



**Billing Code: 5001-06**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**(Transmittal No. 16-83)**

**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:** Pamela 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 16-83 with attached Policy Justification and Sensitivity of Technology.

Dated: February 6, 2017.

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

JAN 31 2017

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. 16-83, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to the Republic of Korea for defense articles and services estimated to cost \$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 "J. W. Rixey".

J. W. Rixey  
Vice Admiral, USN  
Director

Enclosures:

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



## Transmittal No. 16-83

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: Republic of Korea

(ii) Total Estimated Value:

Major Defense Equipment*	\$66 million
Other	<u>\$ 4 million</u>
TOTAL	\$70 million

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

Major Defense Equipment (MDE):

Eighty-nine (89) AGM-65G-2 Maverick Missiles

Non-MDE includes:

Missile containers and other related elements of support.

(iv) Military Department: Air Force (KS-D-YHF)

(v) Prior Related Cases, if any: FMS Case KS-D-YAF - \$22.55M – 14 Mar 12

(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 Annex attached.

(viii) Date Report Delivered to Congress: January 31, 2017

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

## POLICY JUSTIFICATION

### Republic of Korea –AGM-65G-2 Maverick Missiles

The Government of the Republic of Korea (ROK) has requested the potential sale of eighty-nine (89) AGM-65G-2 Maverick missiles, missile containers and other related elements of support. The total estimated program cost is \$70 million.

This proposed sale contributes to the foreign policy and national security of the United States. The ROK is one of the major political and economic powers in East Asia and the Western Pacific and a key partner of the United States in ensuring peace and stability in the region. It is vital to U.S. national interests to assist our Korean ally in developing and maintaining a strong and ready self-defense capability. This sale increases the ROK's capability to participate in Pacific regional security operations and improves its national security posture as a key U.S. ally.

The proposed sale will improve the ROK's capability to meet current and future threats. The ROK will use the enhanced capability as a deterrent to regional threats and to strengthen its homeland defense. The ROK, which already has AGM-65G missiles in its inventory, will have no difficulty absorbing these additional missiles.

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

The principal contractor is Raytheon, Tucson, AZ. At this time, 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 or contractor representatives to the Republic of Korea.

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

## Transmittal No. 16-83

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

1. The AGM-65G-2 Maverick is an air-to-ground close air support missile with a lock on before launch day or night capability. The G model has an imaging infrared (IIR) guidance system. The infrared Maverick G can track heat generated by a target and provides the pilot a pictorial display of the target during darkness and hazy or inclement weather. The warhead on the Maverick G is a heavyweight penetrator warhead. Maverick hardware is UNCLASSIFIED. Performance and operating logic of the countermeasures circuits are SECRET. Overall system classification is SECRET.

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 effectiveness or be used in the development of a system with similar or advanced capabilities.

3. This sale is necessary to further the U.S. foreign policy and national security objectives outlined in the Policy Justification. Moreover, the benefits derived from this sale, as outlined in the Policy Justification, outweigh the potential damage that could result if the sensitive technology were revealed to unauthorized persons.

4. All defense articles and services listed in this transmittal have been authorized for release and export to the Republic of Korea.

[FR Doc. 2017-02704 Filed: 2/8/2017 8:45 am; Publication Date: 2/9/2017]