



Billing Code: 5001-06

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**[Transmittal No. 17-44]**

**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:** Pamela Young, (703) 697-9107, [pamela.a.young14.civ@mail.mil](mailto:pamela.a.young14.civ@mail.mil) or Kathy Valadez, (703) 697-9217, [kathy.a.valadez.civ@mail.mil](mailto:kathy.a.valadez.civ@mail.mil); DSCA/DSA-RAN.

**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 17-44 with attached Policy Justification and Sensitivity of Technology.

Dated: October 18, 2017.

**Aaron Siegel,**

*Alternate OSD Federal Register Liaison Officer,*

*Department of Defense.*



DEFENSE SECURITY COOPERATION AGENCY  
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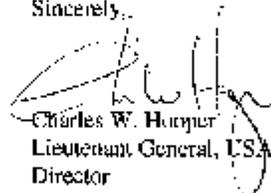
The Honorable Paul D. Ryan  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

SEP 29 2017

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. 17-44, concerning the Air Force's proposed Letter(s) of Offer and Acceptance to the Commonwealth of Australia for defense articles and services estimated to cost \$815 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,



Charles W. Humpal  
Lieutenant General, USA  
Director

Enclosures:

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



## Transmittal No. 17-44

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 Australia

(ii) Total Estimated Value:

Major Defense Equipment*	\$661 million
Other	<u>\$154 million</u>
TOTAL	\$815 million

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

Major Defense Equipment (MDE):

Up to three thousand nine hundred (3,900) GBU-53/B Small Diameter Bomb Increment II (SDB II)

Up to thirty (30) GBU-53/B Guided Test Vehicles (GTV)

Up to sixty (60) GBU-53/B Captive Carry Reliability Trainers (CCRT)

Non-MDE:

Also included in this sale are Weapon Load Crew Trainers (WLCT), Practical Explosive Ordnance Disposal Trainers (PEST), containers, support and ground crew test equipment, site survey, transportation, warranties, repair and return, maintenance, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor representative engineering, logistics, and technical support services, and other related elements of logistics and program support.

(iv) Military Department: Air Force (X7-D-YAH)

(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: September 29, 2017

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

## POLICY JUSTIFICATION

### Australia –GBU-53/B Small Diameter Bomb Increment II (SDB II)

The Government of Australia has requested a possible sale of up to three thousand nine hundred (3,900) GBU-53/B Small Diameter Bomb Increment II (SDB II), up to thirty (30) GBU-53/B Guided Test Vehicles (GTV), up to sixty (60) GBU-53/B Captive Carry Reliability Trainers (CCRT). Also included in this sale are Weapon Load Crew Trainers (WLCT), Practical Explosive Ordinance Disposal Trainers (PEST), containers, support and ground crew test equipment, site survey, transportation, warranties, repair and return, maintenance, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor representative engineering, logistics, and technical support services, and other related elements of logistics and program support. The estimated total case value is \$815 million.

This sale will support the foreign policy and national security of the United States by helping to improve the security of a major non-NATO ally that continues to be an important force for political stability and economic progress in the Western Pacific. It is vital to the U.S. national interest to assist our ally in developing and maintaining a strong and ready self-defense capability.

The proposed sale of SDB II supports and complements the ongoing sale of the F-35A to the Royal Australian Air Force (RAAF). This capability will strengthen combined operations, particularly air to ground strike missions in all-weather conditions, and increase interoperability between the United States and the RAAF. Australia will have no difficulty absorbing this equipment into its armed forces.

The proposed sale will improve Australia's F-35 survivability and will enhance its capability to deter global threats, strengthen its homeland defense and cooperate in coalition defense initiatives.

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

The principal contractor will be Raytheon Missile Systems, Tucson, AZ. 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 Australia.

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

## Transmittal No. 17-44

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 GBU-53/B Small Diameter Bomb Increment II (SDB II) is a 250-lb class precision-guided air-to-ground munition used to defeat moving or mobile targets through adverse weather from standoff range. SDB II has deployable wings and fins and uses Inertial Navigation System/Global Positioning System (INS/GPS) guidance, network-enabled datalink, (Link-16 and UHF) and a multi-mode seeker to autonomously search, acquire, track, and defeat targets from a standoff range. SDB II employs a multi-effects warhead for maximum lethality against armored and soft targets. Sensitive areas include operating manuals and maintenance technical orders containing performance information, operating and test procedures, and other information related to support operations and repair. The GBU-53/B SDB II hardware, including guidance, multi-mode seeker, and datalink, is UNCLASSIFIED. The software is UNCLASSIFIED.

- a. SDB II Guided Test Vehicles (GTV) are telemetry test vehicles used for land or sea range based testing of the SDB II weapons system. The GTV have common flight characteristics of an SDB II but with an inert warhead. In place of the multi-effects warhead is a Flight Termination, Tracking, and Telemetry (FTTT) subassembly that mirrors the multi-effects warhead's size and mass properties, but provides safety flight termination, free flight tracking and telemetry, and transmission of encrypted data from the vehicle to the ground. The SDB II GTV can have either inert or live fuses. All other flight control, guidance, data-link, and seeker functions are representative of the SDB II. The hardware, including guidance, multi-mode seeker, and datalink, is UNCLASSIFIED. The software is UNCLASSIFIED.
- b. SDB II Captive Carry Reliability Test (CCRT) vehicles are SDB II variants primarily used for captive flight reliability testing. The CCRT has common characteristics of an SDB II but with an inert warhead and fuze. The CCRT does not have an FTTT subassembly in place of the warhead; it instead uses ballast to mimic the warhead's mass properties. The CCRT is a flight capable representative of the SDB II and, although not its primary objective, could be dropped as a test round on ranges not requiring telemetry, digital tracking, or a Flight Termination System (FTS). All other flight control, guidance, data-link, and seeker functions are representative of the SDB II. The hardware, including guidance, multi-mode seeker, and datalink, is UNCLASSIFIED. The software is UNCLASSIFIED.

2. If a technologically advanced adversary obtains knowledge of the specific hardware and

software elements, the information could be used to develop countermeasures or equivalent systems that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

3. A determination has been made that the Commonwealth of Australia 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.

4. All defense articles and services listed in this transmittal are authorized for release and export to the Commonwealth of Australia.

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