

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 06-29]

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. J. Hurd, DSCA/DBO/ADM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 06-29 with attached transmittal and policy justification.

Dated: May 25, 2006.

L.M. Bynum,
OSD Federal Register Liaison Officer,
*Department of Defense.***BILLING CODE 5001-06-M**



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

0 2 MAY 2006

In reply refer to:
I-06/004488

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. 06-29, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to Japan for defense articles and services estimated to cost \$147 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,

A handwritten signature in cursive script that reads "Richard J. Millies".

Richard J. Millies
Deputy Director

Enclosures:

1. Transmittal
2. Policy Justification

Same ltr to:

House
Committee on International Relations
Committee on Armed Services
Committee on Appropriations

Senate
Committee on Foreign Relations
Committee on Armed Services
Committee on Appropriations

Transmittal No. 06-29

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* | \$ 0 million |
| Other | <u>\$147 million</u> |
| TOTAL | \$147 million |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: four sets of Airborne Early Warning (AEW) and Command, Control and Communications (C³) mission equipment/Radar System Improvement Program (RSIP) Group A and B kits, for subsequent installation and checkout in four previously procured E-767 Airborne Warning and Control Systems (AWACS). In addition, this proposed sale will include related spare and repair parts, support equipment, publications and technical documentation, services and other related program elements to ensure complete AWACS mission equipment supportability.
- (iv) Military Department: Air Force (QDE)
- (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: None
- (viii) Date Report Delivered to Congress: 0 8 MAY 2006

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

POLICY JUSTIFICATION**Japan – Mission Equipment for AWACS Aircraft**

The Government of Japan has requested a possible sale of four sets of Airborne Early Warning (AEW) and Command, Control and Communications (C³) mission equipment/Radar System Improvement Program (RSIP) Group A and B kits, for subsequent installation and checkout in four previously procured E-767 Airborne Warning and Control Systems (AWACS). In addition, this proposed sale will include related spare and repair parts, support equipment, publications and technical documentation, services and other related program elements to ensure complete AWACS mission equipment supportability. The estimated cost is \$147 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 peace and stability in that region. It is vital to the U.S. national interest to assist Japan to develop and maintain a strong and ready self-defense capability, which will contribute to an acceptable military balance in the region. This proposed sale is consistent with these U.S. objectives and with the 1960 Treaty of Mutual Cooperation and Security.

Japan previously purchased four sets of AWACS mission equipment and needs this additional mission equipment to continue its development of an extended Airborne Early Warning (AEW) capability as well as enhanced command, control and communications (C³). Japan will have no difficulty absorbing the additional AWACS aircraft into its armed forces.

The prime contractor will be Boeing Aerospace Company in Seattle, Washington. 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 U.S. Government and contractor representatives to Japan.

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