

[FR Doc. E8-18652 Filed 8-14-08; 8:45 am]
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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 08-35]

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 21 July 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 08-35 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: August 5, 2008.

Patricia L. Toppings,
OSD Federal Register Liaison Officer,
Department of Defense.

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DEFENSE SECURITY COOPERATION AGENCY
2800 DEFENSE PENTAGON
WASHINGTON, DC 20301-2800

JUL 30 2008

In reply refer to:
USP001123-08

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515-6501

Dear Madam 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. 08-35, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Iraq for defense articles and services estimated to cost \$3 billion. 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 "R. J. Millies".

Richard J. Millies
Deputy Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Same ltr to:

House
Committee on Foreign Affairs
Committee on Armed Services
Committee on Appropriations

Senate
Committee on Foreign Relations
Committee on Armed Services
Committee on Appropriations

Transmittal No. 08-35

**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* | \$2 billion |
| Other | <u>\$1 billion</u> |
| TOTAL | \$3 billion |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 392 Light Armored Vehicles (LAVs) which include 352 LAV-25, 24 LAV-CC, and 16 LAV-A (Ambulances); 368 AN/VRC-90E Single Channel Ground and Airborne Radio Systems (SINGARS); 24 AN/VRC-92E SINGARS; and 26 M72 Light Anti-Tank Weapons. The following are considered replacements to vehicles/weapons requested in the Military Table of Equipment (MTOE): 5 LAV-R (Recovery), 4 LAV-L (Logistics), 2 Mine Resistant Ambush Protected (MRAP) Vehicles, 41 Medium Tactical Vehicle Replacement (MTVR), 2 MK-19 40mm Grenade Machine Guns, 773 9mm Pistols, 93 M240G Machine Guns, and 10 AR-12 rifles. Non-MDE includes ammunition, site survey, spare and repair parts, support equipment, publications and technical data, personnel training and training equipment, contractor engineering and technical support services and other related elements of logistics support.
- (iv) **Military Department:** Navy (LAA)
- (v) **Prior Related Cases, if any:** none.
- (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:** JUL 30 2008

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

POLICY JUSTIFICATION

Iraq – Light Armored Vehicles

The Government of Iraq has requested a possible sale of 392 Light Armored Vehicles (LAVs) which include 352 LAV-25, 24 LAV-CC, and 16 LAV-A (Ambulances); 368 AN/VRC-90E Single Channel Ground and Airborne Radio Systems (SINCGARS); 24 AN/VRC-92E SINCGARS; and 26 M72 Light Anti-Tank Weapons. The following are considered replacements to vehicles/weapons requested in the Military Table of Equipment (MTOE): 5 LAV-R (Recovery), 4 LAV-L (Logistics), 2 Mine Resistant Ambush Protected (MRAP) Vehicles, 41 Medium Tactical Vehicle Replacement (MTVR), 2 MK-19 40mm Grenade Machine Guns, 773 9mm Pistols, 93 M240G Machine Guns, and 10 AR-12 rifles. Non-MDE includes ammunition, construction, site survey, spare and repair parts, support equipment, publications and technical data, personnel training and training equipment, contractor engineering and technical support services and other related elements of logistics support. The estimated cost is \$3 billion.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country. This proposed sale directly supports the Iraqi government and serves the interests of the Iraqi people and the U.S.

The proposed sale of Light Armored Vehicles will enhance the ability of the Iraqi forces to sustain themselves in their efforts to bring stability to Iraq and to prevent overflow of unrest into neighboring countries.

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

The principal contractors are:

General Dynamics	Warren, Michigan
Raytheon	Waltham, Massachusetts
Armatec	London, Ontario, Canada
FPI	Ladson, South Carolina
BAE Systems	London, United Kingdom
Oshkosh Trucks	Oshkosh, Wisconsin

There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of 24 contractor representatives to Iraq for a period of two years.

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

Transmittal No. 08-35**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. The Light Armored Vehicle (LAV) is an all terrain, all weather vehicle with night capabilities. It provides strategic mobility to reach and engage the threat, tactical mobility for effective use of firepower to defeat soft and armored targets.

2. The Mine Resistant Ambush Protected (MRAP) Category I vehicle is an armored, multi-purpose combat vehicle Explosive Ordnance Disposal and intended to support mounted urban operations to include convoy security support and dismounted patrols. It is designed to increase crew survivability. The vehicle has a blast-resistant underbody designed to protect the crew from mine blasts, fragmentation, and direct fire weapons.

3. The Medium Tactical Vehicle Replacement (MTVR) is a robust 7-ton vehicle that has a payload of 7 tons off road, 12 tons on road, high performance suspension, traction control and corrosion technology upgrades. The vehicle is capable of carrying more payloads at a faster speed and over a more difficult terrain. It is a reliable system that uses commercial heavy truck componentry.

4. The 66MM, M72 Light Anti-Tank Weapons is a lightweight assault rocket that provides greater flexibility on the battlefield. This weapon system has the capability to defeat targets such as covered enemy fighting positions, or light armored vehicles or out of range hand grenades and other close-in weapon systems.

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

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 08-98]

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ACTION: Notice.

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Dated: August 5, 2008.

Patricia L. Toppings,
OSD Federal Register Liaison Officer,
Department of Defense.

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