

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 00-28]

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 00-28 with attached transmittal, policy justification and Sensitivity of Technology.

Dated: March 10, 2000.

L.M. Bynum,*Alternate OSD Federal Register Liaison Officer, Department of Defense.***BILLING CODE 5000-10-M**



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

2 MAR 2000
In reply refer to:
I-00/002054

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. 00-28, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to the Taipei Economic and Cultural Representative Office for defense articles and services estimated to cost \$106 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

A handwritten signature in black ink, appearing to read "MS Davison", with a horizontal line extending to the right.

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. 00-28**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
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$ 8 million |
| Other | \$ <u>98 million</u> |
| TOTAL | \$ 106 million |
- (iii) **Description of Articles or Services Offered:** One hundred sixty-two HAWK Intercept Aerial guided missiles, containers, modification kits, support equipment, testing, spare and repair parts, publications and technical data, personnel training and equipment, U.S. Government and contractor engineering and logistics personnel services, and other related elements of logistics support
- (iv) **Military Department:** Army (YVQ, JBE, and IAB)
- (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:** 2 MAR 2000

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

POLICY JUSTIFICATION**Taipei Economic and Cultural Representative Office - HAWK Intercept Aerial Missiles**

The Taipei Economic and Cultural Representative Office in the United States has requested a possible sale of 162 HAWK Intercept Aerial guided missiles, containers, modification kits, support equipment, testing, spare and repair parts, publications and technical data, personnel training and equipment, U.S. Government and contractor engineering and logistics personnel services, and other related elements of logistics support. The estimated cost is \$106 million.

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

This proposed sale will support the recipient's continued effort to modernize and enhance its air defense capabilities. Under the Missile Reliability Restoration program, the recipient operational inventory of HAWK missiles will be modified to the HAWK Intercept Aerial guided missiles. The recipient will have no difficulty absorbing these additional missiles 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 is Raytheon Company of Andover, Massachusetts. There are no offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of up to four U.S. Government representatives for one-week intervals over a six-year timeframe for logistic technical assistance. One contractor representative will be required for six years to perform technical assistance to the recipient.

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

Transmittal No. 00-28**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act****Annex
Item No. vi****(vi) Sensitivity of Technology:**

- 1. The MIM-23E and MIM-23L HAWK missile system contains more than 500 components which are Classified as well as components that are sensitive but not Classified. These items are so identified to protect the system from being defeated by exploiting specific system characteristics. Technology which must be protected is in the missile, radars, and control elements of the system. Continuous wave low noise Radio Frequency technology has been unique to HAWK for many years. The techniques for isolation of transmitter and receiver elements are difficult and sensitive.**
- 2. If a technologically capable adversary were to obtain knowledge of these sensitive technologies, the possibility exists that countermeasures might be developed which could reduce weapon system effectiveness.**
- 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.**