



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 14-38]

36(b)(1) Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

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 14-38 with attached transmittal, and policy justification.

Dated: November 4, 2014.

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

OCT 20 2014

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. 14-38, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Iraq for defense articles and services estimated to cost \$600 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 Admra, USN
Director

Enclosures:

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



Transmittal No. 14-38

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: Iraq
- (ii) Total Estimated Value:
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$400 million |
| Other | <u>\$200 million</u> |
| TOTAL | \$600 million |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 10,000 M831 120mm High-explosive anti-tank (HEAT) munitions, 10,000 M865 120mm Kinetic Energy Warheads (KEW), 10,000 M865 120mm KEW-A1, and 16,000 M830 120mm HEAT-MP-T tank ammunition. Also included are U.S. Government and contractor technical and logistics support services, and other related elements of logistical and program support.
- (iv) Military Department: Army (UCO)
- (v) Prior Related Cases, if any:
- FMS case UBI-\$74M-10Apr14
 - FMS case VCY-\$10M-14Jul10
 - FMS case VDA-\$34M-14Jul10
 - FMS case VDK-\$67M-14Jul10
 - FMS case VDL-\$65M-14Jul10
 - FMS case VPP-\$684M-20Oct08
- (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: 20 Oct 14

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

POLICY JUSTIFICATION

Iraq – M1A1 Abrams Tank Ammunition

The Government of Iraq has requested a possible sale of 10,000 M831 120mm High-explosive anti-tank (HEAT) munitions, 10,000 M865 120mm Kinetic Energy Warheads (KEW), 10,000 M865 120mm KEW-A1, and 16,000 M830 120mm HEAT-MP-T tank ammunition. Also included are U.S. Government and contractor technical and logistics support services, and other related elements of logistical and program support. The estimated cost is \$600 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 Iraqi government and serves the interests of the Iraqi people and the United States.

The proposed sale of the ammunition and support will advance Iraq's efforts to develop an integrated ground defense capability to support a strong national defense. This will enable the Iraqi Government to sustain its efforts to establish and maintain stability.

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

The prime contractor will be General Dynamics-Ordnance Tactical Systems in St Petersburg, Florida. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of U.S. Government and contractor representatives to Iraq.

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