

Transmittal No. 16-73

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*	\$83.5 million
Other .....	102.0 million
Total .....	185.5 million

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

*Major Defense Equipment (MDE):* Fifty-six (56) AGM-154C Joint Standoff Weapons (JSOWs)  
*Non-MDE includes:*

JSOW integration, captive flight vehicles, dummy training missiles, missile containers, spare and repair parts, support and test equipment, Joint Mission Planning System updates, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support.

(iv) *Military Department:* Air Force (QBZ)

(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:* 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—AGM-154C Joint Standoff Weapon (JSOW) Missiles*

TECRO requested a possible sale of fifty-six (56) AGM-154C JSOW Air-to-Ground Missiles. This request also includes: JSOW integration, captive flight vehicles, dummy training missiles, missile containers, spare and repair parts, support and test equipment, Joint Mission Planning System updates, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support. The total estimated program cost is \$185.5 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, 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.

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

Currently, market research is being conducted to determine the viability of a qualified contractor in accordance with Federal Acquisition Regulations. The purchaser typically requests offsets, but any offsets will be determined 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 outside the United States.

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-154C Joint Standoff Weapon (JSOW) is a low observable, 1,000 lb. class, inertial navigation and global positioning satellite guided family of air-to-ground glide weapons. JSOW consists of a common airframe and avionics that provides for a modular payload assembly to attack stationary and moving massed flight-armored and armored vehicle columns, surface-to-air, soft to hard, relocatable, and fixed targets. JSOW provides combat forces with an all-weather, day/night/multiple kills per pass, launch and leave, and standoff capability.

2. The highest classification of the hardware to be exported is SECRET. The highest classification of the technical documentation to be exported is SECRET, but no radar cross section and

infrared signature data nor U.S.-only tactics or tactical doctrine will be disclosed. The highest classification of the software to be exported is SECRET; however, no software source code will be disclosed. All reprogramming of missile microprocessor memories must be accomplished by U.S. Government personnel or U.S. Government approved contractors.

3. 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.

4. 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.

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

[FR Doc. 2017-15096 Filed 7-18-17; 8:45 am]

BILLING CODE 5001-06-P

## **DEPARTMENT OF DEFENSE**

### **Office of the Secretary**

[Transmittal No. 16-67]

#### **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/D SA-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 16-67 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 22202-6402

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. 16-67, 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 \$125 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,

A handwritten signature in black ink, appearing to read "T.W. Rixey".

T.W. Rixey  
Vice Admiral, USN  
Director

Enclosures:

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



Transmittal No. 16–67

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*	\$100 million
Other .....	25 million
Total .....	125 million

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

*Major Defense Equipment (MDE)*:

Sixteen (16) Standard Missile-2 (SM–2) Block IIIA All-Up Rounds (AUR)  
 Forty-seven (47) MK 93 MOD 1 SM–2 Block IIIA Guidance Sections (GSs)  
 Five (5) MK 45 MOD 14 SM–2 Block IIIA Target Detecting Device (TDDs) Shrouds

*Non-MDE includes*:

Seventeen (17) MK 11 MOD6 SM–2 Block IIIA Autopilot Battery Units (APBUs) maneuverability upgrades on the GSs, sixty-nine (69) section containers and sixteen (16) AUR containers, operator manuals and technical documentation, U.S. Government and contractor engineering, technical and logistics support services.

(iv) *Military Department*: Navy (LHT)

(v) *Prior Related Cases, if any*: FMS Cases TW–P–LGQ

(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—SM–2 Block IIIA Standard Missiles and Components*

TECRO has requested a possible sale of sixteen (16) Standard Missile-2 (SM–2) Block IIIA All Up Rounds (AUR), forty-seven (47) MK 93 MOD 1 SM–2 Block IIIA Guidance Sections (GSs), and five (5) MK 45 MOD 14 SM–2 Block IIIA Target Detecting Devices (TDDs) Shrouds. This request also includes Seventeen (17) MK 11 MOD6 SM–2 Block IIIA Autopilot Battery Units (APBUs) maneuverability upgrades on the GSs, sixty-nine (69) section containers and sixteen (16) AUR

containers, operator manuals and technical documentation, U.S. Government and contractor engineering, technical and logistics support services. The total estimated program cost is \$125 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 SM–2 Block IIIA missiles and components proposed in this purchase will be used to supplement existing inventories of SM–2 Block IIAs to be used for self-defense against air and cruise missile threats onboard their destroyer-class surface ships. The recipient will have no difficulty absorbing this equipment into its armed forces.

The proposed sale of this equipment and support will not alter the 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. 16–67

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. A completely assembled STANDARD Missile-2 (SM–2) Block IIIA with or without a conventional warhead, whether a tactical or inert (training) configuration, is classified CONFIDENTIAL. Missile component hardware includes: Guidance Section (classified CONFIDENTIAL), Target Detection Device (classified

CONFIDENTIAL), Warhead (UNCLASSIFIED), Rocket Motor (UNCLASSIFIED), Steering Control Section (UNCLASSIFIED), Safe and Arming Device (UNCLASSIFIED), and Autopilot Battery Unit (classified CONFIDENTIAL).

2. SM–2 operator and maintenance documentation is considered CONFIDENTIAL. Shipboard operation/firing guidance is considered CONFIDENTIAL. Pre-firing missile assembly/pedigree information is UNCLASSIFIED.

3. 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.

4. A determination has been made that 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 Taipei Economic and Cultural Representative Office (TECRO) in the United States.

[FR Doc. 2017–15092 Filed 7–18–17; 8:45 am]

BILLING CODE 5001–06–P

## DEPARTMENT OF DEFENSE

### Office of the Secretary

[Transmittal No. 16–68]

#### 36(b)(1) Arms Sales Notification

**AGENCY**: Defense Security Cooperation 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.

**FOR FURTHER INFORMATION CONTACT**: Kathy Valadez, (703) 697–9217 or Pamela Young, (703) 697–9107; DSCA/DSCA–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 16–68 with attached Policy Justification.