



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 15-19]

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 July 21, 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 15-19 with attached transmittal and policy justification.

Dated: May 11, 2015.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



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

MAY 05 2015

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

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. 15-19, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Iraq for defense articles and services estimated to cost \$395 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, appearing to read "J. W. Rixey".

J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

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



Transmittal No. 15-19

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: Government of Iraq
- (ii) Total Estimated Value:

Major Defense Equipment*	\$ 70 million
Other	<u>\$325 million</u>
TOTAL	\$395 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 5,000 81mm High Explosive Mortar Ammunition, 684,000 M203 40mm High Explosive Ammunition, 532,000 MK19 40mm High Explosive Dual Purpose Ammunition, and 40,000 155mm High Explosives. Also includes small arms ammunition, spare and repair parts, support equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor technical and logistics support services, and other related elements of logistical and program support.
- (iv) Military Department: Army (UHA)
- (v) Prior Related Cases, if any:
FMS case UGB-\$17M-28Jan14
FMS case UEL-\$70M-18Jun12
- (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: None
- (viii) Date Report Delivered to Congress: 05 May 2015

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

POLICY JUSTIFICATION

Iraq – Ammunition

The Government of Iraq has requested a possible sale of 5,000 81mm High Explosive Mortar Ammunition, 684,000 M203 40mm High Explosive Ammunition, 532,000 MK19 40mm High Explosive Dual Purpose Ammunition, and 40,000 155mm High Explosives. Also includes small arms ammunition, spare and repair parts, support equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor technical and logistics support services, and other related elements of logistical and program support. The estimated cost is \$395 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 strategic partner. This proposed sale directly supports the Government of Iraq and serves the interests of the people of Iraq and the United States.

This proposed sale of additional ammunition is critical in providing continued combat power capability as Iraq continues its fight against an organized insurgency of extremists in Iraq. Iraq will have no difficulty absorbing this additional ammunition into its armed forces.

The proposed sale of this additional ammunition will not alter the basic military balance in the region.

The principal contractors will be American Ordinance in Middletown, Iowa and AMTEC in Janesville, Wisconsin. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this sale will not require U.S. Government representatives or contractors to travel to Iraq.

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

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