

Special Accommodations

These meetings are physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Mr. Eric W. Greene at (503) 326-6352 at least 5 days prior to the meeting date.

Dated: February 4, 1998.

Gary C. Matlock,

*Director, Office of Sustainable Fisheries,
National Marine Fisheries Service.*

[FR Doc. 98-3195 Filed 2-6-98; 8:45 am]

BILLING CODE 3510-22-F

COMMODITY FUTURES TRADING COMMISSION

Financial Products Advisory Committee; February 25, 1998; 1:00 p.m.-4:30 p.m.

This is to give notice, pursuant to Section 10(a) of the Federal Advisory Committee Act, 5 U.S.C. App. 2, section 10(a) and 41 CFR 101-6.1015(b), that the Commodity Futures Trading Commission's Financial Products Advisory Committee will conduct a public meeting in the Ground Level Hearing Room at the Commission's Washington, DC headquarters located at 1155 21st Street, NW., Washington, DC 20581, on February 25, 1998, beginning at 1:00 p.m. and lasting until 4:30 p.m.

The agenda will consist of:

Agenda*Regulatory Reform*

1. Introductory Remarks by Chairperson Brooksley Born.

2. Discussion by members of the Advisory Committee of the following regulatory reform topics:

A. Regulation of noncompetitive transactions executed on or subject to the rules of a contract market.

B. Futures-style margining of commodity options.

C. Denomination of customer funds and the location of depositories.

D. Account identification for eligible bunched orders.

E. Short option value charge.

3. Preliminary discussion of other potential topics.

4. Any procedural matters.

The purpose of this meeting is to solicit the views of the Committee on these agenda matters. The Advisory Committee was created by the Commodity Futures Trading Commission for the purpose of advising the Commission on issues concerning individuals and industries interested in or affected by financial markets regulated by the Commission. The purposes and objectives of the Advisory Committee are more fully set forth in the April 15, 1997 Charter of the Advisory Committee.

The meeting is open to the public. The Chairperson of the Advisory Committee, CFTC Chairperson Brooksley Born, is empowered to conduct the meeting in a fashion that will, in her judgment, facilitate the orderly conduct of business. Any member of the public who wishes to file a written statement with the Advisory Committee should mail a copy of the statement to the attention of: the Commodity Futures Trading Commission Financial Products Advisory Committee, c/o Ms. Josiane

Branch, 1155 21st Street, NW., Washington, DC 20581, before the meeting.

Issued by the Commission in Washington, D.C., on February 4, 1998.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 98-3254 Filed 2-6-98; 8:45 am]

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DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 98-19]

36(b)(1) Arms Sales Notification

AGENCY: Defense Security Assistance Agency, Department of Defense.

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 requirement 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 98-19, with attached transmittal, policy justification and sensitivity of technology pages.

Dated: February 3, 1998.

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

28 JAN 1998

In reply refer to:
I-56707/97

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. 98-19, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Taipei Economic and Cultural Representative Office (TECRO) in the United States for defense articles and services estimated to cost \$300 million. The informal notification (Transmittal No. 97-BK) was delivered to Congress on 9 November 1997. 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 "H. Diehl McKaig", is positioned above the printed name.

H. Diehl McKaig
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. 98-19

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* | \$ 30 million |
| Other | \$ <u>270 million</u> |
| TOTAL | \$ 300 million |
- (iii) Description of Articles or Services Offered:
Three KNOX class frigates (FF 1052), weapons and ammunition to include one MK 15 PHALANX Close-In Weapons System (CIWS), one AN/SWG-1A HARPOON launcher, two sets of MK 36 MOD 5 Super Rapid Bloom Offboard Countermeasures (SRBOC) decoy launching system, 1,581 rounds of 5"/54 ammunition, and 30,000 rounds of 20mm tungsten cartridges for CIWS, and other related ammunition items, shipyard/port support services and post transfer activities relating to "cold ship" turnover of three KNOX class frigates from the U.S. Navy, U.S. Government and contractor engineering and logistics personnel support services, repair and calibration services for shipboard equipment, design/construction/upgrade of shipyard maintenance and docking facilities, publications and technical data/drawings, personnel training and training equipment, support equipment, spare and repair parts and other elements of logistics necessary to prepare the frigates for transfer to Taiwan in a "Safe to Steam" condition with all shipboard and weapon systems operational.
- (iv) Military Department: Navy (SDA, TCS, and AKE)
- (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: 28 JAN 1998

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

POLICY JUSTIFICATION

Taipei Economic and Cultural Representative Office (TECRO) in the United States - KNOX Class Frigates (FF 1052)

The Taipei Economic and Cultural Representative Office (TECRO) in the United States has requested a possible sale of three KNOX class frigates (FF 1052), weapons and ammunition to include one MK 15 PHALANX Close-In Weapons System (CIWS), one AN/SWG-1A HARPOON launcher, two sets of MK 36 MOD 5 Super Rapid Bloom Offboard Countermeasures (SRBOC) decoy launching system, 1,581 rounds of 5"/54 ammunition, and 30,000 rounds of 20mm tungsten cartridges for CIWS, and other related ammunition items, shipyard/port support services and post transfer activities relating to "cold ship" turnover of three KNOX class frigates from the U.S. Navy, U.S. Government and contractor engineering and logistics personnel support services, repair and calibration services for shipboard equipment, design/construction/upgrade of shipyard maintenance and docking facilities, publications and technical data/drawings, personnel training and training equipment, support equipment, spare and repair parts and other elements of logistics necessary to prepare the frigates for transfer to Taiwan in a "Safe to Steam" condition with all shipboard and weapon systems operational. The estimated cost is \$300 million.

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

Taiwan needs the KNOX class frigates as well as the weapons and ammunition to continue its naval modernization program and enhance its Anti-Submarine Warfare (ASW) capability. Taiwan will have no difficulty absorbing these weapons and equipment into its armed forces.

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

The prime reactivation efforts will take place at commercial shipyard yet to be selected. There are no offset agreements proposed to be entered into in connection with this potential sale.

U.S. Government and contractor engineering and logistics in-country personnel requirements will be determined following consultations with representatives in-country.

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

Transmittal No. 98-19

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 PHALANX Close-In Weapon System MK 15 crystals which contain the operating frequencies of the weapon system are considered critical technology and are classified Confidential. The maintenance and operation publications are also classified Confidential.

2. MK 36 MOD 5 Super Rapid Bloom Offboard Countermeasures (SRBOC) decoy launching system contains Confidential components. Applicable technical and equipment documentation and manuals contains classified Confidential.

3. 5"/54 gun ammunition contains Confidential fuze components. Applicable technical and equipment documentation and manuals contains classified Confidential.

4. Weapon systems and equipment publications, technical documentation and maintenance manuals to be released with this sale are classified Confidential.

5. AN/SLQ-32(V)1 and (V)2 Countermeasures Sets contains Unclassified components. Applicable technical and equipment documentation and manuals contains classified Confidential.

6. Compromise of the foregoing technical information could result in the development of countermeasures or equivalent systems which could reduce ship system effectiveness or be used in the development of systems with similar or advanced capabilities.

7. 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.