

Commission or an admission of any fault, any liability, any violation of any law, or any wrongdoing by Respondent.

20. Peg Perego knowingly, voluntarily and completely waives any rights it may have in the above captioned case (i) to the issuance of a Complaint in this matter; (ii) to an administrative or judicial hearing with respect to the staff's allegations cited herein; (iii) to judicial review or other challenge or contest of the validity of the Settlement Agreement or the Commission's Order; (iv) to a determination by the Commission as to whether a violation of Section 15(b) of the CPSA, has occurred, (v) to a statement of findings of fact and conclusions of law with regard to the staff's allegations; and (vi) to any claims under the Equal Access to Justice Act.

21. Upon provisional acceptance of this Settlement Agreement and Order by the Commission, the Commission shall place this Agreement and Order on the public record and shall publish it in the **Federal Register** in accordance with the procedure set forth in 16 CFR 1118.20(e). If the Commission does not receive any written request not to accept the Settlement Agreement and Order within 15 days, the Agreement and Order shall be deemed finally accepted on the 16th day after the date it is published in the **Federal Register**, in accordance with 16 CFR 1118.20(f).

22. This Settlement Agreement and Order becomes effective after its final acceptance by the Commission and service upon Respondent.

23. Upon final acceptance of this Settlement Agreement by the Commission, the Commission may publicize the terms of the Settlement Agreement and Order.

24. Respondent agrees to the entry of the attached Order, which is incorporated by reference, and agrees to be bound by its terms.

25. This Settlement Agreement and Order is binding upon Peg Perego, its parent and each of their assigns and successors.

26. Final acceptance of this Settlement Agreement by the Commission, the issuance of this Order, and the full and timely payment by Peg Perego to the United States Treasury of a civil penalty in the amount of one hundred fifty thousand dollars (\$150,000.00), fully and completely resolves

the issue of liability to the Commission under section 20 of the CPSA for a civil penalty arising from the allegations in paragraphs 4 through 11 above.

27. If, after the effective date hereof, any provision of this Settlement Agreement and Order is held to be illegal, invalid, or unenforceable under present or future laws effective during the terms of the Settlement Agreement and Order, such provision shall be fully severable. The rest of the Settlement Agreement and Order shall remain in full effect, unless the Commission and Peg Perego determine that severing the provision materially impacts the purpose of the Settlement Agreement and Order.

28. This Settlement Agreement and Order shall not be waived, changed, amended, modified, or otherwise altered, except in writing executed by the party against whom such amendment, modification, alteration, or waiver is sought to be enforced, and approved by the Commission.

29. This Settlement Agreement may be used in interpreting the Order. Agreements, understandings, representation, or interpretations made outside of this Settlement Agreement and Order may not be used to vary or to contradict its terms.

Dated: April 4, 2002.

Peg Perego, USA, Inc.

Kellen W. Watkins,  
Vice President.

The Consumer Product Safety Commission

Alan H. Schoem,  
Director, Office of Compliance.

Eric L. Stone,  
Director, Legal Division, Office of  
Compliance,

April 8, 2002.  
Belinda V. Mitchell,

Trial Attorney,  
Ronald G. Yelenik,

Trial Attorney, Legal Division, Office of  
Compliance.

**Peg Perego U.S.A., Inc., a Corporation; Order**

Upon consideration of the Settlement Agreement between Respondent Peg Perego U.S.A., Inc., a corporation, and the staff of the Consumer Product Safety Commission, and the Commission having jurisdiction over the subject matter and over Peg Perego U.S.A., Inc., and it appearing the Settlement Agreement is in the public interest, it is

*Ordered*, that the Settlement Agreement be, and hereby is, accepted, and it is

*Further Ordered*, that Peg Perego U.S.A., Inc. shall pay to the order of the U.S. Treasury a civil penalty in the amount of one hundred fifty thousand dollars (\$150,000.00), payable within twenty (20) calendar days after service of this Final Order upon Peg Perego U.S.A., Inc.

Provisionally accepted and Provisional Order issued on the 25th day of April, 2002.

By Order of the Commission.

Todd A. Stevenson,  
*Secretary*, Consumer Product Safety  
Commission.

[FR Doc. 02-10637 Filed 4-29-02; 8:45 am]

**BILLING CODE 6355-01-M**

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**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

[Transmittal No. 02-23]

**36(b)(1) Arms Sales Notification**

**AGENCY:** Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

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**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 Pub. 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 02-23 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: April 24, 2002.

**Patricia L. Toppings,**  
*Alternate OSD Federal Register Liaison  
Officer, Department of Defense.*

**BILLING CODE 5001-08-M**



## DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

16 APR 2002  
In reply refer to:  
I-02/004246

The 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 (AECA), as amended, we are forwarding herewith Transmittal No. 02-23 and under separate cover the classified offset certificate thereto. This Transmittal concerns the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to Kuwait for defense articles and service estimated to cost \$2.1 billion. 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, requires a description of any offset agreement with respect to this proposed sale. Section 36(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 handwritten signature in black ink, appearing to read "Richard J. Millies".

Richard J. Millies  
Acting Director

Attachment  
As stated

Separate Cover:  
Offset certificate

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

## Transmittal No. 02-23

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

- (i) **Prospective Purchaser:** Kuwait
- (ii) **Total Estimated Value:**
- |                          |                      |
|--------------------------|----------------------|
| Major Defense Equipment* | \$ .6 billion        |
| Other                    | <u>\$1.5 billion</u> |
| <b>TOTAL</b>             | <b>\$2.1 billion</b> |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 16 AH-64D Apache attack helicopters, four (4) spare T-700-GE -701C engines with gas generator first state 401C turbine blades, four (4) spare M299 HELLFIRE launchers, 96 Longbow HELLFIRE AGM-114L3 and 288 HELLFIRE AGM-114K3 missiles, 16 dummy missiles, 16 Modernized Targeting Acquisition and Designation Systems, eight (8) AN/APG-78 Longbow Fire Control Radar, 30mm cartridges, 2.75-inch rockets, ammunition, spare and repair parts, communications equipment, support equipment, simulators, quality assurance teams, chemical masks, tools and test sets, chaff dispensers, Integrated Helmet and Display Sight Systems, electronic equipment, test facility spares, publications, Quality Assurance Teams, personnel training and training equipment, U.S. Government and contractor technical support and other related elements of logistics support
- (iv) **Military Department:** Army (UKS and OCX)
- (v) **Prior Related Cases, if any:** None
- (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 Annex attached
- (viii) **Date Report Delivered to Congress:** 17 APR 2002

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

## POLICY JUSTIFICATION

### Kuwait – AH-64D Apache Helicopters

The Government of Kuwait has requested a possible sale of 16 AH-64D Apache attack helicopters, four (4) spare T-700-GE -701C engines with gas generator first stage 401C turbine blades, four (4) spare M299 HELLFIRE launchers, 96 Longbow HELLFIRE AGM-114L3 and 288 HELLFIRE AGM-114K3 missiles, 16 dummy missiles, 16 Modernized Targeting Acquisition and Designation Systems, eight (8) AN/APG-78 Longbow Fire Control Radar, 30mm cartridges, 2.75-inch rockets, ammunition, spare and repair parts, communications equipment, support equipment, simulators, quality assurance teams, chemical masks, tools and test sets, chaff dispensers, Integrated Helmet and Display Sight Systems, electronic equipment, test facility spares, publications, Quality Assurance Teams, personnel training and training equipment, U.S. Government and contractor technical support and other related elements of logistics support. The estimated cost is \$2.1 billion.

This proposed sale will help to enhance the foreign policy and national security objectives of the United States by providing Kuwait a creditable defensive anti-armor augmentation.

Regional foreign policy and military developments affecting this sale have been carefully considered and the positive features of having a friendly coalition force in the region are a driving force. This proposed sale would not destabilize the Middle Eastern region balance of power.

Kuwait desires these articles to fulfill its strategic commitments for self-defense and self-reliance and coalition force compatibility. The proposed sale will upgrade the Kuwaiti anti-armor day/night missile capability, provide for the defense of vital installations and provide close air support for the military ground forces. Kuwait will have no difficulty absorbing these helicopters into its armed forces.

The principal contractors will be Boeing Company in Mesa, Arizona; Lockheed Martin Electronics and Missiles in Orlando, Florida; Lockheed Martin Systems Integration in Owego, New York; General Electric in Lynn, Massachusetts; and Longbow International in Orlando, Florida. One or more proposed offset agreements may be related to this proposed sale.

Implementation of this sale will require the assignment of several U.S. Government Quality Assurance Teams to Kuwait for one month to assist in the delivery and deployment of the helicopters. There will be U.S. Government representatives for two-week intervals twice annually to participate in program management and technical reviews. Up to 40 contractor representatives will serve as technical representative, for approximately two years following initial deployment. One each U.S. Government and contractor representatives representing varying technical skills and disciplines, will be required to provide in-country support for an extended period of time.

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

**Transmittal No. 02-23****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 AH-64D Apache Attack Helicopter includes the following sensitive and/or classified (up to and including Secret) components:

a. AN/APG-78 Longbow Fire Control Radar (FCR) is an active fire control radar system providing detection, location, classification and prioritization of targets to be prosecuted by the Longbow HELLFIRE Modular Missile System or handed over to other on-board sensor systems. This enables the Apache helicopter to detect and fire upon targets in visual conditions that preclude the use of visual or infrared imaging systems. Hardware and releasable technical manuals for operation and organic level maintenance are unclassified. The data, including operational software, proposed for release will not, in itself, facilitate reverse engineering.

b. AN/APR-48A Radar Frequency Interferometer (RFI) is part of the AN/APG-78 FCR. It passively detects, locates in azimuth, and identifies radar emitters and sends the emitter identification and location to either the FCR or to the Apache Weapons Processor for display to the aircrew. Emitter information can also be used to cue the FCR, as well as for making decisions on FCR target prioritization. Hardware is classified Confidential when the User Data Module (UDM) is attached to the RFI Processor Assembly, Unclassified when the UDM is absent. Releasable technical manuals for operation and organic level maintenance are Unclassified. The data, including operational software, proposed for release will not facilitate reverse engineering.

c. The Modernized Target Acquisition and Designation Sight/Pilot Night Vision Sensor (TADS/PNVS) provides day, night, limited adverse weather target information, as well as night navigation capabilities. The PNVS provides thermal imaging that permits nap-of-the-earth flight to, from, and within the battle area, while TADS provides the co-pilot gunner with search, detection, recognition, and designation by means of Direct View Optics (DVO), television, and Forward Looking Infrared (FLIR) sighting systems that may be used singularly or in combinations. Hardware is Unclassified. Technical manuals for authorized maintenance levels are Unclassified. Reverse engineering is not a major concern.

d. The AGM-114L3 HELLFIRE Longbow weapon system hardware and the documentation provided are unclassified. However, sensitive technology is contained within the system itself. Sensitive software algorithms are contained within the system, but the L3 version contains several software security capabilities. Also, the missile source code is not releasable. This protects the sensitive software information from being compromised. The Longbow seeker contains critical components, but the technical data package will not be released.

e. The AGM-114K3 HELLFIRE air-to-surface laser weapon system is a helicopter launched, airborne anti-armor weapon with a terminal homing seeker and a shaped charge warhead, which homes in on a laser spot that can be projected from ground observers, other aircraft, or the launching aircraft. This enables the aircraft to launch its missile indirectly, in some situations, without seeing its target. Missiles will utilize the semi-active laser terminal homing guidance system. Hardware is unclassified. The data proposed for release will not facilitate reverse engineering.

f. The Common Missile Warning System (CMWS) detects energy emitted by threat missile in-flight, evaluates potential false alarm emitters in the environment, declares validity of threat and selects appropriate counter-measures. The CMWS consists of an Electronic Control Unit (ECU) and four to six Electro-Optic Missile Sensors (EOMSs). The ECU provides the central processing and integrates the sub-components of the CMWS and processes information obtained from the EOMSs. The ECU hardware is unclassified, software is Secret. The EOMSs are passive staring detectors operating in the UV electromagnetic spectrum. They detect UV radiation generated from the plume of an in-flight missile and transmit the information to the ECU. The ECU hardware is unclassified and the software is unclassified.

2. 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.

3. A determination has been made that Kuwait 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. 02-10520 Filed 4-29-02; 8:45 am]  
BILLING CODE 5001-08-C

## DEPARTMENT OF DEFENSE

### Office of the Secretary

#### Draft Deputy Secretary of Defense Policy Memorandum, Subject: Ensuring the Quality of Information Disseminated by the Department of Defense

**AGENCY:** Assistant Secretary of Defense for Command, Control, and Communications, DoD.

**ACTION:** Notice of availability.

**SUMMARY:** The Office of Management and Budget (OMB) has provided all government agencies guidelines for ensuring and maximizing the quality, objectivity, utility, and integrity of information disseminated to the public. OMB has directed the agencies to publish a notice in the **Federal Register**, by May 1, 2002, that their draft policies complying with the OMB requirement is available for public view and comment on their public web sites. The draft Department of Defense Memorandum

provides policy and procedural guidance for DoD Components in accordance with OMB directions. It also assigns responsibilities, establishes administrative mechanisms that allow affected persons to seek and obtain correction of information maintained and disseminated by DoD Components which may not meet the quality standards and delineates reporting requirements. The draft Policy Memorandum is available on the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ADS(C3I)) public web site located at <http://www.c3i.osd.mil/org/cio/index.html>.

**DATES:** Consideration will be given to all comments received on or before May 30, 2002.

**ADDRESSES:** Submit comments to Ellen Law, OADS(C3I), Office of the Assistant Secretary of Defense for Command, Control, Communications and Intelligence/Chief Information Officer, 6000 Defense Pentagon, Washington, DC 20301-6000.

**FOR FURTHER INFORMATION CONTACT:** Ms. Ellen Law, OADS(C3I), 703-602-0980 Ext. 121, [Ellen.law@osd.mil](mailto:Ellen.law@osd.mil).

Dated: April 24, 2002.

Patricia L. Toppings,  
Alternate OSD Federal Register Liaison  
Officer, Department of Defense.

[FR Doc. 02-10519 Filed 4-29-02; 8:45 am]  
BILLING CODE 5001-08-M

## DEPARTMENT OF DEFENSE

### Department of the Navy

#### Notice of Availability of Invention for Licensing; Government-Owned Invention

**AGENCY:** Department of the Navy, DoD.  
**ACTION:** Notice.

**SUMMARY:** The invention listed below is assigned to the United States Government as represented by the Secretary of the Navy and is available for licensing by the Department of the Navy. The U.S. Patent Application Serial No. was filed March 29, 2002, entitled "Efficient Near-Neighbor Search (ENN-SEARCH) Method for High Dimensional Data Sets with Noise", Navy Case No. 82,296.

**ADDRESSES:** Requests for copies of the patent cited should be directed to the