

DEPARTMENT OF DEFENSE**Office of the Secretary****[Transmittal Nos. 08-56]****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 08-56 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
2800 DEFENSE PENTAGON
WASHINGTON, DC 20301-2800

OCT 03 2008

In reply refer to:
USP004839-08

**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. 08-56, concerning the Department of the Army'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 \$3.1 billion. 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. 08-56

**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* | \$2.4 billion |
| Other | \$.7 billion |
| TOTAL | \$3.1 billion |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 330 PATRIOT Advanced Capability (PAC-3) missiles, 4 AN/MPQ-65 Radar Sets, 2 Tactical Command Stations, 2 Information and Coordination Centrals, 6 Communication Replay Groups, 4 Engagement Control Stations, 24 Launching Stations, 12 Antenna Mast Groups, 282 Single Channel Ground and Airborne Radio System (SINCGARS) (115 AN/VRC-88E, 96 AN/VRC-90E, 13 AN/VRC-91E, and 58 AN/VRC-92E), 9 Electronic Power Plant III (EPP), 50 Multifunctional Information Distribution Systems (MIDS), battery and battalion maintenance equipment, prime movers, generators, electrical power units, personnel training and equipment, trailers, communication equipment, tool and test sets, spare and repair parts, publications, supply support Quality Assurance Team support services, U.S. Government and contractor engineering and logistics services, technical documentation, and other related elements of logistics support.
- (iv) **Military Department:** Army (YYV, Amd #1)
- (v) **Prior Related Cases, if any:** FMS Case YYV-\$600M-21Dec07
- (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 - PATRIOT Advanced Capability-3 Guided Missiles

The Taipei Economic and Cultural Representative Office in the United States has requested a possible sale of 330 PATRIOT Advanced Capability (PAC-3) missiles, 4 AN/MPQ-65 Radar Sets, 2 Tactical Command Stations, 2 Information and Coordination Centrals, 6 Communication Replay Groups, 4 Engagement Control Stations, 24 Launching Stations, 12 Antenna Mast Groups, 282 Single Channel Ground and Airborne Radio System (SINCGARS) (115 AN/VRC-88E, 96 AN/VRC-90E, 13 AN/VRC-91E, and 58 AN/VRC-92E), 9 Electronic Power Plant III (EPP), 50 Multifunctional Information Distribution Systems (MIDS), battery and battalion maintenance equipment, prime movers, generators, electrical power units, personnel training and equipment, trailers, communication equipment, tool and test sets, spare and repair parts, publications, supply support Quality Assurance Team support services, U.S. Government and contractor engineering and logistics services, technical documentation, and other related elements of logistics support. The estimated cost is \$3.1 billion.

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.

This proposed sale serves U.S. national, economic, and security interests by supporting the recipient's continuing efforts to modernize its armed forces and enhance its defensive capability. 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 will use the PAC-3 missiles to enhance its self-defense capabilities. The recipient has not previously purchased PAC-3 missiles, but will be able to absorb and effectively utilize these missiles.

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

The principal contractors will be: Raytheon Corporation in Andover, MA, and Lockheed-Martin in Dallas, TX. At this time, there are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require temporary assignment of U.S. Government and contractor representatives in country. There will be several U.S. Government representatives for 2-week intervals twice annually to participate in program management and technical reviews.

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

Transmittal No. 08-56

**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 PATRIOT Air Defense System contains classified Secret components and critical/sensitive technology. The PATRIOT Advanced Capability-3 (PAC-3) Missile Four-Pack is classified Confidential. With the incorporation of the PAC-3 missile, the PATRIOT System will continue to hold a significant technology lead over other surface-to-air missile systems in the world.**
- 2. The PAC-3 Missile sensitive/critical technology is in the area of design and production know-how and primarily inherent in the design, development and/or manufacturing data related to certain components. Information on system performance capabilities and effectiveness, select software documentation, and test data are classified up to Secret.**
- 3. AIT and TECRO signed a Patriot PAC-3/Configuration 3 Security Agreement on 14 December 2007. The US requires such an agreement as an additional measure to safeguard classified and sensitive information, equipment and technology prior to entering into the sale of Configuration 3 to any international customer.**
- 4. 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.**