

**Transmittal No. 05-22**

**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 SM-2 Block IIIA Standard missile is a U.S. Navy surface-launched guided missile and is classified Confidential. It is operationally deployed on cruisers, destroyers, and frigates for use against air and surface threats (aircraft, missiles, and ships). The guidance system employs a continuous-wave or interrupted continuous wave radar link for homing to the target. Steering and roll commands from the adaptive auto pilot system provide flight stability via four aft-mounted control surfaces. Propulsion is provided by a solid propellant, dual thrust rocket motor, which is an integral part of the missile airframe. The target-detecting device uses dual radar systems to optimize warhead lethality against a spectrum of target sizes and speeds. The telemeter unit transmits missile performance data to ground stations to be analyzed for accuracy of missile/target scenario. Certain operation frequencies and performance characteristics are classified Secret.

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 or equivalent systems which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

[FR Doc. 05-11622 Filed 6-10-05; 8:45 am]

BILLING CODE 5001-06-C

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

[Transmittal No. 05-13]

**36(b)(1) Arms Sales Notification;  
Correction**

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

**ACTION:** Notice; Correction.

**SUMMARY:** DSCA published a document in the *Federal Register* of June 1, 2005, concerning the sale of defense articles and services to Australia. The package contained the wrong cover letter.

**FOR FURTHER INFORMATION CONTACT:** Paula Murphy, 703-604-6576.

**Correction**

In the *Federal Register* of June 1, 2005, in FR Doc 05-10829, page 31429,

notification package containing the wrong cover letter and should be replaced with this correction.

Dated: June 3, 2005.

**Jeannette Owings-Ballard,**  
*OSD Federal Register Liaison Officer,  
Department of Defense.*

BILLING CODE 5001-06-P



## DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

23 May 2005

In reply refer to:  
I-05/001116

**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. 05-13, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Australia for defense articles and services estimated to cost \$350 million. Soon after this letter is delivered to your office, we plan to notify the news media.**

**Sincerely,**

A handwritten signature in cursive script, reading "Richard J. Millies", is positioned above the printed name and title.

**Richard J. Millies  
Deputy Director**

**Enclosures:**

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

**Same ltr to: House Committee on International Relations  
Senate Committee on Foreign Relations  
House Committee on Armed Services  
Senate Committee on Armed Services  
House Committee on Appropriations**

**Transmittal No. 05-13**

**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>\$200 million</b>        |
| <b>Other</b>                    | <b><u>\$150 million</u></b> |
| <b>TOTAL</b>                    | <b>\$350 million</b>        |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** three MK 7 AEGIS Weapons Systems, support equipment, testing, computer programs and maintenance support, ship integration, spare and repair parts, supply support, publications and technical data, training, U.S. Government and contractor technical assistance, and other related elements of logistics support.
- (iv) **Military Department:** Navy (LCQ)
- (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:** See Annex attached
- (viii) **Date Report Delivered to Congress:** 23 May 2005

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

## **POLICY JUSTIFICATION**

### **Australia – AEGIS Weapons Systems**

**The Government of Australia has requested a possible sale of three MK 7 AEGIS Weapons Systems, support equipment, testing, computer programs and maintenance support, ship integration, spare and repair parts, supply support, publications and technical data, training, U.S. Government and contractor technical assistance, and other related elements of logistics support. The estimated cost is \$350 million.**

**Australia is an important ally in the Western Pacific. The strategic location of this political and economic power significantly contributes to ensuring peace and economic stability in the region. It is vital to the U.S. national interest to assist the Royal Australian Navy (RAN) in modernizing its surface combatant fleet so as to maintain a strong and ready self-defense capability and contribute to an acceptable military balance in the area. This procurement also aids in maintaining the U.S. Navy (USN) production base and will improve interoperability between RAN and USN forces. This proposed sale is consistent with those objectives, and facilitates burden sharing with our allies.**

**The proposed sale of 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, provides common logistical support with the USN, and enhances the lethality of its Air Warfare Destroyer platform. The RAN 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 principle contractors will be:**

|   |                               |
|---|-------------------------------|
| <b>Lockheed-Martin Maritime System and Sensors</b>  | <b>Moorestown, New Jersey</b> |
| <b>Raytheon Company, Equipment Division</b>         | <b>Andover, Massachusetts</b> |
| <b>General Dynamics, Armament Systems</b>           | <b>Burlington, Vermont</b>    |
| <b>Lockheed Martin Maritime Systems and Sensors</b> | <b>Eagan, Minnesota</b>       |

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

**Implementation of this proposed sale will require the assignment of up to three U.S. Government and contractor representatives to Australia.**

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

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Pursuant to Section 36(b)(1)  
of the Arms Export Control Act****Annex  
Item No. vii****(vii) Sensitivity of Technology:**

**1. The 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 documentation in general is unclassified; however, seven operation and maintenance manuals are classified Confidential, and one AEGIS maintenance manual supplement is classified Secret. The manuals and technical documents are limited to those necessary for operational and organizational maintenance.**

**2. While the hardware associated with the AN/SPY-1D(V) radar is unclassified, the computer programs are classified Secret. It is the combination of the AN/SPY-1D(V) hardware and the computer programs for the AN/SPY-1D(V) radar that constitutes the sensitive technology. The SPY-1D(V) radar hardware design and production data will not be released with this proposed sale. Some computer program documentation at the Secret level explaining the capabilities of the systems will be released to support Australian understanding of U.S. computer program development efforts. No computer program design data will be released at this time. The U.S. Navy will perform life cycle maintenance of the AEGIS weapons system computer programs.**

**3. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures or equivalent systems which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.**

[FR Doc. 05-11624 Filed 6-10-05; 8:45 am]

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**DEPARTMENT OF DEFENSE****GENERAL SERVICES  
ADMINISTRATION****NATIONAL AERONAUTICS AND  
SPACE ADMINISTRATION**

[OMB Control No. 9000-0144]

**Federal Acquisition  
Regulation; Information Collection;  
Payment by Electronic Fund Transfer**

**AGENCIES:** Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**ACTION:** Notice of request for public comments regarding an extension to an existing OMB clearance (9000-0144).

**SUMMARY:** Under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the Federal Acquisition Regulation (FAR) Secretariat will be submitting to the Office of Management and Budget (OMB) a request to review and approve an extension of a currently approved information collection requirement concerning payment by electronic fund transfer. This OMB clearance currently expires on September 30, 2005.

Public comments are particularly invited on: Whether this collection of information is necessary for the proper performance of functions of the FAR, and whether it will have practical utility; whether our estimate of the public burden of this collection of

information is accurate, and based on valid assumptions and methodology; ways to enhance the quality, utility, and clarity of the information to be collected; and ways in which we can minimize the burden of the collection of information on those who are to respond, through the use of appropriate technological collection techniques or other forms of information technology.

**DATES:** Submit comments on or before August 12, 2005.

**ADDRESSES:** Submit comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden should be submitted to the General Services Administration, FAR Secretariat (VIR), 1800 F Street, NW., Room 4035, Washington, DC 20405.