that which is necessary for the operation, maintenance, and repair (through intermediate level) of the data link terminal, installed systems, and related software.

4. The AN/ALE–47 Counter-Measures Dispensing System (CMOS) is an integrated, threat-adaptive, software-programmable dispensing system capable of dispensing chaff, flares, and active radio frequency expendables. The threats countered by the CMOS include radar-directed anti-aircraft artillery (AAA), radar command-guided missiles, radar homing guided missiles, and infrared (IR) guided missiles. The system is internally mounted and may be operated as a stand-alone system or may be integrated with other on-board EW and avionics systems. The AN/ALE–47 uses threat data received over the aircraft interfaces to assess the threat situation and to determine a response. Expendable routines tailored to the immediate aircraft and threat environment may be dispensed using one of four operational modes. Hardware is UNCLASSIFIED. Technical data and documentation to be provided is UNCLASSIFIED.

5. The AN/AAR–47A(V)2 Missile Warning System is a small, lightweight, passive, electro-optic, threat warning device used to detect surface-to-air missiles fired at helicopters and low-flying fixed-wing aircraft and automatically provide countermeasures, as well as audio and visual-sector warning messages to the aircrew. The basic system consists of multiple Optical Sensor Converter (OSC) units, a Computer Processor (CP) and a Control Indicator (Cl). The set of OSC units, which normally consist of four, is mounted on the aircraft exterior to provide omni-directional protection. The OSC detects the rocket plume of missiles and sends appropriate signals to the CP for processing. The CP analyses the data from each OSC and automatically deploys the appropriate countermeasures. The CP also contains comprehensive BIT circuitry. The CI displays the incoming direction of the threat, so that the pilot can take appropriate action. Hardware is UNCLASSIFIED. Technical data and documentation to be provided is UNCLASSIFIED.

6. The AN/ALR–56M Advanced Radar Warning Receiver continuously detects and intercepts RF signals in certain frequency ranges and analyzes and separates threat signals from non-threat signals. It contributes to full-dimensional protection by providing individual aircraft probability of survival through improved aircrew situational awareness of the radar guided threat environment. The ALR–56M is designed to provide improved performance in a dense signal environment and improved detection of modern threats signals. Hardware is UNCLASSIFIED. Technical data and documentation to be provided is UNCLASSIFIED.

7. An AN/APX–114/119 Identification Friend or Foe (IFF) combined transponder interrogator system is UNCLASSIFIED unless Mode 4 or 5 operational evaluator parameters, which are SECRET, are loaded into the equipment.

8. Joint Mission Planning System (JMPS) is a multi-platform PC based mission planning system. JMPS hardware is UNCLASSIFIED but the software is classified up to SECRET.

9. This sale will involve the release of sensitive and/or classified cryptographic equipment for secure communications radios, precision navigation, and cryptographic appliques and keying equipment. The hardware is UNCLASSIFIED, except where systems are loaded with cryptographic software, which may be classified up to SECRET.

10. 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.

11. A determination has been made that the recipient country 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.

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

[FR Doc. 2018–16318 Filed 7–30–18; 8:45 am]

BILLING CODE 5001–06–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 18–12]

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: DSCA at *dsca.ncr.lmo.mbx.info@mail.mil* or (703) 697–9709.

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 18–12 with attached Policy Justification and Sensitivity of Technology.

Dated: July 26, 2018.

Shelly E. Finke,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001–06–P

DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

APR 2 4 2018

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. 18-12, concerning the Army's proposed Letter(s) of Offer and Acceptance to the Government of the Netherlands 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,

Charles W. Hooper
Lieutenant General, USA
Director

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

BILLING CODE 5001–06–C

Transmittal No. 18–12

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 the Netherlands*

(ii) *Total Estimated Value:*

Major Defense Equipment *	$60 million
Other	$10 million
TOTAL	$70 million

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

Major Defense Equipment (MDE): Three thousand five hundred (3,500) M1156 Precision Guided Kit (PGK)

Non-MDE: Also included are six (6) PGK settable trainers; two (2) PGK cut away models; one hundred (100) M76 PGK fuze wrenches; ten (10) Extended Length Artillery Projectile Extractors (ELAPEs); PGK technical data and publications; U.S. Government engineering and technical support services; and other related elements of logistics and program support.

(iv) *Military Department:* Army (NE–B–WKA)

(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 24, 2018

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

POLICY JUSTIFICATION

Netherlands—M1156 Precision Guided Kits

The Netherlands has requested to buy three thousand five hundred (3,500) M1156 Precision Guided Kits. Also included are six (6) PGK settable trainers; two (2) PGK cut away models; one hundred (100) M76 PGK fuze wrenches; ten (10) Extended Length Artillery Projectile Extractors (ELAPEs); PGK technical data and publications; U.S. Government engineering and technical support services; and other related elements of logistics and program support. The estimated total cost is $70 million.

This proposed sale will support the foreign policy and national security objectives of the United States by helping to improve the security of the Netherlands which is an important force for political stability and economic progress in Europe. It is important to the U.S. national interests to assist the Netherlands to develop and maintain a strong and ready self-defense capability. The Netherlands has been a consistent coalition partner supporting the United States in various coalition combat operations to include counter-ISIS, Stabilization Force in Iraq, and Afghanistan.

The proposed sale of PGK will provide a precision guided capability to 155mm artillery projectiles and improve Netherlands's capability to meet current and future enemy threats. The Netherlands will use the enhanced capability to strengthen its homeland defenses, deter regional threats, and provide direct support to coalition and security cooperation efforts. The Netherlands will have no difficulty absorbing this equipment into its armed forces.

The proposed sale of this equipment will not impact the basic military balance in the region.

The principal contractor will be Orbital ATK. There are no known offset agreements proposed in connection with this potential sale. The purchaser typically requests offsets. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this sale will not require the assignment of any additional U.S. or contractor representatives to the Netherlands.

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

Transmittal No. 18–12

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act, as amended

Annex

Item No. vii

(vii) *Sensitivity of Technology:*

1. The M1156 Precision Guidance Kit (PGK) is a Global Positioning System (GPS) Precise Positioning Service (PPS) guided 155mm artillery projectile fuze. This effort includes the qualification of PGK on the Assegai M1711 Insensitive High Explosive (IHE) Base Bleed (BB) projectile with modular charges DM92 Charge 6 and PGK on the Assegai M1712 IHE Boat Tail (BT) projectile with modular charges DM92 Charges 5 and 6, both fired from the Netherlands' PzH 2000 self-propelled howitzer.

2. The M1156 utilizes the Enhanced Portable Electronic Fuze Setter (EPEFS) to set the PGK and the Portable Electronic Fire Control System (PEFCS) both purchased previously under a previous Excalibur FMS case. The PEFCS contain an Improved Platform Integration Kit (MK) to load GPS coordinates. Both the PGK and PEFCS contain the Selective Availability Anti-Spoofing Module (SAASM). The PGK has 90% commonality with the Army's XM395 Accelerated Precision Mortar Initiative (APMI). The PGK (the end-item) is unclassified. Transfer of the PGK may reveal information up to SECRET.

3. The M1156 utilizes the Army's M782 Multi-Option for Artillery (MOFA) Proximity Height of Burst (HOB) Technology. The HOB sensor is comprised of components with technologies deemed as state of the art, requiring specialized production skills. The sensitive/critical technology is primarily in the design, development, production and manufacturing of the components (integrated circuits and assembly), and the integration methodology required to integrate those components onto an assembly to process embedded (the software-algorithm-working parameters). The HOB technology is classified SECRET.

4. Disclosure of this technology could result in an adversary developing countermeasures, thus lessening the effect of the projectile. Disclosure of test data, countermeasures, vulnerability/susceptibility analyses and threat definition could all aid reverse engineering and could be used by an adversary for possible use against U.S. and Coalition forces. Compromise could jeopardize the U.S. forces inventory through jammer development by adversaries. The risk of compromise has been accessed as moderate. Risk is reduced for fuze/munitions if adequately controlled and protected in storage and on the battlefield. Risk is mitigated by the prevention of disclosure of sensitive classified information (the know-how, software, and associated documentation).

5. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

6. A determination has been made that the Netherlands can provide the same degree of protection for the sensitive technology being release 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.

7. All defense articles and services listed in this transmittal have been

authorized for release and export to the Netherlands.

[FR Doc. 2018–16316 Filed 7–30–18; 8:45 am]

BILLING CODE 5001–06–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 18–03]

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: DSCA at *dsca.ncr.lmo.mbx.info@mail.mil* or (703) 697–9709.

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 18–03 with attached Policy Justification and Sensitivity of Technology.

Dated: July 26, 2018.

Shelly E. Finke,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001–06–P