

SUPPLEMENTARY INFORMATION:

Authority: Section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854); Executive Order 11651 of March 3, 1972, as amended.

The current limits for certain categories are being adjusted for swing.

A description of the textile and apparel categories in terms of HTS numbers is available in the CORRELATION: Textile and Apparel Categories with the Harmonized Tariff Schedule of the United States (see **Federal Register** notice 69 FR 4926, published on February 2, 2004). Also see 68 FR 65254, published on November 19, 2003.

D. Michael Hutchinson,

Acting Chairman, Committee for the Implementation of Textile Agreements.

Committee for the Implementation of Textile Agreements

September 29, 2004.

Commissioner,
Bureau of Customs and Border Protection,
Washington, DC 20229.

Dear Commissioner: This directive amends, but does not cancel, the directive issued to you on November 13, 2003, by the Chairman, Committee for the Implementation of Textile Agreements. That directive concerns imports of certain cotton, wool, man-made fiber, silk blend and other vegetable fiber textiles and textile products, produced or manufactured in Indonesia and exported during the twelve-month period

which began on January 1, 2004 and extends through December 31, 2004.

Effective on October 4, 2004, you are directed to adjust the limits for the categories listed below, as provided for under the Uruguay Round Agreement on Textiles and Clothing:

Category	Twelve-month restraint limit ¹
Levels in Group I	
314-O ²	108,441,116 square meters.
445/446	73,112 dozen.
619/620	18,687,153 square meters.
643	670,628 numbers.
645/646	1,586,209 dozen.
Subgroup in Group II	
400, 410, 414, 434, 435, 436, 438, 440, 442, 444, 459pt. and 469pt., as a group	3,850,936 square meters equivalent.
In Group II subgroup	
435	60,459 dozen.

¹ The limits have not been adjusted to account for any imports exported after December 31, 2003.

² Category 314-O: all HTS numbers except 5209.51.6015.

The Committee for the Implementation of Textile Agreements has determined that these actions fall within the foreign affairs exception to the rulemaking provisions of 5 U.S.C. 553(a)(1).

Sincerely,
D. Michael Hutchinson,

Acting Chairman, Committee for the Implementation of Textile Agreements.

[FR Doc. E4-2466 Filed 10-1-04; 8:45 am]

BILLING CODE 3510-DR-S

DEPARTMENT OF DEFENSE**Office of the Secretary**

[Transmittal No. 04-33]

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/OPS-ADMIN, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 04-33 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: September 27, 2004.

L. M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-06-M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

In reply refer to:
I-04/009601

**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, as amended, we are forwarding herewith Transmittal No. 04-33, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to the Netherlands for defense articles and services estimated to cost \$70 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 "J.B. Kohler", is positioned above the printed name.

**JEFFREY B. KOHLER
LIEUTENANT GENERAL, USAF
DIRECTOR**

Enclosures:

- 1. Transmittal No. 04-33**
- 2. Policy Justification**
- 3. Sensitivity of Technology**

**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. 04-33

**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:** Netherlands
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|---------------------|
| Major Defense Equipment* | \$66 million |
| Other | \$ <u>4 million</u> |
| TOTAL | \$70 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 55 SM-2 Block IIIA STANDARD missiles, 55 MK 13 MOD 0 canisters, containers, spare and repair parts, supply support, personnel training and training equipment, publications and technical data, U.S. Government and contractor technical assistance and other related elements of logistics support.
- (iv) **Military Department:** Navy (AFY)
- (v) **Prior Related Cases, if any:**
- | |
|---------------------------------------|
| FMS case AFU - \$19 million - 21Aug02 |
| FMS case AFN - \$23 million - 29Nov99 |
| FMS case AEY - \$20 million - 28Sep90 |
| FMS case AEM - \$26 million - 30Oct85 |
- (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:**

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

POLICY JUSTIFICATION

Netherlands – SM-2 Block IIIA STANDARD Missiles

The Government of the Netherlands has requested a possible sale of 55 SM-2 Block IIIA STANDARD missiles, 55 MK 13 MOD 0 canisters, containers, spare and repair parts, supply support, personnel training and training equipment, publications and technical data, U.S. Government and contractor technical assistance and other related elements of logistics support. The estimated cost is \$70 million.

The proposed sale will contribute to the foreign policy and national security objectives of the United States by helping to improve the military capabilities of the Netherlands, a NATO ally, and furthering standardization and interoperability.

The proposed sale will provide the Netherlands continued NATO anti-aircraft defense capabilities for its Navy. The evolution of the anti-aircraft warfare threat in littoral nations mandates this defense capability. The Netherlands Navy intends to use the SM-2 missiles on its destroyer class surface ships for self-defense against air and cruise missile threats in the Netherlands and the NATO theater. The Netherlands, which already has STANDARD missiles in its inventory, will have no difficulty absorbing these additional missiles.

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

The prime contractor will be Raytheon Systems Company of Tucson, Arizona. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to the Netherlands.

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

Transmittal No. 04-33**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 SM-2 Block IIIA STANDARD missile is a U.S. Navy surface-launched guided missile and is classified Confidential. It is operationally deployed on cruisers, destroyers, and frigates for use against air and surface threats (aircraft, missiles, and ships). The guidance system employs a continuous-wave or interrupted continuous wave radar link for homing to the target. Steering and roll commands from the adaptive auto pilot system provide flight stability via four aft-mounted control surfaces. Propulsion is provided by a solid propellant, dual thrust rocket motor, which is an integral part of the missile airframe. The target-detecting device is a complex fuze with dual radar systems to optimize warhead lethality against a spectrum of target sizes and speeds. The telemeter unit transmits missile performance data to ground stations to be analyzed for accuracy of missile/target scenario. Certain operation frequencies and performance characteristics are classified Secret.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures or equivalent systems which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

3. A determination has been made that the Netherlands 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. 04-22175 Filed 10-1-04; 8:45 am]
BILLING CODE 5001-06-C

DEPARTMENT OF DEFENSE**Office of the Secretary****TRICARE; Civilian Health and Medical
Program of the Uniformed Services
(CHAMPUS); Fiscal Year 2005
Diagnosis Related Group (DRG)
Updates**

AGENCY: Office of the Secretary, DoD.

ACTION: Notice of DRG revised rates.

SUMMARY: This notice describes the changes made to the TRICARE DRG-based payment system in order to conform to changes made to the Medicare Prospective Payment System (PPS).

It also provides the updated fixed loss cost outlier threshold, cost-to-charge ratios and the Internet address for accessing the updated adjusted standardized amount and DRG relative weights to be used for FY 2005 under the TRICARE DRG-based payment system.

EFFECTIVE DATES: The rates, weights and Medicare PPS changes which affect the TRICARE DRG-based payment system contained in this notice are effective for admissions occurring on or after October 1, 2004.

ADDRESSES: TRICARE Management Activity (TMA), Medical Benefits and Reimbursement Systems, 16401 East Centretech Parkway, Aurora, CA 80011-9066.

FOR FURTHER INFORMATION CONTACT: Marty Maxey, Medical Benefits and

Reimbursement Systems, TMA, telephone (303) 676-3627. Questions regarding payment of specific claims under the TRICARE DRG-based payment system should be addressed to the appropriate contractor.

SUPPLEMENTARY INFORMATION: The final rule published on September 1, 1987 (52 FR 32992) set forth in basic procedures used under the CHAMPUS DRG-based payment system. This was subsequently amended by final rules published August 31, 1988 (53 FR 33461), October 21, 1988 (53 FR 41331), December 16, 1988 (53 FR 50515), May 30, 1990 (55 FR 21863), October 22, 1990 (55 FR 42560), and September 10, 1998 (63 FR 48439). An explicit tenet of these final rules, and one based on the statute authorizing the use of DRGs by TRICARE, is that the TRICARE DRG-