

it had imported or sold any spinning tops that did not comply with the lead paint standard.

29. Schylling never intentionally or knowingly imported, sold or offered for sale any products that did not comply with the lead paint standard or other legal requirement. At all times relevant to this matter, Schylling's actions were reasonable, were based on its good faith understanding of the operative facts and fully satisfied any and all standards of care.

30. Schylling has entered into the Agreement for settlement purposes only, to avoid incurring additional expenses and the distraction of litigation. Accordingly, the Agreement and Order do not constitute, and are not evidence of, any fault or wrongdoing on the part of Schylling.

#### Agreement of the Parties

31. Under the CPSA, the Commission has jurisdiction over this matter and over Schylling.

32. The parties enter into the Agreement for settlement purposes only. The Agreement does not constitute an admission by Schylling, or a determination by the Commission, that Schylling knowingly violated the CPSA.

33. In settlement of the Staff's allegations, Schylling shall pay a civil penalty in the total amount of Four Hundred Thousand (\$400,000.00) dollars. The civil penalty shall be paid in four (4) installments as follows: \$75,000.00 shall be paid within twenty (20) calendar days of service of the Commission's final Order accepting the Agreement; \$75,000.00 shall be paid on or before the one-year anniversary of the Commission's final Order accepting the Agreement; \$125,000.00 shall be paid on or before the two-year anniversary of service of the Commission's final Order accepting the Agreement; and \$125,000.00 shall be paid on or before the three-year anniversary of service of the Commission's final Order accepting the Agreement. Each payment shall be made by check payable to the order of the United States Treasury.

34. Upon the Commission's provisional acceptance of the Agreement, the Agreement shall be placed on the public record and published in the **Federal Register** in accordance with the procedures set forth in 16 CFR 1118.20(e). In accordance with 16 CFR 1118.20(f), if the Commission does not receive any written request not to accept the Agreement within fifteen (15) days, the Agreement shall be deemed finally accepted on the sixteenth (16th) day after the date it is published in the **Federal Register**.

35. Upon the Commission's final acceptance of the Agreement and issuance of the final Order, Schylling knowingly, voluntarily, and completely waives any rights it may have in this matter to the following: (1) An administrative or judicial hearing; (2) judicial review or other challenge or contest of the validity of the Commission's Order or actions; (3) a determination by the Commission of whether Schylling failed to comply with the CPSA and its underlying regulations; (4) a statement of findings of fact

and conclusions of law; and (5) any claims under the Equal Access to Justice Act.

36. The Commission may publish the terms of the Agreement and Order.

37. The Agreement and Order shall apply to, and be binding upon, Schylling and each of its successors and assigns.

38. The Commission issues the Order under the provisions of the CPSA, and violation of the Order may subject those referenced in paragraph 37 to appropriate legal action.

39. The Agreement may be used in interpreting the Order. Understandings, agreements, representations, or interpretations apart from those contained in the Agreement and Order may not be used to vary or contradict its terms. The Agreement shall not be waived, amended, modified, or otherwise altered, except in a writing that is executed by the party against whom such waiver, amendment, modification, or alteration is sought to be enforced.

40. If any provision of the Agreement and Order is held to be illegal, invalid, or unenforceable under present or future laws effective during the terms of the Agreement and Order, such provision shall be fully severable. The balance of the Agreement and Order shall remain in full force and effect, unless the Commission and Schylling agree that severing the provision materially affects the purpose of the Agreement and Order.

Schylling Associates, Inc.

Dated: May 17, 2010.

Jack Schylling,  
*President, Schylling Associates, Inc.*

Dated: May 18, 2010.

Victor E. Schwartz,  
Cary Silverman,  
*Shook, Hardy & Bacon, LLP, 1155 F Street,  
NW., Suite 200, Washington, DC 20004–  
1305. Counsel for Schylling Associates, Inc.*  
U.S. Consumer Product Safety Commission  
Staff.

Cheryl A. Falvey,  
*General Counsel, Office of the General  
Counsel.*

Dated: May 18, 2010.

Melissa V. Hampshire,  
*Assistant General Counsel,*  
Alex Dennis,  
*Attorney, Division of Enforcement and  
Information, Office of the General Counsel.*

#### United States of America

##### Consumer Product Safety Commission

*CPSC Docket No. 10–C0004*

In the Matter of Schylling Associates, Inc.;  
Order

Upon consideration of the Settlement Agreement entered into between Schylling Associates, Inc. ("Schylling"), and the U.S. Consumer Product Safety Commission ("Commission") staff, and the Commission having jurisdiction over the subject matter and over Schylling, and it appearing that the Settlement Agreement and Order are in the public interest, it is *ordered*, that the Settlement Agreement be, and hereby is,

accepted; and it is *further ordered*, that Schylling shall pay a civil penalty in the total amount of Four Hundred Thousand (\$400,000.00) dollars. The civil penalty shall be paid in four (4) installments as follows: \$75,000.00 shall be paid within twenty (20) calendar days of service of the Commission's final Order accepting the Agreement; \$75,000.00 shall be paid on or before the one-year anniversary of service of the Commission's final Order accepting the Agreement; \$125,000.00 shall be paid on or before the two-year anniversary of service of the Commission's final Order accepting the Agreement; and \$125,000.00 shall be paid on or before the three-year anniversary of service of the Commission's final Order accepting the Agreement. Each payment shall be made by check payable to the order of the United States Treasury. Upon the failure of Schylling to make any of the foregoing payments when due, (i) the entire amount of the civil penalty shall become due and payable, and (ii) interest on the outstanding balance shall accrue and be paid by Schylling at the Federal legal rate of interest set forth at 28 U.S.C. 1961(a) and (b).

Provisionally accepted and provisional  
Order issued on the 26th day of May, 2010.  
By Order of the Commission.

Todd A. Stevenson,  
*Secretary, U.S. Consumer Product Safety  
Commission.*

[FR Doc. 2010–13088 Filed 6–1–10; 8:45 am]

**BILLING CODE 6355–01–P**

## DEPARTMENT OF DEFENSE

### Office of the Secretary

[Transmittal No. 10–06]

#### 36(b)(1) Arms Sales Notification

**AGENCY:** Defense Security Cooperation  
Agency, DoD.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification 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, Transmittal 10–06 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: May 26, 2010.

**Mitchell S. Bryman,**  
*Alternate OSD Federal Register Liaison  
Officer, Department of Defense.*

**BILLING CODE 5001–06–P**



DEFENSE SECURITY COOPERATION AGENCY  
201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

MAY 26 2010

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

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. 10-06, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to the United Arab Emirates for defense articles and services estimated to cost \$250 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,

A handwritten signature in black ink, reading "Jeffrey A. Wieringa", is positioned above the typed name.

**Jeffrey A. Wieringa**  
**Vice Admiral, USN**  
**Director**

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology
4. Regional Balance (Classified Document Provided Under Separate Cover)

## Transmittal No. 10-06

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: United Arab Emirates
- (ii) Total Estimated Value:
- |                          |                      |
|--------------------------|----------------------|
| Major Defense Equipment* | \$ 2 million         |
| Other                    | <u>\$248 million</u> |
| TOTAL                    | \$250 million        |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: logistics support and training for two (2) additional C-17 Globemaster III aircraft being procured through a Direct Commercial Sale, 2 AN/AAR-47 Missile Warning Systems, 4 AN/ARC-210 (RT-1794C) HAVE QUICK II Single Channel Ground and Airborne Radio Systems, 2 AN/ALE-47 Countermeasure Dispensing Sets, aircraft ferry and fuel support, communication and navigation equipment, spare and repair parts, support and test equipment, publications and technical documentation, maintenance, personnel training and training equipment, U.S. Government and contractor engineering and logistics support services, preparation of aircraft for shipment, and other related elements of logistics support.
- (iv) Military Department: Air Force (QAC, Amd #1)
- (v) Prior Related Cases, if any: AE-D-QAC-\$501M-Pending
- (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: 26 May 2010

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

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POLICY JUSTIFICATION

United Arab Emirates – Logistics Support for C-17 Globemaster Aircraft

The Government of the United Arab Emirates (UAE) has requested a possible sale of logistics support and training for two (2) additional C-17 Globemaster III aircraft being procured through a Direct Commercial Sale, 2 AN/AAR-47 Missile Warning Systems, 4 AN/ARC-210 (RT-1794C) HAVE QUICK II Single Channel Ground and Airborne Radio Systems, 2 AN/ALE-47 Countermeasure Dispensing Sets, ferry support, communication and navigation equipment, spare and repair parts, support and test equipment, publications and technical documentation, maintenance, personnel training and training equipment, U.S. Government and contractor engineering and logistics support services, preparation of aircraft for shipment, and other related elements of logistics support. The estimated cost is \$250 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 critical and key partner/ally which has been, and continues to be, an important force for political stability and economic progress in the Middle East.

The proposed sale will provide the UAE the capability to transport equipment and troops in the region, as well as to support U.S. and NATO airlift requirements in Afghanistan.

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

The prime contractor will be the Boeing Company of Chicago, Illinois. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of additional U.S. Government and contractor representatives to the UAE. The number required will be determined in joint negotiations as the program proceeds through the development, production, and equipment installation phases.

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

Transmittal No. 10-06

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 AN/ALE-47 Countermeasures Dispensing System (CMDS) is an integrated, threat-adaptive, software-programmable dispensing system capable of dispensing chaff, flares, and active radio frequency expendables. The threats countered by the CMDS include radar-directed anti-aircraft artillery, radar command-guided missiles, radar homing guided missiles, and infrared guided missiles. The system is internally mounted and may be operated as a stand-alone system or may be integrated with other on-board electronic warfare and avionics systems. CMDS uses threat data received over the aircraft interfaces to assess the threat situation and to determine a response. Expendable routines tailored to the immediate aircraft and threat environment may be dispensed using one of four operational modes. The hardware is Unclassified. The software is classified Secret. Technical data and documentation to be provided are Unclassified.

2. The AN/AAR-47 missile warning system is a small, lightweight, passive, electro-optic, threat warning device used to detect surface-to-air missiles fired at helicopters and low-flying fixed-wing aircraft and automatically provide countermeasures, as well as audio and visual-sector warning messages to the aircrew. The basic system consists of multiple Optical Sensor Converter (OSC) units, a Computer Processor (CP) and a Control Indicator (CI). The set of OSC units, which normally consist of four, is mounted on the aircraft exterior to provide omni-directional protection. The OSC detects the rocket plumes of missiles and sends appropriate signals to the CP for processing. The CP analyzes the data from each OSC and automatically deploys the appropriate countermeasures. The CP also contains comprehensive BIT circuitry. The CI displays the incoming direction of the threat, so that the pilot can take appropriate action. The hardware is Unclassified. The software is classified Secret. Technical data and documentation to be provided are Unclassified.

3. The AN/ARC-210 (RT-1794C) HAVE QUICK I/II Single Channel Ground and Airborne Radio Systems (SINCGARS) offers a two-way secure, jam-resistant, voice and data communications via line-of-sight or satellite communications links in the very high frequency (VHF) and ultra high frequency (UHF) spectrum. The system provides frequency hopping and 8.33kHz capabilities and contains embedded communication security products.

4. 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. 2010-13096 Filed 6-1-10; 8:45 am]

BILLING CODE 5001-06-C

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

[Docket ID: DOD-2010-OS-0073]

**Privacy Act of 1974; System of Records**

**AGENCY:** Defense Intelligence Agency, DoD.

**ACTION:** Notice to alter a system of records.

**SUMMARY:** The Defense Intelligence Agency is proposing to alter a system of records in its existing inventory of records systems subject to the Privacy Act of 1974, (5 U.S.C. 552a), as amended.

**DATES:** This proposed action will be effective without further notice on July 2, 2010, unless comments are received which result in a contrary determination.

**ADDRESSES:** You may submit comments, identified by docket number and title, by any of the following methods:

- *Federal Rulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

- *Mail:* Federal Docket Management System Office, 1160 Defense Pentagon, Washington, DC 20301-1160.

*Instructions:* All submissions received must include the agency name and docket number for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the Internet at <http://www.regulations.gov> as they are received without change, including any