



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 16-69]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Kathy Valadez, (703) 697-9217 or Pamela Young, (703) 697-9107; DSCA/DSA-RAN.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 16-69 with attached Policy Justification and Sensitivity of Technology.

Dated: July 13, 2017.

Aaron Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5468

JUN 29 2017

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

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. 16-69, concerning the Department of the Navy's proposed Letter(s) of Acceptance to the 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 our 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. 16-69

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 Representative Office
(TECRO) in the United States

(ii) Total Estimated Value:

Major Defense Equipment* \$150 million

Other \$100 million

TOTAL \$250 million

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

Major Defense Equipment (MDE):

Forty-six (46) MK 48 Mod 6AT Heavyweight Torpedoes (HWT)

Non-MDE includes:

Shipping containers, operator manuals and technical documentation, U.S.

Government and contractor engineering, technical and logistics support services.

(iv) Military Department: Navy

(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 Notification Delivered to Congress: 29 JUN 2017

* 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 - MK 48 Mod 6AT Heavyweight Torpedo (HWT)

Taiwan has requested a possible sale of forty-six (46) MK 48 Mod 6AT Heavyweight Torpedoes (HWT). This sale will include HWT containers, torpedo support, torpedo spare parts, publications, training, weapon system support, engineering and technical assistance. The total estimated program cost is \$250 million.

This proposed 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 capabilities. 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 will improve the recipient's capability in current and future defensive efforts. The recipient will use the enhanced capability as a deterrent to regional threats and to strengthen homeland defense. The recipient will have no difficulty absorbing this equipment into its armed forces.

There are no prime contractors associated with this case as all materials will be procured from U.S. Navy stocks. There are no known offset agreements proposed in connection with this potential sale.

It is estimated that during implementation of this proposed sale a number of U.S. Government and contractor representatives will be assigned to the recipient or travel there intermittently during the program.

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

Transmittal No. 16-69

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 MK 48 Heavy Weight Torpedo (HWT) has been in service in the U.S. Navy (USN) since 1972. This sale furnishes the MK 48 Mod 6 Advanced Technology (AT) version of the system. The purchaser currently does not have this weapon system in its inventory. The proposed sale consists of 46 HWTs, containers, spare and repair parts, weapons system support and integration, personnel training, training equipment, test equipment, U.S. Government and contractor engineering, technical and logistics support services and other related elements of logistical support.

a. There is no Critical Program Information associated with the MK 48 Mod 6AT HWT hardware, technical documentation or software. The highest classification of the hardware to be exported is SECRET. The highest classification of the technical manual that will be exported is CONFIDENTIAL. The technical manual is required for operation of the MK 48 Mod 6AT HWT. The highest classification of the software to be exported is SECRET. The MK 48 Mod 6AT HWT meets Anti-Tampering requirements.

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 development of a system with similar or advanced capabilities.

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 in the Policy justification.

4. All defense articles and services listed in this transmittal have been authorized for release and export to Taipei Economic and Cultural Representative Office (TECRO) in the United States.