

[Transmittal No. 96-68]

36(b) Notification

AGENCY: Department of Defense, Defense Security Assistance Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a

section 36(b) arms sales notification. This is published to fulfill the requirements of section 155 of P.L. 104-164 dated 21 July 1996.

FOR FURTHER INFORMATION CONTACT: Mr. A. Urban, DSAA/COMPT/FPD, (703) 604-6575.

The following is a copy of the letter to the Speaker of the House of

Representatives, Transmittal 96-68, with attached transmittal and policy justification pages.

Dated: September 12, 1996.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5000-04-M



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

05 SEP 1996

In reply refer to:
I-04252/96ct

Honorable Newt Gingrich
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. 96-68 and under separate cover the classified annex 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 (TECRO) in the United States for defense articles and services estimated to cost \$66 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

Thomas G. Rhame
Lieutenant General, USA
Director

Attachments

Separate Cover:
Classified Annex

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. 96-68

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*	\$ 51 million
Other	\$ <u>15 million</u>
TOTAL	\$ 66 million
- (iii) Description of Articles or Services Offered:
One hundred ten MK-46 MOD 5 torpedoes, torpedo exercise heads, air launch accessories, containers, support equipment, spare and repair parts, personnel training and training equipment, publications and technical documentation and other related elements of logistics support.
- (iv) Military Department: Navy (AJX)
- (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 under separate cover.
- (vii) Date Report Delivered to Congress:

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

POLICY JUSTIFICATIONTaipei Economic and Cultural Representative Office (TECRO)
in the United States - MK-46 MOD 5 Torpedoes

The Taipei Economic and Cultural Representative Office (TECRO) in the United States has requested the purchase of 110 MK-46 MOD 5 torpedoes, torpedo exercise heads, air launch accessories, containers, support equipment, spare and repair parts, personnel training and training equipment, publications and technical documentation and other related elements of logistics support. The estimated cost is \$66 million.

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

Taiwan will use these torpedoes as part of the principal armament on its S-70 helicopters thereby maintaining an operational Anti-Submarine Warfare (ASW) capability. Taiwan currently has air launch MK-46 torpedoes in its inventory and will have no difficulty absorbing these additional torpedoes into its armed forces.

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

The prime contractor will be Alliant Techsystems, Incorporated, Hopkins, Minnesota. There are no offset agreements proposed to be entered into in connection with this potential sale.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives in-country.

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