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**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**[Transmittal No. 20-04]**

**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:** Karma Job at [karma.d.job.civ@mail.mil](mailto:karma.d.job.civ@mail.mil) or (703) 697-8976.

**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 20-04 with attached Policy Justification and Sensitivity of Technology.

Dated: June 24, 2020.

**Aaron T. Siegel,**

*Alternate OSD Federal Register Liaison Officer,*

*Department of Defense.*



**DEFENSE SECURITY COOPERATION AGENCY**  
201 12<sup>TH</sup> STREET SOUTH, SUITE 101  
ARLINGTON, VA 22202-5408

April 30, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
H-209, The Capitol  
Washington, DC 20515

Dear Madam 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. 20-04 concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Republic of the Philippines for defense articles and services estimated to cost \$450 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 "C. Hooper", is written over the typed name and title.

Charles W. Hooper  
Lieutenant General, USA  
Director

Enclosures:

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

Transmittal No. 20-04

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 the Philippines

(ii) Total Estimated Value:

Major Defense Equipment*	\$375 million
Other	<u>\$ 75 million</u>
TOTAL	\$450 million

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

Major Defense Equipment (MDE):

Six (6) AH-1Z Attack Helicopters

Fourteen (14) T-700 GE 401C Engines (12 installed, 2 spares)

Seven (7) Honeywell Embedded Global Positioning Systems/Inertial Navigation (EGIs) w/Precise Positioning Service (PPS) (6 installed, 1 spare)

Six (6) AGM-114 Hellfire II Missiles

Twenty-six (26) Advanced Precision Kill Weapon System (APKWS) All Up Rounds

Non-MDE:

Also included is communications equipment, electronic warfare systems, AN/AAR-47 Missile and Laser Warning System, AN/ALE-47 Countermeasure Dispenser System, AN/APR-39 Radar Warning Receiver, seven (7) M197 20mm machine guns (6 installed, 1 spare), Target Sight System (TSS), 5,000 20mm Semi-Armor Piercing High Explosive Incendiary (SAPHEI) rounds, two (2) AIM-9M Sidewinder training missiles, MJU-32 and MJU-38 Magnesium Teflon pyrotechnic decoy flares, flight training device, LAU-68 rocket launchers, LAU-61 rocket launchers, support equipment, spare engine containers, spare and repair parts, tools and test equipment, technical data and publications, personnel training and training equipment, U.S. government and contractor engineering, technical, and logistics support services, and other related elements of logistics and program support.

(iv) Military Department: Navy (PI-P-SAB)

(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: **April 30, 2020**

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

## POLICY JUSTIFICATION

### Philippines – AH-1Z Attack Helicopters and Related Equipment and Support

The Government of the Philippines has requested to buy six (6) AH-1Z attack helicopters; fourteen (14) T-700 GE 401C engines (12 installed, 2 spares); seven (7) Honeywell Embedded Global Positioning Systems/Inertial Navigation (EGIs) w/Precise Positioning Service (PPS) (6 installed, 1 spare); six (6) AGM-114 Hellfire II missiles; and twenty six (26) Advanced Precision Kill Weapon System (APKWS) all up rounds. Also included is communications equipment; electronic warfare systems, AN/AAR-47 Missile and Laser Warning System, AN/ALE-47 Countermeasure Dispenser System, AN/APR-39 Radar Warning Receiver, seven (7) M197 20mm machine guns (6 installed, 1 spare), Target Sight System (TSS), 5,000 20mm Semi-Armor Piercing High Explosive Incendiary (SAPHEI) rounds, two (2) AIM-9M Sidewinder training missiles, MJU-32 and MJU-38 Magnesium Teflon pyrotechnic decoy flares, flight training device, LAU-68 rocket launchers, LAU-61 rocket launchers, support equipment, spare engine containers, spare and repair parts, tools and test equipment, technical data and publications, personnel training and training equipment, U.S. government and contractor engineering, technical, and logistics support services, and other related elements of logistics and program support. The estimated cost is \$450 million.

This proposed sale will support the foreign policy and national security of the United States by helping to improve the security of a friendly country that continues to be an important force for political stability, peace, and economic progress in South-East Asia.

The Philippines is considering either the AH-1Z or the AH-64E to modernize its attack helicopter capabilities. The proposed sale will assist the Philippines in developing and maintaining strong self-defense, counterterrorism, and critical infrastructure protection capabilities. The Philippines will have no difficulty absorbing this equipment and support into its armed forces.

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

The principal contractors will be Bell Helicopter, Textron, Fort Worth, Texas; and General Electric Company, Lynn, Massachusetts. Offsets may be a requirement of doing business in the Philippines; however, offsets are negotiated directly between the Original Equipment Manufacturers or other vendors and the Government of the Philippines, and further details are not known at this time.

Implementation of this proposed sale will require multiple trips by U.S. Government and contractor representatives to participate in program and technical reviews plus training and maintenance support in country, on a temporary basis, for a period of twenty-four (24) months.

It will also require one (1) contractor support representative to reside in country for a period of two (2) years to support this program.

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

Transmittal No. 20-04

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 following components and technical documentation for the AH-1Z helicopter program are classified as listed below:

a. The Z-model has an integrated avionics system (IAS) which includes two (2) mission computers and an automatic flight control system. Each crew station has two (2) 8x6-inch multifunction liquid crystal displays (LCD) and one (1) 4.2x4.2-inch dual function LCD display. The communications suite will have Ultra High Frequency Very High Frequency (UHF/VHF) radios with associated communications equipment. The navigation suite includes a Precise Positioning System (PPS), Honeywell embedded GPS inertial navigation system (EGI), a digital map system and a low-air-speed air data subsystem, which allows weapons delivery when hovering.

b. The crew is equipped with the Optimized Top Owl (OTO) helmet-mounted sight and display system. The OTO has a Day Display Module (DDM) and a Night Display Module (NDM). The AH-1Z has survivability equipment including the AN/AAR-47 Missile Warning and Laser Detection System, AN/ALE-47 Counter Measure Dispensing System (CMDS) and the AN/APR-39 Radar Warning Receiver (RWR) to cover countermeasure dispensers, radar warning, incoming/on-way missile warning and on-fuselage laser-spot warning systems.

c. The following performance data and technical characteristics are classified as annotated:

**AH-1Z Airframe**

- |   |        |
|---|--------|
| - Countermeasure capability   | SECRET |
| - Counter-countermeasures capability  | SECRET |
| - Vulnerability to countermeasures  | SECRET |
| - Vulnerability to electromagnetic pulse from nuclear environmental effects | SECRET |

- Radar signature SECRET
- Infrared signature SECRET
- Acoustic signature CONFIDENTIAL
- Ultraviolet signature SECRET
- Mission effectiveness against threats CONFIDENTIAL

**Other Systems**

- Tactical Air Moving Map Capability (TAMMAC) Up to SECRET
- Honeywell Embedded GPS & INS (EGI) w/PPS Up to SECRET
- APX-123 IFF Transponder Up to SECRET
- DVR Up to SECRET
- APR-39 Radar Warning System (RWS) Up to SECRET
- AN/AAR-47 Missile/Laser Warning System (MLWS) Up to SECRET
- AN/ALE-47 Countermeasures Dispenser Set (CMDS) Up to 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 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 Republic of the Philippines 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 the Republic of the Philippines.

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