

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 00-41]

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 P.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 00-41 with attached transmittal and policy justification.

Dated: June 13, 2000.

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

6 JUN 2000
In reply refer to:
I-00/006019

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. 00-41 and under separate cover, the classified documents thereto. This Transmittal concerns the Department of the Air Force'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 \$234 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, appearing to read "M S Davison".

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

Attachments

Separate Cover:
Classified Annex
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. 00-41**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* | \$ 120 million |
| Other | <u>\$ 114 million</u> |
| TOTAL | \$ 234 million |
- (iii) **Description of Articles or Services Offered:** Thirty-nine sets of PATHFINDER/SHARPSHOOTER (LANTIRN derivative) navigation and targeting pods, flight testing, support equipment, 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. Targeting pods include laser designator feature.
- (iv) **Military Department:** Air Force (DDW)
- (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:** 6 JUN 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 -
PATHFINDER/SHARPSHOOTER Navigation and Targeting Pod Sets**

The Taipei Economic and Cultural Representative Office in the United States has requested a possible sale of 39 sets of PATHFINDER/SHARPSHOOTER (LANTIRN derivative) navigation and targeting pods, flight testing, support equipment, 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. Targeting pods include laser designator feature. The estimated cost is \$234 million.

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

The recipient will use these navigation and targeting pods on its F-16A/B aircraft to provide low altitude navigation and targeting capability. The recipient will have no difficulty absorbing these additional pod sets into its inventory as part of the F-16A/B aircraft program.

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

The prime contractor will be Lockheed-Martin Corporation of Orlando, Florida. One or more proposed offset agreements may be related to this proposed sale.

Implementation of this proposed sale will not require the assignment of U.S. Government representatives to the recipient. There will be four contractor representatives approximately four years for contractor technical support following delivery of the pods.

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