

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

CO 034-01

INCOMING

DATE RECEIVED: JUNE 04, 1991

NAME OF CORRESPONDENT: THE HONORABLE BILLY TAUZIN

SUBJECT: ASKS THAT THE STATE DEPARTMENT BE CONVINCED THAT THE SALE OF ISLAND CLASS PATROL BOATS TO TAIWAN TO ESTABLISH A COAST GUARD SHOULD NOT BE SUBJECT TO THE LIMITATION ON "ARMS" SALES

ROUTE TO: OFFICE/AGENCY (STAFF NAME)		ACTION ACT CODE	DATE YY/MM/DD	DISPOSITION TYPE RESP	C COMPLETED D YY/MM/DD
FREDERICK MCCLURE		ORG	91/06/04	Fm A946171	LJ
NSC	REFERRAL NOTE:	R	910612	LJ	1/1
99005	REFERRAL NOTE:	I	910612	LJ	C 1/1
9900D	REFERRAL NOTE:	I	910612	LJ	C 1/1
9900T	REFERRAL NOTE:	I	910612	LJ	C 1/1
9900C	REFERRAL NOTE:	I	910612	LJ	C

COMMENTS: INCOMING LEFT WITH GOVERNOR SUNUNU FOR DELIVERY TO POTUS PER ATTACHED MEMO; INCOMING REC'D JUN 4 91 IN CORRESP. FROM HENRY PLASTER FOR TRACKING

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 1230  
MAIL USER CODES: (A) (B) (C)

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*ACTION CODES:          *DISPOSITION          *OUTGOING          *
*                      *                      *CORRESPONDENCE:  *
*A-APPROPRIATE ACTION  *A-ANSWERED          *TYPE RESP=INITIALS *
*C-COMMENT/RECOM       *B-NON-SPEC-REFERRAL *          OF SIGNER   *
*D-DRAFT RESPONSE     *C-COMPLETED        *          CODE = A   *
*F-FURNISH FACT SHEET *S-SUSPENDED        *COMPLETED = DATE OF *
*I-INFO COPY/NO ACT NEC*                      *          OUTGOING  *
*R-DIRECT REPLY W/COPY *                      *                      *
*S-FOR-SIGNATURE       *                      *                      *
*X-INTERIM REPLY       *                      *                      *
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75, OEOB) EXT-2590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

BILLY TAUZIN  
THIRD DISTRICT, LOUISIANA

ENERGY AND COMMERCE COMMITTEE  
MERCHANT MARINE AND FISHERIES COMMITTEE

WASHINGTON OFFICE:  
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2342 RAYBURN HOUSE OFFICE BUILDING  
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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

May 28, 1991

243005  
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The President  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

Dear Mr. President:

This is to request your favorable consideration in resolving a technical problem which is blocking an important export transaction with significant benefits to the shipbuilding industrial base of the United States. The Republic of China on Taiwan ("ROC") is forming a Coast Guard modeled after our Coast Guard. Its function will be law enforcement, primarily control of illegal immigration and smuggling. Our Department of State supports this step as a significant move towards demilitarization of the ROC.

The ROC's new Coast Guard wants to acquire patrol boats of the Island Class operated by our Coast Guard. The transaction would involve the building of two boats of this class in the United States and then the provision by United States suppliers of kits from which additional craft would be constructed in the ROC. The initial procurement has a value of up to approximately \$150 million.

These Island Class boats are a minor derivation from a British design which has been produced for several countries in the Middle East, Far East and Latin America. The U.S. version which the ROC wishes to acquire is built to a commercial specification from commercial materials. It would be unarmed and would have no electronic equipment other than commercial navigation and communications equipment.


Because these Island Class boats were provided to our Coast Guard and have a Coast Guard vessel designation they are subject to export control under the ITAR. All interested agencies, including the Navy, DOD, and the Coast Guard approve have indicated no objection to the acquisition of these vessels by the ROC Coast Guard. The Department of State, however, has apparently determined that these boats are "arms" subject to the limitation on arms sales policy of the 1982 Joint Communique with the People's Republic of China. Because functionally identical patrol boats, including the design from which the Island Class was derived are available from numerous sources worldwide, if the Island class remains

subject to this arms sales limitation, the ROC will acquire their needs elsewhere.

In my opinion, State's position is incorrect. These vessels were given the Coast Guard designation which appears in the ITAR list only because they were built for our Coast Guard. In fact, however, these boats are not dissimilar to many purely commercial craft, such as offshore crew and supply boats, and high-speed ferries and yachts. The sole result of the Department of State's lack of flexibility will be that this transaction, which is critical to our weakened shipbuilding industrial base, will be filled by foreign competitors.

I would appreciate your favorable consideration of our efforts to convince the Department of State that these boats should not be subject to the limitation on "arms" sales to the ROC.

Very truly yours,

  
BILLY TAUZIN  
Member of Congress

BT/erm