

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal Nos. 07-41]

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 21 July 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of

Representatives, Transmittals 07-41 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: August 8, 2007.

C.R. Choate,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-06-M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

AUG 03 2007

In reply refer to:
I-07/008299-CFM

**The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515-6501**

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. 07-41, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Taipei Economic and Cultural Representative Office in the United States for defense articles and services estimated to cost \$125 million in accordance with the Taiwan Relations Act, P.L. 96-8. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

A handwritten signature in cursive script that reads "Richard J. Millies".

**Richard J. Millies
Deputy Director**

Enclosures:

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

Transmittal No. 07-41

**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 in the United States pursuant to P.L. 96-8
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$110 million |
| Other | <u>\$ 15 million</u> |
| TOTAL | \$125 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 60 AGM-84L HARPOON Block II missiles, 2 HARPOON guidance control units, 30 HARPOON containers, 30 HARPOON extended air-launch lugs, 50 HARPOON upgrade kits from AGM-84G to AGM-84L configuration, missile modifications, test equipment and services, spares and repair parts for support equipment, training, publications and technical documents, U.S. Government and contractor technical assistance, and other related elements of logistics and program support.
- (iv) **Military Department:** Navy (LGV)
- (v) **Prior Related Cases, if any:**
- FMS case LEZ - \$66 million - 02 Sep 93
 - FMS case LFV - \$84 million - 18 Jun 97
 - FMS case LGB - \$86 million - 30 Sep 98
 - MS case LGI - \$110 million - 13 Sep 01
 - MS case LGN - \$37 million - 30 May 03

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

- (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 Annex attached**
- (viii) **Date Report Delivered to Congress: AUG 03 2007**

POLICY JUSTIFICATION**Taipei Economic and Cultural Representative Office in the United States - AGM-84L HARPOON Block II Missiles**

The Taipei Economic and Cultural Representative Office in the United States has requested a possible sale of 60 AGM-84L HARPOON Block II missiles, 2 HARPOON guidance control units, 30 HARPOON containers, 30 HARPOON extended air-launch lugs, 50 HARPOON upgrade kits from AGM-84G to AGM-84L configuration, missile modifications, test equipment and services, spares and repair parts for support equipment, training, publications and technical documents, U.S. Government and contractor technical assistance, and other related elements of logistics and program support. The estimated cost is \$125 million.

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.

This sale is consistent with United States law and policy as expressed in Public Law 96-8. The U.S. is committed to providing military assistance under the terms of the Taiwan Relations Act.

The recipient uses HARPOON missiles to enhance its self-defense capabilities. The recipient has previously purchased both air and surface launched HARPOON missiles and will be able to absorb and effectively utilize the additional missiles.

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

The prime contractor will be McDonnell Douglas Company, a wholly owned subsidiary of Boeing Company in St. Louis, Missouri. Although the purchaser generally requires offsets, at this time, there are no known offset agreements proposed in connection with this potential sale.

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

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**Annex
Item No. vii**

(vii) Sensitivity of Technology:

1. The AGM-84L HARPOON Block II missile contains sensitive technology and has the following classified components, including applicable technical and equipment documentation and manuals:

- a. Radar seeker**
- b. Global Positioning System/Inertial Navigation System (GPS/INS)**
- c. Operational Flight Program (OFP)**
- d. Missile operational characteristics and performance data**
- e. Costal Targeting Suppression**

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 that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.