DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 01–14]

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 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 01–14 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: June 21, 2001.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001–08–M

DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

14 JUN 2001
In reply refer to:
I-01/005351

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, we are forwarding herewith Transmittal No. 01-14, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Finland for defense articles and services estimated to cost $100 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

A.R. KELTZ
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. 01-14

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

(i) **Prospective Purchaser**: Finland

(ii) **Total Estimated Value**:

Major Defense Equipment*	$ 32 million
Other	$ 68 million
TOTAL	$100 million

(iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase**: F/A-18 Mid-Life Upgrade Program consisting of 64 F/A-18C/D Fleet Retrofit Kits, 37 AN/APX-111 Combined Interrogator Transponders, and two AN/APX-111 Combined Interrogator Transponder Mode IV Kits for Validation and Verification. Also, Validation and Verification Kits of the following systems: two Tactical Aircraft Moving Map Capability systems, two Multi-functional Information Distribution System/Low Volume Terminals (Airborne Link-16), two Joint Helmet Mounted Cueing Systems, two Enhanced Interface Blanker Units and two Digital Communications to Wingtips. The proposed program support includes spare and repair parts, support and test equipment, publications and technical data, personnel training and equipment, U.S. Government and contractor engineering and other related elements of logistics and program management support.

(iv) **Military Department**: Navy (LBB)

(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**: 14 JUN 2001

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

POLICY JUSTIFICATION

Finland - F/A-18 Mid-Life Upgrade Program

The Government of Finland has requested a possible upgrade of their Finnish Air Force (FAF) F/A-18 aircraft. The F/A-18 Mid-Life Upgrade Program consists of 64 F/A-18C/D Fleet Retrofit Kits, 37 AN/APX-111 Combined Interrogator Transponders, and two AN/APX-111 Combined Interrogator Transponder Mode IV Kits for Validation and Verification. Also, Validation and Verification Kits of the following systems: two Tactical Aircraft Moving Map Capability systems, two Multi-functional Information Distribution System/Low Volume Terminals (Airborne Link-16), two Joint Helmet Mounted Cueing Systems, two Enhanced Interface Blanker Units and two Digital Communications to Wingtips. The proposed program support includes spare and repair parts, support and test equipment, publications and technical data, personnel training and equipment, U.S. Government and contractor engineering and other related elements of logistics and program management support. The estimated cost is $100 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 Europe.

The FAF intends to purchase the Mid-Life Upgrade Program equipment to enhance survivability, communications connectivity, and extend the useful life of its F/A-18 fighter aircraft. It has extensive experience operating the F/A-18 aircraft and should have no difficulties incorporating the upgraded capabilities into its forces. The FAF needs this upgrade to keep pace with high tech advances in sensors, weaponry, and communications.

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

The prime contractor will be Boeing Military Aircraft and Missile Systems in St. Louis, Missouri. There are no offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any contractor representatives in-country; however, it is estimated that U.S. Government representatives will be required in Finland for approximately six months during the preparation, equipment installation, and equipment testing and checkout of the equipment.

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

Transmittal No. 01-14

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 Combined Interrogator Transponder (CIT) AN/APX-111(V) IFF system was specifically designed for the F/A-18. The Interrogator function provides the pilot with capability to identify cooperative or friendly aircraft. The transponder function self-identifies the aircraft to other off-board interrogators in the same way as the APX-100 transponder. CIT combines most of the interrogator, transponder, and crypto computer functions into one unit outline. The electronically scanned interrogator antenna function is performed by a five-blade array and Beam Forming Network (BFN).

2. The configuration requested is compatible for use in F/A-18 aircraft. The configuration consists of the following equipment: RT-1763A/APX-111(V) interrogator-transponder, KIV-6/TSEC cryptographic computer, C-12481/APX-111(V) beam forming network, (5X) AS-4440/APX-111(V) antenna blade elements, IT-to-BFN cable group, BFN-to-FMA cable group, receiver-transmitter radio, antenna position control, antenna set (upper), battery charge panel, external power monitor, ID light transformer/mount, mounting tray assembly BFN, 3L landing gear control unit bay, LGCU mounting tray assembly and relay panel no. 3. AN/APX-111 CIT is classified as Confidential.

3. The Tactical Aircraft Moving Map Capability (TAMMAC) System includes Digital Map Computer with extension, Advanced Memory Unit and High Speed Interface Cable. The TAMMAC system is being developed to alleviate problems, including parts obsolescence issues, associated with the Digital Video Map Set (DVMS) and the Data Storage Set (DSS) currently installed on the F/A-18. The DVMS does not possess sufficient throughput or database storage capability to support future F/A-18 operational requirements. Additionally, the DVMS cannot use Compressed AC Digitized Raster Graphic the digital map database provided by the National Imagery and Mapping Agency (NIMA), without costly preprocessing. The DSS does not provide enough memory capacity to store the desired amount of data recorded by the aircraft during flight.

4. The configuration requested is compatible for use in F/A-18 aircraft. The configuration consists of the following equipment: advanced memory unit, MU-11129A/A memory unit, digital map set, and CP-2414A/A digital map computer. TAMMAC system is classified as Confidential.

5. The Multifunctional Information Distribution System (MIDS) Low Volume Terminal (LVT) is a secure data and voice communication network using the Link-16 architecture. The system provides enhanced situational awareness, positive identification of participants within the network, secure fighter-to-fighter connectivity, secure voice capability, and ARN-118 TACAN functionality. It provides three major functions: Air Control, Wide Area Surveillance, and Fighter-to-Fighter. The MIDS LVT can be used to transfer data in Air-to-Air, Air-to-Surface, and Air-to-Ground scenarios.

6. The configuration requested is compatible for use in F/A-18 aircraft. The configuration consists of the following equipment: RT-1765 C/USQ-140(V)C MIDS/LVT and MIDS notch filter set. MIDS/LVT is classified as Confidential.

7. The Joint Helmet Mounted Cueing System (JHMCS) provides an off-boresight visual targeting of sensors and weapons with a head-out display where the pilot is looking. The system improves situational awareness in visual combat while providing off-boresight visual cueing and threat identification. Also, when combined with a high off-boresight missile, aircraft weapon system lethality is improved for short-range air-to-air engagements.

8. The configuration requested is compatible for use in F/A-18 aircraft. The configuration consists of the following equipment: electronics unit, cockpit unit, magnetic transition unit, seat position sensor, mounting bracket, lower helmet vehicle interface, helmet display unit, visor day, visor night, visor high contrast, oxygen mask, helmet upper interface, JHMCS/ANVIS-9 Night Vision Goggles adapters, and JHMCS helmet bag. The JHMCS is classified as Confidential.

9. The MIDS Enhanced Interference Blanking Units (EIBU) provides validation and verification of equipment and concept. EIBU enhances input/output signal capacity of the MIDS LVT and addresses parts obsolescence.

10. The configuration requested is compatible for use in F/A-18 aircraft. The configuration consists of the following equipment: MX-11741/A interference blanker.

11. 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.

12. A determination has been made that Finland 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. 01–16036 Filed 6–26–01; 8:45 am]
BILLING CODE 5001–08–C