

[FR Doc. 02-18798 Filed 7-24-02; 8:45 am]

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 02-34]

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 Public Law 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 02-34 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: July 19, 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

18 JUL 2002
In reply refer to:
I-02/007812

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. 02-34, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance (LOA) to Oman for defense articles and services estimated to cost \$49 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,


TOME H. WALTERS, JR.
LIEUTENANT GENERAL, USAF
DIRECTOR

Attachments

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. 02-34

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

- (i) **Prospective Purchaser:** Oman
- (ii) **Total Estimated Value:**
- | | |
|---------------------------------|----------------------------|
| Major Defense Equipment* | \$38 million |
| Other | <u>\$11 million</u> |
| TOTAL | \$49 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** two Goodrich DB-110 or two BAE Systems F-9120 Podded reconnaissance systems, one Goodrich or one BAE Systems Exploitation Ground Station, support equipment, spares and repair parts, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor technical and logistics personnel services, and other related elements of logistics support.
- (iv) **Military Department:** Air Force (SDC, Amendment 1)
- (v) **Prior Related Cases, if any:** FMS case SDC - \$701 million – 8May02
- (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:** 18 JUL 2002

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

POLICY JUSTIFICATION**Oman – Reconnaissance Systems and Support**

The Government of Oman has requested a possible sale of two Goodrich DB-110 or two BAE Systems F-9120 Podded reconnaissance systems, one Goodrich or one BAE Systems Exploitation Ground Station, support equipment, spares and repair parts, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor technical and logistics personnel services, and other related elements of logistics support. The estimated cost is \$49 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in the Middle East.

The proposed sale will strengthen the military ties between the U.S. and the Sultanate of Oman. Strategically located at the Strait of Hormuz in the Persian Gulf, Oman has been a coalition partner for over thirty years. Oman's active participation during the Gulf crisis and their willingness to allow access to port facilities and air bases make them vital to any coalition success in the region. This proposed sale would strengthen Oman as a coalition partner by providing greater interoperability with U.S. and other coalition forces in the region.

The reconnaissance systems will be utilized on their newly purchased F-16 aircraft. Oman desires these articles to fulfill their strategic commitments for self-defense, with coalition support, in the region.

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

The principal contractors will be: Goodrich Corporation of Charlotte, North Carolina or BAE Systems, North America of Syosset, New York. There are no offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of one U.S. Government and two contractor representatives for one-week intervals, twice annually, to participate in program management and technical reviews. Contractor representatives specializing in various skills and disciplines will be required to provide in-country support for a short period of time. The specific requirements for this support will be established during program definition between representatives of the U.S. Government and Oman.

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

Transmittal No. 02-34

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

**Annex
Item No. vii**

(vii) Sensitivity of Technology:

1. The reconnaissance systems being considered by the Royal Air Force of Oman include the Goodrich Corporation DB-110 and the BAE Systems F-9120 reconnaissance systems, neither of these systems is currently in use with U.S. forces. Both candidate sensors feature dual-band (electro-optical and infrared) medium and high-altitude field of view capability with provisions for medium range and over-flight fields of view. Both candidates also utilize a "pan scan" operation and have provisions for data linking information to an exploitation ground station for data analysis, which is part of the overall system being considered. Performance and specification data for both systems is Unclassified.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware in this proposed sale, the information could be used to develop countermeasures, which might reduce the effectiveness of the reconnaissance system, or be used in the development of a system with similar capabilities.

3. A determination has been made that Oman 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. 02-18799 Filed 7-24-02; 8:45 am]

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 02-38]

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Patricia L. Toppings,

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