

Instructions for Completion of SF-LLL, Disclosure of Lobbying Activities

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Authorized for Local Reproduction
Standard Form-LLL (1/96)

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 00-26]

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 Pub. L. 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 00-26 with attached transmittal, policy justification and Sensitivity of Technology.

Dated: February 8, 2000.

L.M. Bynum,
Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-10-M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

2 FEB 2000
In reply refer to:
I-00/000645

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. 00-26 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 services estimated to cost \$200 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 by Section 1245 of H.R. 3427 enacted by P.L. 106-113 dated November 29, 1999, requires a description of any offset agreement with respect to this proposed sale. Section 36(b)(1)(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 are described in the enclosed confidential attachment.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward W. Ross", is written over a horizontal line.

Edward W. Ross
Acting Director

Attachments

Separate Cover:
Offset certificate

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

Transmittal No. 00-26

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

- (i) **Prospective Purchaser:** The Netherlands
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|-----------------------------|
| Major Defense Equipment* | \$ 0 million |
| Other | <u>\$200 million</u> |
| TOTAL | \$200 million |
- (iii) **Description of Articles or Services Offered:** Modification and upgrade of ten P-3C aircraft to include installation of satellite communication systems, secure communications systems, missile warning systems, countermeasures dispensing systems, aircraft cockpit enhancements, acoustic receiver and processor system, missile warning and missile countermeasures dispensing systems, data management system, spare and repairs parts, support equipment, personnel training and training equipment, publications and technical data, system software development and installation, ground/flight testing of new systems and system modifications, U.S. Government and contractor engineering and logistics services and other related elements of program support.
- (iv) **Military Department:** Navy (LEV)
- (v) **Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:** none
- (vi) **Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:** See Annex attached
- (vii) **Date Report Delivered to Congress:** 2 FEB 1999

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

POLICY JUSTIFICATION

The Netherlands - P-3C Aircraft Upgrade

The Government of the Netherlands has requested a possible sale for the modification and upgrade of ten P-3C aircraft to include installation of satellite communication systems, secure communications systems, missile warning systems, countermeasures dispensing systems, aircraft cockpit enhancements, acoustic receiver and processor system, missile warning and missile countermeasures dispensing systems, data management system, spare and repairs parts, support equipment, personnel training and training equipment, publications and technical data, system software development and installation, ground/flight testing of new systems and system modifications, U.S. Government and contractor engineering and logistics services and other related elements of program support. The estimated cost is \$200 million.

This proposed sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the Netherlands and further weapon system standardization and interoperability with U.S. forces.

After modification and upgrade, the Netherlands will use these aircraft to enhance the surveillance, anti-submarine and anti-surface warfare capabilities of its maritime forces. The Netherlands intends to operate the upgraded P-3 aircraft in a similar manner to its current P-3C Update II.5 aircraft. The Netherlands will have no difficulty absorbing these upgraded aircraft into its armed forces.

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

The prime contractor will be Lockheed Martin Tactical Defense Systems of St. Paul, Minnesota. One or more proposed offset agreements may be related to this proposed sale.

Implementation of this proposed sale may require the temporary assignment of U.S. Government representatives for one week intervals twice annually to participate in program management and technical reviews. There will be up to five contractor representatives for one year to the Netherlands.

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

Transmittal No. 00-26

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. Royal Netherlands Navy P-3C Warfare (ASW) aircraft Upgrade Program will include installation/modification of the following systems. These systems are classified Secret when special software is installed:

a. AN/AAR-47 Missile Warning System (MWS) is composed of six weapon replaceable assemblies, including one control indicator, one processor, and four optical sensor converters (OSCs). The MWS is designed to detect infrared guided missiles; provide a countermeasure dispenser command to the ALE-47; and provide aural/visual warning to the aircrew. The MWS OSC contains critical manufacturing technology which involves sensitive production methods. The MWS software, when installed, is Secret. The documentation is unclassified.

b. AN/ALE-47 Counter Measures Dispensing System automatically dispenses chaff, flares, and radio frequency decoys in response to threats detected by the AAR-47 MWS. Since the threat processing algorithm resident in the programmer involves sensitive threat vulnerabilities and tactics software, the AN/ALE-47 is considered Secret. System operating manuals and maintenance documentation are unclassified.

c. OASIS III is a tactical data processing system used as a controller and interface for satellite communications systems, such as USC-42(V)2 Mini-DAMA and OZ-72(V) Multi-mission Advanced Tactical Terminal (MATT). OASIS III is a standard INTEL computer chip based commercial-off-the-shelf (COTS)/non-development item (NDI) processor with a removable hard drive. OASIS III software is Joint Tactical Information Command (JTIC) certified. OASIS III software is sensitive due to the architecture and protocols. Technical data relating to software object and source codes is classified Secret.

d. Mini-DAMA USC-42(V)2 is a demand assigned multiple access SATCOM radio. The hardware is unclassified. Software control through the OASIS III is unclassified. The USC-42(V)2 includes Have Quick II capability which increases the radio classification to Secret.

e. APS-137B(V)5 radar is a multi-mode capable of periscope detection, weather avoidance, coastal mapping, surface search and radar imaging in both Inverse Synthetic Aperture Radar (ISAR) and Synthetic Aperture Radar (SAR) modes. ISAR and SAR modes permit long range classification of moving and stationary ship and land based objects. The maximum classification level is Secret.

f. AIC-41 Intercommunications System provides digital communications capability among the aircraft crew members and enables both secure and non-secure external radios communications. This system is unclassified.

g. AN/ALR-66C(V)3 Electronic Sensor Measures (ESM) system enables the interception and identification of radio frequency emitters. The system is unclassified, however, inclusion of a threat parameter library increases the classification of the ALR-66C(V)3 to Secret. Associated documentation is unclassified.

h. ASQ-227 Data Processing and Digital Computer Systems (DP/DCS) enables the integration of the aircraft navigation, communication, acoustic, non-acoustic ordnance and armament systems. This system is classified as Secret.

i. USQ-78B Acoustic Display and Control System facilitates the display, processing and classification of sonobuoy detected acoustic signals. This system is classified as Secret.

j. ARR-78 Advance Sonobuoy Communication Link (ASCL) is a 99 channel receiver integrated to route sonobuoy signals to the USQ-78B Acoustic Display and Control System. This equipment is classified as Confidential.

2. Compromise of this technology to a technologically advanced or competent adversary could reveal performance specification and/or capabilities that could assist hostile forces in countering these systems.

3. A determination has been made that the recipient country 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.