DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 98–54]

36(b)(1) Arms Sales Notification

AGENCY: Defense Security Assistance Agency, Department of Defense.

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 Pub. L. 104–164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. J. Hurd, DSAA/COMPT/RM, (703) 604–6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 98–54, with attached transmittal, policy justification and sensitivity of technology.

Dated: September 4, 1998.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5000–04–M

DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

27 Aug 1998
In reply refer to:
I-71921/98

Honorable Newt Gingrich
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. 98-54, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to Taipei Economic and Cultural Representative Office in the United States for defense articles and services estimated to cost $180 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. Diehl McKalip
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. 98-54

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*	$ 96 million
Other	$ 84 million
TOTAL	$ 180 million

(iii) Description of Articles or Services Offered: Sixty-one Dual Mount STINGER Missile Systems consisting of: 61 Dual Mount STINGER (DMS) launchers (includes elevation assembly, tripod assembly, and sights) with coolant units, 61 STINGER RMP (-) captive flight trainers, 728 complete STINGER RMP (-) missile rounds (less battery coolant unit), 132 AN/VRC-91 export version SINCGAR radios, spare and repair parts, support equipment, Interrogator Friend or Foe interrogator sets, interrogator programmers, utility carrier trucks, aerial flight handling and launcher trainers, gas bottles, coolant units, publications and documentation data, personnel training and training equipment, U.S. Government and contractor engineering and logistics personnel services, U.S. Government Quality Assurance Teams, Mobile Training Teams, and other related elements of logistics support.

(iv) Military Department: Army (JBB, Amd 2 and YUM)

(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: 27 Aug 1998

* 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 - Dual Mount STINGER Missile Systems

The Taipei Economic and Cultural Representative Office (TECRO) in the United States has requested a possible sale of 61 Dual Mount STINGER Missile Systems consisting of: 61 Dual Mount STINGER (DMS) launchers (includes elevation assembly, tripod assembly, and sights) with coolant units, 61 STINGER RMP (-) captive flight trainers, 728 complete STINGER RMP (-) missile rounds (less battery coolant unit), 132 AN/VRC-91 export version SINCGAR radios, spare and repair parts, support equipment, Interrogator Friend or Foe interrogator sets, interrogator programmers, utility carrier trucks, aerial flight handling and launcher trainers, coolant units, gas bottles, publications and documentation data, personnel training and training equipment, U.S. Government and contractor engineering and logistics personnel services, U.S. Government Quality Assurance Teams, Mobile Training Teams, and other related elements of logistics support. The estimated cost is $180 million.

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

The recipient will use the STINGER missiles to maintain their air defense capability and will have no difficulty absorbing these additional weapon systems into its armed forces.

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

The prime contractor will be the Hughes Aircraft Company, Tucson, Arizona. One or more offset agreements may be related to this proposed sale.

Implementation of this proposed sale will require visits by up to ten U.S. Government personnel for two-week periods, twice a year, for three years for quality assurance purposes. There will be technical contractor representatives in Taiwan for one year. The number of U.S. Government personnel and contractor representatives required to support the training program will be determined as the program proceeds.

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

Transmittal No. 98-54

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 Dual Mount STINGER missile system less reprogrammable microprocessor module and gripstock (STINGER RMP (-)), hardware, software and documentation contain sensitive technology and are classified Confidential. The guidance section of the missile and tracking head trainer contain highly sensitive technology and are classified Confidential.

2. Missile system hardware and fire unit components contain sensitive/critical technologies. STINGER critical technology is primarily in the area of design and production know-how and not end-items. This sensitive/critical technology is inherent in the hybrid microcircuit assemblies, microprocessors, magnetic and amorphous metals, purification, firmware, printed circuit boards, laser range finder, dual detector assembly, detector filters, automatic text and associated computer software, optical coatings, ultraviolet sensors, semi-conductor detectors, infrared band sensors, equipment operating instructions, warhead components seeker assembly and the Identification Friend or Foe (IFF) system with Mode 34 capabilities.

3. Information on vulnerability to electronic countermeasures and counter-countermeasures, system performance capabilities and effectiveness, and test data are classified up to Secret.

4. Loss of this hardware and/or data could permit development of information leading to the exploitation of countermeasures. Therefore, if a technologically capable adversary were to obtain these devices, the missile system could be compromised through reverse engineering techniques which could defeat the weapon systems effectiveness.

5. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification. Moreover, the benefits to be derived from this sale, as outlined in the Policy Justification, outweigh the potential damage that could result if the sensitive technology were revealed to unauthorized persons.

[FR Doc. 98–24379 Filed 9–10–98; 8:45 am]
BILLING CODE 5000–04–C