



Billing Code: 5001-06

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**[Transmittal No. 18-44]**

**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 18-44 with attached Policy Justification and Sensitivity of Technology.

Dated: December 23, 2019.

**Aaron T. Siegel,**

*Alternate OSD Federal Register Liaison Officer,*

*Department of Defense.*



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

NOV 16 2018

The Honorable Paul D. Ryan  
Speaker of the House  
U.S. House of Representatives  
H-209, The Capitol  
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. 18-44, concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Japan for defense articles and services estimated to cost \$561 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".

Charles W. Hooper  
Lieutenant General, USA  
Director

Enclosures:

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



Transmittal No. 18-44

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*	\$524 million
Other	<u>\$ 37 million</u>
TOTAL	\$561 million

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

Major Defense Equipment (MDE):

Eight (8) Standard Missile-3 (SM-3) Block 1B Missiles

Thirteen (13) Standard Missile-3 (SM-3) Block 2A Missiles

Non-MDE:

Also included are SM-3 1B and 2A missile canisters, U.S. Government and contractor provided technical assistance, engineering and logistical support services, and other related elements of logistical and program support.

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

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

(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: **November 16, 2018**

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

## POLICY JUSTIFICATION

### Japan – Standard Missile-3 (SM-3) Missiles

The Government of Japan has requested to buy eight (8) Standard Missile-3 (SM-3) Block 1B Missiles and thirteen (13) Standard Missile-3 (SM-3) Block 2A Missiles. Also included are SM-3 1B and 2A missile canisters, U.S. Government and contractor provided technical assistance, engineering and logistical support services, and other related elements of logistical and program support. The total estimated program cost is \$561 million.

This proposed sale will contribute to 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 an 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 munitions and support into the Japan Maritime Self Defense Force (JMSDF).

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

The principal contractor for the SM-3 Block 1B and 2A All Up Rounds will be Raytheon Missile Systems, Tucson, Arizona. The prime contractor for the Mk-21 and Mk-29 canisters and PHS&T kits 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. 18-44

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):

a. The Block IB is an iteration of the SM-3 family. It has distinct advantages 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.

b. The ship- or ground-launched SM-3 Block IIA is the most recent iteration in the SM-3 family. It has two distinct new features: larger rocket motors that will allow it to defend broader areas from ballistic missile threats, and a larger kinetic warhead. The kinetic warhead has been enhanced, improving the search, discrimination, acquisition and tracking functions, to address emerging threats. Once enclosed in the canister, the SM-3 Block IIA missile is classified CONFIDENTIAL. The optics hardware and signal processor are classified SECRET.

2. If a technologically advanced adversary obtained knowledge of the specific hardware or software in the proposed sale, the information could be used to develop counter-measures which might reduce weapons 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 have been authorized for release and export to Japan.

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