DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 08–41]

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 08–41 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: October 7, 2008.

Patricia L. Toppings,

OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001–01–M

DEFENSE SECURITY COOPERATION AGENCY
WASHINGTON, DC 20301-2800

OCT 0 3 2008
In reply refer to:
USP002602-08

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. 08-41, concerning the Department of the Army'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 $2.532 billion. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

Jeffrey A. Wieringa
Vice Admiral, USN
Director

Enclosures:
1. **Transmittal**
2. **Policy Justification**
3. **Sensitivity of Technology**

Same ltr to:

House	**Senate**
Committee on Foreign Affairs	**Committee on Foreign Relations**
Committee on Armed Services	**Committee on Armed Services**
Committee on Appropriations	**Committee on Appropriations**

Transmittal No. 08-41

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*	$1.532 billion
Other	$1.000 billion
TOTAL	$2.532 billion

(iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 30 AH-64D Block III APACHE Longbow Attack Helicopters equipped with 30 Modernized Target Acquisition Designation Sight/Pilot Night Vision Sensor (MTADS/PNVS), 17 AN/APG-78 Fire Control Radar and AN/APR-48 Radar Frequency Interferometer (FCR/RFI), 69 T700-GE-701D Turbine Engines, 173 STINGER Block I Air-to-Air Missiles, 35 STINGER Missile Captive Flight Trainers, 1,000 AGM-114L HELLFIRE Longbow Missiles, and 66 M299 HELLFIRE Longbow Missile Launchers. Also included: composite horizontal stabilators, crew and maintenance trainers, depot maintenance, all necessary support equipment, tools and test equipment, integration and checkout, spares and repair parts, training and training equipment, ferry and fuel support, publications and technical documents, U.S. Government and contractor technical assistance, Quality Assurance Team, and other related elements of logistics and program support.

(iv) **Military Department:** Army (YYZ)

(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 Annex attached

(viii) **Date Report Delivered to Congress:** OCT 03 2008

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

POLICY JUSTIFICATION

Taipei Economic and Cultural Representative Office in the United States – AH-64D APACHE Helicopters and Related Weapons

The Taipei Economic and Cultural Representative Office in the United States has requested a possible sale of 30 AH-64D Block III APACHE Longbow Attack Helicopters equipped with 30 Modernized Target Acquisition Designation Sight/Pilot Night Vision Sensor (MTADS/PNVS), 17 AN/APG-78 Fire Control Radar and AN/APR-48 Radar Frequency Interferometer (FCR/RFI), 69 T700-GE-701D Turbine Engines, 173 STINGER Block I Air-to-Air Missiles, 35 STINGER Missile Captive Flight Trainers, 1,000 AGM-114L Longbow HELLFIRE Missiles, and 66 M299 HELLFIRE Longbow Missile Launchers. Also included: composite horizontal stabilators, crew and maintenance trainers, depot maintenance, all necessary support equipment, tools and test equipment, integration and checkout, spares and repair parts, training and training equipment, ferry and fuel support, publications and technical documents, U.S. Government and contractor technical assistance, Quality Assurance Team, and other related elements of logistics and program support. The estimated cost is $2.532 billion.

This 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 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 provide for a more advanced targeting and engagement capability with the addition of the AH-64D with AN/APG-78 Fire Control Radar and its "fire and forget" capability with HELLFIRE missiles. The proposed sale will upgrade the anti-armor day/night missile capability, provide for the defense of vital installations, and provide close air support for the military ground forces. The Taiwan Army will have no difficulty absorbing these helicopters, and weapon systems into its armed forces.

Implementation of this proposed sale will require the assignment of two U.S. Government personnel for a period of six years to provide intensive coordination, monitoring, and technical assistance to assure smooth introduction of the AH-64D Block III APACHE system. Six contractor representatives will be in country serving

as Contractor Field Service Representatives for a period of five years, with the possibility of a five-year extension.

The principal contractors will be:

The Boeing Company	**Mesa, AZ**
(two locations)	**St Louis, MO**
General Electric	**Lynn, MA**
Lockheed Martin Missiles and Fire Control	**Orlando, FL**
Lockheed Martin Systems Integration	**Owega, NY**
Northrop Grumman Corporation	**Baltimore, MD**
Raytheon Company	**Tucson, AZ**
Inter-Coastal Electronics	**Mesa, AZ**
BAE Systems	**Rockville, MD**

The purchaser requested offsets; agreements are undetermined and will be defined in negotiations between the purchaser and contractor.

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

Transmittal No. 08-41

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Annex
Item No. vii

(vii) Sensitivity of Technology:

1. AH-64D APACHE Longbow Helicopter weapon system contains communications and target identification equipment, navigation equipment, aircraft survivability equipment, displays, and sensors. The airframe itself does not contain sensitive technology; however, the pertinent equipment listed below will either be installed on the aircraft or included in the sale.

a. AN/APG-78 Fire Control Radar (FCR) is an active, low-probability of intercept, millimeter-wave radar, combined with a passive Radar Frequency Interferometer (RFI) mounted on top of the helicopter mast. The FCR Ground Targeting Mode detects, locates, classifies, and prioritizes stationary or moving armored vehicles, tanks, and mobile air defense systems as well as hovering helicopters, and helicopters and fixed wing aircraft in normal flight. The AN/APR-48 Radar Frequency Interferometer (RFI) is a passive radar detection and direction finding system, which utilizes a detachable User Data Module (UDM) on the RFI processor, which contains the RF threat library. The RFI detects threat radar emissions and determines the type of radar and mode of operation. The FCR data and RFI data are fused for maximum synergism. If desired, the radar data can be used to refer targets to the regular electro-optical Target Acquisition and Designation Sight (TADS) or Modernized Target Acquisition and Designation Sight (M-TADS), permitting additional visual/infrared imagery and control of weapons, including the semi-active laser version of the HELLFIRE. M-TADS also provides second generation day, night, and limited adverse weather target information, as well as night navigation capabilities. Critical system information is stored in the FCR in the form of mission executable code, target detection, classification algorithms and coded threat parametrics. This information is provided in a form that cannot be extracted by the foreign user via anti-tamper provisions built into the system. The content of these items is classified Secret.

b. AN/ALQ-144A(V)3 Infrared Jammer is an active, continuous operating, omni-directional, electrically fired infrared (IR) jammer system designed to confuse or decoy threat IR missile systems, in conjunction with low reflective paint and engine suppressors. The hardware is classified Confidential. Releasable technical manuals for operation and maintenance are classified Secret.

c. AN/APR-39BA(V)2 Radar Signal Detecting Set provides warning of a radar directed air defense threat to allow appropriate countermeasures. This is the 1553 data bus compatible configuration. The hardware is classified Confidential when programmed with U.S. threat data, and releasable technical manuals for operation and maintenance are classified Confidential. Releasable technical data pertaining to performance is classified Secret. The system can be programmed with threat data provided by the purchasing country.

d. AN/ALQ-136(V)5 Radar Jammer is an automatic radar jammer that analyzes various incoming radar signals. When threat signals are identified and verified, jamming automatically begins and continues until the threat radar breaks lock. The hardware is classified Confidential. Releasable technical manuals and data for operation and maintenance and performance are classified Secret.

e. AN/AVR-2B Laser Warning Set is a passive laser warning system that receives, processes and displays threat information resulting from aircraft illumination by lasers, on the multi-functional display. The hardware is classified Confidential. Releasable technical manuals for operation and maintenance are classified Secret.

f. AAR-57(V)3/5 Common Missile Warning System detects threat missiles in flight, evaluates potential false alarms, declares validity of threat and selects appropriate Infra-Red Counter Measures (IRCM). Includes Electro-Optical Missile Sensors, Electronic Control Unit ECU, Sequencer and Improved Countermeasures Dispenser (ICMD). The hardware is classified Confidential. Releasable technical manuals for operation and maintenance are classified Secret.

g. Improved Counter Measures Dispenser (ICMD) is an integral part of the Common Missile Warning System (CMWS). The Dispenser Assembly and the Payload Module dispense decoy expendable objects (chaff, flare, etc) to confuse threat radar devices. Radar cross-section and frequency coverage are sensitive elements. The hardware and releasable technical manuals are Unclassified. Aircraft optimization is the critical element; reverse engineering is not a major concern. Additional components are the Control Panel and Electronics Module that have been integrated in the Weapons Management and Control software.

h. The STINGER Block I Missile is classified Confidential. Associated hardware, software, and documentation that will be provided with this sale are considered sensitive. STINGER training hardware contains operational STINGER seeker hardware and firmware and must be protected by the same levels of controls as the operational hardware. STINGER critical technology is primarily in the area of design and production know-how and not end items. Information on vulnerability to electronic countermeasures and countermeasures, system performance capabilities and effectiveness, and test data are classified up to Secret.

i. AGM-114L Longbow HELLFIRE Missile provides an adverse weather, fire-and-forget missile version of the HELLFIRE missile system, which incorporates a millimeter wave radar seeker on a HELLFIRE II aft section bus. Primary advantages over its predecessor are: adverse weather combat capabilities, millimeter wave countermeasures survivability, fire-and-forget guidance, and advanced warhead capable of defeating all projected armor threats and mission requirements. The highest level for release of the HELLFIRE II and HELLFIRE Longbow is Secret, based upon the software. The highest level of classified information that could be disclosed by a proposed sale or by testing of the end item is Secret; the highest level that must be disclosed for production, maintenance, or training is Confidential. Reverse engineering could reveal Confidential information. Vulnerability data, countermeasures, vulnerability/susceptibility analyses, and threat definitions are classified Secret or Confidential. Susceptibility of HELLFIRE II to diversion or exploitation is considered low risk. Components of the system are also considered highly resistant to reverse engineering.

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.

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 08–89]

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ACTION: Notice.

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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 08–89 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: October 7, 2008.

Patricia L. Toppings,

OSD Federal Register Liaison Officer, Department of Defense.

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