

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal Nos. 08–47]

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. B. English, DSCA/DBO/CFM, (703) 601–3740.

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

Representatives, Transmittals 08–47 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: October 7, 2008.

Patricia L. Toppings,

*OSD Federal Register Liaison Officer,
Department of Defense.*

BILLING CODE 5001–06–M



**DEFENSE SECURITY COOPERATION AGENCY
WASHINGTON, DC 20301-2800**

OCT 03 2008

**In reply refer to:
USP003415-08**

**The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515-6501**

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 08-47, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Taipei Economic and Cultural Representative Office in the United States for defense articles and services estimated to cost \$250 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

Jeffrey A. Wieringa
Vice Admiral, USN
Director

Enclosures:

- 1. Transmittal**
- 2. Policy Justification**
- 3. Sensitivity of Technology**

Same ltr to:

House
Committee on Foreign Affairs
Committee on Armed Services
Committee on Appropriations

Senate
Committee on Foreign Relations
Committee on Armed Services
Committee on Appropriations

Transmittal No. 08-47**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* | \$ 12 million |
| Other | <u>\$238 million</u> |
| TOTAL | \$250 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** Upgrade of 4 E-2T Aircraft to the HAWKEYE 2000 configuration. The upgrade will include provisions for the Joint Tactical Information Distribution System, avionics, navigation and non-navigation upgrades, and aircraft electrical, mechanical, and survivability upgrades, all necessary hardware installations, support equipment, spares and repair parts, installation and training, publications and technical documents, U.S. Government and contractor technical assistance, and other related elements of logistics and program support.
- (iv) **Military Department:** Navy (GNN)
- (v) **Prior Related Cases, if any:** numerous FMS cases pertaining to various services
- (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:** OCT 03 2008

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

POLICY JUSTIFICATION**Taipei Economic and Cultural Representative Office in the United States – E-2T Retrofit Upgrade**

The Taipei Economic and Cultural Representative Office in the United States has requested the upgrade of 4 E-2T Aircraft to the HAWKEYE 2000 configuration. The upgrade will include provisions for the Joint Tactical Information Distribution System, avionics, navigation and non-navigation upgrades, and aircraft electrical, mechanical, and survivability upgrades, all necessary hardware installations, support equipment, spares and repair parts, installation and training, publications and technical documents, U.S. Government and contractor technical assistance, and other related elements of logistics and program support. The estimated cost is \$250 million.

This proposed sale serves U.S. national economic and security interests by supporting the recipient's continuing efforts to modernize its armed forces. The proposed sale will help improve the security of the recipient and assist in maintaining political stability, military balance, and economic progress in the region.

The recipient uses the aircraft to enhance its self-defense capabilities. The recipient has previously purchased E-2's and is updating these aircraft to meet the same configuration of the most recent purchase of E-2 HAWKEYE 2000 aircraft. This upgrade will simplify aircraft crew training, maintenance training and requirements, base-line spares, and increase safety of flight. The recipient will be able to effectively utilize the upgraded aircraft.

This sale is consistent with United States law and policy as expressed in Public Law 96-8. The U.S. is committed to providing military assistance under the terms of the Taiwan Relations Act.

Implementation of this proposed sale will require the assignment of six contractor representatives to the recipient for a not to exceed five year period.

The prime contractor will be Northrop Grumman Corporation, Bethpage, NY.

The purchaser requested offsets. At this time, agreements are undetermined and will be defined in negotiations between the purchaser and contractor.

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

Transmittal No. 08-47**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act****Annex
Item No. vii****(vii) Sensitivity of Technology:**

1. The E-2 aircraft is a state-of-the-art surveillance aircraft. All upgraded hardware is unclassified. Some of the aircraft's software, publications, performance specifications, operational capability, vulnerabilities to countermeasures, and software documentation are classified up to Secret. The classified information to be provided to the customer consists of that which is necessary for the operation, maintenance, and repair of the E-2C aircraft and its installed systems and related software.

2. This upgrade merely upgrades the E-2T to the HAWKEYE 2000 configuration, which includes, safety of flight, maintainability, and sustainability improvements. These improvements also standardize all aircraft to the same configuration, which also simplifies operation and training requirements. No new sensors or upgrades to the sensor suite are being incorporated. However, the aircraft's operating system and equipment are classified Confidential after the software package is loaded.

3. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.