

(n) FAR 45.505-12 requires a contractor to maintain records of misdirected shipments.

(o) FAR 45.505-13 requires a contractor to maintain records of property returned for rework.

(p) FAR 45.505-14 requires a contractor to submit an annual report of Government property accountable to each agency contract.

(q) FAR 45.508-2 requires a contractor to report the results of physical inventories.

(r) FAR 45.509-1(a)(3) requires a contractor to record work accomplished in maintaining Government property.

(s) FAR 45.509-1(c) requires a contractor to report the need for major repair, replacement and other rehabilitation work.

(t) FAR 45.509-2(b)(2) requires a contractor to maintain utilization records.

(u) FAR 45.606-1 requires a contractor to submit inventory schedules.

(v) FAR 45.606-3(a) requires a contractor to correct and resubmit inventory schedules as necessary.

(w) FAR 52.245-2(a)(3) requires a contractor to notify the contracting officer when Government-furnished property is received and is not suitable for use.

(x) FAR 52.245-2(a)(4) requires a contractor to notify the contracting officer when government-furnished property is not timely delivered and the contracting officer will make a determination of the delay, if any, caused the contractor.

(y) FAR 52.245-2(b) requires a contractor to submit a written request for an equitable adjustment if Government-furnished property is decreased, substituted, or withdrawn by the Government.

(z) FAR 52.245-4 requires a contractor to submit a timely written request for an equitable adjustment when Government-furnished property is not furnished in a timely manner.

(aa) FAR 52.245-5(a)(4) requires a contractor to notify the contracting officer when Government-furnished property is received that is not suitable for use.

(bb) FAR 52.245-5(a)(5) requires a contractor to notify the contracting officer when Government-furnished property is not received in a timely manner.

(cc) FAR 52.245-5(b)(2) requests a contractor to submit a written request

for an equitable adjustment if Government-furnished property is decreased, substituted, or withdrawn by the Government.

(dd) FAR 52.245-7(f) requires a contractor to notify the contracting officer when use of all facilities falls below 75% of total use.

(ee) FAR 52.245-7(l)(2) requires a contractor to alert the contracting officer within 30 days of receiving facilities that are not suitable for use.

(ff) FAR 52.245-9(f) requires a contractor to submit a facilities use statement to the contracting officer within 90 days after the close of each rental period.

(gg) FAR 52.245-10(h)(2) requires a contractor to notify the contracting officer if facilities are received that are not suitable for the intended use.

(hh) FAR 52.245-11(e) requires a contractor to notify the contracting officer when use of all facilities falls below 75% of total use.

(ii) FAR 52.245-11(j)(2) requires a contractor to notify the contracting officer within 30 days of receiving facilities not suitable for intended use.

(jj) FAR 52.245-17 requires a contractor to maintain special tooling records.

(kk) FAR 52.245-18(b) requires a contractor to notify the contracting officer 30 days in advance of the contractor's intention to acquire or fabricate special test equipment (STE).

(ll) FAR 52.245-18 (d) & (e) requires a contractor to furnish the names of subcontractors who acquire or fabricate special test equipment (STE) or components and comply with paragraph (d) of this clause, and contractors must comply with the (b) paragraph of this clause if an engineering change requires acquisition or modification of STE. In so complying, the contractor shall identify the change order which requires the proposed acquisition, fabrication, or modification.

(mm) FAR 52.245-19 requires a contractor to notify the contracting officer if there is any change in the condition of property furnished "as is" from the time of inspection until time of receipt.

This information is used to facilitate the management of Government property in the possession of the contractor.

B. Annual Reporting Burden

Public reporting burden for this collection of information is estimated to

average .4826 hours per response, including the time for reviewing instructions, searching existing data sources, fathering and maintaining the data needed, and completing and reviewing the collection of information.

The annual reporting burden is estimated as follows: Respondents, 26,409; responses per respondent, 506.3; total annual responses, 13,624,759; preparation hours per response, .4826; and total response burden hours, 6,575,805.

Obtaining Copies of Proposals

Requester may obtain copies of OMB applications or justifications from the General Services Administration, FAR Secretariat (VRS), Room 4037, 1800 F Street, NW, Washington, DC 20405, telephone (202) 501-4755. Please cite OMB Control No. 9000-0075, Government Property, in all correspondence.

Dated: May 30, 1997.

Sharon A. Kiser,
FAR Secretariat.

[FR Doc. 97-15380 Filed 6-11-97; 8:45 am]
BILLING CODE 6820-EP-P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 97-20]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense Security Assistance 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. P. Murphy, DSAA/COMPT/CPD, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 97-20, with attached transmittal, policy justification, and sensitivity of technology pages.

Dated: May 6, 1996.

L. M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5000-04-M



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

23 MAY 1997

In reply refer to:

I-04522/97

Honorable Newt Gingrich
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. 97-20, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to the Taipei Economic and Cultural Representative Office in the United States for defense articles and services estimated to cost \$80 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

A handwritten signature in cursive script, appearing to read "H. Diehl McKalip".

H. Diehl McKalip
Acting Director

Attachments

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. 97-20

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

- (i) Prospective Purchaser: Taipei Economic and Cultural Representative Office (TECRO) in the United States
- (ii) Total Estimated Value:
- | | |
|--------------------------|---------------------|
| Major Defense Equipment* | \$60 million |
| Other | <u>\$20 million</u> |
| TOTAL | <u>\$80 million</u> |
- (iii) Description of Articles or Services Offered:
One thousand seven hundred eighty-six TOW 2A anti-armor guided missiles (to include 27 Lot Acceptance missiles), 114 TOW launchers, 100 M1045A2 High Mobility Multi-purpose Wheeled Vehicles trucks, spare and repair parts, technical support, support equipment, personnel training and training equipment, technical data and publications, U.S. Government Quality Assurance Team(s) (QATs), U.S. Government and contractor engineering and logistics support services, and other related elements of logistics to provide full program support.
- (iv) Military Department: Army (JBD)
- (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: **23 MAY 1997**

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

POLICY JUSTIFICATIONTaipei Economic and Cultural Representative Office (TECRO) in the United States - TOW 2 Anti-Armor Guided Missiles

The Taipei Economic and Cultural Representative Office (TECRO) in the United States has requested the purchase of 1,786 TOW 2A anti-armor guided missiles (to include 27 Lot Acceptance missiles), 114 TOW launchers, 100 M1045A2 High Mobility Multi-purpose Wheeled Vehicles trucks, spare and repair parts, technical support, support equipment, personnel training and training equipment, technical data and publications, U.S. Government Quality Assurance Team(s) (QATs), U.S. Government and contractor engineering and logistics support services, and other related elements of logistics to provide full program support. The estimated cost is \$80 million.

This sale is consistent with United States law and policy, as expressed in Public Law 96-8.

The recipient will use these missiles to increase their military defensive posture and will have no difficulty absorbing these missiles into its armed forces.

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

The prime contractor will be the Hughes Aircraft Company, Tucson, Arizona. One or more proposed offset agreements may be entered into in connection with this proposed sale.

Implementation of this sale will require the assignment of up to four U.S. Government personnel for a period of up to two weeks. The U.S. Government personnel and QATs may be required in Taiwan for periods ranging from one to two weeks depending on how materiel is delivered and what planning must be undertaken. One contractor representative will be required in-country for up to 12 months to implement the proposed sale.

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

Transmittal No. 97-20

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 TOW 2A is a Secret system which contains sensitive technology. The hardware is Unclassified and some of the supporting operations and maintenance documentation is classified up to the Secret level. This sale does not require any classified documentation; however, confidential information must be disclosed for training and operation; sensitive technology is contained within the system itself. This sensitivity is primarily in the software programs which instruct the system how to operate in the presence of countermeasures. Programs are contained in the system in the form of microprocessors with only Read Out Memory maps being available, which do not provide the software program itself. The overall hardware is also considered sensitive in that the modulation frequency and infrared wavelengths could be useful in attempted countermeasure development. The benefits to be derived from this sale outweigh the potential damage that could result if sensitive technology were revealed to unauthorized persons.

2. 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.