

Transmittal No. 18–14

(ii) *Total Estimated Value:*

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:* The Government of the Netherlands

Major Defense Equipment * .....	\$ 0.5 million
Other .....	\$109.5 million
<hr/>	
TOTAL .....	\$110.0 million

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

*Purchase:* The Government of the Netherlands has requested to buy defense articles and services in support of continuation of a Continental United States (CONUS) based Royal Netherlands Air Force F–16 Formal Training Unit.

*Major Defense Equipment (MDE):* Up to twenty-seven (27) GBU–12 Inert Paveway IIs

*Non-MDE:* Also included are PGU–27 Inert training rounds, Impulse Cartridges, MJU–7/B Flares, RR–188 Chaff, BDU–33/B and BDU–50/B training munitions, fuel and air refueling support, airlift services, base operating support, facilities, publications and technical documentation, pilot training, personnel training and training equipment, weapon system and software support, U.S. Government and contractor technical, engineering, and logistics personnel services, and other related elements of logistics and program support.

(iv) *Military Department:* Air Force (NE–D–NZW)

(v) *Prior Related Cases, if any:* NE–D–NXZ—\$ 149.3 million; 19 Sep 13

(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:* None

(viii) *Date Report Delivered to Congress:* April 24, 2018

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

**POLICY JUSTIFICATION**

*The Netherlands—F–16 Formal Training Unit at Tucson Air National Guard Base (ANGB), Arizona*

The Government of the Netherlands has requested to buy defense articles and services in support of continuation

of a Continental United States (CONUS) based Royal Netherlands Air Force F–16 Formal Training Unit, to include up to twenty-seven (27) GBU–12 Inert Paveway IIs. Also included are PGU–27 Inert training rounds, Impulse Cartridges, MJU–7/B Flares, RR–188 Chaff, BDU–33/B and BDU–50/B training munitions, fuel and air refueling support, airlift services, base operating support, facilities, publications and technical documentation, pilot training, personnel training and training equipment, weapon system and software support, U.S. Government and contractor technical, engineering, and logistics personnel services, and other related elements of logistics and program support. The estimated program value is \$110 million.

This proposed sale will support the foreign policy and national security objectives of the United States by improving the security of a NATO Ally which is an important force for political stability and economic progress in Europe.

This potential sale will continue to improve the Royal Netherlands Air Force’s (RNLAF) ability to develop mission-ready and experienced pilots to support its F–16 aircraft inventory. The well-established pilot proficiency training program at Tucson Air National Guard Base will train pilots in F–16 operations, tactics, techniques, and procedures. This training will enhance the RNLAF’s ability to continue contributions to Overseas Contingency Operations and to NATO air policing operations, as well as, to possible future coalitions operations. The Netherlands will have no difficulty absorbing this training.

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

There is no prime contractor involved in this proposed sale. The Tucson Air National Guard will provide instruction,

flight operations, and maintenance support and facilities with defense articles anticipated to come from U.S. stocks, as needed. There are no known offset agreements proposed in connection with this potential sale.

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

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

[FR Doc. 2018–16317 Filed 7–30–18; 8:45 am]

**BILLING CODE 5001–06–P**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

[Transmittal No. 18–18]

**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:** DSCA at *dscan.cr.lmo.mbx.info@mail.mil* or (703) 697–9709.

**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 18–18 with attached Policy Justification and Sensitivity of Technology.

Dated: July 26, 2018.

**Shelly E. Finke,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

**BILLING CODE 5001–06–P**



## DEFENSE SECURITY COOPERATION AGENCY

201 12<sup>TH</sup> STREET SOUTH, STE 203

ARLINGTON, VA 22202-5408

JUN 1 2 2018

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. 18-18, concerning the Army's proposed Letter(s) of Offer and Acceptance to the Government of India for defense articles and services estimated to cost \$930 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 "C. W. Hooper".

Charles W. Hooper  
Lieutenant General, USA  
Director

Enclosures:

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

Transmittal No. 18–18

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 India

(ii) *Total Estimated Value:*

Major Defense Equipment *	\$340 million
Other .....	\$590 million
TOTAL .....	\$930 million

(iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:* The Government of India has requested the sale of the following items in support of a proposed direct commercial sale of six (6) AH–64E Apache helicopters:

*Major Defense Equipment (MDE):*

Fourteen (14) T700–GE–701D

Four (4) AN/APG–78 Fire Control Radars

Four (4) Radar Electronic Units (REU) Block III

Four (4) AN/APR–48B Modernized Radar Frequency Interferometers (M–RFI's)

One hundred eighty (180) AGM–114L–3 Hellfire Longbow Missiles

Ninety (90) AGM–114R–3 Hellfire II Missiles

Two hundred (200) Stinger Block I–92H Missiles

Seven (7) Modernized Target Acquisition and Designation Sights (MTADS)/Pilot Night Vision Sensors (PNVS)

Fourteen (14) Embedded Global Positioning System/Inertial Navigation Systems (EGI)

*Non-MDE:* Also included are 2.75" HE M151 rockets, training and dummy missiles, 30 mm cannons and ammunition, transponders, simulators, communication equipment, spare and repair parts, tools and test equipment, support equipment, repair and return support, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor engineering and logistics support services, and other related elements of logistic and program support.

(iv) *Military Department:* Army (IN–B–UAN)

(v) *Prior Related Cases, if any:* IN–B–UAH

(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:* June 12, 2018

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

#### POLICY JUSTIFICATION

*India—Support for Direct Commercial Sale of AH–64E Apache Helicopters*

The Government of India has requested to buy the following items in support of a proposed direct commercial sale of six (6) AH–64E Apache helicopters: fourteen (14) T700–GE–701D engines; four (4) AN/APG–78 Fire Control Radars; four (4) Radar Electronic Units (REU) Block III; four (4) AN/APR–48B Modernized Radar Frequency Interferometers (M–RFI's); one hundred eighty (180) AGM–114L–3 Hellfire Longbow missiles; ninety (90) AGM–114R–3 Hellfire II missiles; two hundred (200) Stinger Block I–92H missiles; seven (7) Modernized Target Acquisition Designation Sight/Pilot Night Vision Sensors (MTADS–PNVS); and fourteen (14) Embedded GPS Inertial Navigation Systems (EGI). Also included are rockets, training and dummy missiles, 30 mm cannons and ammunition, transponders, simulators, communication equipment, spare and repair parts, tools and test equipment, support equipment, repair and return support, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor engineering and logistics support services, and other related elements of logistic and program support. The total estimated program cost is \$930 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to strengthen the U.S.–Indian strategic relationship and to improve the security of an important partner which continues to be an important force for political stability, peace, and economic progress in South Asia.

The proposed sale is in conjunction with and in support of a proposed direct commercial sale of six (6) AH–64E Apache helicopters, and will strengthen India's ability to defend its homeland and deter regional threats. This support for the AH–64E will provide an increase in India's defensive capability to counter ground-armored threats and modernize its armed forces. India will have no difficulty absorbing the helicopters and support equipment into its armed forces.

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

The prime contractors will be Lockheed Martin Corporation, Orlando, FL; General Electric Company, Cincinnati, OH; Lockheed Martin Mission Systems and Sensors, Owego, NY; Longbow Limited Liability Corporation, Orlando, FL; and Raytheon

Company, Tucson, AZ. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require U.S. Government or contractor representatives to travel to India for a period of one week at a time to conduct a detailed discussion of the various aspects of the hybrid program with Government of India representatives. Additional travel will be required for equipment de-processing/fielding, system checkout and new equipment training and Contractor Furnished Service Representatives (CFSR) for a period of thirty months.

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

Transmittal No. 18–18

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 AN/APG–78 Fire Control Radar (FCR) is an active, low-probability of intercept, millimeter-wave radar, combined with a passive Modernized Radar Frequency Interferometer (MRFI) mounted on top of the helicopter mast. The FCR Ground Targeting Mode detects, locates, classifies and prioritizes stationary or moving armored vehicles, tanks and mobile air defense systems as well as hovering helicopters, helicopters, and fixed wing aircraft in normal flight. The MRFI detects threat radar emissions and determines the type of radar and mode of operation. The FCR data and MRFI data are fused for maximum synergism. If desired, the radar data can be used to refer targets to the regular electro-optical Target Acquisition and Designation Sight (TADS), Modernized Target Acquisition and Designation Sight (MTADS), permitting additional visual/infrared imagery and control of weapons, including the semi active laser version of the Hellfire. Critical system information is stored in the FCR in the form of mission executable code, target detection, classification algorithms and coded threat parameters. This information is provided in a form that cannot be extracted by the foreign user due to anti-tamper provisions built into the system. The content of these items is classified SECRET.

2. The Modernized Target Acquisition and Designation Sight/Modernized Pilot Night Vision Sensor (M–TADS/M–PNVS) provides second generation day, night, limited adverse weather target

information, as well as night navigation capabilities. The MPNVS provides second generation thermal imaging that permits nap-of-the-earth flight to, from, and within the battle area, while M-TADS provides the co-pilot gunner with improved search, detection, recognition, and designation by means of Direct View Optics (DVO), I<sup>2</sup> television, second generation Forward Looking Infrared (FLIR) sighting systems that may be used singularly or in combinations. Hardware and releasable technical manuals are UNCLASSIFIED.

3. The AN/APR-48B Modernized Radar Frequency Interferometer (M-RFI) is an updated version of the passive radar detection and direction finding system. It utilizes a detachable User Data Module (UDM) on the M-RFI processor, which contains the Radar Frequency (RF) threat library. The UDM, which is a hardware assemblage item, is classified CONFIDENTIAL when programmed with threat parametrics, threat priorities and/or techniques derived from U.S. intelligence information. Hardware becomes UNCLASSIFIED when populated with threat parametric data. Releasable technical manuals are UNCLASSIFIED.

4. The Hellfire AGM-114 missile is an air-to-surface missile with a multi-mission, multi target, precision strike capability. The Hellfire can be launched from multiple air platforms and is the primary precision weapon for the United States.

a. The Hellfire Longbow Missile (AGM-114L3) provides an adverse weather, fire-and-forget missile version of the Hellfire Missile System, incorporating a millimeter wave radar seeker on a Hellfire II aft section bus. The Hellfire Longbow Missile is designed to engage and defeat individual hardpoint targets and minimize exposure time to enemy fire, which greatly increases the AH-64E Longbow survivability factor. The AGM-114L3 non-NATO export version will be provided. The weapon system hardware, as an "All Up Round", is UNCLASSIFIED. The AGM-114L3 missile software is SECRET. The highest level of classified information that could be disclosed by a proposed sale or by testing of the end item is SECRET and the highest level that must be disclosed for production, maintenance, or training is CONFIDENTIAL. Vulnerability data, countermeasures, vulnerability/

susceptibility analyses, and threat definitions are classified SECRET or CONFIDENTIAL.

b. The highest level for release of the AGM-114R Hellfire II missile is SECRET, based upon the software. The highest level of classified information that could be disclosed by a proposed sale or by testing the end item is SECRET; the highest level that must be disclosed for production, maintenance, or training is CONFIDENTIAL. Reverse engineering could reveal CONFIDENTIAL information.

Vulnerability data, Countermeasures, vulnerability/susceptibility analyses, and threat definitions are classified up to SECRET.

5. The STINGER Block I 92H International Missile System, hardware, software and documentation contain SENSITIVE technology and are classified CONFIDENTIAL. The guidance section of the missile and captive flight trainer contain highly SENSITIVE technology and are classified CONFIDENTIAL. No man-portable grip stocks will be sold under this LOA.

Missile system hardware and fire unit components contain SENSITIVE critical technologies. STINGER critical technology is primarily in the area of design and production know-how and not end-items. This SENSITIVE/critical technology is inherent in the hybrid microcircuit assemblies; microprocessors; magnetic and amorphous metals; purification; firmware; printed circuit boards; laser range finder; dual detector assembly; detector filters; missile software; optical coatings; ultraviolet sensors; semiconductor detectors infrared band sensors; compounding and handling of electronic, electro-optic, and optical materials; equipment operating instructions; energetic materials formulation technology; energetic materials fabrication and loading technology; and warhead components seeker assembly. Information on vulnerability to electronic countermeasures and countermeasures, system performance capabilities and effectiveness, and test data are classified up to SECRET.

6. The Stinger Captive Flight Trainer (CFT) is a Stinger missile guidance assembly in a launch tube. The CFT provides operator training in target acquisition, tracking, engagement,

loading/unloading and sustainment training at the unit. The hardware is classified CONFIDENTIAL. Releasable technical manuals are UNCLASSIFIED.

7. If a technologically advanced adversary were to obtain knowledge of specific hardware, the information could be used to develop countermeasures which might reduce weapons system effectiveness or be used in the development of a system with similar or advanced capabilities.

8. A determination has been made that India can provide substantially the same degree of protection for sensitive technology being released as the U.S. Government. This proposed sustainment program is necessary to the furtherance of the U.S. foreign policy and national security objectives outlined in the policy justification.

9. All defense articles and services listed on this transmittal are authorized for release and export to the Government of the India.

[FR Doc. 2018-16323 Filed 7-30-18; 8:45 am]

BILLING CODE 5001-06-P

## DEPARTMENT OF DEFENSE

### Office of the Secretary

[Transmittal No. 17-37]

#### 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:** DSCA at [dsca.ncr.lmo.mbx.info@mail.mil](mailto:dsca.ncr.lmo.mbx.info@mail.mil) or (703) 697-9709.

**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 17-37 with attached Policy Justification.

Dated: July 25, 2018.

**Shelly E. Finke,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

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