

POLICY JUSTIFICATION

Taipei Economic and Cultural Representative Office in the United States – Maintenance of Repairable Material

Taipei Economic and Cultural Representative Office in the United States has requested a possible sale for maintenance of repairable material and spare parts in support of F-16A/B, F-5E/F, C-130H and Indigenous Defense Fighter aircraft; MPN-14 and GE-592 radar systems; AIM-120 missile; Pathfinder/Sharpshooter; Pratt & Whitney F-100 engines; communications equipment; and other U.S. made military material. The estimated cost is \$174 million.

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

The Recipient needs these additional spare parts to maintain the aircraft, radar, and missile systems previously procured from the United States in a mission capable status.

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

The principal contractors will be Lockheed Martin Company of Dallas/Fort Worth, Texas and Northrop Grumman Corporation of Baltimore, Maryland. There are no offset agreements proposed in connection with this potential sale.

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

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

[FR Doc. 02-23416 Filed 9-13-02; 8:45 am]

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 02-44]

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 02-44 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: September 9, 2002.

Patricia L. Toppings,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-08-M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

4 SEP 2002
In reply refer to:
I-02/009468

The 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 (AECA), as amended, we are forwarding herewith Transmittal No. 02-44 and under separate cover the classified offset certificate thereto. This Transmittal concerns the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to the United Arab Emirates 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 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, requires a description of any offset agreement with respect to this proposed sale. Section 36(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 is described in the enclosed confidential attachment.

Sincerely,

A handwritten signature in black ink, appearing to read "Tome Walters, Jr.", written in a cursive style.

TOME H. WALTERS, JR.
LIEUTENANT GENERAL, USAF
DIRECTOR

Attachments

Separate Cover:
Offset certificate

Same ltr to: House Committee on International Relations
Senate Committee on Appropriations
Senate Committee on Foreign Relations
House Committee on Armed Services
Senate Committee on Armed Services
House Committee on Appropriations

Transmittal No. 02-44

**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended**

- (i) **Prospective Purchaser:** United Arab Emirates
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$220 million |
| Other | <u>\$180 million</u> |
| TOTAL | \$400 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 5 refurbished/upgraded E-2C aircraft to the E-2C HAWKEYE 2000, 5 AN/APS-145 radars, 5 OE-335/A antenna groups, 10 T56-A-425 engines, spare and repairs parts, support equipment, personnel training and training equipment, technical data and publications, tactical software and software laboratory, system software development and installation, testing of new system modifications, U.S. Government and contractor engineering and logistics services and other related elements of program support.
- (iv) **Military Department:** Navy (AAV)
- (v) **Prior Related Cases, if any:** none
- (vi) **Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:** none
- (vii) **Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:** See Annex attached
- (viii) **Date Report Delivered to Congress:** 4 SEP 2002

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

POLICY JUSTIFICATION**United Arab Emirates – Refurbished/upgraded E-2C Aircraft to the E2C HAWKEYE 2000**

The Government of the United Arab Emirates has requested a possible sale of 5 refurbished/upgraded E-2C aircraft to the E-2C HAWKEYE 2000, 5 AN/APS-145 radars, 5 OE-335/A antenna groups, 10 T56-A-425 engines, spare and repairs parts, support equipment, personnel training and training equipment, technical data and publications, tactical software and software laboratory, system software development and installation, testing of new system modifications, U.S. Government and contractor engineering and logistics services and other related elements of program support. The estimated cost is \$400 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in the Middle East.

The United Arab Emirates needs the E-2C aircraft to develop an effective air defense network for their naval forces and provide an Airborne Early Warning (AEW) surveillance and enhanced command, control, and communications capability. UAE will have no difficulty absorbing the E-2C aircraft 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 will be Northrop Grumman Aircraft Corporation of Bethpage, New York. One or more proposed offset agreements may be related to this proposed sale.

Implementation of this sale will require the assignment of up to 14 contractor representatives to UAE for two years, followed by an extension for an additional two to three years following delivery of the aircraft in country. A Navy Weapon System Liaison Office staffed by one person will be required for the first three years.

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

Transmittal No. 02-44

**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended**

**Annex
Item No. vii**

(vii) Sensitivity of Technology:

1. The E-2C 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-2C 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 United Arab Emirates 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.

[FR Doc. 02-23417 Filed 9-13-02; 8:45 am]
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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 02-46]

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 02-46 with attached transmittal and policy justification.

Dated: September 9, 2002.

Patricia L. Toppings,
*Alternate OSD Federal Register Liaison
Officer, Department of Defense.*

BILLING CODE 5001-08-M