test equipment; U.S. Government and contractor engineering, technical and logistical support services; and other related elements of logistics and program support. The total estimated program cost is \$634.70 million.

This proposed sale will support the foreign policy goals and national security objectives of the United States by improving the security of a strategic partner in South America.

The proposed sale will improve Chile's capability to meet current and future threats by modernizing its F-16 fleet, which will allow Chile to maintain sovereignty and homeland defense, increase interoperability with the United States and other partners, and deter potential adversaries. Chile will have no difficulty absorbing the upgrades into its armed forces.

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

The principal contractor will be Lockheed Martin, Bethesda, MD. There are no known offset agreements in connection with this potential sale.

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

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

Transmittal No. 20-28

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. Joint Helmet Mounted Cueing System (JHMCS) is a modified HGU-55/P helmet that incorporates a visor-projected Heads-Up Display (HUD) to cue weapons and aircraft sensors to air and ground targets enabling the pilot to monitor aircraft information without interrupting his field of view through the cockpit canopy.

2. Embedded GPS-INS (EGI) LN-260 is a sensor that combines GPS and inertial sensor inputs to provide accurate location information for navigation and targeting.

3. Multifunctional Information Distribution System (MIDS) Joint Tactical Radio (JTRS) is a software defined radio and data link. MIDS JTRS terminals can be loaded with sensitive cryptographic keys which secure data and radio communications.

4. Enhanced Paveway II (EP II) Laser Guided Bomb (LGB) is a maneuverable, all-weather, free-fall weapon that guides to a spot of laser energy reflected off the target. The "enhanced" component is the addition of GPS-aided Inertial Navigation Systems (GAINS) guidance to the laser seeker. Laser designation for the LGB can be provided by a variety of laser target markers or designators. The EP II consists of an Enhanced Computer Control Group (ECCG) that is not warhead specific and a warhead-specific Air Foil Group (AFG) that attaches to the nose and tail of a GP bomb body.

GBU-49 is a 500lb weapon that can use an inert or live MK-82 bomb body fitted with MXU-650 or WGU-63 type AFGs, and MAU-210 ECCGs to guide to either a laser designated target or GPS coordinates of a target.

5. High-Bandwidth Compact Telemetry Modules (HCTM) are flight test instrumentation hardware that gathers real-time weapon data during testing of a munition.

6. The Modular Mission Computer (MMC) 7000AH is the central aircraft computer of the F-16. It serves as the hub for all aircraft subsystems and avionics data transfer.

7. AN/ARC-238 radio is a secure voice communications radio system.

8. Combined Altitude Radar Altimeter (CARA) is a radar system used to measure the aircraft altitude above the terrain. It is comprised of four components: a Receiver/Transmitter, Signal

Data Converter, and Transmit and Receive Antennas. The upgrade will involve the Receiver/Transmitter as part of the overall Avionics upgrades.

9. Joint Mission Planning System (JMPS) is a multi-platform PC based mission planning system.

10. The AN/APX-126 Combined Interrogator Transponder is an Identification Friend or Foe system capable of transmitting and interrogating Modes 4 and 5.

11. The highest level of classification of information included in this potential sale is SECRET.

12. If a technologically-advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

13. A determination has been made that Chile can provide substantially the same degree of protection for the sensitive 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.

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

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