



Billing Code: 5001-06

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**[Transmittal No. 19-13]**

**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 19-13 with attached Policy Justification and Sensitivity of Technology.

Dated: June 7, 2019.

**Aaron T. Siegel,**

*Alternate OSD Federal Register Liaison Officer,*

*Department of Defense.*



DEFENSE SECURITY COOPERATION AGENCY

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ARLINGTON, VA 22202-5408

APR 09 2019

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
11-209, 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. 19-13 concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Japan for defense articles and services estimated to cost \$1.150 billion. 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 "Ch Hooper".

Charles W. Hooper  
Lieutenant General, USA  
Director

Enclosures:

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

Transmittal No. 19-13

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 Japan

(ii) Total Estimated Value:

Major Defense Equipment*	\$1.054 billion
Other	<u>\$ .096 billion</u>
TOTAL	\$1.150 billion

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

Major Defense Equipment (MDE):

Up to fifty-six (56) Standard Missile-3 (SM-3) Block IB Missiles

Non-MDE:

Also included are missile canisters, U.S. Government and contractor representatives' technical assistance, engineering and logistical support services, and other related elements of logistics and program support.

(iv) Military Department: Navy (JA-P-ATY)

(v) Prior Related Cases, if any: JA-P-AUA

(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 9, 2019**

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

## POLICY JUSTIFICATION

### Japan – Standard Missile (SM)-3 Block IB

The Government of Japan has requested to buy up to fifty-six (56) Standard Missile-3 (SM-3) Block IB missiles. Also included are missile canisters, U.S. Government and contractor representatives' technical assistance, engineering and logistical support services, and other related elements of logistics and program support. The estimated cost is \$1.150 billion.

This proposed sale will support the foreign policy and national security of the United States by improving the security of a major ally that is a force for political stability and economic progress in the Asia-Pacific region. It is vital to U.S. national interests to assist Japan in developing and maintaining a strong and effective self-defense capability.

The proposed sale will provide Japan with increased ballistic missile defense capability to assist in defending the Japanese homeland and U.S. personnel stationed there. Japan will have no difficulty absorbing these additional missiles into its armed forces.

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

The prime contractor for the SM-3 Block IB All Up Rounds will be Raytheon Missile Systems, Tucson, Arizona. The prime contractor for the canisters will be BAE Systems, Minneapolis, Minnesota. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require annual trips to Japan involving U.S. Government and contractor representatives for technical reviews, support, and oversight for approximately five years.

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

Transmittal No. 19-13

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 proposed sale will involve the release of sensitive technology to the Government of Japan related to the Standard Missile-3 (SM-3):

The Block IB is an iteration of the SM-3 family. It has distinct features over the older Block IA variant previously sold to Japan including an enhanced warhead which improves the search, discrimination, acquisition and tracking functions in order to address emerging threats. Once enclosed in the canister, the SM-3 Block IB missile is classified  
CONFIDENTIAL.

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 Japan 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 are authorized for release and export to the Government of Japan.

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