

Transmittal No. 02-57

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

**Annex
Item No. vii**

(vii) Sensitivity of Technology:

1. The major components of the AN/TPQ-37(V)3 FIREFINDER counter-battery artillery radar set containing sensitive technology are:

a. Operations Control Group/Signal Processor Unit and Software - contains critical technologies related to the computer and radar control card and signal processing capabilities. The signal processing algorithms are unclassified..

b. Antenna-Transceiver Group - contains critical technologies in the Antenna Array Group, the system receiver, transmitter/exciter, and waveguide components.

2. The AN/TPQ-37(V)3 system is moderately susceptible to the development of countermeasures. A potential adversary could develop electronic warfare and jamming countermeasures if the system hardware and related critical technologies were acquired.

3. A determination has been made that India 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. 02-23424 Filed 9-13-02; 8:45 am]

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DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 02-58]

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 21 July 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 02-58 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: September 9, 2002.

Patricia L. Toppings,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-08-M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

4 SEP 2002
In reply refer to:
I-02/010118

**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. 02-58, 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 \$60 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

A handwritten signature in black ink that reads "Richard J. Millies".

**Richard J. Millies
Deputy Director**

Attachments

**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. 02-58

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

- (i) **Prospective Purchaser:** Taipei Economic and Cultural Representative Office in the United States
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|---------------------|
| Major Defense Equipment* | \$57 million |
| Other | <u>\$ 3 million</u> |
| TOTAL | \$60 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 449 AGM-114M3 HELLFIRE II Air-to-Surface Anti-Armor missiles, engines, winches, kits, dispensers, containers, spare and repair parts, test and tool sets, personnel training and equipment, publications, a U.S. Government and contractor engineering and logistics personnel services, Quality Assurance Team, and other related elements of logistics support.
- (iv) **Military Department:** Army (YWR)
- (v) **Prior Related Cases, if any:**
 FMS case YVF - \$20 million - 30Jun99
 FMS case JAR - \$5 million - 25Sep91
 FMS case YQH - \$62 million - 25Sep91
- (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 attached
- (viii) **Date Report Delivered to Congress:** 4 SEP 2002

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

POLICY JUSTIFICATION**Taipei Economic and Cultural Representative Office in the United States – AGM-114M3 HELLFIRE II Air-to-Surface Anti-Armor Missiles**

Taipei Economic and Cultural Representative Office in the United States has requested a possible sale for 449 AGM-114M3 HELLFIRE II Air-to-Surface Anti-Armor missiles, engines, winches, kits, dispensers, containers, spare and repair parts, test and tool sets, personnel training and equipment, publications, a U.S. Government and contractor engineering and logistics personnel services, Quality Assurance Team, and other related elements of logistics support. The estimated cost is \$60 million.

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

The recipient will use these HELLFIRE missiles on their AH-1W Super Cobra and OH -58D helicopters. The missiles will enhance the recipient's defensive anti-armor capabilities. The recipient, which already has HELLFIRE missiles in its inventory, will have no difficulty absorbing these additional missiles.

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 Electronics and Missiles of Orlando, Florida. There are no offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to recipient.

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

Transmittal No. 02-58

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

**Annex
Item No. vii**

(vii) Sensitivity of Technology:

1. The AGM-114M3 HELLFIRE missile is a helicopter-launched airborne target weapon with a terminal homing seeker and a blast fragmentation warhead, which homes in on a laser spot that can be projected from ground observers, other aircraft, or the launching aircraft.

2. The AGM-114M3 HELLFIRE air-to-surface missile hardware and documentation are Unclassified. Missile performance parameters and characteristics, including susceptibility to countermeasures, are classified up to Secret and considered very sensitive. Missile hardware is considered sensitive and knowledge of the warhead timing mechanism would be useful in development of countermeasures. Technology contained within the missile is sensitive and Unclassified. The sensitivity of the system is primarily in the software programs which enable the missile to operate in a countermeasures environment. Training, maintenance, operations and related documentation are Unclassified and not considered sensitive.

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

4. A determination has been made that the recipient 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.

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DEPARTMENT OF DEFENSE**Office of the Secretary**

TRICARE; Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); Fiscal Year 2003 Mental Health Rate Updates

AGENCY: Office of the Secretary, DoD.

ACTION: Notice of updated mental health per diem rates.

SUMMARY: This notice provides for the updating of hospital-specific per diem

rates for high volume providers and regional per diem rates for low volume providers; the updated cap per diem for high volume providers; the beneficiary per diem cost-share amount for low volume providers for FY 2003 under the TRICARE Mental Health Per Diem Payment System; and the updated per diem rates for both full-day and half-day TRICARE Partial Hospitalization Programs for fiscal year 2003.

EFFECTIVE DATE: The fiscal year 2003 rates contained in this notice are effective for services occurring on or after October 1, 2002.

FOR FURTHER INFORMATION CONTACT: Stan Regensberg, Office of Medical Benefits and Reimbursement Systems, TRICARE

Management Activity, telephone (303) 676-3742.

SUPPLEMENTARY INFORMATION: The final rule published in the **Federal Register** on September 6, 1988, (53 FR 34285) set forth reimbursement changes that were effective for all inpatient hospital admissions in psychiatric hospitals and exempt psychiatric units occurring on or after January 1, 1989. The final rule published in the **Federal Register** on July 1, 1993, (58 FR 35-400) set forth maximum per diem rates for all partial hospitalization admissions on or after September 29, 1993. Included in these final rules were provisions for updating reimbursement rates for each federal fiscal year. As stated in the final rules,