



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 17-29]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Pamela Young, (703) 697-9107 or Kathy Valadez, (703) 697-9217; DSCA/DSA-RAN.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 17-29 with attached Policy Justification.

Dated: August 23, 2017.

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

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

AUG 01 2017

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. 17-29, concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of the Republic of Iraq for defense articles and services estimated to cost \$150 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,

A handwritten signature in black ink, appearing to read "G. M. Kausner".

Gregory M. Kausner
Acting Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Regional Balance (Classified document provided under separate cover)



Transmittal No. 17-29

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: The Republic of Iraq

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$150 million</u>
TOTAL	\$150 million

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

Non-MDE:

Follow-On Technical Support (FOTS) for various U.S.-origin navy vessels and a ship repair facility in Iraq to include procurement of spare and repair parts, support and test equipment, publications and technical documentation, personnel training equipment, engineering and logistics support services and other related elements of logistics and program support.

(iv) Military Department: Navy (XX-P-GAS)

(v) Prior Related Cases, if any: GAL, 20 May 14; GAM, 20 May 14; GAO, 3 Nov 16

(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: August 1, 2017

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

POLICY JUSTIFICATION

Republic of Iraq – Follow-On Technical Support (FOTS) for U.S. Origin Navy Vessels and a Ship Repair Facility

The Government of Iraq has requested a possible sale of Follow-On Technical Support (FOTS) for various U.S.-origin navy vessels and a ship repair facility in Iraq to include procurement of spare and repair parts, support and test equipment, publications and technical documentation, personnel training equipment, engineering and logistics support services, and other related elements of logistics and program support. The estimated total program value is \$150 million.

The proposed sale will contribute to the foreign policy and national security of the United States by helping to provide for a stable, sovereign, and democratic Iraq, capable of combating terrorism and protecting its people and sovereignty.

Iraq intends to use this maintenance support to ensure the Navy is fully-operationally capable of providing coastal defense and security. The various vessels to be supported are: patrol boats, offshore support vessels, fast assault boats, and Rigid Hull Inflatable Boats. The proposed sale of Follow-On Technical Support will increase the Iraq Navy's material and operational readiness. Iraq will have no difficulty absorbing this support into its armed forces.

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

The prime contractor will be Swiftships, LLC, Morgan City, LA. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require annual trips to Iraq and in-country presence involving U.S. Government and contractor representatives for technical reviews, support and oversight for approximately three years.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.
[FR Doc. 2017-18148 Filed: 8/25/2017 8:45 am; Publication Date: 8/28/2017]