

an order, as well as any relevant information regarding past production.

CITA will protect any business confidential information that is marked business confidential from disclosure to the full extent permitted by law. CITA will make available to the public non-confidential versions of the request and non-confidential versions of any public comments received with respect to a request in room 3100 in the Herbert Hoover Building, 14th and Constitution Avenue, N.W., Washington, DC 20230. Persons submitting comments on a request are encouraged to include a non-

confidential version and a non-confidential summary.

**J. Hayden Boyd,**

*Acting Chairman, Committee for the Implementation of Textile Agreements.*

[FR Doc.01-16147 Filed 6-26-01; 8:45 am]

**BILLING CODE 3510-DR-S**

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## DEPARTMENT OF DEFENSE

### Office of the Secretary

[Transmittal No. 01-03]

#### 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 July 21, 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 01-03 with attached transmittal and policy justification.

Dated: June 21, 2001.

**L.M. Bynum,**

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

**BILLING CODE 5001-08-M**



## DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

13 JUN 2001

In reply refer to:  
I-01/006168

**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, we are forwarding herewith Transmittal No. 01-03, and under separate cover, the classified documents thereto. This Transmittal concerns the Department of the Air Force's proposed Letter(s) of Offer and Acceptance (LOA) to Chile for defense articles and services estimated to cost \$714 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, 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 "Tome H. Walters, Jr.", written in a cursive style.

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

**Attachments**

**Separate Cover:**  
**Classified Annex**  
**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**

- |      |                                      |                       |                       |
|------|--------------------------------------|-----------------------|-----------------------|
| (ii) | <b><u>Total Estimated Value:</u></b> | <b><u>F-16C/D</u></b> | <b><u>KC-135A</u></b> |
|      | Major Defense Equipment*             | \$ 421 million        | \$46 million          |
|      | Other                                | \$ <u>215 million</u> | \$ <u>32 million</u>  |
|      | TOTAL                                | \$ 636 million        | \$78 million          |
- (iii) **Description of Articles or Services Offered:** The proposed sale of ten F-16C/D Block 50+ aircraft and two KC-135A aircraft (to be reconfigured to KC-135R). The F-16 aircraft will be either configured with the F100-PW-229 or F110-GE-129 engine and the KC-135 aircraft will be configured with the General Electric CFM-56 engine. Jet engines to power these aircraft will be acquired by direct commercial sale and notified by a 36(c) notification. This proposed sale also includes: 10 APG-68(V)XM FMS radar, four LITENING II Navigation Targeting Pod (FMS version), 10 M61 Vulcan cannons, 40 LAU-129 launchers, six each of the AN/ALQ-131 and AN/ALQ-184 countermeasures, Night Vision Goggle compatible cockpits, and the capability to employ a wide variety of munitions. Associated support equipment, software development/integration, modification kits, spares and repair parts, flight test instrumentation, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor technical and logistics personnel services, and other related requirements to ensure full program supportability will also be provided.
- (iv) **Military Department:** Air Force (SGB and SGC)
- (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 under separate cover.
- (vii) **Date Report Delivered to Congress:** 13 JUN 2001

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

## **POLICY JUSTIFICATION**

### **Chile - F-16C/D Block 50+ and KC-135A Aircraft**

The Government of Chile (GOC) has requested a possible sale of 10 F-16C/D Block 50+ aircraft and two KC-135A aircraft (to be reconfigured to KC-135R). The F-16 aircraft will be either configured with the F100-PW-229 or F110-GE-129 engine and the KC-135 aircraft will be configured with the General Electric CFM-56 engine. Jet engines to power these aircraft will be acquired by direct commercial sale and notified by a 36(c) notification. This proposed sale also includes: 10 APG-68(V)XM FMS radar, four LITENING II Navigation Targeting Pod (FMS version), 10 M61 Vulcan cannons, 40 LAU-129 launchers, six each of the AN/ALQ-131 and AN/ALQ-184 countermeasures, Night Vision Goggle compatible cockpits, and the capability to employ a wide variety of munitions. Associated support equipment, software development/integration, modification kits, spares and repair parts, flight test instrumentation, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor technical and logistics personnel services, and other related requirements to ensure full program supportability will also be provided. The estimated cost of the F-16C/D aircraft program is \$636 million. The estimated cost of the KC-135 aircraft program is \$78 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 South America.

The proposed sale of these F-16 aircraft will allow the Chilean Air Force to maintain a strong defense while it continues its plans to modernize its shrinking inventory of aging aircraft. Chile's unique geography dictates the need for the KC-135's aerial refueling capability for its front-line fighter aircraft. The GOC does not have the F-16 aircraft system capability currently in its inventory.

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 Aeronautical Corporation of Fort Worth, Texas. One or more proposed offset agreements may be related to this proposed sale.

The number of U.S. Government and contractor representatives required in-country to support the program will be determined in joint negotiations as the program proceeds through the development, production and equipment installation phases.

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