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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 20-07]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

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 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 20-07 with attached Policy Justification and Sensitivity of Technology.

Dated: July 10, 2020.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



**DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, SUITE 101
ARLINGTON, VA 22202-5408**

May 20, 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. 20-07 concerning the Navy'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 \$180 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, appearing to read "Charles W. Hooper".
Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

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

Transmittal No. 20-07

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*	\$100 million
Other	<u>\$ 80 million</u>
TOTAL	\$180 million

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

Major Defense Equipment (MDE):

Eighteen (18) MK-48 Mod 6 Advanced Technology Heavy Weight Torpedoes

Non-MDE:

Also included are spare parts, support and test equipment, shipping and shipping containers, operator manuals, technical documentation, training, U.S. Government and contractor engineering, technical and logistics support services; and other related elements of logistics support.

(iv) Military Department: Navy (TW-P-ALM)

(v) Prior Related Cases, if any: TW-P-LHV

(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: **May 20, 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) – MK 48 Mod 6 Advanced Technology (AT) Heavy Weight Torpedo (HWT)

TECRO has requested to buy eighteen (18) MK-48 Mod6 Advanced Technology (AT) Heavy

Weight Torpedoes (HWT). Also included are spare parts, support and test equipment, shipping and shipping containers, operator manuals, technical documentation, training, U.S. Government and contractor engineering, technical and logistics support services; and other related elements of logistics support. The total estimated program cost is \$180 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.

There are no prime contractors associated with this case as all materials will be procured from U.S. Navy stocks. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale is estimated to require assignment of a number of U.S. Government and contractor representatives 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. 20-07

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 MK 48 Mod 6 Advanced Technology (AT) Heavy Weight Torpedo (HWT) is designed for optimum effectiveness against all targets, in both littoral and deep-water environments. The MK 48 Mod 6 AT HWT features advanced sonar, combined with an advanced digital signal processor for improved target detection. This sale furnishes the MK 48 Mod 6 Advanced

Technology (AT) version of the system.

There is no Critical Program Information associated with the MK 48 Mod 6AT HWT hardware, technical documentation or software. The highest classification of the hardware to be exported is SECRET. The highest classification of the technical manual that will be exported is CONFIDENTIAL. The technical manual is required for operation of the MK 48 Mod 6 AT HWT. The highest classification of the software to be exported is SECRET. The MK 48 Mod 6 AT HWT meets Anti-Tampering requirements.

2. 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.
3. 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.
4. All defense articles and services listed in this transmittal have been authorized for release and export to the recipient.

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