



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 17-45]

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 or Kathy Valadez, (703) 697-9217, 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 17-45 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
201 12TH STREET SOUTH, SITE 203
ARLINGTON, VA 22202-5408

AUG 30 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. 17-45, concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Australia for defense articles and services estimated to cost \$360 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 blue ink, appearing to read "Charles W. Hooper".

Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

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



Transmittal No. 17-45

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*	\$ 0 million
Other	<u>\$360 million</u>
TOTAL	\$360 million

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

Major Defense Equipment (MDE): None

Non-MDE includes:

Ten-year upgrade program for twenty-four (24) MH-60R Multi-Mission Helicopters and associated training devices, spare and repair parts, support and test equipment, engineering and technical services, U.S. Government and contractor engineering, technical and logistics support services, Engineering Change Proposals (ECPs), ECPs for training devices, classified software (JMPS/MDLs), Engineering Technical Assistance (ETA), Logistics Technical Assistance (LTA), Other Technical Assistance (OTA), supply support, support equipment, and other related elements of logistics and program support.

(iv) Military Department: Navy (AT-P-GRS)

(v) Prior Related Cases, if any: AT-P-GXO, AT-P-SCF, AT-P-GTC

(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: August 30, 2017

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

POLICY JUSTIFICATION

Australia – Upgrade Program for (24) MH-60R Multi-Mission Helicopters

The Government of Australia has requested a follow-on case for a possible ten-year upgrade program for twenty-four (24) MH-60R Multi-Mission Helicopters and associated training devices, spare and repair parts, support and test equipment, engineering and technical services, U.S. Government and contractor engineering, technical and logistics support services, Engineering Change Proposals (ECPs), ECPs for training devices, classified software (JMPS/MDLs), Engineering Technical Assistance (ETA), Logistics Technical Assistance (LTA), Other Technical Assistance (OTA), supply support, support equipment, and other related elements of logistics and program support. The total estimated program cost is \$360 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 upgrades to the MH-60R helicopters will improve Australia's antisubmarine and surface warfare capability, provide an improved search and rescue capability, enhance its anti-ship surveillance capability, and will help it carry out international commitments for transport, surveillance, and search and rescue operations with the United States and other allies. The proposed upgrades will also provide Australia the resources necessary to properly maintain its multi-mission helicopters. Australia will have no difficulty absorbing this equipment into its armed forces.

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

The principal contractor will be Sikorsky, a Lockheed Martin Company, Stratford, CT and Lockheed Martin, Owego, NY. There are no offsets 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 Australia.

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

Transmittal No. 17-45

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 Commonwealth of Australia requirement for spiral upgrades to the twenty-four (24) Multi-Mission MH-60R Helicopters could include:

- a. Mission Capability Areas: Surface Warfare/Surveillance/Flight Management, Navigation & Communication/Data Management & Fusion
- b. Mission Capability Areas: Anti-Submarine Warfare/Flight Management, Navigation & Communication
- c. Mission Capability Areas: Flight Management, Navigation & Communication/Data Management & Fusion
- d. Mission Capability Areas: Flight Management, Navigation & Communication/Data Management & Fusion/Air Vehicle Service Life
- e. Mission Capability Areas for Development: Kinematic Performance/Airborne Survivability
- f. Mission Capability Areas for Development: Obsolescence Management
- g. Mission Capability Areas: Surveillance/Data Management & Data/Air Vehicle Service Life
- h. Software Lab
- i. USN Test Maintenance Cost

2. The spiral development case may contain sensitive technology; however, defined requirements are not known at this time and will be assessed on a case by case basis.

3. A determination has been made that 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 have been authorized for release and export to Australia.

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