DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 10–38]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

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 21 July 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601–3740.

SUPPLEMENTARY INFORMATION: The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 10–38 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: November 9, 2010.

Morgan F. Park,

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

OCT 26 2010

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
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. 10-38, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Japan for defense articles and services estimated to cost $33 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

Richard A. Genaille, Jr.
Deputy Director

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

Transmittal No. 10-38

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: Japan

(ii) Total Estimated Value:

Major Defense Equipment*	$27 million
Other	$ 6 million
TOTAL	$33 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 13 SM-2 Block IIIB Tactical STANDARD missiles, 13 AN/DKT-71A Telemeters, conversion kits, containers, spare and repair parts, support equipment, U.S. Government and contractor engineering, technical, and logistics support services, and other related elements of logistics support.

(iv) Military Department: Navy (ARH)

(v) Prior Related Cases, if any: Numerous cases dating back to 1992

(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: OCT 26 2010

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

POLICY JUSTIFICATION

Japan – SM-2 Block IIIB STANDARD Missiles

The Government of Japan has requested a possible sale of 13 SM-2 Block IIIB Tactical STANDARD missiles, 13 AN/DKT-71A Telemeters, conversion kits, containers, spare and repair parts, support equipment, U.S. Government and contractor engineering, technical, and logistics support services, and other related elements of logistics support. The estimated cost is $33 million.

Japan is one of the major political and economic powers in East Asia and the Western Pacific and a key ally of the United States in ensuring the peace and stability of this region. The U.S. Government shares bases and facilities in Japan. It is vital to the U.S. national interest to assist Japan to develop and maintain a strong and ready self-defense capability. This proposed sale is consistent with these U.S. objectives and with the 1960 Treaty of Mutual Cooperation and Security.

The SM-2 missiles will be used on the Japan Maritime Self Defense Force fleet and will provide enhanced capabilities in providing defense of critical sea-lanes of communication. Japan has already integrated the SM-2 Block IIIB missiles into its ship combat systems. It maintains two Intermediate-Level Maintenance Depots capable of maintaining and supporting the SM-2. Japan will have no difficulty absorbing these additional missiles.

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

The prime contractors are Raytheon Missiles Systems Company in Tucson, Arizona, Raytheon Company in Camden, Arkansas, and United Defense, Limited Partnership in Aberdeen, South Dakota. There are no offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require any additional U.S. Government or contractor representatives in Japan.

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

Transmittal No. 10-38

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 possible sale of SM-2 Block IIIB STANDARD missiles will result in the transfer of sensitive technology and information as well as classified and unclassified defense equipment and technical data. The STANDARD missile hardware guidance section is classified Secret and the target detection device is classified Confidential. The warhead, rocket motor, steering control section, safe and arming device, auto-pilot battery unit, and telemeter are Unclassified. Certain operating frequencies and performance characteristics are classified Secret. Confidential documentation to be provided includes: parametric documents, general performance data, firing guidance, kinematics information, Intermediate Maintenance Activity (IMA)-level maintenance, and flight analysis procedures.

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 which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 10–43]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

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 21 July 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601–3740.

SUPPLEMENTARY INFORMATION: The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 10–43 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: November 9, 2010.

Morgan F. Park,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

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