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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 16-42]

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: Chang Suh, DSCA/SA&E/RAN, (703) 697-8975.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 16-42 with attached Policy Justification and Sensitivity of Technology.

Dated: November 1, 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

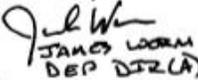
The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

OCT 06 2016

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. 16-42, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to Iraq for defense articles and services estimated to cost \$65.3 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,


FOR J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

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



Transmittal No. 16-42

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	\$65.3 million
TOTAL	<u>\$65.3 million</u>

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

Non-MDE:

Two (2) Cessna AC-208 aircraft with dual rail Hellfire launcher capability on each wing
Two (2) AN/ALE-47 Electronic Countermeasure Dispensers
Two (2) AAR-60 Missile Launch Warning Systems
Four (4) AN/AAQ-35 (Wescam MX-15D) Electro-Optical Infrared Imaging Systems
Two (2) LAU-131-A Launchers

Additionally, non-MDE includes contractor aircraft modifications, spare parts, publication updates, aircraft ferry, and miscellaneous parts. The total estimated program cost is \$65.3 million

(iv) Military Department: Air Force

(v) Prior Related Cases, if any: IQ-D-QAH for \$20M signed on 13 Feb 2009 for C/AC-208 CLS, Transmittal 11-23. IQ-D-QAF for \$5M signed 26 Oct 2008 for C/AC-208 CLS, Transmittal 11-23.

(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: See Annex attached.

(viii) Date Report Delivered to Congress: October 6, 2016

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

POLICY JUSTIFICATION

Republic of Iraq – AC-208 Aircraft

The Government of Iraq requests to purchase two (2) Cessna AC-208 aircraft that include: dual rail LAU-131 Hellfire launcher capability on each wing, AN/ALE-47 electronic countermeasure dispenser, AN/AAR-60 Missile Launch Warning System, AN/AAQ-35 Electro-Optical Infrared Imaging System, contractor aircraft modifications, spare parts, publication updates, aircraft ferry, and miscellaneous parts. The estimated total case value is \$65.3 million.

This proposed sale contributes 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 Iraq and serves the interests of the people of Iraq and the United States.

Iraq originally purchased three (3) AC-208 and three (3) C-208 aircraft in 2008. The Cessna aircraft are used to support Iraqi military operations against al-Qaeda affiliate and Islamic State of Iraq and the Levant (ISIL) forces. The purchase of two (2) additional aircraft enables the Iraqi Air Force to continue its fight against ISIL. Iraq will have no difficulty absorbing these aircraft into its armed forces.

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

The principal contractor is Orbital ATK, Falls Church, VA. 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. 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 are approved for release by our foreign disclosure office.

Transmittal No. 16-42

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. Cessna AC-208: The Armed Caravan is a specifically modified Cessna C-208 capable of operating in austere environments while providing real-time intelligence, surveillance, and reconnaissance (ISR) and low collateral damage kinetic strike capabilities. It is equipped with an integrated electro-optical and infrared (EO/IR) laser sensor suite which gives it a day/night ISR capability with a laser illuminator, range finder, and designator to allow employment of the AGM-114M missile through a 1760 mil bus interface. The aircraft has two external hard points for weapons and fuel carriage. The Iraq variant will be equipped for use with AGM-114 missiles already in country. Critical components (cockpit and engine) will have aircraft armor able to withstand small arms fire. Hardware and software are UNCLASSIFIED. Technical data and documentation to be provided are UNCLASSIFIED.

2. The proposed configuration includes the AN/ALE-47 Countermeasure Dispenser Set (CMDS), the AN/AAR-60 Missile Approach Warning System, the AN/AAQ-35 MX (Wescam MX-15D) Electro-Optical Infrared Imaging System, and dual rail LAU-131 Hellfire launcher capability on each wing.

3. The AN/ALE-47 CMDS provides an integrated threat-adaptive, computer controlled capability for dispensing chaff, flares, and active radio frequency expendables. The AN/ALE-47 system enhances aircraft survivability in sophisticated threat environments.

4. The threats countered by the CMDS include radar-directed anti-aircraft artillery (AAA), radar command-guided missiles, radar homing guided missiles, and infrared guided missiles. The U.S. is not providing any threat data. The system is internally mounted and may be operated as a stand-alone system or integrated with other on-board electronic warfare and avionics systems. Expendable routines tailored to the immediate aircraft and threat environment may be dispensed using one of four operational modes. Hardware is UNCLASSIFIED. Software is SECRET. Technical data and documentation provided are UNCLASSIFIED.

5. The AN/AAR-60 Missile Approach Warning System is a passive, true imaging sensor device that is optimized to detect the radiation signature of a threat missile's exhaust plume within the ultra violet solar blind spectral band. Functionally, the

architecture detects incoming missile threats and indicates their direction of arrival with the 'maximum' of warning time. Hardware and software are UNCLASSIFIED. Technical data and documentation provided are UNCLASSIFIED.

6. The AN/AAQ-35 MX (Wescam MX-15D) is a gyro-stabilized, multi-spectral, multi field of view electro-optical infrared imaging system. The system provides surveillance laser illumination and laser designation through use of an externally mounted turret sensor and internally mounted master control. Sensor video imagery is displayed in the aircraft real time and may be recorded for subsequent ground analysis. Hardware is UNCLASSIFIED. Technical data and documentation provided are UNCLASSIFIED.

7. The LAU-131 launcher is tube shaped, 59.8 inches in length, and 10.125 inches in diameter. It weighs 65 pounds and is capable of carrying seven rockets (2.75 inch or 70mm). Hardware is UNCLASSIFIED. Technical data and documentation provided are UNCLASSIFIED.

8. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

9. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification. Moreover, the benefits to be derived from this sale, as outlined in the Policy Justification, outweigh the potential damage that could result if the sensitive technology were revealed to unauthorized persons.

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

[FR Doc. 2016-26763 Filed: 11/4/2016 8:45 am; Publication Date: 11/7/2016]