

contracts, including intermediation on behalf of retail market participants, both with respect to trade execution and clearing?

23. Are there any types of trader or intermediary conduct, peculiar to event contracts and markets, that should be prohibited or monitored closely by regulators?

24. What other factors could impact the Commission's ability, given its limited resources, to properly oversee or monitor trading in event contracts?

Issued in Washington, DC, on May 1, 2008 by the Commission.

David A. Stawick,

Secretary of the Commission.

[FR Doc. E8-9981 Filed 5-6-08; 8:45 am]

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 08-49]

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. B. English, DSCAIDBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 08-49 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: April 29, 2008.

Patricia L. Toppings,

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

DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

APR 21 2008
In reply refer to:
USP003451-08

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515-6501

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 08-49, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Canada for defense articles and services estimated to cost \$375 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,
Jeffrey A. Wieringa
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Same ltr to:

House
Committee on Foreign Affairs
Committee on Armed Services
Committee on Appropriations

Senate
Committee on Foreign Relations
Committee on Armed Services
Committee on Appropriations

Transmittal No. 08-49

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: Canada
- (ii) Total Estimated Value:
- | | |
|--------------------------|---------------|
| Major Defense Equipment* | \$125 million |
| Other | \$250 million |
| TOTAL | \$375 million |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: six CH-47D CHINOOK Helicopters with 12 (2 per helicopter) T55-GA-714A Turbine engines, 4 M240H Machine Guns, 30 AN/AVS-6/7(V) Aviation Night Vision Imaging Systems, and 2 spare T-55-GA-714A Turbine engines, mission equipment, communication and navigation equipment, ground support equipment, spare and repair parts, special tools and test equipment, technical data and publications, site survey, Quality Assurance Team support, contractor technical and logistics personnel services, and other related elements of logistics support.
- (iv) Military Department: Army (ZXX)
- (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: APR 21 2008

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

POLICY JUSTIFICATIONCanada - CH-47D CHINOOK Helicopters

The Government of Canada has requested a possible sale of six CH-47D CHINOOK Helicopters with 12(2 per helicopter) T55-GA-714A Turbine engines, 4 M240H Machine Guns, 34) AN/A VS-6/7(V)1 Aviation Night Vision Imaging Systems, and 2 spare T-55-GA-714A Turbine engines, mission equipment, communication and navigation equipment, ground support equipment, spare and repair parts, special tools and test equipment, publications and technical data, site survey, Quality Assurance Team support, contractor technical and logistics personnel services, and other related elements of logistics support. The estimated cost is \$375 million.

This proposed sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Canada and furthering weapon system standardization and interoperability with U.S. forces. Canadian deployments in support of peacekeeping and humanitarian operations have made a significant impact to global political and economic stability and have served U.S. national security interests.

Canada needs these helicopters to enhance its capabilities in the Global War on Terrorism (GWOT). Having the same configuration as the U.S. would greatly contribute to Canada's military capability by making it a more sustainable coalition force to support GWOT. The proposed sale of this equipment and support will not affect the basic military balance in the region.

The prime contractors will be: The Boeing Company in Ridley Park, PA; Honeywell, Inc. in Phoenix, AZ; and FN Enterprise in Lubbock, TX. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of contractor representatives to Canada and in the theater of operations for an unspecified amount of time. Also, approximately 6 U.S. Government personnel will participate in program management and technical reviews in-country for one to two-week intervals twice annually to support site surveys and delivery of the CH-47D helicopters in-country.

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

Transmittal No. 08-49

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 CH-47D CHINOOK medium lift helicopter is a cargo helicopter, remanufactured from CH-47A, B, and C aircraft. The avionics system in the CH-47D consists of the communications equipment providing high frequency (AN/ARC-220), VHF AM/FM (AN/ARC-186) and UHF-AM (AN/ARC-1) communications. The voice secure equipment consists of the TSECIKY-58 or the TSECIKY-100. The navigation equipment includes ADF, VOR ILS Marker Beacon (AN/ARN-123), Doppler/GPS (AN/ASN-128), and VHF Homing (AN/ARC-201D) devices. Transponder equipment (AN/APX-1 18) consists of an 1FF receiver with inputs from the barometric altimeter for altitude encoding. Mission equipment consists of the radar signal detecting set, (AN/APR-39A(V)1). The M-130 flare dispenser launches flares against threats identified by the radar signal detecting set.

a. The AN/ARC-1 Have Quick II variant radio is the U.S. Air Force and U.S. Army standard avionics radio. The AN/ARC-164 provides effective, proven anti-jam Ultra High Frequency (UHF) voice communication. Performance capabilities, vulnerabilities and weaknesses, Electric Countermeasures/Electric CounterCountermeasures (ECM/ECCM) capabilities and frequencies, and operational characteristics and data are classified Secret.

b. The AN/ARC-201D Single Channel Ground and Airborne Radio System (SINCGARS) is a tactical airborne radio subsystem that provides secure, anti-jam voice and data communication. The enhanced Data Modes (EDM) of the radio employs a Reed-Solomon Forward Error Correction (FEC) technique that provides enhanced bit-error-rate performance. The EDM Packet Data Mode supports packet data transfer from the airborne host computer to another airborne platform or the ground-based equivalent SINCGARS system. Performance capabilities, ECM/ECCM specifications and Engineering Change Orders (ECOs) are classified Secret.

c. The AN/ARC-231 is an airborne VHF/UHF LOS and DAMA SATCOM3 communication system. This system supports the DoD requirements for airborne, multi-band, multi-mission, secure anti-jam. voice, data and imagery. It provides network-capable communications in a compact radio set. This is accomplished using DoD MIL-STD software/ waveforms to ensure maximum interoperability across joint force operations.

d. The AN/ARC-220 is a High Frequency (HF) radio that provides secure and non-secure voice and data communications with automatic link establishment (ALE). The system will provide communications between aircraft flying nap-of-the-earth (NOE) profiles, other aircraft, and ground radios. The radio system

will provide aircraft with the capability for continuous and reliable, secure and non-secure communications at non-line-of-sight (NLOS) distances. The radio incorporates the latest state-of-the-art breakthroughs to include ALE and electronic countermeasures (ECCM). The ground configuration of the HF radio is designated as the AN/VRC-100(V)1. The hardware, software, performance capabilities, Engineering Change Orders (ECOs), vulnerabilities and weaknesses, ECM/ECM performance, and system vulnerabilities and weaknesses are classified Secret.

e. The TSEC KY-58 voice secure equipment is used with the FM Command Radio to provide secure two-way communication. It is communication security (COMSEC) equipment that has sensitive technology and is classified Confidential if software fill is installed.

f. The TSEC KY-100 voice secure equipment is used with the FM Command Radio to provide secure two-way communication. It is COMSEC Equipment that has sensitive technology and is classified Secret if software fill is installed.

g. The AN/APR-39 Series Radar Detecting Set (RDS) are sensitive items and classified Secret if the Unit Data Module has threat data software installed. It uses a digital processor and alphanumeric display to provide warning of radar directed air defense threat systems. The system is capable of detecting all pulse radar normally associated with hostile surface-to-air missiles, airborne intercepts and anti-aircraft weapon systems. The software for this system determines the classification. Normally a customer has specific software developed to meet its requirements.

h. The AN/APX-118 transponder system provides automatic radar identification of the helicopter. The system receives, decodes, and replies to interrogations on modes 1,2,3/A,4.C and S from all suitable equipped challenging airborne and ground facilities. The receiver operates on 1,304) MHZ and the transmitter section operates on a frequency of 1090MHZ. Because these frequencies are in the UHF band, the operational range is limited to line-of-site. The transponder is classified SECRET if MODE IV or MODE S fill is installed in the equipment with a crypto device.

i. The AN/ARC-186 provides communication in the VHF, AM, and FM bands. Up to 20 channels plus two guard channels can be pre-stored hi the set. The set operates on AM/FM modes, and the frequency AM reception is between 108.00 and 151.975 MHZ. The AM receiver transmits between 116.000 and 151.975 MHZ and the FM transmitter receives with a homing range of 30.000 to 87.975 MHZ.

j. The AN/A VS-6/7(V)1 is a lightweight, high performance passive third generation image intensifier system designed specifically for use by helicopter pilots during night flights. It is designed to recognize terrain obstacles at an altitude of 200 feet and below, at a maximum speed of 150 knots, and at light level down to overcast starlight. The system mounts on an SPH-4 helmet using a mount assembly that replaces the normal visor. It consists of a binocular system with each monocular unit composed of an objectives lens assembly, an 18mm third generation image intensifier tube assembly, and an eyepiece assembly. The Heads Up Display is a modification to the AN/A VS-6 system. It will collect and display critical flight information from aircraft sensors and convert this information into visual imagery. This system will allow continuous heads-up flight by the pilot while reducing the pilots need to look inward at the flight instrument panel.

2. The ramifications of this technology getting into the hands of an adversary are severe. Software such as the Emitters Information Display (EID) software of the APR-39 system could provide an adversary with critical information on how our US Army Survivability Equipment (ASE) systems detect threats and what threats we are attempting to defeat. The same is true for the Identification Friend or Foe (IFF) systems, which allow us to know if an aircraft is friendly or a threat. Should a fill device or crypto asset (KY.58 or KY 100) with the accompanying radio system become compromised it would enable an adversary to intercept our communications, both verbal and encrypted.

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.

[FR Doc. E8-9827 Filed 5-6-08; 8:45 am]
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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 08-51]

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. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 08-51 with attached transmittal, policy justification, and Sensitivity of Technology.

April 29, 2008.

Patricia L. Toppings,
OSD Federal Register Liaison Officer,
Department of Defense.

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