

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 97-37]

36(b)(1) Arms Sales Notification**AGENCY:** Department of Defense, Defense Security Assistance 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. J. Hurd, DSAA/COMPT/CPD, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 97-37, with attached transmittal and policy justification pages.

Dated: September 9, 1997.

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

03 SEP 1997

In reply refer to:
I-51106/97

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. 97-37 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to Taipei Economic and Cultural Representative Office (TECRO) in the United States for defense articles and services estimated to cost \$172 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

A handwritten signature in black ink, appearing to read "MS Davison", is positioned above the typed name.

MICHAEL S. DAVISON, JR.
LIEUTENANT GENERAL, USA
DIRECTOR

Attachments	Same ltr to:	House Committee on International Relations
		Senate Committee on Appropriations
		Senate Committee on Foreign Relations
Separate Cover:		House Committee on National Security
Classified Annex		Senate Committee on Armed Services
		House Committee on Appropriations

Transmittal No. 97-37

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
- (ii) Total Estimated Value:
- | | |
|--------------------------|----------------|
| Major Defense Equipment* | \$ 167 million |
| Other | \$ 5 million |
| TOTAL | \$ 172 million |
- (iii) Description of Articles or Services Offered:
Thirteen OH-58D Kiowa Warrior Armed Scout helicopters with mast mounted sight subsystems, 13 T703-AD-700 helicopter engines, 13 HELLFIRE launchers, Hydra 70 rockets and rocket launchers, ammunition, spare and repair parts, support equipment, personnel training and training equipment, technical data and publications, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistics to provide full program support.
- (iv) Military Department: Army (JAL, Amendment 8; YQV, Amendment 5; and ODE)
- (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 under separate cover
- (vii) Date Report Delivered to Congress: 03 SEP 1997

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

POLICY JUSTIFICATIONTaipei Economic and Cultural Representative Office (TECRO) in the United States - OH-58D Kiowa Warrior Armed Scout Helicopters

The Taipei Economic and Cultural Representative Office (TECRO) in the United States has requested the purchase of 13 OH-58D Kiowa Warrior Armed Scout helicopters with mast mounted sight subsystems, 13 T703-AD-700 helicopter engines, 13 HELLFIRE launchers, Hydra 70 rockets and rocket launchers, ammunition, spare and repair parts, support equipment, personnel training and training equipment, technical data and publications, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistics to provide full program support. The estimated cost is \$172 million.

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

The recipient will use these helicopters to maintain and further upgrade its air-to-surface defensive capability. The recipient, which already has these helicopters in its inventory, will have no difficulty absorbing these helicopters

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

The prime contractor will be Bell Helicopter Textron, Incorporated, Fort Worth, Texas. There are no offset agreements proposed to be entered into in connection with this potential sale.

Implementation of this sale will require the assignment of four U.S. Government Quality Assurance Specialists and up to four contractor representatives for one to two weeks to support delivery of the aircraft. Additionally, four contractor representatives will be required in-country for a period of up to three years in support of this program.

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