



ACQUISITION AND
TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

April 5, 2002

Honorable Bob Stump
Chairman
Committee on Armed Services
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed is the first Quarterly Report on the Defense Export Loan Guarantee Program covering the period from January 1, 2002 through March 31, 2002. This report to Congress is submitted in response to H. R. 3338, the Defense Appropriations Act for Fiscal Year 2002, Section 8073.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Castanon".

Barbara Castanon
Program Manager
DELG (International Cooperation)

Enclosure

cc: Honorable Ike Skelton
Ranking Democrat

2002

2002

2002



Report to Congress
on the
Defense Export Loan Guarantee Program
Second Quarter, Fiscal Year 2002
(January 1, 2002 through March 31, 2002)

This is the first report in response to the Defense Appropriations Act for Fiscal Year 2002, Section 8073, which directs that reports concerning program implementation be provided to the Committees on Appropriations, Armed Services and Foreign Relations in the Senate, and the Committees on Appropriations, Armed Services, and International Relations in the House of Representatives.

The Defense Export Loan Guarantee (DELG) Program has been established pursuant to Congressional direction in the National Defense Authorization Act for Fiscal Year 1996 and the Defense Appropriations Act for Fiscal Year 1996. Pursuant to this legislation, the Department of Defense issued a Program announcement in the Federal Register on November 8, 1996, whereby the Program became operative.

The DELG Program allows the Secretary of Defense to guarantee payment of private sector loans to designated sovereign foreign nations for the purchase or long-term lease of U.S. defense articles, services, or design and construction services.

The Department of Defense has engaged an outside contractor to provide administrative support to the Program. Fees charged to users are designed to cover the costs associated with implementing the Program.

During the Second Quarter, Fiscal Year 2002 (January 1, 2002 through March 31, 2002), the Department of Defense did not issue any Letters of Interest or Final Commitments.