

POLICY JUSTIFICATION

Kuwait – Aerostat Radar System

The Government of Kuwait has requested a possible sale to replace its Aerostat radar system with the Aerostat balloon/radar system comprised of the 71M Low Altitude Surveillance System (LASS) Balloon with a non-MDE version of the AN/TPS-63 radar. Also included in the proposed sale are: Interim AN/TPS-63 radar components, spare LASS balloon, AN/TPS-63 radar component (Tether Up), miscellaneous commercial vehicles, spare and repair parts, supply support, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor technical assistance and other related elements of logistics support. The estimated cost is \$131 million.

The Aerostat system is defensive in nature and will be used as part of Kuwait's early warning system to monitor ground traffic and low-flying aircraft along its borders. The Aerostat is a relatively low technology, fixed site system that Kuwait can easily absorb and utilize within its existing structure. Regional foreign policy and military developments affecting this proposed sale have been carefully considered and the positive features of having a friendly coalition force in the region are a driving force.

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

The principle contractors will be: TCOM in Columbia, Maryland and Northrop Grumman in Baltimore, Maryland. One or more proposed offset agreements may be related to this proposed sale.

Implementation of this proposed sale will require the assignment of 13 contractor representatives to perform Operation and Maintenance in Kuwait for up to 3 years after delivery.

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

[FR Doc. 02-26637 Filed 10-18-02; 8:45 am]

BILLING CODE 5001-08-C

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 03-04]

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 03-04 with attached transmittal, policy justification, and sensitivity of Technology.

Dated: October 15, 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

11 OCT 2002

In reply refer to:
I-02/013325

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. 03-04, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Australia for defense articles and services estimated to cost \$90 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 "Tome Walters, Jr.", is positioned above the typed name.

TOME H. WALTERS, JR.
LIEUTENANT GENERAL, USAF
DIRECTOR

Attachments

Same ltr to: House Committee on International Relations
Senate Committee on Foreign Relations
House Committee on Armed Services
Senate Committee on Armed Services
House Committee on Appropriations
Senate Committee on Appropriations

Transmittal No. 03-04

**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:** Australia

- (ii) **Total Estimated Value:**
 - Major Defense Equipment* \$85 million
 - Other \$ 5 million
 - TOTAL \$90 million

- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** up to 64 RGM-84L Harpoon Block II missiles, maintenance training and equipment, spare and repair parts, training, shipboard equipment, support and test equipment, publications, U.S. Government and contractor technical assistance and other related elements of logistics support.

- (iv) **Military Department:** Navy (AWK)

- (v) **Prior Related Cases, if any:** none

- (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:** 11 OCT 2002

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

POLICY JUSTIFICATION

Australia – RGM-84L Harpoon Missiles

The Government of Australia has requested a possible sale of up to 64 RGM-84L Harpoon Block II missiles, maintenance training and equipment, spare and repair parts, training, shipboard equipment, support and test equipment, publications, U.S. Government and contractor technical assistance and other related elements of logistics support. The estimated cost is \$90 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of an ally which has been and continues to be an important force for political stability and economic progress in the Western Pacific region.

Australia currently deploys Harpoon missiles on surface ships, submarines and aircraft and will use these additional missiles to augment its present Harpoon missile inventory and enhance its overall military capability. Australia will have no difficulty absorbing these additional Harpoon missiles into its inventory.

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

The prime contractor will be the Boeing Company of St. Louis, Missouri. There are no offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of five contractor engineering technical representatives for one-week intervals to participate in program review and technical reviews to Australia.

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

Transmittal No. 03-04**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 RGM-84L Harpoon Block II missile contains sensitive technology and has the following classified components, including applicable technical, equipment, documentation and manuals:

- a. Radar seeker
- b. Missile characteristics and performance data
- c. Global Positioning System (GPS) standard positioning service improves mid-course guidance to the target area

2. The RGM-84L Harpoon missile is a ship-launched, anti-ship, 75nm range, sea skimming, "fire and forget" missile with auto-pilot navigation and multiple waypoint capability. Harpoon Block I terminal guidance is provided by a radar seeker with a selectable attack profile. The Harpoon Block II upgrade incorporates software and hardware changes that will add an improved Anti-Surface Warfare (ASUW) capability against ships in the open ocean and in the littoral. Harpoon Block II hardware improvements includes a new Guidance Control Unit (GCU) that uses GPS aided inertial navigation. This will improve the missile's overall navigation accuracy. GPS accuracy will also give Harpoon Block II an inherent secondary role against land-based targets, making Block II useful in coastal target suppression roles. Harpoon Block II software improvements include changes to the launching system that will provide the operator with the ability to superimpose a geographic coastline on the mission-planning screen. This will allow the user to shape the search pattern of the Harpoon seeker in ASUW mode, enhancing its performance in littoral areas. The information on the Harpoon is classified Confidential.

3. 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.

4. A determination has been made that Australia 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. 02-26638 Filed 10-18-02; 8:45 am]
BILLING CODE 5001-08-C

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 03-05]

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