

size of 50 contracts exceeds in size more than 90% of the Brent futures contract transactions executed in recent months at NYMEX. The Commission has utilized the 90% minimum threshold test in evaluating previously approved block trading proposals. In applying this standard, however, the Commission has traditionally looked at trading activity not only at the exchange that proposed block trading procedures, but also at trading in related cash and futures markets. So, for example, in the case of the Cantor Exchange's proposal to establish minimum thresholds for block trades in Treasury securities futures, the Commission evaluated the thresholds based on both the light trading activity at Cantor and the much heavier activity in Treasury securities futures at the Chicago Board of Trade, as well as transactions in the cash market.

(a) How should the Commission evaluate the minimum threshold for Brent EFF transactions?

(b) Should the Commission also consider the size of transactions executed in Brent futures contract at another exchange?

(c) How should that information best be obtained if the other exchange is not

subject to the Commission's jurisdiction?

(d) If volume and liquidity in the NYMEX Brent futures contract increase, should the minimum threshold be modified?

V. Miscellaneous

Other materials submitted by the NYMEX in support of the request for approval may be available upon request pursuant to the Freedom of Information Act (5 U.S.C. 552) and the Commission's regulations thereunder (17 CFR part 145 (2001)), except to the extent they are entitled to confidential treatment as set forth in 17 CFR 145.5 and 145.9. Requests for copies of such materials should be made to the FOI, Privacy and Sunshine Act Compliance Staff of the Office of Secretariat at the Commission's headquarters in accordance with 17 CFR 145.7 and 145.8.

Issued in Washington, DC on March 7, 2002.

John C. Lawton,
Acting Director.

[FR Doc. 02-6051 Filed 3-12-02; 8:45 am]

BILLING CODE 6351-01-P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 0215]

36(b)(1) Arms Sales Notification

AGENCY: Defense Security Cooperation 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 requirements of section 155 of Public Law 104164 dated July 21, 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 02-15 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: March 7, 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

25 FEB 2002

In reply refer to:

I-02/000984

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. 02-15, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to India for defense articles and services estimated to cost \$146 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

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

Richard J. Millies
Acting 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. 02-15

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

- (i) **Prospective Purchaser:** India
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$123 million |
| Other | \$ <u>23 million</u> |
| TOTAL | \$146 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** Eight AN/TPQ-37(V)3 FIREFINDER counter-battery artillery radar sets with related equipment, 26 AN/VRC-90E SINCGAR radios, generators, trailers, communications equipment, Global Position Systems, personnel training and training equipment, U.S. Government and contractor technical and logistics personnel services, U.S. Government Quality Assurance Team (QAT), spare and repair parts, support equipment, publications and other related elements of program support.
- (iv) **Military Department:** Army (UMJ)
- (v) **Prior Related Cases, if any:** None
- (vi) **Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:** Yes. Consistent with FAR and DFARS.
- (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:** 25 FEB 2002

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

POLICY JUSTIFICATION

India – AN/TPQ-37(V)3 FIREFINDER Counter-Battery Artillery Radar Sets

The Government of India has requested a possible sale of eight AN/TPQ-37(V)3 FIREFINDER counter-battery artillery radar sets with related equipment, 26 AN/VRC-90E SINCGAR radios, generators, trailers, communications equipment, Global Position Systems, personnel training and training equipment, U.S. Government and contractor technical and logistics personnel services, U.S. Government Quality Assurance Team (QAT), spare and repair parts, support equipment, publications and other related elements of program support. The estimated cost is \$146 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 country which has been and continues to be an important force for political stability and economic progress in South Asia.

These radar sets will provide an increase in counter-battery artillery capability consistent with India's force planning and defense strategy. India needs these SINCGARS radio systems to fulfill their strategic commitments for complete communicative interoperability and standardization of equipment and to be able to communicate with their various vehicles and U.S. forces. India will have no difficulty absorbing these radar sets into their armed forces.

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

The principal contractors will be the Raytheon Hughes Aircraft Corporation of El Segundo, California and ITT Company of Fort Wayne, Indiana. There are no offset agreements proposed in connection with this potential sale.

When the radar sets arrive, implementation of this proposed sale will require three U.S. contractor representatives for one month. Up to eight U.S. Government Quality Assurance representatives will be required for one week following delivery of the radar sets. The specific requirements for the support will be established during program definition between representatives of the United States Government and India.

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

Transmittal No. 02-15**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 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.