Transmittal No. 00-49

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act

Annex
Item No. vi

(vi) Sensitivity of Technology:

1. The possible sale of STANDARD SM-2 missiles will result in the transfer of sensitive technology and information as well as classified and unclassified defense equipment and technical data. The STANDARD missile guidance section, Target Detecting Device (TDD), warhead, rocket motor, steering control section, safety and arming unit, and auto-pilot battery unit are classified Confidential. Certain operating frequencies and performance characteristics are classified Secret. STANDARD missile documentation to be provided will include:

a. Parametric documents (C)
b. Missile Handling Procedures (U)
c. General Performance Data (C)

2. The MK 612 Mod 4 Intermediate Maintenance Test Set is classified Secret due to the frequencies and formats contained in its software.

3. The MK 14 Weapon Direction System (WDS) is classified Confidential. The OT-134 Continuous Wave Illumination (CWI) Transmitter is unclassified, but considered sensitive. Technical documentation and publications for testing, operation and maintenance are Confidential.

4. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

5. A determination has been made that Italy 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.

[FR Doc. 00–19432 Filed 8–1–00; 8:45 am]
BILLING CODE 5001–10–C

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 00–52]

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 P.L. 104–164 dated 21 July 1996.

FOR FURTHER INFORMATION CONTACT: Ms. J. Hurd, DSCA/COMPT/RM, (703) 604–6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 00–52 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: July 26, 2000.

C.M. Robinson,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001–10–M

DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

21 JUL 2000

In reply refer to:
I-00/007505

Honorable J. Dennis Hastert
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. 00-52 and under separate cover the classified offset certificate thereto. This Transmittal concerns the Department of the Air Force's proposed Letter(s) of Offer and Acceptance (LOA) to Portugal for defense articles and services estimated to cost $100 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Reporting of Offset Agreements in accordance with Section 36(b)(1)(C) of the Arms Export Control Act (AECA), as amended by Section 1245 of H.R. 3427 enacted by P.L. 106-113 dated November 29, 1999, requires a description of any offset agreement with respect to this proposed sale. Section 36(b)(1)(g) of the AECA, as amended, provides that reported information related to offset agreements be treated as confidential information in accordance with section 12(c) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(c)). Information about offsets for this proposed sale are described in the enclosed confidential attachment.

Sincerely,

A.R. Keltz

A.R. KELTZ
DEPUTY DIRECTOR

Attachments

Separate Cover:
Offset certificate

Same ltr to: House Committee on International Relations
Senate Committee on Appropriations
Senate Committee on Foreign Relations
House Committee on National Security
Senate Committee on Armed Services
House Committee on Appropriations

Transmittal No. 00-52

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

(i) **Prospective Purchaser**: Portugal

(ii) **Total Estimated Value**:

Major Defense Equipment*	$0 million
Other	$100 million
TOTAL	$100 million

(iii) **Description of Articles or Services Offered**: Twenty Mid-Life Update (MLU) modification kits for Portuguese Air Force (PAF) F-16A/B aircraft, radar, modem, receivers, installation, avionics, spare and repair parts, support equipment, training and training devices, technical assistance, publications and technical documentation, system drawings, U.S. Government and contractor engineering, and other related logistics elements necessary for full program support.

(iv) **Military Department**: Air Force (NMP, Amendment 2)

(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 attached

(vii) **Date Report Delivered to Congress**: 21 JUL 2000

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

POLICY JUSTIFICATION

Portugal - F-16A/B Mid-Life Update Modification Kits

The Government of Portugal has requested a possible sale for 20 Mid-Life Update (MLU) modification kits for Portuguese Air Force (PAF) F-16A/B aircraft, radar, modem, receivers, installation, avionics, spare and repair parts, support equipment, training and training devices, technical assistance, publications and technical documentation, system drawings, U.S. Government and contractor engineering, and other related logistics elements necessary for full program support. The estimated cost is $100 million.

The MLU production phase is the continuation of the development program notified to the Congress in August 1990. This multi-national effort has included the countries of Belgium, Denmark, The Netherlands, Norway, and now Portugal who have participated with the United States Air Force in the full scale MLU engineering development and integration effort. The MLU is an avionics retrofit program for F-16 aircraft consisting of: Heads-Up Display Pilot's Display Unit, AN/APX-113 Advanced Identification Friend or Foe, Common Color Multi-Function Displays, Common Programmable Display Generator, Modular Mission Computer, Voice Message Unit, Common Data Entry Electronics Unit, Global Positioning System antennas, Interference Blanking Unit, configuration of APG-66(V)2 radar.

The proposed sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Portugal and further weapon system standardization and interoperability with U.S. forces.

The proposed sale will enable Portugal to augment its current F-16 aircraft inventory and to develop a continuous air defense capability within its national boundaries.

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

The prime contractor will be Lockheed Martin Tactical Aircraft Systems of Fort Worth, Texas and Northrop-Grumman of Baltimore, Maryland. One or more proposed offset agreements may be related to this proposed sale.

Implementation of this proposed sale will not require the assignment of U.S. Government or contractor representatives to Portugal.

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

Transmittal No. 00-52

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act

Annex
Item No. vi

(vi) Sensitivity of Technology:

1. The F-16 weapon system is unclassified except as noted below; however it possesses state-of-the art technology in weapon capabilities and manufacturing techniques. The hardware, software, and data identified are classified to protect vulnerabilities, design and performance parameters, munitions-related data, and similar critical information. If a technologically advanced adversary were to obtain knowledge of these specific hardware and software elements, it might be able to develop countermeasures or counter tactics that could reduce weapon system effectiveness.

2. The sensitive elements of the F-16 A/B Mid Life Update (MLU) configuration include the F-220(E) turbofan engine, the AN/APG-66(V)2 radar computer object code, the fly-by wire flight control system, AIM-7 and AIM-9, and AIM-120 (AMRAAM) missile capability. In addition, the MLU configuration contains cryptological equipment necessary for secure voice and data transmissions as well as the classified system, Advanced Identification Friend or Foe (AIFF). Classified elements of the F-16 also include the engine infrared signature, radar software documentation, Radar Cross Section (RCS) characteristics, signature reduction techniques, Operational Flight Program (OFP) and object code for the Fire Control Computer, Stores Management Set Computer, Multifunctional Display Computer and the Modular Mission Computer. Some operating manuals and maintenance technical orders (approximately 15) are also sensitive because they contain performance information, operating and test procedures, and other information related to support operations and repair.

3. A determination has been made that the Government of Portugal can provide substantially the same degree of protection for the technology being released as the U.S. Government. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the policy justification portion of the notification.

[FR Doc. 00–19433 Filed 8–1–00; 8:45 am]
BILLING CODE 5001–10–C

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 00–53]

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 P.L. 104–164 dated 21 July 1996.

FOR FURTHER INFORMATION CONTACT: Ms. J. Hurd, DSCA/COMPT/RM, (703) 604–6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 00–53 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: July 26, 2000.

C.M. Robinson,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001–10–M