

Billing Code



This document is scheduled to be published in the Federal Register on 12/15/2025 and available online at <https://federalregister.gov/d/2025-22711>, and on <https://govinfo.gov>

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 24-90]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The DoD is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Urooj Zahra at (703) 695-6233,

urooj.zahra.civ@mail.mil, or dscn.ncr.rsrcmgmt.list.cns-mbx@mail.mil

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives with attached Transmittal 24-90, Policy Justification, and Sensitivity of Technology.

Dated: December 10, 2025.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
2800 Defense Pentagon
Washington, DC 20301-2800

October 25, 2024

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
H-209, The Capitol
Washington, DC 20515

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. 24-90, concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Japan for defense articles and services estimated to cost \$113 million. We will issue a news release to notify the public of this proposed sale upon delivery of this letter to your office.

Sincerely,

A handwritten signature in black ink, appearing to read "M.F. Miller", is positioned above the typed name.

Michael F. Miller
Director

Enclosures:

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

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: Government of Japan
- (ii) Total Estimated Value:
- | | |
|--------------------------|------------------------|
| Major Defense Equipment* | \$ 2.6 million |
| Other | <u>\$110.4 million</u> |
| TOTAL | \$113.0 million |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Up to two (2) BQM-177A Subsonic Sea-Skimming Aerial Targets (SSAT) for Aegis System Equipped Vessels (ASEV)

Non-Major Defense Equipment:

The following non-MDE items will also be included: GQM-163 target drones; follow-on technical support for ASEVs, including for Combat Systems Sea Qualification Trials (CSSQT) and sustainment support services; Aegis computer software updates; combat systems integration; system integration, testing, overhauls, and upgrades; development, familiarization, operational, and maintenance support; classified books and other publications (technical and non-technical); adaption data; annual service agreements; test support; technical documentation; personnel training; United States (U.S.) Government and contractor engineering, technical, and logistics support services; and other related elements of logistics and program support.

- (iv) Military Department: Navy (JA-P-QPI, JA-P-QQU)
- (v) Prior Related Cases, if any: JA-P-QCX, JA-P-QEZ, JA-P-QKW
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None known
- (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: **October 25, 2024**

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

POLICY JUSTIFICATION

Japan – Subsonic Sea-Skimming Aerial Targets and Follow-On Technical Support

The Government of Japan has requested to buy up to two (2) BQM-177A Subsonic Sea-Skimming Aerial Targets (SSAT) for Aegis System Equipped Vessels (ASEV). The following non-MDE items will also be included: GQM-163 target drones; follow-on technical support for ASEVs, including for Combat Systems Sea Qualification Trials (CSSQT) and sustainment support services; Aegis computer software updates; combat systems integration; system integration, testing, overhauls, and upgrades; development, familiarization, operational, and maintenance support; classified books and other publications (technical and non-technical); adaption data; annual service agreements; test support; technical documentation; personnel training; U.S. Government and contractor engineering, technical, and logistics support services; and other related elements of logistics and program support. The estimated total cost is \$113 million.

This proposed sale will support the foreign policy goals and national security objectives of the U.S. by improving the security of a major ally that is a force for political stability and economic progress in the Indo-Pacific region.

The proposed sale will improve Japan's capability to meet current and future threats by ensuring the Japan Maritime Self Defense Force's (JMSDF) Aegis fleet remains ready to provide critical capabilities in the defense of Japan. Japan will have no difficulty absorbing this equipment and services into its armed forces.

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

The principal contractor for the BQM-177A SSATs will be Kratos Defense, located in Sacramento, CA, and Fort Walton Beach, FL. The principal contractor for the GQM-163A target drones will be Northrop Grumman, located in Chandler, AZ. The principal contractor for the Aegis Weapon System (AWS) will be Lockheed Martin Corporation, located in Moorestown, NJ. 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 Japan.

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

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 BQM-177A Subsonic Sea-Skimming Aerial Target (SSAT) is a subsonic aerial target with capabilities to provide realistic threat representation. This target replicates modern subsonic anti-ship cruise missile threats in support of fleet training, developmental, and operational testing of major Department of Defense and international weapon systems. The BQM-177A aerial targets support live-fire test and evaluation (T&E) events for Aegis, SM-6, SM-2, Rolling Airframe Missile (RAM), Evolved Sea Sparrow Missile (ESSM), and fleet training events. The Aegis Weapon System (AWS) follow-on technical support includes Combat Systems Sea Qualification Trials (CSSQT) test and evaluation services and software in support of Aegis Weapon System Baseline 9 with integrated ballistic missile defense.
2. The GQM-163A Coyote is a non-recoverable supersonic sea-skimming aerial target capable of speeds in excess of Mach 2 with terminal altitudes from 13 to 66 feet (absolute). As a diving target it has a maximum altitude of 52,000 feet and diving angles between 15 and 55 degrees. This aerial target replicates a family of supersonic sea-skimming anti-ship cruise missile threats to meet critical T&E requirements of Ship Self-Defense Systems (SSDS) and fleet training. The GQM-163A aerial target supports live-fire T&E events for Aegis, SM-6, SM-2, RAM, ESSM, and fleet training events.
3. The at-sea CSSQT events provide tracking and live-fire events of air defense warfare (ADW) (including integrated air and missile defense (IAMD)), surface warfare (SUW), undersea warfare (USW), electronic warfare (EW), and command, control, and communications (CCC).
4. The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.
5. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.
6. A determination has been made that Japan can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.
7. All defense articles and services listed in this transmittal have been authorized for release and export to the Government of Japan.

[FR Doc. 2025-22711 Filed: 12/12/2025 8:45 am; Publication Date: 12/15/2025]