

Transmittal No. 02-17

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

**Annex
Item No. vii**

(vii) Sensitivity of Technology:

1. AEGIS Weapon System (AWS) hardware is unclassified, with the exception of the RF oscillator used in the Fire Control transmitter, which is classified Confidential. AEGIS documentation in general is unclassified. However, seven operation and maintenance manuals are classified Confidential, and there is also a classified Secret supplement to the AEGIS Combat System Maintenance Manual. The manuals and technical documents are limited to those necessary for operational use and organizational maintenance.

2. While the hardware associated with the SPY-1D radar is unclassified, the computer programs are classified Secret. It is the combination of the SPY-1D hardware and the computer program for the SPY-1D radar that constitutes the technology sensitive aspects of the AWS. SPY-1D radar hardware design and computer program documentation will not be released. Additionally, life cycle maintenance of the AWS computer programs will be performed by the U.S. Navy.

3. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

4. A determination has been made that Korea 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. 02-7733 Filed 3-29-02; 8:45 am]
BILLING CODE 5001-08-C

DEPARTMENT OF DEFENSE**Office of the Secretary****[Transmittal No. 02-19]****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 02-19 with attached transmittal and policy justification.

Dated: March 25, 2002.

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

18 MAR 2002
In reply refer to:
I-02/002418

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. 02-19 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 Austria for defense articles and service estimated to cost \$1 billion. 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 is described in the enclosed confidential attachment.

Sincerely,

A handwritten signature in black ink, reading "Tome H. Walters, Jr.", is positioned above the typed name.

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

Attachment
As stated

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

Transmittal No. 02-19

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

- (i) **Prospective Purchaser:** Austria
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|------------------------|
| Major Defense Equipment* | \$0.595 billion |
| Other | <u>\$0.405 billion</u> |
| TOTAL | \$1.000 billion |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 30 F-16A/B aircraft upgraded with the Falcon Up structural modification and the Mid-Life Update (MLU) capability modification. The aircraft includes: F-100-PW-220 alternate fighter engines, AN/APG-66(V)2 radar sets, LAU-129 launchers, M61A1 20mm cannons, provisions for AN/ALQ-131 Electronic Counter Measure pods, PANTERA (LANTIRN derivative) or LITENING II targeting pods, and the capability to employ a wide variety of munitions. This possible sale includes: four F-16A Block 10 operational capabilities upgrade aircraft for cannibalization, four spare F-100-PW-220 engines, 4,000 rounds of 20mm cannon ammunition, eight AN/ALQ-131 Electronic Counter Measure pods, 16 PANTERA (LANTIRN derivative) or 16 LITENING II targeting pods, 30 M61A1 20mm cannons, associated support equipment, software development/integration, ammunition, radar, modem, receivers, installation, avionics, spare 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.
- (iv) **Military Department:** Air Force (ACB)
- (v) **Prior Related Cases, if any:** none
- (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 under separate cover
- (viii) **Date Report Delivered to Congress:** 18 MAR 2002

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

POLICY JUSTIFICATION

Austria – F-16A/B Aircraft

The Government of Austria has requested a possible sale of 30 F-16A/B aircraft upgraded with the Falcon Up structural modification and the Mid-Life Update (MLU) capability modification. The aircraft includes: F-100-PW-220 alternate fighter engines, AN/APG-66(V)2 radar sets, LAU-129 launchers, M61A1 20mm cannons, provisions for AN/ALQ-131 Electronic Counter Measure pods, PANTERA (LANTIRN derivative) or LITENING II targeting pods, and the capability to employ a wide variety of munitions. This possible sale includes: four F-16A Block 10 operational capabilities upgrade aircraft for cannibalization, four spare F-100-PW-220 engines, 4,000 rounds of 20mm cannon ammunition, eight AN/ALQ-131 Electronic Counter Measure pods, 16 PANTERA (LANTIRN derivative) or 16 LITENING II targeting pods, 30 M61A1 20mm cannons, associated support equipment, software development/integration, ammunition, radar, modem, receivers, installation, avionics, spare 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. The estimated cost is \$1 billion.

The MLU modification is an outgrowth of the development program notified to the Congress in August 1990. This multi-national effort has included the countries of Belgium, Denmark, The Netherlands, Norway, and Portugal 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: Heads-Up Display Pilot's Display Unit, AN/APX-113 Advanced Identification Friend or Foe, Common Color Multi-Function Displays, Common Programmable Display Generator, Modular Mission Computer, Voice Message Unit, Common Data Entry Electronics Unit, Global Positioning System antennas, Interference Blanking Unit, and configuration of the APG-66(V)2 radar.

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.

The Austrian Air Force currently operates SAAB JAS-35 Draken and SAAB-105 aircraft. These aging fighters are expensive to operate and maintain. This proposed sale will provide operational capabilities as the SAAB aircraft eventually are retired. It will also allow AAF to meet training requirements starting in early 2003. This proposed sale will not impact the regional military balance of power.

The principal contractors will be Lockheed Martin Aeronautics Company in Fort Worth, Texas; Pratt and Whitney in East Hartford, Connecticut; SABCA in Gosselies, Belgium; and Fokker Services in The Netherlands. One or more proposed offset agreements may be related to this proposed sale.

Implementation of this sale will require the assignment of approximately 12 each U.S. Government and contractor representatives for a period of up to four years to provide program support commencing with delivery of the aircraft to Austria.

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

DEPARTMENT OF DEFENSE**Office of Secretary****National Security Education Program, National Flagship Language Initiative; Advanced Language Institutional Grants Pilot Program****AGENCY:** Department of Defense.**ACTION:** Notice.

SUMMARY: The National Security Education Program (NSEP) announces a special competition for Advanced Language Institutional Grants under a pilot program. The competition is administered for NSEP by the National Foreign Language Center (NFLC), University of Maryland.

DATES: Grant Solicitations will be available online beginning Monday, April 1, 2002. Proposals must be received no later than Wednesday, May 15, 2002. Electronic submissions will not be accepted.

ADDRESSES: Obtain copies of the solicitation, beginning April 1, 2002 via Internet at <http://www.nflc.org>. Requests for copies of the proposal to those who are unable to obtain copies through the Internet should be directed by email to NFLC at: flagships@nflc.org or by fax: 301-403-1754.

FOR FURTHER INFORMATION CONTACT: Dr. Thomas W. Gething, Deputy Director, National Foreign Language Centers, 7100 Baltimore Avenue, #300, College Park, Maryland 20742; Electronic mail address: tgetting@nflc.org

Dated: March 25, 2002.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 02-7732 Filed 3-29-02; 8:45 am]

BILLING CODE 5001-08-M

Defense (DoD), Defense Manpower Data Center (DMDC), as the matching agency under the Privacy Act, compensation and pension is hereby giving notice to the record subjects of a computer matching program between Department of Veterans Affairs, Office of Inspector General (VA OIG) and the Department of Defense (DoD) that their records are being matched by computer. The purpose of the computer matching program is to attempt to verify eligibility for VA Compensation and Pension (C&P) benefits by matching veteran's record of those benefits with the military service record of veterans eligible for those benefits for themselves or their beneficiaries.

DATES: This proposed action will become effective May 1, 2002, and matching may commence unless changes to the matching program are required due to public comments or by Congressional or by Office of Management and Budget objections. Any public comment must be received before the effective date.

ADDRESSES: Any interested party may submit written comments to the Director, Defense Privacy Office, 1941 Jefferson Davis Highway, Suite 920, Arlington, VA 22202-4502.

FOR FURTHER INFORMATION CONTACT: Mr. Vahan Moushegian, Jr. at (703) 607-2943.

SUPPLEMENTARY INFORMATION: Pursuant to subsection (o) of the Privacy Act of 1974, as amended, (5 U.S.C. 552a), the VA OIG and DMDC have concluded an agreement to conduct a computer matching program between agencies. The purpose of the computer matching program is to attempt to verify eligibility for VA C&P benefits by matching veteran's record of those benefits with the military service record of veterans eligible for those benefits for themselves or their beneficiaries.

The parties to this agreement have determined that a computer matching program is the most efficient, expeditious, and effective means of obtaining and processing the information needed by VA OIG to verify the military service record of veterans eligible for VA (C&P) benefits, to identify potential fraudulent payments to fictitious veterans, and to identify payments that should be adjusted where the beneficiary is not entitled to all or part of the VA C&P benefits received. The principal alternative to using a computer matching program for identifying such individuals would be to conduct a manual comparison of all veterans or their beneficiaries receiving VA (C&P) benefits with the other files. Conducting a manual match, however,

would clearly impose a considerable administrative burden, constitute a greater intrusion on the individual's privacy, and would result in additional delay in the eventual response to possible fraud and abuse. By comparing the information received through the computer matching program between VA OIG and DMDC on a recurring basis, information on successful matches (hits) can be provided to VA to initiate research on these discrepancies, thus assuring that benefit payments are proper.

A copy of the computer matching agreement between VA OIG and DoD is available upon request. Requests should be submitted to the address caption above or to the Department of Veterans Affairs, Office of Inspector General (52CO), 810 Vermont Avenue NW., Washington, DC 20420.

Set forth below is the notice of the establishment of a computer matching program required by paragraph 6.c. of the Office of Management and Budget Guidelines on computer matching published on June 19, 1989, at 54 FR 25818.

The matching agreement, as required by 5 U.S.C. 552a(r) of the Privacy Act, and an advance copy of this notice was submitted on March 20, 2002 to the House Committee on Government Reform, the Senate Committee on Governmental Affairs, and the Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget pursuant to paragraph 4d of Appendix I to OMB Circular No. A-130, 'Federal Agency Responsibilities for Maintaining Records about Individuals' dated February 8, 1996 (February 20, 1996, 61 FR 6427).

Dated: March 25, 2002.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Notice of a Computer Matching Program Agreement Between; Office of the Inspector General, the Department of Veterans Affairs and Defense Manpower Data Center, the Department of Defense for Verification of Eligibility

A. Participating Agencies

Participants in this computer matching program are the Department of Veterans Affairs, Office of Inspector General (VA OIG) and the Department of Defense (DoD), Defense Manpower Data Center (DMDC). The VA OIG is the source agency, i.e., the activity

DEPARTMENT OF DEFENSE**Defense Logistics Agency****Privacy Act of 1974; Computer Matching Program****AGENCY:** Defense Manpower Data Center, Defense Logistics Agency, DoD.**ACTION:** Notice of a computer matching program.

SUMMARY: Subsection (e)(12) of the Privacy Act of 1974, as amended (5 U.S.C. 552a), requires agencies to publish advanced notices of any proposed or revised computer matching program by the matching agency for public comment. The Department of