

POLICY JUSTIFICATION

Taipei Economic and Cultural Representative Office in the United States - M109A5 155mm Self-propelled Howitzers

The Taipei Economic and Cultural Representative Office in the United States has requested possible sale of 146 M109A5 155mm self-propelled howitzers, 79 M2 machine gun, six M88A2 recovery vehicles, 160 AN/PVS-7B Night Vision Goggles, 146 AN/VRC-87E and six AN/VRC-90E SINGARS, Advanced Field Artillery Technical Data Systems and software, trainers, machine guns, radio, receiver transmitter modules, mount machine guns, radar chronograph sets, tripods, machine guns, radios, installation kits, simulators, launcher grenades, spare and repair parts, test equipment, publications and technical documentation, personnel training and training equipment, Quality Assurance Team, U.S. Government and contractor engineering and logistics personnel services, and other related elements of logistics support. The estimated cost is \$405 million.

This sale is consistent with United States law and policy as expressed in Public Law 96-8.

The recipient requires these various munitions to improve their current fleet of ground defense equipment. The purchaser will have no difficulty absorbing this additional equipment into its armed forces.

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

The prime contractor will be United Defense, Limited Partnership of York, Pennsylvania. There are no offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of nine U.S. Government and seven contractor representatives for periods ranging from one month to six months. There will be a U.S. Government Quality Assurance Team for three weeks intervals quarterly to participate in program management and technical reviews.

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

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 00-70]

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 21 July 1996.

FOR FURTHER INFORMATION CONTACT: Ms. J. Hurd, DSCA/COMPT/RM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 00-70 with attached transmittal, policy justification, and Sensitivity of Technology.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-10-M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

27 SEP 2000

In reply refer to:
I-00/008891

Honorable J. Dennis Hastert
Speaker of the House of
Representatives
Washington, D.C. 20515-7001

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 00-70 and under separate cover the classified offset certificate thereto. This Transmittal concerns the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to the Taipei Economic and Cultural Representative Office in the United States for defense articles and services estimated to cost \$240 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Reporting of Offset Agreements in accordance with Section 36(b)(1)(C) of the Arms Export Control Act (AECA), as amended by Section 1245 of H.R. 3427 enacted by P.L. 106-113 dated November 29, 1999, requires a description of any offset agreement with respect to this proposed sale. Section 36(b)(1)(g) of the AECA, as amended, provides that reported information related to offset agreements be treated as confidential information in accordance with section 12(c) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(c)). Information about offsets for this proposed sale are described in the enclosed confidential attachment.

Sincerely,

A handwritten signature in black ink, reading "Tome H. Walters, Jr.", is positioned above the typed name.

TOME H. WALTERS, JR.
LIEUTENANT GENERAL, USAF
DIRECTOR

Attachments

Separate Cover:
Offset certificate

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

Transmittal No. 00-70

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

- (i) **Prospective Purchaser:** Taipei Economic and Cultural Representative Office in the United States pursuant to P.L. 96-8

- (ii) **Total Estimated Value:**

Major Defense Equipment*	\$ 184 million
Other	\$ <u>56 million</u>
TOTAL	\$ 240 million

- (iii) **Description of Articles or Services Offered:** Seventy-one RGM-84L HARPOON missiles, six HARPOON training missiles, 10 HARPOON Shipboard Launcher Command Launch Control Set, missile containers, spare and repair parts, support and test equipment, supply and software support, maintenance training, publications and technical documents, U.S. Government and contractor technical assistance, and other related elements of logistics support.

- (iv) **Military Department:** Navy (LGI and LGJ)

- (v) **Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:** none

- (vi) **Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:** none

- (vii) **Date Report Delivered to Congress:** 27 SEP 2000

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

POLICY JUSTIFICATION

Taipei Economic and Cultural Representative Office in the United States - HARPOON Missiles

The Taipei Economic and Cultural Representative Office in the United States has requested a possible sale of 71 RGM-84L HARPOON missiles, six HARPOON training missiles, 10 HARPOON Shipboard Launcher Command Launch Control Set, missile containers, spare and repair parts, support and test equipment, supply and software support, maintenance training, publications and technical documents, U.S. Government and contractor technical assistance, and other related elements of logistics support. The estimated cost is \$240 million.

This sale is consistent with United States law and policy as expressed in Public Law 96-8.

The recipient will use these HARPOON missiles as armament for their PFG-2 to maintain an anti-ship defensive capability. The recipient, which already air and surface-launch HARPOON missiles in its inventory, will have no difficulty absorbing these missiles.

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

The prime contractor will be the Boeing Company of St. Louis, Missouri. One or more offset agreements may be related to this potential sale.

Implementation of this sale will not require the assignment of any U.S. Government personnel in recipient; however, it is estimated that approximately two years of contractor technical support will be required in recipient following delivery of the missiles.

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

Transmittal No. 00-70**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act****Classified Annex
Item No. vi****(vi) Sensitivity of Technology:**

1. The RGM-84L Block II HARPOON missile, excluding a land strike capability (coastal target suppression), provides a Global Positioning System/Inertial Navigation System capability with improved Anti-Surface Warfare against ships in the open ocean and littoral waters. The HARPOON missile contains sensitive technology and has the following classified components, including applicable technical and equipment documentation and manuals:

a. Guidance Section Components

- (1) radar seeker (C)**
- (2) guidance control unit (C)**
- (3) radar altimeter (C)**

b. AN/SWG-1A(V) Command Launch System

- (1) HARPOON control console (C)**
- (2) fault isolation kit (C)**
- (3) HSCLCS embedded trainer (C)**

c. Missile Subsystem Test Set Upgrade Kit

- (1) disk assembly (C)**

d. Missile Characteristics and Performance Data

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

3. A determination has been made that the recipient 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.