

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 05-16]

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 Pub. L. 104-164 dated 21 July 1996.**FOR FURTHER INFORMATION CONTACT:** Ms. J. Hurd, DSCA/OPS-ADMIN, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 05-16 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: April 18, 2005.

Jeanette Owings-Ballard,
OSD Federal Register Liaison Officer,
*Department of Defense.***BILLING CODE 5001-06-M**

**In reply refer to:
I-05/002082**

**The Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, D.C. 20515-6501**

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. 05-16, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Australia for defense articles and services estimated to cost \$430 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,



Enclosures:

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

**Richard J. Millies
Deputy Director**

**Same ltr to: House Committee on International Relations
Senate Committee on Foreign Relations
House Committee on Armed Services
Senate Committee on Armed Services
House Committee on Appropriations
Senate Committee on Appropriations**

Transmittal No. 05-16**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: Australia**
- (ii) **Total Estimated Value:**
- | | |
|---------------------------------|-----------------------------|
| Major Defense Equipment* | \$410 million |
| Other | <u>\$ 20 million</u> |
| TOTAL | \$430 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: Standoff Land Attack Missile-Expanded Response Missile Systems (SLAM-ER) which includes up to 260 Operation, Telemetry, and Captive Air Training Missiles with containers; support equipment, integration and certification support, training missiles, containers, spares and repair parts, missile support and test equipment, provisioning, program management, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor technical and logistics personnel services, and other related elements of program support.**
- (iv) **Military Department: Navy (LCS)**
- (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 Annex attached**
- (viii) **Date Report Delivered to Congress:**

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

POLICY JUSTIFICATION

Australia – Standoff Land attack Missile-Expanded Response Missile Systems

The Government of Australia has requested a possible sale of Standoff Land Attack Missile-Expanded Response Missile Systems (SLAM-ER) which includes up to 260 Operation, Telemetry, and Captive Air Training Missiles with containers; support equipment, integration and certification support, training missiles, containers, spares and repair parts, missile support and test equipment, provisioning, program management, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor technical and logistics personnel services, and other related elements of program support. The estimated cost is \$430 million.

Australia is an important ally in the Western Pacific. The strategic location of this political and economic power significantly contributes to ensuring peace and economic stability in the region. It is vital to the U.S. national interest to assist the Royal Australian Air Force (RAAF) to maintain a strong and ready self-defense capability and contribute to an acceptable military balance in the area. This proposed sale will improve interoperability between RAAF and U. S. Navy (USN) forces. This proposed sale is consistent with those objectives and facilitates burden sharing with our allies.

Australia intends to use the SLAM-ER missile on its F/A-18 and AP-3C aircraft. The RAAF can easily integrate SLAM-ER into its concept of operations. The proposed sale of SLAM-ER to Australia will contribute to U.S. security objectives by providing a coalition partner with enhanced strike capability for its tactical fighter or maritime patrol fleets. This will improve the RAAF ability to participate in coalition operations, provide common logistical support with the USN, and enhance the lethality of its forces. Australia will have no difficulty absorbing these weapons into its armed forces.

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

The prime contractor will be the Boeing Company of St. Louis, Missouri. Although generally the purchaser requires offsets, at this time, there are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale may require the assignment of U.S. Government and contractor representatives to Australia to support the integration of the selected weapon into the Australian fleet, but the estimated number of representatives has not been determined at this time.

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

Australia is also considering a competing bid for Joint Air-to-Surface Stand Off Munition.

Transmittal No. 05-16**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 Standoff Land Attack Missile-Expanded Response (SLAM-ER) is a tactical weapon system with, a day/night, adverse weather, standoff air-to-surface capability. SLAM-ER provides an effective, long range, precision strike option for both pre-planned and Target of Opportunity attack missions effective against a wide range of land-based targets and with a secondary anti-ship role. SLAM-ER is a follow on to the SLAM missile that is no longer in production. It is a variant of the HARPOON missile that utilizes the Maverick Imaging Infrared seeker, a highly accurate, Globe Positioning System-aided guidance system for improved navigation, improved missile aerodynamic performance characteristics that allow both greater range and more effective terminal attack profiles; and a redesigned ordnance section for increased penetrating power and lethality. The system uses the AWW-13 data link for more user-friendly Man-in-the-Loop control and mission planning. SLAM-ER is the first weapon to feature Automatic Target Acquisition, a revolutionary technological breakthrough that will automate and improve target acquisition in cluttered scenes, and overcome most countermeasures and environmentally degraded conditions. These missiles are classified as Confidential. The support items are classified unclassified.

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 or equivalent systems 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 No. 05-15]

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Dated: April 18, 2005.

Jeannette Owings-Ballard,
OSD Federal Register Liaison Officer,
Department of Defense.

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