



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 15-54]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Sarah A. Ragan or Heather N. Harwell, DSCA/LMO, (703) 604-1546/ (703) 607-5339.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 15-54 with attached Policy Justification.

Dated: October 23, 2015.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



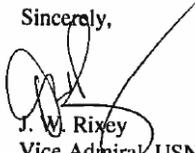
DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, BTE 203
ARLINGTON, VA 22202-5408

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

OCT 05 2015

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. 15-54, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to the Government of Spain for defense articles and services estimated to cost \$243 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,

J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

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



Transmittal No. 15-54

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 Spain
- (ii) Total Estimated Value:
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$ 80 million |
| Other | <u>\$163 million</u> |
| TOTAL | \$243 million |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Four (4) MQ-9 Block 5 Remotely Piloted Aircraft
Twenty (20) Embedded Global Positioning System/Inertial Guidance Unit (EGI) (3 per aircraft, and 8 spares)
Two (2) Mobile Ground Control Stations (MGCS)
Five (5) Multi-Spectral Targeting Systems (MTS-B) (1 per aircraft, 1 spare)
Five (5) Synthetic Aperture Radar, Lynx AN/APY-8 (1 per aircraft, 1 spare)

Also provided are a unique and common spares package, support equipment, United States Air Force (USAF) technical orders, country specific technical orders, Contractor Logistics Support for two (optional three) years, contractor provided aircraft components, spares, and accessories, personnel training, and other related elements of logistical and program support.

- (iv) Military Department: Air Force (X8-D-SAA)
- (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: 05 Oct 2015

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

POLICY JUSTIFICATION

Spain - MQ-9 Block 5 aircraft

The Government of Spain requested a possible sale of:

Major Defense Equipment (MDE):

Four (4) MQ-9 Block 5 Remotely Piloted Aircraft

Twenty (20) Embedded Global Positioning System/Inertial Guidance Unit (EGI)
(3 per aircraft, and 8 spares)

Two (2) Mobile Ground Control Stations (MGCS)

Five (5) Multi-Spectral Targeting Systems (MTS-B) (1 per aircraft, 1 spare)

Five (5) Synthetic Aperture Radar, Lynx AN/APY-8 (1 per aircraft, 1 spare)

Also provided are a unique and common spares package, support equipment, United States Air Force (USAF) technical orders, country specific technical orders, Contractor Logistics Support for two (optional three) years, contractor provided aircraft components, spares, and accessories, personnel training, and other related elements of logistical and program support. The estimated MDE cost is \$80 million. The estimated total cost is \$243 million.

This proposed sale enhances the intelligence, surveillance, and reconnaissance (ISR) capability of the Spanish military in support of national, North Atlantic Treaty Organization (NATO), United Nations, and other coalition operations. Commonality of ISR capabilities increases interoperability between U.S. and Spanish forces and provides a common interface with other MQ-9 NATO operators, including the United Kingdom, France, and Italy. The Spanish Air Force intends to use the MQ-9s for homeland security, peacekeeping, peace enforcement, counterinsurgency, and counterterrorism operations. The proposed sale improves Spain's ability to meet current and future threats by providing improved ISR coverage that promotes increased battlefield situational awareness, anticipates enemy intent, augments combat search and rescue, and provides ground troop support.

Spain requests these capabilities to provide for the defense of its deployed troops, regional security, and interoperability with the United States. Spain will have no difficulty absorbing this additional capability.

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

The principal contractor will be General Atomics Aeronautical Systems, Inc. in San Diego, California. Other sole source requests identified in the Letter of Request are

Raytheon Company in McKinney, Texas, and L-3 Communications Systems - West in Salt Lake City, Utah. The purchaser requested offsets. At this time, offset agreements are undetermined and will be defined in negotiations between the purchaser and contractor.

Implementation of this proposed sale may require multiple trips for U.S. contractor representatives to Spain and potentially deployed locations to provide initial launch, recovery, and maintenance support.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale. All defense articles and services have been approved for release by the USAF foreign disclosure office.

Transmittal No. 15-54

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 MQ-9 is a long-endurance, high-altitude Remotely Piloted Aircraft (RPA) used for surveillance, military reconnaissance, and targeting missions. MQ-9 is capable of performing real-time and pre-programmed flight missions. Real-time missions are flown under the control of a pilot in a Ground Control Station (GCS). A data link is maintained that uplinks control commands and downlinks video with telemetry data. The data link can be a Line-of-Sight (LOS) C-Band communication or Beyond Line-of-Sight (BLOS) Ku-Band Satellite Communication (SATCOM). Missions are preprogrammed by pilots in the GCS or hand flown under the control of an onboard suite of redundant computers, controls, and sensors. A pilot initiates a pre-programmed mission once the aircraft is airborne and lands the aircraft when the mission is completed. Pilots can change preprogrammed mission parameters as often as required. The aircraft can also be handed off to other strategically placed ground- or sea-based GCSs. The MQ-9 is designed to carry 800 pounds of internal payload with maximum fuel and can carry multiple mission payloads aloft. The following payloads are being integrated into the MQ-9 being prepared for offer to Spain as part of this proposed sale: Electro-Optical/Infrared (EO/IR),

Synthetic Aperture Radar (SAR), and laser designators.

a. The equipment proposed for the Spanish MQ-9 (Reaper) Letter of Request (LOR) is classified up to Secret.

2. The Spanish MQ-9 system includes the following components:

a. A secure Mobile Ground Control Station (MGCS) with workstations that allow operators to control and monitor the aircraft, as well as record and exploit downlinked payload data.

b. The Raytheon Multi-Spectral Targeting System (MTS-B with Laser Target Designation) and multi-use Electro-Optical (EO)/Infra-Red (IR) sensor provides long-range surveillance, high-altitude target acquisition, tracking, and range-finding.

c. Modified Weaponization Kit (UHK16205-1) is a hardware kit built into the aircraft at the time of production to include the necessary cables, mission kits, module assemblies, and switching modules that are critical in allowing mating, powering, and communicating with weapons that might be desired and authorized for use on the platform in the future. The Weaponization Kit to be provided under this proposed sale will not include the other necessary hardware required to employ weapons (aircraft pylons, bomb racks, weapons-specific components of the country specific technical orders (CSTOs) and airworthiness documents). Additionally, weapons employment will require software enhancement to the GCS prior to employment.

3. If a technologically advanced adversary were to obtain knowledge of the specific hardware or software in this proposed sale, any information gleaned from exploitation of hardware, publications and software could be used to develop countermeasures (electronic, infrared, or other types) as well as offensive and defensive counter-tactics and allow an adversary to exploit those vulnerabilities during combat.

4. A determination has been made that the recipient country 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.

[FR Doc. 2015-27503 Filed: 10/28/2015 8:45 am; Publication Date: 10/29/2015]