



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal No. 16-62)

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: Pam Young, DSCA/SA&E-RAN, (703) 697-9107.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 16-62 with attached Policy Justification and Sensitivity of Technology.

Dated: December 12, 2016.

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

DEC 07 2016

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. 16-62, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to the Government of Qatar for defense articles and services estimated to cost \$700 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,
JWR
James W. Rixey
Dep Dir (AF)
For J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

- 1. Transmittal
- 2. Policy Justification
- 3. Sensitivity of Technology
- 4. Regional Balance (Classified Document Provided Under Separate Cover)



Transmittal No. 16-62

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 Qatar

(ii) Total Estimated Value:

| | |
|--------------------------------|----------------------|
| Major Defense Equipment (MDE)* | \$ 0 million |
| Other | <u>\$700 million</u> |
| TOTAL | \$700 million |

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

Major Defense Equipment (MDE): None

Non-MDE includes:

Follow-on support for eight (8) C-17 aircraft, to include contract labor for sustainment engineering, on-site COMSEC support, Quality Assurance, support equipment repair, supply chain management, spares replenishment, maintenance, back shop support, and centralized maintenance support/associated services. Required upgrades will include fixed installation satellite antenna, Mode 5+ installation and sustainment, Automatic Dependent Surveillance-Broadcast Out, and two special operations loading ramps.

(iv) Military Department: Air Force (QAI)

(v) Prior Related Cases, if any: QA-D-QAB

(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: December 7, 2016

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

POLICY JUSTIFICATION

Qatar – Continuation of Logistics Support Services and Equipment

The Government of Qatar has requested a possible sale of continued logistics support for eight (8) C-17 aircraft which will include contract labor for sustainment engineering, on-site COMSEC support, Quality Assurance, support equipment repair, supply chain management, spares replenishment, maintenance, back shop support, and centralized maintenance support/associated services. Required upgrades will include fixed installation satellite antenna, Mode 5+ installation and sustainment, Automatic Dependent Surveillance-Broadcast Out, and two special operations loading ramps. The estimated total cost is \$700 million.

The proposed sale contributes to the foreign policy and national security of the U.S. by helping to improve the security of an important regional ally. Qatar is a vital partner for political stability and economic progress in the Middle East. The C-17 provides a heavy airlift capability and complements the normal, day-to-day operations of the Government of Qatar's C-130J fleet. Qatar will have no difficulty absorbing this equipment into its armed forces.

The proposed sale will enhance Qatar's ability to operate and maintain its C-17s, supporting its capability to provide humanitarian aid in the Middle East and Africa region and support its troops in coalition operations. Qatar's current contract supporting its C-17 fleet will expire in September of 2017.

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

The prime contractor will be the Boeing Corporation of Chicago, Illinois. The U.S. Government is not aware of any known offsets associated with this sale. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this sale will require the assignment of approximately five additional U.S. Government and approximately 50 contractor representatives to Qatar.

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

Transmittal No. 16-62

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
Of the Arms Export Control ActAnnex A
Item No. vii(vii) Sensitivity of Technology:

1. This sale will involve the release of sensitive technology to Qatar in the performance of services to sustain eight (8) Qatar C-17 aircraft. While much of the below equipment supporting the C-17 is not new to the country, there will be replenishment spares of the below sensitive technologies purchased to support the fleet.
2. The Force 524D is a 24-channel SAASM based Global Positioning System (GPS) receiver, with precise positioning service (PPS) capability built upon Trimble's next generation OPS technology. The Force 524D retains backward compatibility with the proven Force 5GS, while adding new functionality to interface with digital antenna electronics, to significantly improve anti-jam (AJ) performance. The host platform can select the radio frequency (RF) or digital antenna electronics (DAE) interface. In the digital mode, the Force 524D is capable of controlling up to 16 independent beams. The hardware and software associated with the 524D receiver card is UNCLASSIFIED.
3. The C-17 aircraft will be equipped with the GAS-1, which is comprised of the Controlled Reception Pattern Antennas (CRPA), with the associated wiring harness and the Antenna Electronics (AE)-1, to provide AJ capability. The hardware is UNCLASSIFIED.
4. The KIV-77 is the crypto applique for Mode V Identification Friend of Foe (IFF). The hardware is UNCLASSIFIED and COMSEC controlled.
5. Software, hardware, and other data/information, which is classified or sensitive, is reviewed prior to release to protect system vulnerabilities, design data, and performance parameters. Some end-item hardware, software, and other data identified above are classified at the CONFIDENTIAL and SECRET level. Potential compromise of these systems is controlled through management of the basic software programs, of highly sensitive systems and software-controlled weapon systems, on a case-by-case basis.
6. Qatar is both willing and able to protect United States classified military information. Qatari physical and document security standards are equivalent to U.S. standards. Qatar has demonstrated its willingness and capability to protect sensitive military technology and information released to its military in the past.

7. If a technologically advanced adversary were to obtain knowledge of the specific hardware or software source code in this proposed sale, the information could be used to develop countermeasures, which might reduce weapon system effectiveness or be used in the development of systems with similar or advanced capabilities. The benefits to be derived from this sale in the furtherance of the U.S. foreign policy and national security objectives, as outlined in the Policy Justification, outweigh the potential damage that could result if the sensitive technology, were revealed to unauthorized persons.

8. All defense articles and services listed in this transmittal are authorized for release and export to the Government of Qatar.

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