



This document is scheduled to be published in the Federal Register on 06/30/2016 and available online at <http://federalregister.gov/a/2016-15476>, and on FDsys.gov

Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal No. 16-25)

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: Chandelle K. Parker, DSCA/LMO, (703) 697-9027.

The following is a copy of a letter to the Speaker of the House of Representatives,
Transmittal 16-25 with attached Policy Justification.

Dated: June 24, 2016.

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

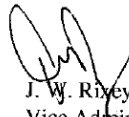
JUN 14 2016

The Honorable Paul D. Ryan
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. 16-25, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to the Government of Iraq for defense articles and services estimated to cost \$181 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,



J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification



Transmittal No. 16-25

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* | \$ 0 million |
| Other | <u>\$181 million</u> |
| TOTAL | \$181 million |

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Non-Major Defense Equipment (MDE):

The Iraqi Air Force requests a five-year sustainment package for its AC-208 fleet that includes: operational, intermediate, and depot-level maintenance; spare parts; component repair; publication updates; maintenance training; and logistics. Also included in this sale are Contract Logistics Services (CLS), training services, and Contract Engineering Services. There is no MDE associated with this possible sale. The total overall estimated cost is \$181 million.

(iv) Military Department: Air Force

(v) Prior Related Cases, if any: IQ-D-QAH-\$20M-13 FEB 09, IQ-D-QAF-\$5M-26 OCT 08

(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: 14 June 2016

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

POLICY JUSTIFICATION

The Government of Iraq-AC-208 Sustainment, Logistics, and Spares Support

The Government of Iraq has requested a possible sale of a five-year sustainment package for its AC/RC-208 fleet that includes: operational, intermediate, and depot-level maintenance; spare parts; component repair; publication updates; maintenance training; and logistics. Also included in this sale are Contract Logistics Services (CLS), training services, and Contract Engineering Services. There is no MDE associated with this possible sale. The total overall estimated value is \$181 million.

The purchase of this sustainment package will allow the Iraqi Air Force (IqAF) to continue to operate its fleet of eight C-208 light attack and Intelligence, Surveillance, and Reconnaissance (ISR) aircraft beyond the June 2016 end of its existing CLS contract. Limited IqAF maintenance capability necessitates continued CLS. Ultimately, the goal is for the IqAF to become self-sufficient in the areas of aircraft maintenance and logistics training. Iraq will have no difficulty absorbing this support.

The proposed sale will contribute to the foreign policy and national security goals of the United States by helping to improve a critical capability of the Iraq Security Forces in defeating the Islamic State of Iraq and the Levant.

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

The principal contractors will be Orbital ATK in Falls Church, Virginia, and Flight Safety International in Flushing, New York. 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 Iraq.

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

All defense articles and services listed in this transmittal have been authorized for release and export to the Government of Iraq.