

established for that period have been exhausted by previous entries, such products shall be charged to the limits set forth in this directive.

Products for integration in 1998 listed in the **Federal Register** notice published on May 1, 1995 (60 FR 21075) which are exported during 1997 shall be charged to the applicable limits to the extent of any unfilled balances. After January 1, 1998, should those unfilled balances be exhausted, such products shall no longer be charged to any limit, due to integration of these products into GATT 1994.

CITA has informed Thailand of its intent to continue the bilateral visa arrangement for those products. An export visa will continue to be required, if applicable, for products integrated on and after January 1, 1998, before entry is permitted into the United States.

The conversion factors for merged Categories 359-H/659-H and 638/639 are 11.5 and 12.96, respectively.

In carrying out the above directions, the Commissioner of Customs should construe

entry into the United States for consumption to include entry for consumption into the Commonwealth of Puerto Rico.

The Committee for the Implementation of Textile Agreements has determined that these actions fall within the foreign affairs exception of the rulemaking provisions of 5 U.S.C. 553(a)(1).

Sincerely,  
Troy H. Cribb,  
*Chairman, Committee for the Implementation of Textile Agreements.*

[FR Doc. 97-32411 Filed 12-10-97; 8:45 am]

BILLING CODE 3510-DR-F

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## DEPARTMENT OF DEFENSE

### Office of the Secretary

[Transmittal No. 98-13]

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

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

**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 Public Law 104-164 dated 21 July 1996.

**FOR FURTHER INFORMATION CONTACT:** Ms. J. Hurd, DSAA/COMPT/RM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 98-13, with attached transmittal, policy justification, and sensitivity of technology pages.

Dated: December 5, 1997.

**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

9 NOV 1997

In reply refer to:  
I-55944/97

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. 98-13, concerning 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 \$185 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

A handwritten signature in black ink, appearing to read "MS Davison", is positioned above the typed name.

MICHAEL S. DAVISON, JR.  
LIEUTENANT GENERAL, USA  
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. 98-13

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

- (i) Prospective Purchaser: Portugal
- (ii) Total Estimated Value:
- |                          |                       |
|--------------------------|-----------------------|
| Major Defense Equipment* | \$ 0 million          |
| Other                    | \$ <u>185 million</u> |
| TOTAL                    | \$ 185 million        |
- (iii) Description of Articles or Services Offered:  
Twenty Mid-Life Update (MLU) modification kits for Portuguese Air Force F-16A/B aircraft, installation, support equipment, training and training devices, technical assistance, technical orders, system drawings, U.S. Government and contractor engineering, spare parts, and other logistics elements necessary for full program support.
- The MLU is an avionics retrofit program for F-16 aircraft consisting of a Central Core Computer, Block 50 cockpit design, Digital Terrain System, Global Positioning System, APG-66(V2) radar upgrade, Integrated Data Modem, microwave landing system and night capabilities provisions, and an Advanced Identification Friend or Foe (AIFF).
- (iv) Military Department: Air Force (NMP)
- (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: 9 NOV 1997

\* as defined 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 of 20 Mid-Life Update (MLU) modification kits for Portuguese Air Force F-16A/B aircraft, installation, support equipment, training and training devices, technical assistance, technical orders, system drawings, U.S. Government and contractor engineering, spare parts, and other logistics elements necessary for full program support. The estimated cost is \$185 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 governments of the United States, Belgium, Denmark, The Netherlands, and Norway 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 a Central Core Computer, Block 50 cockpit design, Digital Terrain System, Global Positioning System, APG-66(V2) radar upgrade, Integrated Data Modem, microwave landing system and night capabilities provisions, and an Advanced Identification Friend or Foe (AIFF).

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

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, Fort Worth, Texas. There are no offset agreements proposed to be entered into in connection with this potential sale.

Implementation of this proposed sale will require the assignment of U.S. Government personnel and contractor representatives to Portugal to provide technical and logistics services prior to delivery of the last MLU kit. The number of personnel and types of skills necessary to support the program will be determined jointly between U.S. and Portuguese representatives upon program implementation.

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

## Transmittal No. 98-13

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-16A weapon system is unclassified except as mentioned below. The aircraft does contain state-of-the-art technology. Sensitive elements of the F-16A include the F100-PW-200/220 turbofan engine, the FMS version of the AN/ALR-69 radar warning receiver (RWR), the FMS version of the AN/ALQ-131 electronic countermeasures pod, the FMS version of the AN/APG-66 radar, the AIM-7 radar missile capability, the AIM-9 missile capability, the AIM-120 (AMRAAM) missile capability, the ATLLIS II laser designator pod capability, and the fly by wire flight control system. The system design notes on software architecture are also critical elements.

2. Classified elements of the F-16A include the F100 engine infrared signature, radar software documentation, the Operational Flight Program (OFP) and the Emitter Identification Data (EID) for the ALR-69, the OFP and EID for the ALQ-131, the OFP for the Fire Control Computer, AIM-9 hardware, AIM-7 hardware, AIM-120 hardware, and 15 operating manuals and maintenance technical orders containing performance information, operating and test procedures, and other information related to support operation and repair at the organizational and intermediate levels. Classified elements of the MLU kit in addition to the above items include: the Advanced IFF (AIFF). The hardware, software, and data identified are classified to protect vulnerabilities, design, and performance parameters, munitions related data, and similar critical information.

3. If a technologically advanced adversary were to obtain knowledge of these specific hardware and software elements, they might be able to develop countermeasures or countertactics which could reduce weapon system effectiveness. Of additional concern, but requiring a much longer exploitation period, is the possibility such information could be used in the development of systems with similar advanced capabilities.

4. 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 proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

[FR Doc. 97-32359 Filed 12-10-97; 8:45 am]  
BILLING CODE 5000-04-C

## DEPARTMENT OF DEFENSE

### Office of the Secretary

#### Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); FY 98 DRG Updates

AGENCY: Department of Defense.

ACTION: Correction.

**SUMMARY:** This notice makes corrections to the FY 98 DRG Updates published in the **Federal Register** on October 30, 1997 (62 FR 587110). Change "discharges" to read "admissions" in the following areas:

#### Page 58712

First column, second paragraph, section C.

First column, third paragraph, section D.

Second column, first paragraph, section H.

Dated: December 5, 1997.

**L.M. Bynum,**

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

[FR Doc. 97-32360 Filed 12-10-97; 8:45 am]  
BILLING CODE 5000-04-M

## DEPARTMENT OF DEFENSE

### Department of the Army

#### Notice of Availability of Scope of Statement for Programmatic Environmental Impact Statement: Treatment of Non-Stockpile Chemical Warfare Materiel

AGENCY: Department of the Army, DoD.

ACTION: Notice of availability.

**SUMMARY:** The Scope of Statement (SoS) for the Programmatic Environmental Impact Statement (PEIS) on the treatment of non-stockpile chemical warfare material (CWM) is available. The SoS is an important component of the PEIS process providing direction for the PEIS preparers.

**ADDRESSES:** To obtain copies of the SoS, contact Ms. Louise Dyson, Public Outreach and Information Officer, Office of the Project Manager for Non-Stockpile Chemical Material, Aberdeen Proving Ground, Maryland 21010-5401 or by phone at 410-671-3445 or fax at 410-612-8737.

**FOR FURTHER INFORMATION CONTACT:** Ms. Louise Dyson at the above address and phone number.

**SUPPLEMENTARY INFORMATION:** The Notice of Intent (NOI) to prepare the PEIS was published in the **Federal Register** on October 18, 1996 (FR 61 54421-54424), with a correction to that notice being published on November 13, 1996 (FR 61 58281). In the NOI, the Army invited interested agencies and the public to assist in determining the scope of the PEIS by providing comments by February 28, 1997, on the alternative strategies and important issues affecting the environment that should be addressed. The SoS describes the scoping process and the determinations reached by the Army's Non-Stockpile Chemical Material Program (NSCMP) as a result of the scoping process. The following items are included on the SoS:

1. Description and discussion of the proposed action and alternative strategies to be evaluated in the Draft PEIS;
2. Description and discussion of the major socioeconomic and environmental issues to be addressed in the Draft PEIS;
3. Preliminary schedule for the PEIS, including the approximate time frame in which the Draft PEIS and Final PEIS are expected to be made available to the public;
4. Discussion of the roles and responsibilities of different organizations involved in preparing, reviewing and approving the Draft PEIS;
5. Preliminary outline of the Draft PEIS that will be used in guiding its preparation;
6. Description of the actions undertaken by the NSCMP to involve interested organizations and the public in the PEIS scoping process; and
7. A summary of the comments received during the public scoping process and the NSCMP's consideration of those comments.

Changes to the proposed action and preliminary alternative strategies identified in the NOI have been made as a result of the public scoping process and these changes are reflected in the SoS.

The PEIS proposed action that will be evaluated is to select one or more strategies for the treatment of non-stockpile CWM utilizing transportable chemical treatment systems. The decision to be made by the Army, and for which the PEIS analysis will address environmentally, is whether transportable chemical treatment systems should be further developed and made available for deployment.

The preliminary alternative strategies identified in the NOI were as follows:

1. On-site chemical treatment of CWM with off-set destruction of the resultant

wastes either by thermal destruction or another disposal method;

2. On-site chemical treatment and on-site destruction/disposal of chemical treatment wastes;

3. On-site thermal destruction;

4. Off-site chemical treatment and/or thermal destruction or another disposal method; and

5. No action, which was defined as a continuation of the current methods for handling these types of CWM, including safely packing, shipping and storing CWM at permitted locations.

The alternative strategies that will be analyzed in the PEIS include the following:

1. On-site Strategy—further develop transportable chemical treatment systems and make the systems available for the treatment of non-stockpile CWM at the site where the CWM may be located;

2. Off-site Strategy—further develop transportable chemical treatment systems, transport non-stockpile CWM from where it is located to an off-site location, and make the systems available for the treatment of CWM at the off-site location; and

3. No Action Strategy—discontinue development of the prototype transportable chemical treatment systems and continue to store non-stockpile CWM until other systems can be made available for treatment of non-stockpile CWM. Storage of non-stockpile CWM will occur on site unless precluded by human health, safety, and environmental regulatory requirements.

The PEIS evaluation will be directed at determining those environmental and socioeconomic conditions under which each of the strategies could be implemented. The revised alternative strategies are those that are applicable to any site with non-stockpile CWM. The application of these strategies will be further considered in subsequent site-specific analyses should the Army decide to proceed with the transportable chemical treatment systems.

The PEIS will be prepared using an approach in which the affected environment will be described in terms of a range of environmental and socioeconomic conditions that could occur at any site or location where non-stockpile CWM may be present or where transportable chemical treatment systems could be utilized. Based on these ranges, the PEIS will evaluate whether or not adverse environmental and socioeconomic impacts could occur. Where such impacts could occur, the PEIS will identify mitigation measures to eliminate, reduce, or compensate any adverse impact.