

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 99-30]

36(b)(1) Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

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 Pub. L. 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 99-30, with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: August 6, 1999.

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

30 July 1999

In reply refer to:
I-99/009850

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, we are forwarding herewith Transmittal No. 99-30, concerning 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 \$400 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,


MICHAEL S. DAVISON, JR.
LIEUTENANT GENERAL, USA
DIRECTOR

Attachments

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. 99-30**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 (TECRO) in the United States pursuant to P.L. 96-8**
- (ii) **Total Estimated Value:**

Major Defense Equipment*	\$ 222 million
Other	\$ 178 million
TOTAL	\$ 400 million
- (iii) **Description of Articles or Services Offered: Two E-2T Hawkeye 2000E aircraft, two AN/APS-145 radar, two T56-A-427 engines, two OE-335/A antenna groups, two Mission Computer Upgrade/Advanced Control Indicator Set, two Passive Detection System, upgrade of software laboratory, spare and repair parts, support equipment, supply support, publications, personnel training and training equipment, U.S. Government and contractor engineering and technical services, and other related elements of logistics support.**
- (iv) **Military Department: Navy (SDE)**
- (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: See Annex attached**
- (vii) **Date Report Delivered to Congress: 30 July 1999**

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

POLICY JUSTIFICATION**Taipei Economic and Cultural Representative Office in the United States - E-2T Hawkeye 2000E Aircraft**

The Taipei Economic and Cultural Representative Office (TECRO) in the United States has requested a possible sale of two E-2T Hawkeye 2000E aircraft, two AN/APS-145 radar, two T56-A-427 engines, two OE-335/A antenna groups, two Mission Computer Upgrade/Advanced Control Indicator Set, two Passive Detection System, upgrade of software laboratory, spare and repair parts, support equipment, supply support, publications, personnel training and training equipment, U.S. Government and contractor engineering and technical services, and other related elements of logistics support. The estimated cost is \$400 million.

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

The recipient needs these aircraft to augment its present operational inventory and its self-defense capability. The recipient's Air Force already has four E-2T aircraft in its inventory.

The proposed sale of this equipment and support will not affect the basic military balance in the region. Others in the region have the E-2C in their inventories.

The prime contractor will be Northrop Grumman Corporation, Bethpage, New York. There are no offset agreements proposed connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government representatives in Taiwan. However; there will be two contractor representatives for two years for technical support following the delivery of the aircraft.

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

Transmittal No. 99-30**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 E-2T aircraft contains sensitive state-of-the-art technology. Some of the hardware publications, performance specifications, operational capability, parameters, vulnerabilities to countermeasures, and software documentation are classified Secret. The classified information to be provided consists of that which is necessary for the operation, maintenance, and repair (through depot level) of the E-2T aircraft and its installed systems and related software.

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 sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.