

Transmittal No. 98-32

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 highest level of classified information required to be released for training, operation and maintenance of the Multiple Launch Rocket System extended range (MLRS-ER) rocket pods is Confidential. The highest level of information which could be revealed through reverse engineering or testing of the end item is Secret. MLRS-ER technical data and information includes Confidential and Secret reports and data, as well as performance and capability data, classified Confidential/Secret.

2. 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 weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

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

[FR Doc. 98-8703 Filed 4-2-98; 8:45 am]

BILLING CODE 5000-04-C

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 98-31]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Assistance 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 Pub. L. 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 98-31, with attached transmittal, policy justification, and sensitivity of technology pages.

Dated: March 30, 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

20 MAR 1998

In reply refer to:

I-62792/98

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. 98-31, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services estimated to cost \$304 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".

MICHAEL S. DAVISON, JR.
LIEUTENANT GENERAL, USA
DIRECTOR

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

Attachments

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- (i) Prospective Purchaser: Egypt
- (ii) Total Estimated Value:
- | | |
|--------------------------|-----------------------|
| Major Defense Equipment* | \$ 132 million |
| Other | \$ <u>172 million</u> |
| TOTAL | \$ 304 million |
- (iii) Description of Articles or Services Offered:
One thousand fifty-eight STINGER RMP Type III missiles less reprogrammable modules (STINGER RMP Type III (-)), 48 lot acceptance missiles, 50 complete AVENGER Systems, launch pods integrated on High Mobility Multi-Purpose Wheeled Vehicles (HMMWV), 50 AVENGER Turrets, M3P machine guns, Forward Looking Infrared Range (FLIR), laser range finder, 50 STANDARD Vehicle Mounted Launchers, Interrogator Friend or Foe, support equipment, spare and repair parts, publications and technical data, personnel training and training equipment, U. S. Government Quality Assurance Teams and other related elements of logistics support.
- (iv) Military Department: Army (USB)
- (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: 20 MAR 1998

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

POLICY JUSTIFICATIONEgypt - STINGER RMP Type III Missiles Less Reprogrammable Modules

The Government of Egypt has requested a possible sale of 1,058 STINGER RMP Type III missiles less reprogrammable modules (STINGER RMP Type III (-)), 48 lot acceptance missiles, 50 complete AVENGER Systems, launch pods integrated on High Mobility Multi-Purpose Wheeled Vehicles (HMMWV), 50 AVENGER Turrets, M3P machine guns, Forward Looking Infrared Range (FLIR), laser range finder, 50 STANDARD Vehicle Mounted Launchers, Interrogator Friend or Foe, support equipment, spare and repair parts, publications and technical data, personnel training and training equipment, U. S. Government Quality Assurance Teams and other related elements of logistics support. The estimated cost is \$304 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 the Middle East.

The STINGER missiles included in this proposed sale to Egypt will be configured only for mounting on HMMWV vehicles. No manportable gripstocks will be sold under this sale. Egypt will use the STINGER missiles to upgrade its air defense capability and will have no difficulty absorbing these into its armed forces.

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

The principal contractors who will participate in this program are the Hughes Missile Systems Company, Tucson, Arizona, and Boeing Missile and Space Division, Huntsville, Alabama. There are no offset agreements proposed to be entered into in connection with this potential sale.

U.S. Government Quality Assurance Teams representing varying technical support will be required to provide in-country support for an extended period of time. The specific requirements for this support will be definitized during program definition between representatives of the United States Government and the purchaser.

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

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Item No. vi

(vi) Sensitivity of Technology:

1. The AVENGER/STINGER RMP Type III missile system less reprogrammable module (STINGER RMP Type III (-)), battery coolant, hardware, the fire unit, software, documentation and operating instructions contain sensitive technology and are classified up through Secret. The guidance section of the missile and tracking head trainer contain highly sensitive technology and are classified Confidential.

2. Missile system hardware and fire unit components contain sensitive/critical technologies. STINGER critical technology is primarily in the area of design and production know-how and not end-items. This sensitive/critical technology is inherent in the hybrid microcircuit assemblies, microcircuit technology, microprocessors, magnetic and amorphous metals, preparation, purification, firmware, printed circuit boards, laser range finder, dual detector assembly, detector filters, automatic text and associated computer software, optical coatings, ultraviolet sensors, semi-conductor detectors, infrared band sensors, equipment operating instructions, warhead components seeker assembly and the Identification Friend or Foe (IFF) system with Mode 3 capabilities.

3. Information on vulnerability to electronic countermeasures and counter-countermeasures, system performance capabilities and effectiveness, and test data are classified up to Secret.

4. Loss of this hardware and/or data could permit development of information leading to the exploitation of countermeasures. Therefore, if a technologically capable adversary were to obtain these devices, the missile system could be compromised through reverse engineering techniques which could defeat the weapon systems effectiveness.

5. 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. 98-8704 Filed 4-2-98; 8:45 am]
BILLING CODE 5000-04-C

DEPARTMENT OF DEFENSE

Office of the Secretary

Group of Advisors to the National Security Education Board Meeting

AGENCY: Office of the Assistant Secretary of Defense, Strategy and Requirements.

ACTION: Notice of meeting.

SUMMARY: Pursuant to Public Law 92-463, notice is hereby given of a forthcoming meeting of the Group of Advisors to the National Security Education Board. The purpose of the meeting is to review and make recommendations to the Board concerning requirements established by the David L. Boren National Security Education Act, Title VIII of Public Law 102-183, as amended.

DATES: April 23 and 24, 1998.

ADDRESSES: Oregon State University, International Programs Office, Snell Hall 400, Corvallis, Oregon 97331-1642.

FOR FURTHER INFORMATION CONTACT: Dr. Edmond J. Collier, Deputy Director, National Security Education Program, 1101 Wilson Boulevard, Suite 1210, Rosslyn P.O. Box 20010, Arlington, Virginia 22209-2248; (703) 696-1991. Electronic mail address: collier@osd.pentagon.mil.

SUPPLEMENTARY INFORMATION: The Group of Advisors meeting is open to the public.

Dated: March 30, 1998.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 98-8701 Filed 4-2-98; 8:45 am]

BILLING CODE 5000-04-M

DEPARTMENT OF ENERGY

[FE Docket No. PP-174]

Application for Presidential Permit, Imperial Irrigation District

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of application.

SUMMARY: Imperial Irrigation District (IID), an instrumentality of the State of California, has applied for a Presidential permit to construct, connect, operate and maintain a new electric transmission facility across the U.S. border with Mexico.

DATES: Comments, protests, or requests to intervene must be submitted on or before May 4, 1998.

ADDRESSES: Comments, protests, or requests to intervene should be addressed as follows: Office of Coal & Power Import and Export (FE-27), Office of Fossil Energy, U.S. Department of Energy, 1000 Independence Avenue SW., Washington, DC 20585-0350.

FOR FURTHER INFORMATION CONTACT: Steven Mintz (Program Office) 202-586-9506 or Michael T. Skinker (Program Attorney) 202-586-6667.

SUPPLEMENTARY INFORMATION: The construction, connection, operation, and maintenance of facilities at the international border of the United States for the transmission of electric energy between the United States and a foreign country is prohibited in the absence of a Presidential permit issued pursuant to Executive Order (EO) 10485, as amended by EO 12038.

On February 17, 1998, IID filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) for a Presidential permit. IID proposes to expand its existing Bravo Substation in the vicinity of Calexico, California, by 5,825 square feet and to construct either 2,100 feet (Option 1) or 200 feet (Option 2) of 230-kilovolt (kV) transmission line from the enlarged substation to the U.S. border with Mexico.

Under Option 1, IID would construct approximately 2,100 feet of new 230-kV transmission line from the expanded Bravo Substation to the U.S. border with Mexico. Construction would occur within the right-of-way of IID's All American Canal and would require placing six to eight transmission support structures within the All American Canal right-of-way. Under Option 2, IID would construct approximately 200 feet of new 230-kV transmission line from the expanded Bravo Substation due south, crossing Anza Road (a rural road) 60 feet north

of the international border. This option would not require the placing of any transmission support structures within the U.S.

IID proposes to enter into a contract with Comision Federal de Electricidad (CFE), the national electric utility of Mexico, to provide electrical services including energy, transmission, and ancillary services to CFE's Aeropuerto Substation load. The electric energy IID proposes to transmit to CFE would be provided from the IID system resources or from energy purchased by IID from other generation sources within the U.S. In providing these services, IID may acquire and take title to energy and sell such acquired energy to CFE. Alternatively, IID may also transmit energy for CFE that CFE acquires directly from a third party.

As IID is an instrumentality of the State of California, it is not jurisdictional to Section 202(e) of the Federal Power Act (FPA) and, therefore, not required to obtain an electricity export authorization prior to commencing exports to CFE. However, other non-governmental entities providing direct sales of electric energy to CFE using the facilities proposed by IID will require an electricity export authorization from FE.

Since the restructuring of the electric power industry began, resulting in the introduction of different types of competitive entities into the marketplace, DOE has consistently expressed its policy that cross-border trade in electric energy should be subject to the same principles of comparable open access and non-discrimination that apply to transmission in interstate commerce. DOE has stated that policy in export authorizations granted to entities requesting authority to export over international transmission facilities. Specifically, DOE expects transmitting utilities owning border facilities constructed pursuant to Presidential permits to provide access across the border in accordance with the principles of comparable open access and non-discrimination contained in the FPA and articulated in Federal Energy Regulatory Commission Order Nos. 888 and 888-A (Promoting Wholesale Competition Through Open Access