

*Defense Services Proposed to be Sold:*  
See Attached annex.

(viii) *Date Report Delivered to Congress:* 9 AUG 2016

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

#### **POLICY JUSTIFICATION**

##### **NATO Support and Procurement Agency—Precision Guided Munitions**

NATO Support and Procurement Agency as Lead Nation has requested a possible sale of precision guided munitions for subsequent retransfer to Belgium, Czech Republic, Denmark, Greece, Netherlands, Norway, Portugal, and Spain. Included are: five hundred (500) Joint Direct Attack Munition (JDAM) Guidance Kits, KMU-556 F/B; forty (40) JDAM Guidance Kits, KMU-557 F/B; one thousand five hundred (1,500) JDAM Guidance Kits, KMU-572 F/B; one thousand (1,000) MAU 210 E/B Computer Control Groups for 1,000-lb. Enhanced Paveway IIs; three hundred (300) MAU 210 E/B Computer Control Groups for GBU-49s; one thousand twenty-five (1,025) MAU 169 L/B Computer Control Groups for GBU-12s; one thousand three hundred fifty (1,350) Joint Programmable Fuzes, FMU-152 A/B; sixty (60) Bomb Fin Assembly and Airfoil Group 650-MXU K/B for GBU-12s; one thousand twenty-five (1,025) Bomb Fin Assembly and Airfoil Group, MXU-650 K/B AFG for GBU-12s. It also includes Detector Sensing Unit (DSU)-38A/B Laser sensors; DSU-33D/B proximity sensors; Wireless Paveway Avionics Kit (WIPAK) interfaces for Enhanced Paveway II bombs; FMU-139C/B electronic bomb fuzes; repair and return services; transportation; engineering services; and other support services. The estimated value is \$231 million.

The proposed sale improves NATO members' capability to meet current and future ground threats with precision. They will use the enhanced capacity as a deterrent to regional threats, and to increase interoperability within contingency operations. Many of the purchasing nations already have precision-guided munitions in their inventories and will have no difficulty absorbing these additional munitions.

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

The prime contractors for production are the Boeing Corporation of St Louis, Missouri, and Raytheon Missile Systems of Tucson, Arizona. 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 NATO.

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

Transmittal No. 16-30

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 Joint Direct Attack Munition (JDAM) is a guidance kit that converts existing unguided free-fall bombs into precision-guided "smart" munitions. By adding a new tail section containing Inertial Navigation System (INS)/Global Positioning System (GPS) guidance to existing inventories of BLU-109, BLU-111, and BLU-117, or MK-84 and MK-82 bombs, the cost effective JDAM provides highly accurate weapon delivery in any "flyable" weather. The INS, using updates from the GPS, helps guide the bomb to the target via the use of movable tail fins. The bomb is fitted with the MXU-650 airfoil and the MAU-169 L/B Computer Control Group (CCG) or the MAU-210E/B to guide to its laser-designated target. The JDAM All Up Round (AUR) and all of its components are UNCLASSIFIED; technical data for JDAM are classified up to SECRET. Weapon accuracy is dependent on target coordinates and present position as entered into the guidance control unit. After weapon release, movable tail fins guide the weapon to the target coordinates.

2. The KMU-556 F/B, KMU-557 F/B and the KMU-572 F/B are the tail kits for the GBU-31. They contain a GPS Receiver Card with Selective Availability Anti-Spoofing Module (SAASM). Information revealing SAASM implementation details such as number or length of keying variables, circuit diagrams, specific quantitative measures, functions, and capabilities is classified SECRET.

3. The DSU-38A/B Laser Sensor uses both GPS-aided inertial navigations and/or Laser guidance to execute threat targets. The Laser sensor enhances standard JDAM's reactive target capability by allowing rapid prosecution of fixed targets with large initial target location errors (TLE). The DSU-38A/B Laser sensor also provides the additional capability to engage mobile targets moving up to 70 mph. The DSU-38 Laser sensor is a strap down (non-gimbaled) sensor that attaches to the Mk-82 or BLU-111 bomb body in the forward fuze well. The addition of the DSU-38 Laser sensor combined with

additional cabling and mounting hardware turns a standard GBU-38 JDAM into a GBU-54 Laser JDAM. Information revealing target designation tactics and associated aircraft maneuvers, the probability of destroying specific/peculiar targets, vulnerabilities regarding countermeasures and the electromagnetic environment is classified SECRET. Information revealing the probability of destroying common/unspecified targets, the number of simultaneous lasers the laser seeker head can discriminate, and data on the radar/infra-red frequency is classified CONFIDENTIAL.

4. The FMU-152 fuze is a Multi-Delay, Multi-Arm and Proximity Sensor compatible with General Purpose Blast, Fragmentation and Hardened-Target Penetrator Warheads. It is cockpit selectable in-flight (prior to release) when used with JDAMS weapons. It can interface with the following weapons: GBU-10, GBU-12, GBU-15, GBU-16, GBU-24, GBU-27, GBU-28, GBU-31, GBU-32, GBU-38, and AGM-130.

5. If a technologically advanced adversary obtained 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 NSPA and the participating countries 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.

7. All defense articles and services listed in this transmittal have been authorized for release and export to NATO, Belgium, Czech Republic, Denmark, Greece, Netherlands, Norway, Portugal, and Spain.

[FR Doc. 2016-20122 Filed 8-22-16; 8:45 am]

**BILLING CODE 5001-06-P**

## **DEPARTMENT OF DEFENSE**

### **Office of the Secretary**

[Transmittal No. 16-50]

### **36(b)(1) Arms Sales Notification**

**AGENCY:** Defense Security Cooperation Agency, Department of Defense.

**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:**  
Chandelle K. Parker, DSCA/OGC, (703) 697-9027.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 16-50 with attached Policy Justification and Sensitivity of Technology.

Dated: August 18, 2016.  
**Aaron Siegel,**  
*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 22202-5406

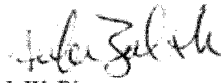
JUL 15 2016

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. 16-50, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to the Government of Argentina for defense articles and services estimated to cost \$300 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,

  
J. W. Rixey  
Vice Admiral, USN  
Director

Enclosures:

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



Transmittal No. 16–50

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 Argentina

(ii) *Total Estimated Value:*

Major Defense Equipment *	\$196 million
Other .....	\$104 million

TOTAL .....	\$300 million
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(iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:*

*Major Defense Equipment (MDE):*

Twenty-four (24) T–6C+ Texan trainer aircraft

*Non-Major Defense Equipment (MDE):*

This request includes the following Non-MDE: Spare engines, initial spare parts, support equipment, communications equipment, studies and surveys, contract logistics support and technical services, aircraft technical publications, aircraft ferry and support, life support equipment, initial maintenance training, initial pilot training, follow-on training, alternate mission equipment, Air Force Materiel Command services and travel, unclassified minor modifications and engineering change proposals, ground-based training system, operational flight trainer (OFT) and OFT spare parts.

(iv) *Military Department:* Air Force (AR–D–SAI)

(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:* 15 JULY 2016

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

#### POLICY JUSTIFICATION

##### Argentina—T–6C+ Texan aircraft

The Government of Argentina has requested a possible sale of twenty-four (24) T–6C+ Texan trainer aircraft, spare engines, initial spare parts, support equipment, communications equipment, studies and surveys, contract logistics support and technical services, aircraft technical publications, aircraft ferry and support, life support equipment, initial maintenance training, initial pilot training, follow-on training, alternate mission equipment, Air Force Materiel Command services and travel, unclassified minor modifications and engineering change proposals, ground-based training system, operational flight trainer (OFT) and OFT spare parts. The estimated value is \$300 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a major non-NATO ally. This potential sale will provide additional opportunities for bilateral engagements and further strengthen the bilateral relationship between the United States and Argentina.

The Argentine military has embarked on an ambitious path toward modernizing its military materiel. The proposed sale will revitalize Argentina's capability to train its pilots and fulfill border control missions, especially along its porous northern border. The Argentine Air Force (AAF) will use the enhanced capability to redevelop a professional pilot corps and as a deterrent to illicit activity. The AAF is very experienced working with the Pratt & Whitney PT6 family of engines which they currently have on their T–34, King Air, and Cessna Caravan aircraft. Given the logistical commonalities with the aircraft already in its fleet, the AAF will be able to support and field the new T–6C+.

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

The prime contractor will be Beechcraft Defense Company, LLC, of Wichita, Kansas. The purchaser requested offsets. At this time, agreements are undetermined and will be defined in negotiations between the purchaser and contractor.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Argentina. The AAF plan is to initially train a cadre of mechanics in the United States, then a larger group in country via military training teams.

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

Transmittal No. 16–50

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 T–6C+ is a single engine turboprop trainer aircraft modified with an embedded virtual weapons training, simulation, and no-drop scoring capability, and is UNCLASSIFIED. The simulation and scoring capability is primarily designed to teach air-to-ground operations. The T–6C+ also includes the capability to carry mounted

external fuel tanks and employ lightweight training weapons.

2. All defense articles and services listed in this transmittal have been authorized for release and export to the Government of Argentina.

[FR Doc. 2016–20104 Filed 8–22–16; 8:45 am]

BILLING CODE 5001–06–P

## DEPARTMENT OF DEFENSE

### Office of the Secretary

#### TRICARE; Fiscal Year (FY) 2017 Continued Health Care Benefit Program (CHCBP) Quarterly Premium Update

**AGENCY:** Office of the Secretary, Department of Defense.

**ACTION:** Notice of CHCBP quarterly premiums for FY 2017.

**SUMMARY:** This notice provides the CHCBP quarterly premiums for FY 2017.

**DATES:** The Fiscal Year 2017 rates contained in this notice are effective for services on or after October 1, 2016.

**ADDRESSES:** Defense Health Agency (DHA), TRICARE Health Plan, 7700 Arlington Boulevard, Suite 5101, Falls Church, Virginia 22042–5101.

**FOR FURTHER INFORMATION CONTACT:** Mark A. Ellis, telephone (703) 681–0039.

**SUPPLEMENTARY INFORMATION:** The final rule published in the **Federal Register** (FR) on September 30, 1994 (59 FR 49818) sets forth rules to implement the CHCBP required by Title 10, United States Code, Section 1078a. Included in this final rule were provisions for updating the CHCBP premiums for each federal FY. As stated in the final rule, the premiums are based on Federal Employee Health Benefit Program employee and agency contributions required for a comparable health benefits plan, plus an administrative fee. Premiums may be revised annually and shall be published when the premium amount is changed.

The DHA has updated the quarterly premiums for FY 2017 as shown below:

#### Quarterly CHCBP Premiums for FY 2017

Individual \$1,372.00

Family \$3,087.00

The above premiums are effective for services rendered on or after October 1, 2016.