

effecting the least practicable adverse impact on the species and its habitat, and on the availability of the species for subsistence uses, paying particular attention to rookeries, mating grounds, and areas of similar significance. The regulations must include requirements pertaining to the monitoring and reporting of such taking.

Regulations governing the taking of several species of seals incidental to intake cooling water operations at Seabrook Station nuclear power plant were published on May 25, 1999 (64 FR 28114), and remain in effect until June 30, 2004. These regulations include mitigation, monitoring, and reporting requirements for the incidental taking of harbor seals (*Phoca vitulina*), gray seals (*Halichoerus grypus*), harp seals (*Phoca groenlandica*), and hooded seals (*Cystophora cristata*) at Seabrook Station.

Summary of Request

NMFS received a request from North Atlantic on June 4, 2002, for renewal of their LOA, which expires on June 26, 2002, to lethally take 20 harbor seals and 4 of any combination of gray, harp, and hooded seals at Seabrook Station.

However, North Atlantic noted in their annual report that no seals have been entrapped in Seabrook's offshore intake structures since the installation of the Seal Deterrent Barriers in August 1999.

Authorization

Based on the determinations made in 1999 (64 FR 28114, May 25, 1999) and that annual reports submitted by North Atlantic indicate that no seals have been killed incidental to operations at Seabrook Station, NMFS has issued an LOA to North Atlantic for the taking of harbor seals, gray seals, harp seals, and hooded seals incidental to operations of the Seabrook Station with the understanding that the mitigation, monitoring, and reporting requirements described in 50 CFR 216.134–135 and in the LOA are undertaken.

Dated: July 24, 2002.

Wanda Cain,

*Acting Director, Office of Protected Resources,
National Marine Fisheries Service.*

[FR Doc. 02–19231 Filed 7–29–02; 8:45 am]

BILLING CODE 3510–22–S

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 02–42]

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 02–42 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: July 23, 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

22 JUL 2002

In reply refer to:
I-02/008901

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. 02-42 and under separate cover the classified offset certificate thereto. This Transmittal concerns the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to the Netherlands for defense articles and service estimated to cost \$21 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 is described in the enclosed confidential attachment.

Sincerely,

A handwritten signature in dark ink, reading "Richard J. Millies", is positioned above the typed name and title.

Richard J. Millies
Acting Director

Attachment
As stated

Separate Cover:
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. 02-42

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:** Netherlands
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|---------------------|
| Major Defense Equipment* | \$15 million |
| Other | \$ <u>6 million</u> |
| TOTAL | \$21 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 14 SM-2 Block IIIA Interrupted Continuous Wave Illumination STANDARD missiles (5 tactical missiles with warheads and 9 telemetry missiles), 14 MK 13 MOD 0 canisters, containers, spare and repair parts, supply support, U.S. Government and contractor technical assistance and other related elements of logistics support.
- (iv) **Military Department:** Navy (AFU)
- (v) **Prior Related Cases, if any:**
- FMS case AFN - \$29 million – 29Nov99
FMS case AEY - \$20 million – 28Sep90
FMS case AEM - \$26 million – 30Oct85
- (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:** 22 JUL 2002

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

POLICY JUSTIFICATION**Netherlands – SM-2 Block IIIA Interrupted Continuous Wave Illumination STANDARD Missiles**

The Government of the Netherlands has requested a possible sale of 14 SM-2 Block IIIA Interrupted Continuous Wave Illumination STANDARD missiles (5 tactical missiles with warheads and 9 telemetry missiles), 14 MK 13 MOD 0 canisters, containers, spare and repair parts, supply support, U.S. Government and contractor technical assistance and other related elements of logistics support. The estimated cost is \$21 million.

This proposed sale will contribute to the foreign policy and national security objectives of the United States by helping to improve the military capabilities of the Netherlands and furthering standardization and interoperability.

The Netherlands will install these missiles on its new frigates and operate the frigates in a manner similar to its current ship operations. The Netherlands, which already has STANDARD 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 Raytheon Missile Systems Company of Tucson, Arizona. One or more proposed offset agreements may be related to this proposed sale.

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

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

Transmittal No. 02-42

**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. The SM-2 Block IIIA STANDARD missile is a U.S. Navy surface launched guided missile and is classified Secret. It is operationally deployed on cruisers, destroyers, and frigates for use against air and surface threats (aircraft, missiles, and ships). The guidance system employs a continuous-wave or interrupted continuous wave radar link for homing in a target. Steering and roll commands from the adaptive auto-pilot system provide flight stability via four aft mounted control surfaces. Propulsion is provided by a solid propellant, dual thrust rocket motor that is an integral part of the missile airframe. The target detecting device (TDD) is a complex fuze with dual radar systems to optimize warhead lethality against a spectrum of target sizes and speeds.

2. 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.

3. A determination has been made that the Netherlands 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.