

POLICY JUSTIFICATION

Japan – AEGIS Weapon Systems and Standard Missiles

The Government of Japan has requested a possible sale of 1 MK 7 MOD 6(V) AEGIS Weapon System, 1 AN/SQQ-89(V) Surface Ship Undersea Combat System, 1 AN/UPX-29(V) Aircraft Identification Monitoring System MK XII Identification Friend or Foe system, 1 shipboard gridlock system, 1 Common Data Link Management System/Joint Tactical Information Distribution System, 1 MK 34 gun weapon system, 1 Navigation Sensor System Interface, 1 MK36 Decoy Launching System, 1 AN/WSN-7 Ring Laser Gyro Navigator, 1 AN/SQQ-121 Computer Aided Dead Reckoning Tracker, 18 SM-2 Block IIIB Standard missiles, 10 SM-2 Block IIIB Standard missiles with telemetry; 28 MK 13 MOD 0 canisters, containers, testing and combat system engineering technical assistance, computer programs and support maintenance, U.S. Government and contractor engineering and technical assistance, testing, publications and documentation, training, spare and repair parts, and other related elements of logistics support. The estimated cost is \$482 million.

Japan is one of the major political and economic powers in East Asia and the Western Pacific and a key ally of the United States in ensuring the peace and stability of that region. It is vital to the U.S. national interest to assist Japan to develop and maintain a strong and ready self-defense capability, which will contribute to an acceptable military balance in the area. This proposed sale is consistent with these U.S. objectives and with the 1960 Treaty of Mutual Cooperation and Security. This proposed sale of SM-2 missiles and AEGIS Weapon System will provide substantial economic opportunities for U.S. industry and continue to promote greater interoperability and cooperation between our navies.

Installation of the AEGIS combat system on ships of the Japan Maritime Self Defense force will provide enhanced capabilities to Japan in providing for defense of its critical Sea Lines of Communication. AEGIS will be the keystone in Japan's effort to upgrade its anti-air warfare capability. Japan is fully capable of integrating this system into its operational forces and will receive data sufficient for basic maintenance of the equipment. Japan will use these missiles to update older or less reliable missiles currently in the Japan Maritime Self Defense Force fleet. Japan, which already has AEGIS systems and Standard missiles, will have no difficulty absorbing the additional system. 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 Naval Electronics and Surveillance Systems of Morristown, New Jersey; Lockheed Martin Naval Electronics and Surveillance Systems of Syracuse, New York; Raytheon Company of Andover, Massachusetts; General Dynamics Armament Systems of Burlington, Vermont; Lockheed Martin Naval Electronics and Surveillance Systems of Eagan, Minnesota and Raytheon Company of Tucson, Arizona. There are no offset agreements proposed in connection with this potential sale.

Implementation of this sale will not require the assignment to Japan of any U.S. Government representatives. It will require the assignment of approximately 40 contractor representatives for approximately five years to support integration and testing of the AEGIS Combat Systems.

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