

Transmittal No. 00-64**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 Global Positioning System/Inertial Navigation System (EGI) is for installation on commercially procured F-16s. The EGI is a navigation system that includes a ring laser gyro (RLG)-type inertial sensor with an embedded Global Positioning System (GPS). GPS is a space-based worldwide, precise positioning, velocity, and timing system. It provides an unlimited number of suitably equipped passive users with a force-enhancing, common-grid, all-weather, continuous, three-dimensional, positioning, navigation, and timing capability. The GPS Joint Program Office (JPO) is responsible for approving EGI security configurations. All EGI configurations/components procured under this proposed sale will meet JPO security approval as unclassified/controlled when keyed. The EGI uses COMSEC to increase its accuracy, which is managed and controlled by the USG.

2. If a technologically advanced adversary were to obtain knowledge of the above systems, such knowledge could be used in an attempt to develop component countermeasures or systems with similar or advanced capabilities.

3. A determination has been made that the recipient country 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.

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DEPARTMENT OF THE DEFENSE**Office of the Secretary**

[Transmittal No. 00-65]

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 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 00-65 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: September 13, 2000.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-10-M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

6 SEP 2000**In reply refer to:
I-00/008869**

**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. 00-65 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 Finland for defense articles and services estimated to cost \$415 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 handwritten signature in black ink that reads "Tome H. Walters, Jr." in a cursive style.

**TOME H. WALTERS, JR.
LIEUTENANT GENERAL, USAF
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. 00-65**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act**

- (i) **Prospective Purchaser:** Finland
- (ii) **Total Estimated Value:**
Major Defense Equipment* \$ 343 million
Other \$ 72 million
TOTAL \$ 415 million
- (iii) **Description of Articles or Services Offered:** Fifty complete AVENGER Fire Units, 424 STINGER Block I International Missile Round Complete, 50 STINGER Block I International Weapon Round Partial, nine SENTINEL radars, support equipment, spare and repair parts, publications and technical data, personnel training and training equipment, U. S. Government Quality Assurance Teams and other related elements of logistics support.
- (iv) **Military Department:** Army (UBV, UBT, UBU, and UBS)
- (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:** 6 SEP 2000

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

POLICY JUSTIFICATION**Finland - AVENGER Fire Units**

The Government of Finland has requested a possible sale of 50 complete AVENGER Fire Units, 424 STINGER Block I International Missile Round Complete, 50 STINGER Block I International Weapon Round Partial, nine SENTINEL radars, support equipment, spare and repair parts, publications and technical data, personnel training and training equipment, U. S. Government Quality Assurance Teams and other related elements of logistics support. The estimated cost is \$415 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 Europe.

Finland will replace its Soviet-era SA-14/16 Surface-to-Air Missile Systems with the STINGER, AVENGER, and SENTINEL systems and will have no difficulty absorbing these systems into its armed forces.

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

The principal contractors who will participate in this program are Boeing Company of Huntsville, Alabama; Raytheon Company of Tucson, Arizona; and Forward Area Air Defense Command, Control and Intelligence TRW of Redondo Beach of California. One or more proposed offset agreements may be related to this proposed sale.

Implementation of this proposed sale will require the assignment of six contractor representatives to Finland for five years. There will be nine U.S. Government or contractor representatives for two weeks, twice annually, to participate in program management and technical reviews.

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

Transmittal No. 00-65

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**Annex
Item No. vi**

(vi) Sensitivity of Technology:

1. **STINGER Block I International Missile System (Manportable and AVENGER) (gripstock, hardware, software, and documentation) contains sensitive technology and is classified up to Secret. The guidance section of the missile and tracking head trainer contain highly sensitive technology and are classified Confidential. Missile system hardware and fire unit components contain sensitive/critical technologies. Critical technologies for these systems are primarily design and production know-how, not hardware or reverse engineering. STINGER critical technologies include: magnetic and amorphous metals; optical coating technology; semi-conductor detectors; printed circuit boards; hybrid microcircuits; preparation, purification, compounding and handling of electronic, electro-optic, and optical materials; cryogenic cooling technology; ultraviolet sensor technology; infrared band sensors; primary and reserve battery; energetic materials formulation technology; energetic materials fabrication and loading technology; energetic materials and components test technology; warhead components and systems; and target classification, recognition, and identification system for the Identification Friend or Foe (IFF) Interrogator. AVENGER critical technologies include electronic control assembly/integrated electronics assembly (ECS/IEA); laser range finder; Forward Looking Infrared Radar (FLIR); and the Captive Flight Trainer (CFT). SENTINEL critical technology is also in the IFF interrogator.**

2. **The AN/MPQ-64 SENTINEL radar is a new generation, I/J-band, 3-Dimensional radar for the U.S. Army Forward Area Air Defense System (FAADS). It is used to generate track data to inform FAADS weapons of the location of targets approaching their front-line forces. Based on the TPQ-36A radar, the AN/MPQ-64 is the key to air surveillance and provides target acquisition/tracking information for division and corps weapons. The export version of SENTINEL radar hardware and software is Unclassified individually. The system classification is Confidential when software is loaded into the hardware.**

3. **Information on STINGER (Manportable and AVENGER) and SENTINEL vulnerability to electronic countermeasures and counter-countermeasures, system performance capabilities and effectiveness, and test data are classified up to Secret. Loss of this hardware and or data could permit the development of information leading to the exploitation of countermeasures.**

[FR Doc. 00-23993 Filed 9-18-00; 8:45 am]

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DEPARTMENT OF DEFENSE

Office of the Secretary

**Renewal of the Ballistic Missile
Defense Advisory Committee**

ACTION: Notice.

SUMMARY: The Ballistic Missile Defense Advisory Committee (BMDAC) has been renewed in consonance with the public interest, and in accordance with the provisions of Public Law 92-463, the "Federal Advisory Committee Act."

The BMDAC provides the Director, Ballistic Missile Defense Organization and the Secretary of Defense with advice and insights into the ballistic missile defense program, and makes recommendations on the program

emphasis, schedule and content. The BMDAC assesses all matters relating to acquisition system development, and technology for defense against ballistic missile threat.

The Committee will continue to be composed of 15-20 leaders from government and the private sector who are recognized authorities in defense policy, acquisition and technical areas related to the ballistic missile defense program. Efforts will be made to ensure