



**Billing Code: 5001-06**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**(Transmittal No. 15-24)**

**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. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 15-24 with attached Policy Justification and Sensitivity of Technology.

Dated: June 18, 2015.

Aaron Siegel,  
Alternate OSD Federal Register Liaison Officer,  
Department of Defense.



**DEFENSE SECURITY COOPERATION AGENCY**  
201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

The Honorable John A. Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

**JUN 09 2015**

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. 15-24, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to the Republic of Korea for defense articles and services estimated to cost \$1.91 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 black ink, appearing to read "J. W. Rixey".

J. W. Rixey  
Vice Admiral, USN  
Director

Enclosures:

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



## Transmittal No. 15-24

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act

- (i) Prospective Purchaser: Republic of Korea
- (ii) Total Estimated Value:
- |                          |                        |
|--------------------------|------------------------|
| Major Defense Equipment* | \$ 1.21 billion        |
| Other                    | <u>\$ 0.70 billion</u> |
| TOTAL                    | \$ 1.91 billion        |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 3 Aegis Shipboard Combat Systems, 3 MK-41 Vertical Launching Systems, 3 Common Data Link Management Systems, 3 AN/UPX-29(V) Identification Friend or Foe Interrogators, spare and repair parts, support equipment, publications and technical documentation, personnel training and training equipment, tool and test equipment, U.S. Government and contractor technical, engineering, and logistics support services, and other related elements of logistics support.
- (iv) Military Department: Navy (LQI)
- (v) Prior Related Cases, if any: FMS case LPN - \$1.06B – 10Aug02
- (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: 09 JUNE 2015

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

## POLICY JUSTIFICATION

### Republic of Korea – Aegis Combat System

The Republic of Korea (ROK) has requested a possible sale of 3 Aegis Shipboard Combat Systems, 3 MK-41 Vertical Launching Systems, 3 Common Data Link Management Systems, 3 AN/UPX-29(V) Identification Friend or Foe Interrogators, spare and repair parts, support equipment, publications and technical documentation, personnel training and training equipment, tool and test equipment, U.S. Government and contractor technical, engineering, and logistics support services, and other related elements of logistics support. The total estimated cost is \$1.91 billion.

This proposed sale will contribute to the foreign policy and national security objectives of the United States by meeting the legitimate security and defense needs of an ally and partner nation. The ROK is one of the major political and economic powers in East Asia and the Western Pacific and a key partner of the United States in ensuring peace and stability in that region. It is vital to the U.S. interest to assist our Korean ally in developing and maintaining a strong and ready self-defense capability.

The Aegis Combat System will provide enhanced capabilities on the ROK's naval ships to defend against possible aggression and protect sea lines of communications. Aegis is the keystone in the ROK Navy's efforts to upgrade its shipboard combat and ballistic missile defense capability. The ROK will have no difficulty integrating this system into its armed forces.

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

The principal contractors will be Lockheed Martin Maritime Systems and Training in Morristown, New Jersey; Raytheon Company in Andover, Massachusetts; General Dynamics Armament Systems in Burlington, Vermont. Although offsets are requested, they are unknown this time and will be determined during negotiations between the ROK and contractors.

Implementation of this proposal sale will not require any additional U.S. government or U.S. contractor personnel in Korea. However, U.S. Government or contractor personnel in-country visits will be required on a temporary basis in conjunction with program technical oversight and support requirements for approximately five years.

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

## Transmittal No. 15-24

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control ActAnnex  
Item No. vii(vii) Sensitivity of Technology:

1. Aegis Weapon System (AWS) hardware is Unclassified, with the exception of the RF oscillator used in the Fire Control transmitter, which is classified Confidential. Aegis document in general is unclassified. However, seven operation and maintenance manuals are classified Confidential, and there is also a classified Secret supplement to the Aegis Combat System Maintenance Manual. The manuals and technical documents are limited to those necessary for operational use and organizational maintenance.

2. While the hardware associated with the SPY-1D radar is Unclassified, the computer programs are classified Secret. It is the combination of the SPY-1D hardware and the computer program for the SPY-1D radar that constitutes the technology sensitive aspects of the AWS. SPY-1D radar hardware design and computer program documentation will not be released.

3. The AN/UPX-29(V) AIMS MK XIIA Identification Friend or Foe (IFF) system, includes the AN/UPX-41(C) Interrogator Set. The AN/UPX-29(V) IFF includes new waveforms that improve identification coverage, enhances the ability to discriminate between closely spaced platforms, is compatible with civilian air traffic control, and provides enhanced security. The equipment has embedded communication security and is protected internal to Unclassified equipment.

4. 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.

5. A determination has been made that the recipient country can provide 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.

6. All defense articles and services listed in this transmittal have been authorized for release and export to the Republic of Korea.

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