



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 16-70]

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 16-70 with attached Policy Justification and Sensitivity of Technology.

Dated: July 19, 2017.

Aaron Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



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

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. 16-70, concerning the Department of the Navy 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 \$80 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. 16-70

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* \$0 million

Other \$80 million

TOTAL \$80 million

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

Non-MDE Includes:

AN/SLQ-32(V)3 Electronic Warfare System upgrade hardware, software, support equipment and parts, publications, training, engineering and technical assistance.

(iv) Military Department: Navy (LHW)

(v) Prior Related Cases, if any: FMS Cases TW-P-SDV, TW-P-GNT, and TW-P-GOU

(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: 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 – AN/SLQ-32(V)3 Upgrade

TECRO has requested a possible sale to upgrade the AN/SLQ-32(V)3 Electronic Warfare Systems in support of four (4) ex-KIDD Class (now KEELUNG Class) destroyers. This sale will include AN/SLQ-32(V)3 upgrade hardware, software, support equipment and parts, publications, training, engineering and technical assistance. The total estimated program cost is \$80 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 proposed sale will improve operational readiness and enhance the electronic warfare capability onboard the ex-KIDD Class destroyers. The recipient will have no difficulty in absorbing this equipment into its armed forces.

The proposed sale will not alter the basic military balance in the region.

The prime contractor will be Raytheon Missiles Systems Company of Tucson, Arizona. 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. 16-70

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 AN/SLQ-32(V)3 is an electronic warfare system providing shipboard identification and cataloging of the electronic signature of missiles and aircraft. The system consists of sensors and computers which process electronic signals within parameters established in a threat library. The customer currently has an earlier version of this equipment in inventory.

a. The AN/SLQ-32(V)3 upgrade consists of hardware, technical documentation, and software. The highest classification of the hardware to be exported is SECRET. The highest classification of software to be exported is SECRET.

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 the Government of Taipei Economic and Cultural Representative Office (TECRO) in the United States.

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