

**Transmittal No. 02-12****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 conventionally armed TOMAHAWK BLOCK IIIC Land Attack Missile (TLAM) consists of the following classified components:**

**a. The TOMAHAWK missile (Complete) - Guidance Set, Digital Scene Matching Area Correlator (DSMAC) Global Positioning System (GPS) when software is installed, Data Link when software/firmware is installed, Common Missile Radar Altimeter (CMRA), Operational Flight Software as well as DSMAC and GPS flight software.**

**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. The consequences of loss of this technology to a technologically advanced or competent adversary could result in the development of countermeasures or equivalent systems which could reduce weapons system effectiveness or be used in the development of a system with similar advanced capabilities.**

**3. A determination has been made that the United Kingdom can provide substantially the same degree of protection for this technology 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. 01-27688 Filed 11-2-01; 8:45 am]

BILLING CODE 5001-08-C

**DEPARTMENT OF DEFENSE****Office of the Secretary****Nationwide TRICARE Demonstration Project**

**AGENCY:** Office of the Secretary, The Department of Defense

**ACTION:** Notice of a nationwide TRICARE demonstration project.

**SUMMARY:** This notice is to advise interested parties of a demonstration project in which the Department of Defense will test the Military Health System's (MHS's) ability to address unreasonable impediments to the continuity of healthcare encountered by family members of Reservists and National Guardsmen called to active duty in support of a national emergency. This TRICARE Reserve Family Demonstration Project seeks to show that the MHS, with certain flexibility in operation, can ensure timely access to

healthcare during a national crisis, maintain clinically appropriate continuity of healthcare to family members of activated reservists and guardsmen, appropriately limit the out-of-pocket expenses for those family members, and remove potential barriers to healthcare access by families in order to improve the morale and retention of reservists and guardsmen. In this Project, for family members of activated reservists and guardsmen, the Department of Defense will authorize an increase in the TRICARE payment for healthcare services received from non-participating providers under TRICARE Standard up to 115 percent of the TRICARE maximum allowable charge less the appropriate patient copayment; waive the TRICARE Standard annual deductible; and, waive the requirement for nonemergency inpatient care to be provided by a facility of the uniformed services (when the facility is located within a 40-mile radius of the residence of the patient and the services are available at that facility) in order for the patient to have continuity of healthcare from a civilian healthcare provider. At

the end of this Project, the Department of Defense will conduct an analysis of the benefits and costs of the program in improving the welfare of Service members and their families when called to active duty during a national emergency. Information and experience gained as part of this demonstration project will provide the foundation for longer-term solutions in the event of future national emergencies. This demonstration project is being conducted under the authority of 10 U.S.C. 1092.

**EFFECTIVE DATE:** This demonstration project applies to all covered health care services provided on or after September 14, 2001. In view of the declaration of a national emergency and the immediacy of the call of reservists and guardsmen to active duty in support of deployment to conduct operational missions, the Department of Defense is waiving the regulation (32 CFR 199.1(o)) requiring at least 30 days notice of a demonstration project prior to its effective date. Waiver of the notice period is deemed necessary to avoid delay in implementing program changes

to address obstacles faced by family members of reservists and guardsmen from the onset of the call to active duty. In view of the fact that this demonstration project will accrue to the benefit of the participants by relieving certain restrictions on access to healthcare and will directly contribute to the effectiveness of the activated reservists and guardsmen in responding to the national emergency, failure to adhere to the normal notice period will not place any participant at a disadvantage.

**FOR FURTHER INFORMATION CONTACT:** LTC Pradeep G. Gidwani, Office of the Assistant Secretary of Defense for Health Affairs, TRICARE Management Activity, (703) 681-3636.

**SUPPLEMENTARY INFORMATION:**

**A. Background**

On September 14, 2001, President Bush signed Executive Order 13223 under which members of the Reserve and National Guard may be called to active duty in support of the Nation's response to the terrorist attacks of September 11, 2001. The declaration of a national emergency by the President, the immediate nature of this call to active duty in support of deployment to conduct operational missions, and the potential 24-month period of active duty impose significant challenges to family members of reservists and guardsmen. For example, an absence from civilian employment by a reservist or guardsman may result in the loss of employer-sponsored health insurance and the immediacy of the call-up limits the flexibility for alternate arrangements. Therefore, to support the families during this period of transition, the Department of Defense will exercise those authorities necessary to address the potential for lack of access to, or disruption in the continuity of, required health care services for the affected family members. A key component of the Department's efforts will be a nationwide TRICARE Demonstration Project.

Current law provides health care coverage under TRICARE Standard for family members of reservists and guardsmen who are activated for a period of more than 30 days. For those reservists and guardsmen called to active duty for a period of 179 or more days, their family members may, alternatively, elect to enroll in TRICARE Prime, which provides excellent, cost-effective coverage. However, some will opt to remain under TRICARE Standard in order to retain their current health care providers. In other cases, reservist families will have no option other than

TRICARE Standard because they live far from military facilities in areas not supported by TRICARE provider networks. By regulation, 32 CFR 199.14(h), TRICARE limits payment for healthcare services furnished by professional providers to the TRICARE Maximum Allowable Charge (TMAC). If a patient obtains care from a TRICARE participating provider, that provider must accept the TMAC and the patient's copayment as payment in full. Some doctors, however, do not participate in TRICARE Standard, and by law may balance bill the patient for an additional amount up to 15 percent above TMAC. Therefore, family members of reservists and guardsmen covered by TRICARE Standard could face undue financial hardships if they use such providers.

A military family eligible for TRICARE Standard is also required by law (10 U.S.C. 1079(b)(2) and (3)), to pay up to \$300 in a deductible for outpatient care each fiscal year. Therefore, if a reservist or guardsman is called to active duty for a period of more than 30 days prior to October 1, 2001, his or her family will have an out-of-pocket expense of up to \$300 for TRICARE outpatient care received during the month of September 2001 and another out-of-pocket expense up to \$300 for TRICARE outpatient care received after October 1, 2001. These payments of TRICARE deductibles pose an undue financial hardship for families, including those who may have already paid an annual deductible for the same period of time under their previous health insurance. The inequity of this situation was thought to be corrected by enactment of 10 U.S.C. 1095d, in which a waiver was authorized for the annual deductible for families of reservists called to active duty for a period of less than 1 year. However, the inequity remains for those families of reservists called to active duty for 1 year or more, especially if the activation order results in the accrual of multi-fiscal year deductibles within the 1-year period.

In addition, the law (10 U.S.C. 1079(a)(7)) requires that non-emergency inpatient care be provided by a facility of the uniformed services located within a 40-mile radius of the residence of the patient. As previously noted, some family members of activated reservists or guardsmen may opt to remain under TRICARE Standard in order to retain their current health care providers. In the absence of a waiver of the requirement to obtain care from a facility of the uniformed services, continuity of healthcare by the patient's civilian healthcare provider may be

disrupted even when clinically appropriate.

Accordingly, the Secretary of Defense has authorized a demonstration project under 10 U.S.C. 1092 to address these identified impediments to, and disruptions in, access to healthcare under established patient-doctor relationships by families of activated reservists and guardsmen.

**B. Description of Demonstration Project**

(1) Location of Project: The limited nature of the Reserve/National Guard call to active duty will only affect small numbers of families in any given geographical area. Therefore, to achieve a level of participation sufficient to test new strategies, this demonstration project will occur nationwide. Demonstration participants will be limited to families of Reserve and National Guard members ordered to active duty for periods of more than 30 days in support of operations that result from the terrorist attacks of September 11, 2001, under Executive Order 13223, 10 U.S.C. 12302, 10 U.S.C. 12301(d), or 32 U.S.C. 502(f). Such operations include for example, Operation ENDURING FREEDOM and Operation NOBLE EAGLE.

(2) Project Components: The demonstration project will consist of 3 separate components.

(a) *Waiver of TMAC under TRICARE Standard.* Title 32, Code of Federal Regulations, Section 199.14(h) shall be waived to authorize TRICARE payments up to 115 percent of the TRICARE maximum allowable charge (TMAC), less the applicable patient copayment, for care received from a provider that does not participate (accept assignment) under TRICARE to the extent necessary to ensure timely access to care and clinically appropriate continuity of care. This component of the demonstration project shall cover all healthcare received by an eligible participant prior to November 1, 2003. Because balance billing in excess of 15% above the TMAC is prohibited, the effect of increasing the TMAC for services covered by the demonstration project is to limit beneficiary out-of-pocket costs to the normally applicable per-service copayment of 20% of the TMAC.

(b) *Waiver of TRICARE Standard Annual Deductible.* Title 32 Code of Federal Regulations, Part 199.4(f)(2), as it implements 10 U.S.C. 1079(b)(2) and (3), to require an annual outpatient deductible up to \$300 shall be waived for all eligible demonstration participants. This component of the demonstration project shall cover all outpatient health care received by an

eligible participant prior to November 1, 2003.

(c) *Waiver of Non-Availability Statement (NAS) Requirement for Nonemergency Inpatient Care.* Title 32, Coded of Federal Regulations, section 199.4(a)(9), as it implements 10 U.S.C. 1079(a)(7), to require the issuance of an NAS before nonemergency inpatient care can be paid under TRICARE Standard is waived for all eligible demonstration participants. This component of the demonstration project shall cover all non-emergency inpatient care received by an eligible participant prior to November 1, 2003.

Dated: October 30, 2001.

**L.M. Bynum,**

*Alternate OSD Federal Register Liaison Officer, DoD.*

[FR Doc. 01-27680 Filed 11-2-01; 8:45 am]

BILLING CODE 5001-08-M

## DEPARTMENT OF DEFENSE

### Office of the Secretary

#### Defense Science Board; meeting

**AGENCY:** Department of Defense.

**ACTION:** Notice of Advisory Committee Meeting.

**SUMMARY:** The Defense Science Board (DSB) Task Force on Chemical Warfare Defense will meet in closed session on November 27, 2001, at SAIC, Inc., 4001 N. Fairfax Drive, Arlington, VA. The Task Force will assess the possibility of controlling the risk and consequences of a chemical warfare (CW) attack to acceptable national security levels within the next five years.

The mission of the Defense Science Board is to advise the Secretary of Defense and the Under Secretary of Defense for Acquisition, Technology & Logistics on scientific and technical matters as they affect the perceived needs of the Department of Defense. At this meeting, the Task Force will assess current national security and military objectives with respect to CW attacks; CW threats that significantly challenge these objectives today and in the future; the basis elements (R&D, material, acquisition, personnel, training, leadership) required to control risk and consequences to acceptable levels, including counter-proliferation; intelligence, warning, disruption, tactical detection and protection (active and passive); consequence management; attribution and deterrence; and policy. The Task Force will also assess the testing and evaluation necessary to demonstrate and maintain the required

capability and any significant impediments to accomplishing this goal.

In accordance with section 10(d) of the Federal Advisory Committee Act, Pub. L. 92-463, as amended (5 U.S.C. App. II), it has been determined that this Defense Science Board meeting concerns matters listed in 5 U.S.C. 552b(c)(1), and that accordingly this meeting will be closed to the public.

Dated: October 30, 2001.

**L.M. Bynum,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

[FR Doc. 01-27681 Filed 11-2-01; 8:45 am]

BILLING CODE 5001-08-M

## DEPARTMENT OF DEFENSE

### Office of the Secretary of Defense

#### Change in Meeting Date of the DoD Advisory Group on Electron Devices

**AGENCY:** Department of Defense, Advisory Group on Electron Devices.

**ACTION:** Notice.

**SUMMARY:** Working Group B (Microelectronics) of the DoD Advisory Group on Electron Devices (AGED) announces a change to a closed session meeting.

**DATES:** The meeting will be held at 0900, Friday, November 16, 2001.

**ADDRESSES:** The meeting will be held at Palisades Institute for Research Services, 1745 Jefferson Davis Highway, Suite 500, Arlington, VA 22202.

**FOR FURTHER INFORMATION CONTACT:** Elise Rabin, AGED Secretariat, 1745 Jefferson Davis Highway, Crystal Square Four, Suite 500, Arlington, Virginia 22202.

**SUPPLEMENTARY INFORMATION:** The mission of the Advisory Group is to provide advice to the Under Secretary of Defense for Acquisition and technology, to the Director Defense Research and Engineering (DDR&E), and through the DDR&E, to the Director Defense Advanced Research Projects Agency and the Military Departments in planning and managing an effective research and development program in the field of electron devices.

The Working Group B meeting will be limited to review of research and development programs which the military proposes to initiate with industry, universities or in their laboratories. The microelectronics area includes such programs on semiconductor materials, integrated circuits, charge coupled devices and memories. The review will include classified program details throughout.

In accordance with section 10(d) of Pub. L. No. 92-463, as amended, (5 U.S.C. App. 10(d)), it has been determined that this Advisory Group meeting concerns matters listed in 5 U.S.C. 552b(c)(1), and that accordingly, this meeting will be closed to the public.

Dated: October 30, 2001.

**L.M. Bynum,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

[FR Doc. 01-27682 Filed 11-2-01; 8:45 am]

BILLING CODE 5001-08-M

## DEPARTMENT OF DEFENSE

### Office of the Secretary of Defense

#### Meeting of the DoD Advisory Group on Electron Devices

**AGENCY:** Department of Defense, Advisory Group on Electron Devices.

**ACTION:** Notice.

**SUMMARY:** Working Group C (Electro-Optics) of the DoD Advisory Group on Electron Devices (AGED) announces a closed session meeting.

**DATES:** The meeting will be held at 0900, Tuesday, November 27, 2001.

**ADDRESSES:** The meeting will be held at Palisades Institute for Research Services, 1745 Jefferson Davis Highway, Suite 500, Arlington, VA 22202.

**FOR FURTHER INFORMATION CONTACT:** Elise Rabin, AGED Secretariat, 1745 Jefferson Davis Highway, Crystal Square Four, Suite 500, Arlington, Virginia 22202.

**SUPPLEMENTARY INFORMATION:** The mission of the Advisory Group is to provide advice to the Under Secretary of Defense for Acquisition and Technology, to the Director of Defense Research and Engineering (DDR&E), and through the DDR&E to the Director, Defense Advanced Research Projects Agency and the Military Departments in planning and managing an effective and economical research and development program in the area of electron devices.

The Working Group C meeting will be limited to review of research and development programs which the Military Departments propose to initiate with industry, universities or in their laboratories. This opto-electronic device area includes such programs as imaging device, infrared detectors and lasers. The review will include details of classified defense programs throughout.

In accordance with section 10(d) of Pub. L. No. 92-463, as amended, (5 U.S.C. App. 10(d)), it has been determined that this Advisory Group