DEPARTMENT OF DEFENSE
Office of the Secretary
[Transmittal Nos. 08–61]
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. B. English, DSCA/DBO/CFM, (703) 601–3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 08–61 with attached transmittal, policy justification, and Sensitivity of Technology.


Patricia L. Toppings,
OSD Federal Register Liaison Officer,
Department of Defense.

BILLING CODE 5001–06–M
DEFENSE SECURITY COOPERATION AGENCY
2800 DEFENSE PENTAGON
WASHINGTON, DC 20301-2800

MAY 21 2008
In reply refer to:
USP005720-08

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515-6501

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.
08-61, concerning the Department of the Air Force’s proposed Letter(s) of Offer
and Acceptance to Australia for defense articles and services estimated to cost
$100 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,

Richard J. Millies
Deputy Director

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

Same ltr to:

House
Committee on Foreign Affairs
Committee on Armed Services
Committee on Appropriations

Senate
Committee on Foreign Relations
Committee on Armed Services
Committee on Appropriations
Transmittal No. 08-61

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* $ 60 million
- Other $ 40 million
- TOTAL $100 million

(iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** Installation of AN/AAQ-24(V) Large Aircraft Infrared Countermeasures (LAIRCM) systems on 12 Australian C-130J aircraft, including the following Line Replaceable Units (LRUs): 12 Control Interface Units (CIU), 12 System Processors (SP), 12 AN/AAR-54(V) Missile Warning Systems (MWS), 12 Small Laser Transmitter Assemblies (SLTA), and Operational Flight Program (OFP) software. The sale includes the following spare LRUs: 6 Control Interface Units (CIU), 6 System Processors (SP), 7 individual MWS sensors, and 12 Small Laser Transmitter Assemblies (SLTA). Also included: installation support, engineering change proposals, minor modifications, support equipment, spare and repair parts, publications and technical documents, repair and return, depot maintenance, training and training equipment, U.S. Government and contractor technical assistance, and other related elements of logistics and program support.

(iv) **Military Department:** Air Force (QAE)

(v) **Prior Related Cases, if any:** FMS case SEN - $54 million – 17Sep07

(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:** MAY 2 1 2008

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

Australia – Large Aircraft Infrared Countermeasures (LAIRCM) Systems

The Government of Australia has requested a possible sale of AN/AAQ-24(V) LAIRCM systems to be installed on C-130J aircraft, including the following Line Replaceable Units (LRUs): 12 Control Interface Units (CIU), 12 System Processors (SP), 12 AN/AAR-54(V) Missile Warning Systems (MWS), 12 Small Laser Transmitter Assemblies (SLTA), Operational Flight Program (OFP) software, and spare LRUs (6 Control Interface Units (CIU), 6 System Processors (SP), 7 individual MWS sensors, and 12 Small Laser Transmitter Assemblies (SLTA)). Also included: installation support, engineering change proposals, minor modifications, support equipment, spare and repair parts, publications and technical documents, repair and return, depot maintenance, training and training equipment, U.S. Government and contractor technical assistance, and other related elements of logistics and program support. The estimated cost is $100 million.

Australia is an important ally 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 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.

These systems will be integrated on Australia’s C-130J aircraft. The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be Northrop Grumman Corporation, Rolling Meadows, IL. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this sale will require approximately five contractor representatives to provide training, installation, and maintenance support technical and logistics support in Australia for twelve weeks after delivery. U.S. Government and contractor representatives will also participate in program management and technical reviews for two-week intervals annually.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.
Transmittal No. 08-61

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 AN/AQ-24(V) LAIRCM is a self-contained, directed energy
countermeasures system designed to protect aircraft from infrared-guided surface-to-air
missiles. The system features digital technology and micro-miniature solid-state
electronics. The system operates in all conditions, detecting incoming missiles and
jamming infrared-seeker equipped missiles with aimed bursts of laser energy. Major
components and subsystems of the LAIRCM system are unclassified; technical data
documentation, training, devices and services to be conveyed with the proposed sale are
also unclassified.

2. LAIRCM system software, including Operational Flight Program and jam
codes, are classified Secret. LAIRCM operational parameters, test report data, and
specific capabilities and limitations are classified Secret and will not be conveyed with
the proposed sale. This information is sensitive due to potential for system exploitation
and development of effective counter-countermeasures or similar defensive systems.

3. If a technologically advanced adversary were to obtain knowledge of the
specific hardware or software in this proposed sale, 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 advance capabilities.

Patricia L. Toppings,
OSD Federal Register Liaison Officer,
Department of Defense.

GNSA 02

SYSTEM NAME:
NSA/CSS Applicants (February 22,
1993, 58 FR 10531).

CHANGES:
* * * * *

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:
Delete and replace with “National
402 note (Pub. L. 86–36); 5 U.S.C.
Chapters 3 and 33; EO 10450, as
amended and EO 9397 (SSN).”
* * * * *

ROUTINE USES OF RECORDS:
Replace last item with “The DoD
‘Blanket Routine Uses’ published at the
beginning of the NSA/CSS’ compilation