

**Confidential Treatment Requested by Raytheon Company
Consistent with FOIA and Senate Rules¹**

Raytheon

Mark T. Esper, PhD
Vice President,
Government Relations

Raytheon Company
1100 Wilson Blvd.
Suite 1500
Arlington, VA 22209

August 23, 2011

Via Hand Delivery

The Honorable Carl Levin, Chairman
The Honorable John McCain, Ranking Member
United States Senate
Committee on Armed Services
Washington, DC 20510-6050

Dear Chairman Levin and Ranking Member McCain:

Raytheon Company ("Raytheon") recognizes the critical importance of ensuring that the electronic parts contained in the products and systems used by the United States Armed Forces are safe, reliable, and effective. As such, we fully support the Committee's efforts to look into the issue of counterfeit parts in the Defense Department supply chain. As the Senate Armed Services Committee's (the "Committee's") inquiry proceeds, we look forward to continuing to work with you to mitigate the risk that counterfeit electronic parts pose to the Nation's security.

On August 16, 2011, Raytheon received a request for information from Ozge Guzelsu, of the Committee's staff, regarding Electromagnetic Interference Filters (EIFs) delivered to Raytheon from Texas Spectrum Electronics (TSE). The following sets forth Raytheon's responses to the questions received:

Concerning Raytheon part number 3169762-0001 REV R, as referenced in Raytheon purchase orders dated June 8, 2010 and June 21, 2010:

1. For what purpose did Raytheon use the EIFs that were purchased from TSE?

Raytheon purchased the EIFs from TSE to fulfill open orders on the Light Airborne Multipurpose System (LAMPS) program, which provides a control unit that supports a Forward Looking InfraRed (FLIR) System for domestic and international customers.

¹ Raytheon Company ("Raytheon") requests that this letter and accompanying documents be retained and protected as if submitted in a closed hearing consistent with Senate Rule XXVI(5)(b)(5) and (6) and Rules 4(e) and (f) and 10(f) of the Rules of Procedure of the Committee on Armed Services, as disclosure of this commercial or financial information would cause undue injury to the competitive position of Raytheon. Some of the documents included in this production are subject to export controls under applicable International Traffic in Arms Regulations ("ITAR") and therefore cannot be provided or disclosed outside of the United States or to a foreign person without proper U.S. Government approvals. This production also contains documents that may be subject to Export Administration Regulations ("EAR"). Raytheon also asks that the letter and accompanying documents be protected from disclosure consistent with 5 U.S.C. § 552(b)(4) on the grounds that they contain confidential commercial and financial information. Raytheon further requests that in the event the Committee seeks to disclose part or all of (1) this letter or (2) the accompanying documents bearing Bates numbers RTN_CPR003042-003054, that Raytheon be notified in advance of such potential disclosure so that Raytheon may have the opportunity to object to such disclosure and work with the Committee to protect any trade secrets or confidential commercial and financial information from public disclosure.

2. Were the EIFs integrated into systems sold by Raytheon?

TSE shipped eight EIFs to Raytheon in December 2010. Six of the eight EIFs have been integrated into systems which have been sold by Raytheon. Of the remaining two EIFs, one has been integrated into a system, but has not yet been delivered. The other EIF is in Raytheon's inventory. Both of the remaining EIFs have been quarantined.

2A) If yes, were the EIFs integrated into systems that were sold to the Department of Defense or other U.S. government agencies?

The following is an account of the six EIFs that were integrated into systems and sold by Raytheon:

- *Three EIFs were sold to Fujitsu of Japan in support of the Japanese Ministry of Defense.*
- *The other three EIFs were sold to the US Navy.*

2B) If yes to 2A above, were any safety, performance, or reliability issues identified for these systems due to the EIFs? Please provide documents that discuss or note any safety, performance, or reliability issues for these systems due to the EIFs.

Raytheon is not aware of any safety, performance, or reliability issues identified for these EIFs. It is Raytheon's understanding that all eight EIFs passed acceptance testing at TSE, including vibration, burn-in, electrical testing, and inspection prior to shipment to Raytheon. In addition, prior to shipment from Raytheon, all eight EIFs passed additional electrical testing and inspection.

3. Where are the EIFs currently? Please provide documents that reflect where the EIFs are currently.

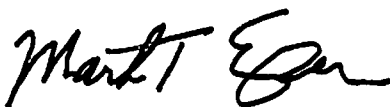
- *Three of the eight EIFs have been delivered to Fujitsu in Japan.*
- *Another three of the eight EIFs have been delivered to US Navy locations in Mayport, Florida (2) and Sasebo, Japan.*
- *Two of the eight EIFs remain at Raytheon in Jacksonville, Florida*

In support of its responses set forth above, Raytheon submits herewith documents bearing Bates numbers RTN_CPR003042-003054.

Raytheon also includes within this paragraph additional background information that might be useful to the Committee. Raytheon first learned of a potential counterfeit product issue related to these EIFs on August 12, 2011 from TSE. At this time, Raytheon is not aware of any evidence indicating that these eight EIFs are counterfeit. However, Raytheon will continue to work with TSE to investigate this issue and, if requested, will provide any additional information to the Committee.

If Raytheon can be of further assistance as your inquiry continues, feel free to contact me.

Sincerely,



Mark T. Esper, Ph.D.
Vice President
Government Relations