



United States Department of State

*Bureau of Political-Military Affairs
Office of Defense Trade Controls*

Washington, D.C. 20520-0602

In Reply Refer to
DTC Case GC-0233-98

AUG 21 1998

Dear Mr. Beskar:

Reference is made to your letter dated April 13, 1998 in which you invoke prior approval pursuant to Section 126.8 of the International Traffic in Arms Regulations (ITAR). Specifically, you seek authorization to release proposal information on the potential sale of the Stavatti Stalma multi-role aircraft to the Ministry of Defense - Air Force, Australia.

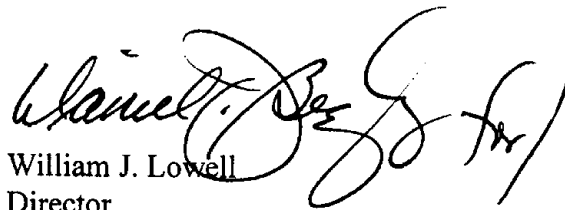
Pursuant to Section 126.8(a)(1)(ii), proposals to the armed forces of Australia do not require prior approval. You may proceed with proposal release without U.S. Government authorization. Review Section 126.8(b) for the definition of a proposal or presentation.

You are advised that this office converted your request to an advisory opinion pursuant to ITAR Section 126.9. After inter-agency review, the Department of State has no objection in principle to your request subject to the limitations and provisos detailed on page two.

You are advised that this determination is not an authorization to export any defense article or technical data or provide any defense service as identified in the ITAR. The appropriate license application or other request must be submitted to this office for consideration when you seek to export hardware, technical data or provide services. Reference the above case number on any subsequent license request and provide copies.

Any questions you may have regarding this decision should be directed to Mr. Daniel J. Buzby of this office on (703) 875-6644.

Sincerely,



William J. Lowell
Director

(See page two.)

Mr. Christopher R. Beskar
President & CEO
Stavatti Corp.
1061 Tiffany Dr.
Eagan, MN 55123-1877

DTC Case GC-0233-98
Mr. Christopher R. Beskar

Limitations, Provisos & Other Requirements:

1. Any system capabilities or performance which exceeds that of advanced aircraft previously approved for release to the Government of Australia (i.e., F-15, F-16 and F-18) must be approved by the U.S. Government on a case-by-case basis.
2. U.S. Government COMSEC (Communications Security) or TRANSEC (Transmissions Security) equipment, except Mode IV/IFF, must not be offered or released. Transfer of this capability must occur through the Foreign Military Sales Program administered by the Defense Cooperation Agency (formerly the Defense Security Assistance Agency).
3. Global Positioning System (GPS) PPS receivers must be approved by the GPS Joint System Program Office. The PPS Security Module and Auxiliary Output Chips must be exported via FMS.
4. Stavatti must not provide the end-user with intelligence support. This restriction includes threat data files required for the operation of electronic warfare systems such as IFF systems. Intelligence support must be provided by the U.S. Government through government-to-government channels or by the end-user.
5. The U.S. Government has very little familiarity with the Stalma Aircraft. The government acknowledges Stavatti's offer of sale of the Stalma demonstrator for our analysis and familiarization purposes. Pending any such procurement decision and in order to facilitate U.S. Government review, you are instructed to provide detailed technical data packages (e.g., briefing slides, specifications, technical descriptions and proposals) for subsequent license applications to export technical data or hardware.