

**POLICY JUSTIFICATION****Israel- JP-8 Aviation Jet Fuel**

The Government of Israel has requested a possible sale of JP-8 aviation jet fuel. The estimated cost is \$210 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been, and continues to be, an important force for political stability and economic progress in the Middle East.

The proposed sale of the JP-8 aviation fuel will enable Israel to maintain the operational capability of its aircraft inventory. The jet fuel will be consumed while the aircraft is in use to keep peace and security in the region. Israel will have no difficulty absorbing this additional fuel into its armed forces.

The proposed sale of this JP-8 aviation fuel will not affect the basic military balance in the region.

The Defense Energy Supply Center is unable to identify the vendors at this time due to the competitive bid process for the supply sources(s). 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 additional U.S. Government or contractor representatives to Israel.

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

[FR Doc. 06-6412 Filed 7-21-06; 8:45 am]

BILLING CODE 5001-06-C

**DEPARTMENT OF DEFENSE****Office of the Secretary**

[Transmittal No. 60-41]

**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 July 21, 1996.

**FOR FURTHER INFORMATION CONTACT:** Ms. J. Hurd, DSCA/DBO/ADM, (703) 604-6575.

The following is a copy of a letter of the Speaker of the House of Representatives, Transmittal 06-41 with attached transmittal, policy justification, and Sensitivity of Technology.

**C.R. Choate,**

*Alternate OSC Federal Register Liaison Officer, Department of Defense.*

BILLING CODE 5001-06-M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

14 JUL 2006

In reply refer to:  
I-06/007045

**The Honorable J. Dennis Hastert  
Speaker of the House of Representatives  
Washington, DC 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. 06-41, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Australia for defense articles and services estimated to cost \$1 billion. 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, reading "Richard J. Millies", is positioned above the typed name.

**Richard J. Millies  
Deputy Director**

**Enclosures:**

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

## Transmittal No. 06-41

**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:**
- |                                 |                                |
|---------------------------------|--------------------------------|
| <b>Major Defense Equipment*</b> | <b>\$ 800.0 million</b>        |
| <b>Other</b>                    | <b>\$ <u>200.0 million</u></b> |
| <b>TOTAL</b>                    | <b>\$1,000.0 million</b>       |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** up to three (3) MK 41 Vertical Launch System Baseline VII ship sets (includes 24 modules), modification of up to three (3) MK 7 AEGIS Weapon Systems, U.S. Government and contractor engineering and logistics personnel services, personnel training and training equipment, support and test equipment, spare and repair parts, publications and technical documentation, launch system software development and maintenance and other related elements of logistics support.
- (iv) **Military Department:** Navy (LCQ, Amendment 2)
- (v) **Prior Related Cases, if any:**  
FMS case LCQ - \$279 million - 31Oct05
- (vi) **Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:** none
- (vii) **Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold:** See Annex attached
- (viii) **Date Report Delivered to Congress:** 14 JUL 2006

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

## POLICY JUSTIFICATION

### Australia – MK 41 Vertical Launch Systems

The Government of Australia requested a possible sale of up to three (3) MK 41 Vertical Launch System Baseline VII ship sets (includes 24 modules), modification of up to three (3) MK 7 AEGIS Weapon Systems, U.S. Government and contractor engineering and logistics personnel services, personnel training and training equipment, support and test equipment, spare and repair parts, publications and technical documentation, launch system software development and maintenance and other related elements of logistics support. The estimated cost is \$1 billion.

Australia is one of our most important allies in the Western Pacific. The strategic location of this political and economic power contributes significantly to ensuring peace and economic stability in the region. Australia's efforts in operations Iraqi and Enduring Freedom peacekeeping and humanitarian operations have made a significant impact to regional political and economic stability and have served U.S. national security interests. This proposed sale is consistent with those objectives and facilitates burden sharing with our allies.

The proposed sale of Vertical Launcher Systems and modification of the AEGIS Weapons Systems to Australia will contribute to U.S. security objectives by providing a coalition partner with significantly improved Air Warfare capability. This will improve the Royal Australian Navy's ability to participate in coalition operations, will provide common logistical support with the U. S. Navy, and will enhance the lethality of its Air Warfare Destroyer platform. The Royal Australian Navy can easily integrate the capabilities of the AEGIS Weapons Systems into their concept of operations. Australia will have no difficulty absorbing these systems into its armed forces.

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

The principal contractors will be:

Lockheed Martin Maritime Systems and Sensors (two locations)	Moorestown, New Jersey
Raytheon Corporation, Equipment Division	Eagan, Minnesota
General Dynamics, Armament Systems	Andover, Massachusetts
	Burlington, Vermont

There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of three contractor representatives in Australia for approximately 36 months during the preparation, equipment installations, and equipment test and checkout of the MK 41 Vertical Launch Systems on the ships.

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

Transmittal No. 06-41

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 MK-41 Vertical Launch Systems (VLS) contain sensitive technology and are Unclassified. The Launch Control Computer Program (LCCP), which also contains missile launch rates, is classified Confidential. The LCCP provides the control and processing to interface the Weapon Control System with the VLS. Sections of the MK-41 technical documentation, which disclose launcher vulnerabilities, are 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 which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

[FR Doc. 06-6411 Filed 7-21-06; 8:45 am] BILLING CODE 5001-06-C

DEPARTMENT OF DEFENSE

Department of the Army

[USA-2006-0024]

Privacy Act of 1974; System of Records

AGENCY: Department of the Army, DoD.

ACTION: Notice to alter a system of records.

SUMMARY: The Department of the Army proposes to alter a system of records notice in its inventory of records systems subject to the Privacy Act of 1974, (5 U.S.C. 552a), as amended.

DATES: This proposed action will be effective without further notice on August 23, 2006 unless comments are received which result in a contrary determination.

ADDRESSES: Send comments to Department of the Army, Freedom of Information/Privacy Division, U.S. Army Records Management and Declassification Agency, ATTN: AHRC-PDD-FPZ, 7701 Telegraph Road, Casey Building, Suite 144, Alexandria, VA 22325-3905.

FOR FURTHER INFORMATION CONTACT: Ms. Janice Thornton at (703) 428-6503.

SUPPLEMENTARY INFORMATION: The Department of the Army systems of records notices subject to the Privacy Act of 1974, (5 U.S.C. 552a), as amended, have been published in the Federal Register and are available from the address above.

The proposed system report, as required by 5 U.S.C. 552a(r) of the Privacy Act of 1974, as amended, was submitted on July 14, 2006, to the House Committee on Government Reform, the Senate Committee on Homeland Security and Governmental Affairs, and the Office of Management and Budget (OMB) pursuant to paragraph 4c of Appendix I to OMB Circular No. A-130, 'Federal Agency Responsibilities for Maintaining Records About Individuals,' dated February 8, 1996 (February 20, 1996, 61 FR 6427).

Dated: July 17, 2006. C.R. Choate, Alternate Federal Register Liaison Officer, Department of Defense.

A0210-50 DAIM

SYSTEM NAME:

Army Housing Operations Management System (HOMS) (April 21, 2006, 71 FR 20651).

CHANGES:

\* \* \* \* \*

SYSTEM NAME:

Delete entry and replace with: "Army Housing Operations Management Systems (HOMES)."

\* \* \* \* \*

CATEGORIES OF RECORDS IN THE SYSTEM:

Delete entry and replace with: "Applications for on/off post housing containing name, service branch, Social Security Number, rank/grade and date, service data, organization of assignment, home address and telephone number; records reflecting housing availability/assignment/termination; housing financial records; referral services; property inventories, inventory listing, and issue slips; cost control, job orders; survey data; other management reports regarding the Army housing system, complaints and investigations; and similar relevant documents. Deposit waiver agreements with off-post landlords/rental officers and with utility companies for both on-post and off-post residents."

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Add "Pub. L. 104-106, Military Housing Privatization initiative (MHPI) Act of 1996" to the entry.