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**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**[Transmittal No. 16-01]**

**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 July 21, 1996.

**FOR FURTHER INFORMATION CONTACT:** Sarah A. Ragan or Heather N. Harwell, DSCA/LMO, (703) 604-1546/ (703) 607-5339.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 16-01 with attached Policy Justification and Sensitivity of Technology.

Dated: February 9, 2016.

Aaron Siegel,  
Alternate OSD Federal Register Liaison Officer,  
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY  
201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

The Honorable Paul D. Ryan  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

DEC 16 2015

Dear Mr. 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. 16-01, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to the Taipei Economic and Cultural Representative Office in the United States for defense articles and services estimated to cost \$268 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

J. W. Rixey  
Vice Admiral, USN  
Director

Enclosures:

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



Transmittal No. 16-01

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: Taipei Economic and Cultural and Representative Office in the United States

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 237 million
Other	<u>\$ 31 million</u>
TOTAL	\$ 268 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Seven hundred sixty-nine (769) TOW 2B Aero, Radio Frequency (RF) Missiles (BGM-71F-Series)

Fourteen (14) TOW 2B Aero, Radio Frequency (RF) (BGM-71F-Series) Fly-to Buy Missiles

Forty-six (46) Improved Target Acquisition System (ITAS)

Four (4) ITAS spares

Also included are the following non-MDE: Missile Support Equipment, Government-Furnished Equipment, Technical Manuals/Publications, Spare Parts, Tool and Test Equipment, Training, U.S. Government Technical Support/Logistical Support, Contractor Technical Support, and other associated equipment and services.

(iv) Military Department: U.S. Army (TW-B-ZBT)

(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 Attached Annex.

(viii) Date Report Delivered to Congress: 16 December 2015

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

## POLICY JUSTIFICATION

### Taipei Economic and Cultural Representative Office in the United States - TOW 2B Aero Radio Frequency (RF) Missile (BGM-71F-Series), Support and Training

The Taipei Economic and Cultural Representative Office in the United States has requested a possible sale of seven hundred sixty-nine (769) TOW 2B Aero Radio Frequency (RF) Missiles (BGM-71 F-Series). This proposed sale also includes fourteen (14) Radio Frequency (RF) TOW 2B Aero (BGM-71F-Series) Fly-to-Buy Missiles for lot acceptance testing, forty-six (46) Improved Target Acquisition System (ITAS) Launchers, four (4) Improved Target Acquisition System (ITAS) launcher spares, Missile Support Equipment, Government-Furnished Equipment, Technical Manuals/Publications, Spare Parts, Tool and Test Equipment, Trainers, Training, U.S. Government Technical Support/Integrated Logistical Support, Contractor Technical Support, and other associated equipment and services. The estimated cost is \$268 million.

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

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 proposed sale of TOW 2B Missiles, ITAS Launchers, and technical support will advance the recipient's efforts to develop an integrated ground defense capability. A strong national defense and dedicated military force will assist the recipient in its efforts to maintain stability. The recipient will have no difficulty absorbing this equipment into its armed forces.

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

The principal contractor involved in this program is Raytheon Missile Systems (RMS) of Tucson, Arizona, and McKinney, Texas. The purchaser normally requests industrial cooperation at forty percent, but at this time there are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the U.S. Government or contractor representatives to travel to the recipient for multiple periods for equipment de-processing/ fielding, system checkout, and new equipment training. There will be no more than ten contractor personnel at any one time and all efforts will take less than 16 weeks in total.

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

Transmittal No. 16-01

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

Annex  
Item No. vii

(vii) Sensitivity of Technology:

1. The TOW 2B Aero Radio Frequency (RF) Missile (BGM-71F-3-RF) is a fly-over-shootdown missile designed to defeat armored vehicles. TOW missiles are fired from a variety of TOW Launchers in the U.S. Army, U.S. Marine Corps and Foreign Military Sales (FMS) customer forces. The TOW 2B Aero RF missile can be launched from the same launcher platforms as the existing wire-guided TOW 2B and TOW 2B Aero missiles without modification to the launcher. The TOW 2B missile (both wire & RF) contains two tracker beacons (xenon and thermal) for the launcher to track and guide the missile in flight. Guidance commands from the launcher are provided to the missile by an RF link contained within the missile case. Software for performance data, lethality penetration, and sensors are classified SECRET.

2. The Improved Target Acquisition System (ITAS) is designed to fire all existing versions of the TOW missile and consists of a Target Acquisition Subsystem (TAS), a Fire Control Subsystem (FCS), a Li-Ion Battery Box (LBB), a modified Traversing Unit (TU) plus the standard launch tube and tripod. The ITAS provides for the integration of both the direct view optics and a second generation Standard Advanced Dewar Assembly (SADA) II thermal sensor into a single housing; direct view optics that provide viewing the target scene in daylight and non-obscured conditions; introduction of both passive and active eye safe laser-ranging; development of embedded training and training sustainment; automatic bore sight which allows the gunner to align the night vision system with the direct view optics; insertion of advanced Built-In Test/Built-In Test Equipment (BIT/BITE) which provides fault detection and recognition and go/no go status for the gunner; and an Aided Target Tracker (ATT) that provides the capability to process infrared imagery into recognizable contour features used to assist the gunner's aim point.

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. All defense articles and services listed in this transmittal have been

authorized for release and export to the recipient.

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