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## **DEPARTMENT OF DEFENSE**

### **Office of the Secretary**

**[Transmittal No. 20-75]**

### **Arms Sales Notification**

**AGENCY:** Defense Security Cooperation Agency, Department of Defense (DoD).

**ACTION:** Arms sales notice.

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

**FOR FURTHER INFORMATION CONTACT:** Karma Job at [karma.d.job.civ@mail.mil](mailto:karma.d.job.civ@mail.mil) or (703) 697-8976.

**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 20-75 with attached Policy Justification and Sensitivity of Technology.

Dated: December 11, 2020.

**Aaron T. Siegel,**

*Alternate OSD Federal Register Liaison Officer,*

*Department of Defense.*



DEFENSE SECURITY COOPERATION AGENCY  
201 12<sup>TH</sup> STREET SOUTH, SUITE 101  
ARLINGTON, VA 22202-5408

October 21, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
H-209, The Capitol  
Washington, DC 20515

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. 20-75 concerning the Air Force's proposed Letter(s) of Offer and Acceptance to the Taipei Economic and Cultural Representative Office in the United States (TECRO) for defense articles and services estimated to cost \$367.2 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,

A handwritten signature in black ink, reading "Heidi H. Grant", is positioned above the printed name and title.

Heidi H. Grant  
Director

Enclosures:

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

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 in the United States (TECRO)

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$367.2 million</u>
TOTAL	\$367.2 million

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

Major Defense Equipment (MDE):

None

Non-MDE:

Six (6) MS-110 Recce Pods; three (3) Transportable Ground Stations; one (1) Fixed Ground station; spare and repair parts; repair and return; site surveys; integration and test equipment; system support and equipment; personnel training and training equipment; publications and technical documentation; U.S. Government and contractor engineering, technical, and logistical support services; and other related elements of logistical and program support.

(iv) Military Department: Air Force (TW-D-QAS)

(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: **October 21, 2020**

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

## POLICY JUSTIFICATION

### Taipei Economic and Cultural Representative Office in the United States (TECRO) – MS-110 Recce Pod System

TECRO has requested to buy six (6) MS-110 Recce Pods; three (3) Transportable Ground Stations; one (1) Fixed Ground station; spare and repair parts; repair and return; site surveys; integration and test equipment; system support and equipment; personnel training and training equipment; publications and technical documentation; U.S. Government and contractor engineering, technical, and logistical support services; and other related elements of logistical and program support. The total estimated program cost is \$367.2 million.

This proposed sale is consistent with U.S. 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 to maintain a credible defensive capability. The proposed sale will help improve the security of the recipient and assist in maintaining political stability, military balance, economic and progress in the region.

This proposed sale will improve the recipient's capability to meet current and future threats by providing timely Intelligence, Surveillance, and Reconnaissance (ISR), capabilities for its security and defense. The enhanced capability is a deterrent to regional threats and will strengthen the recipient's self-defense. The recipient will have no difficulty absorbing these systems 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 will be Collins Aerospace, Westford, MA. The purchaser typically requests offsets. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to the recipient.

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

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act

Annex  
Item No. vii

(vii) Sensitivity of Technology:

1. The MS-110 is a Non-Program of Record electro-optic and infrared airborne reconnaissance system with long range, day/night, multi-spectral sensor technology. The multi-spectral sensor lets the end user see color and better distinguish subtle features that traditional gray-scale imagery cannot. The pod can transmit imagery via a datalink to ground-stations for near-real time analysis and exploitation.

2. The highest level of classification of information included in this potential sale is UNCLASSIFIED.

3. If a technologically advanced adversary were to obtain knowledge of the hardware and software elements, the information could be used to develop countermeasures or equivalent systems, which might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.

4. A determination has been made that the recipient 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.

5. All defense articles and services listed in this transmittal have been authorized for release and export to the recipient.