

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 98-16]

36(b)(1) Arms Sales Notification**AGENCY:** Defense Security Assistance 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 P.L. 104-164 dated 21 July 1996.**FOR FURTHER INFORMATION CONTACT:** Ms. J. Hurd, DSAA/COMPT/RM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 98-16, with attached transmittal and policy justification pages.

Dated: November 20, 1997.

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

09 NOV 1997

In reply refer to:

I-56704/97

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. 98-16, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance (LOA) to Taipei Economic and Cultural Representative Office in the United States for defense articles and services estimated to cost \$140 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

A handwritten signature in cursive script, appearing to read "MS Davison".

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

Attachments

Transmittal No. 98-16

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* | \$ 0 million |
| Other | \$ <u>140 million</u> |
| TOTAL | \$ 140 million |
- (iii) Description of Articles or Services Offered:
This sale will provide funds for the establishment of a Cooperative Logistics Supply Support Arrangement (CLSSA) for spare parts in support of F-5B/E/F, F-104, F-16, C-130, C-119, C-47, and T-38 aircraft and for U.S. systems and sub-systems of the Indigenous Defense Fighter (IDF) aircraft.
- (iv) Military Department: Air Force (KDF)
- (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: 09 NOV 1997

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

POLICY JUSTIFICATION

Taipei Economic and Cultural Representative Office in the United States - Cooperative Logistics Supply Support Arrangement

The Taipei Economic and Cultural Representative Office in the United States (TECRO) has requested the establishment of a Cooperative Logistics Supply Support Arrangement (CLSSA) for spare parts in support of F-5B/E/F, F-104, F-16, C-130, C-119, C-47, and T-38 aircraft and for U.S. systems and sub-systems of the Indigenous Defense Fighter (IDF) aircraft. The estimated cost is \$140 million.

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

These spare parts are required to assure that aircraft and aircraft systems previously procured from the United States are maintained in a mission capable status. The recipient will have no difficulty utilizing these spare parts.

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

Procurement of these items will be from the many contractors providing similar items to the U.S. armed forces. There are no offset agreements proposed to be entered into in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Taiwan.

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