

**POLICY JUSTIFICATION****Taipei Economic and Cultural Representative Office in the United States – Multifunctional Information Distribution Systems/Low Volume Terminals**

Taipei Economic and Cultural Representative Office in the United States has requested a possible sale of 102 Multifunctional Information Distribution Systems (MIDS)/Low Volume Terminals, 20 MIDS On Ships Terminals, support and test equipment, engineering technical services, supply support, operation and maintenance training, documentation, and program management support. The estimated cost is \$775 million.

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

The Advanced Tactical Data Link systems will improve and integrate the recipient's information flow and display of tactical aircraft, surface ships, and ground stations. The recipient can absorb these systems as it replaces existing independent systems and provides more efficient and less costly management of defensive forces.

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

The prime contractor, either Lockheed Martin of Reston, Virginia or Northrop Grumman of St. Paul, Minnesota, will be selected through a competitive procurement. One or more proposed offset agreements may be related to this proposed 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. Implementation of this proposed sale will require the assignment of numerous contractor representatives to perform various tasks during the period of 2004-2009. As the program is defined through consultations between U.S. Government/contractor and recipient program representatives, specific numbers and types of qualified personnel for the many areas of this program will be defined.

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