

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 99-19]

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 99-19, with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: June 7, 1999.

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

26 MAY 1999
In reply refer to:
I-99/06054

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. 99-19, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to the Taipei Economic and Cultural Representative Office for defense articles and services estimated to cost \$64 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,


A.R. KELTZ
ACTING DIRECTOR

Attachments

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. 99-19

**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*	\$ 1 million
Other	<u>\$ 63 million</u>
TOTAL	\$ 64 million
- (iii) **Description of Articles or Services Offered:** Five exportable AN/VRC-92E SINCGARS radio systems, five Commercial Off-the Shelf/Non-Developmental Item (COTS/NDI) Intelligence Electronic Warfare (IEW) systems (a mobile intercept direction finding system with high frequency skywave intercept, direction finding and jamming capability that is shelter configured on a High Mobility Multi-purpose Wheeled Vehicles (HMMWV)) to be provided by a commercial contractor, five HMMWV, spare and repair parts, support equipment, publications, personnel training and training equipment, U.S. Government and contractor engineering and technical services, Quality Assurance Teams, and other related elements of logistics support.
- (iv) **Military Department:** Army (YVD)
- (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 attached
- (vii) **Date Report Delivered to Congress:** 26 MAY 1999

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

POLICY JUSTIFICATION

Taipei Economic and Cultural Representative Office (TECRO) in the United States - SINGARS Radio Systems and Commercial Off-the-Shelf/Non-Developmental Item Intelligence Electronic Warfare Systems

The Taipei Economic and Cultural Representative Office (TECRO) in the United States has requested a possible sale of five exportable AN/VRC-92E SINGARS radio systems, five Commercial Off-the Shelf/Non-Developmental Item (COTS/NDI) Intelligence Electronic Warfare (IEW) systems (a mobile intercept direction finding system with high frequency skywave intercept, direction finding and jamming capability that is shelter configured on a High Mobility Multi-purpose Wheeled Vehicles (HMMWV)) to be provided by a commercial contractor, five HMMWV, spare and repair parts, support equipment, publications, personnel training and training equipment, U.S. Government and contractor engineering and technical services, Quality Assurance Teams, and other related elements of logistics support. The estimated cost is \$64 million.

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

The proposed sale of this equipment will enable the recipient to intercept and jam offensive communications and to protect their own communications from being compromised. The recipient will use the COTS/NDI as well as the IEW leased equipment to equip an experimental IEW ground force units. The recipient will have no difficulty absorbing this equipment into its armed forces.

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

At this time, a contractor has not been selected for the COTS/NDI system. There are no offset agreements proposed to be entered into in connection with this potential sale.

The number of U.S. Government personnel and contractor representatives required in-country to support the program will be determined in joint negotiations as the program proceeds through the development, production and equipment installation phases.

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

Transmittal No. 99-19**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act****Annex
Item No. vi****(vi) Sensitivity of Technology:**

1. The Commercial Off-the-Shelf/Non-Developmental Item (COTS/NDI) multi-station, ground based, electronic attack, intercept and Direction Finding system will be integrated in accordance to the classified Performance Specification for ACEWS to support a Foreign Military Sales requirement. The COTS/NDI Intelligence and Electronic Warfare (IEW) system will consist of Communications Intelligence/Direction Finding subsystems and jamming subsystems. All subsystems will be ground based. A High Frequency antenna array and the OE-317A antenna will also be part of the COTS/NDI IEW system. This system will be a non-standard procurement. The system does not have an assigned National Stock Number and is not used by the U.S. Armed Forces.

2. There will be no U.S. Government COMSEC equipment in the COTS/NDI IEW system. An exportable version of AN/VRC-92E SINCGARS, will be integrated into the COTS/NDI IEW system. The exportable SINCGARS receiver-transmitter, contains commercial encryption algorithms, not the same COMSEC that is used for the U.S. Army version SINCGARS. Other exportable commercial encryption devices may be utilized for the data link communications in the COTS/NDI IEW system.

3. A determination has been made that the recipient country 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.