

**OFFICE OF THE
SECRETARY OF DEFENSE**

**DEPARTMENT OF DEFENSE BUDGET
FISCAL YEAR (FY) 2017**

February 2016



**Justification for FY 2017
Overseas Contingency Operations (OCO)
Iraq Train & Equip Fund (ITEF)**

**The estimated cost of this report or study
for the Department of Defense is
approximately \$7,660 for the 2016 Fiscal
Year. This includes \$60 in expenses and
\$7,600 in DoD labor.**

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**FY 2017 OVERSEAS CONTINGENCY OPERATIONS (OCO) REQUEST
IRAQ TRAIN AND EQUIPFUND (ITEF)**

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I. FY 17 ITEF BUDGET SUMMARY:

Budget Summary	FY 2016	FY 2017
Budget Activity – Defense Forces		
- Train, advise, assist, equip Iraqi Security Forces (ISF)	\$715,000	\$630,000
TOTAL	\$715,000	\$630,000

II. OVERVIEW OF OPERATIONS:

The United States Government (USG) strategy to counter the Islamic State in Iraq and the Levant (ISIL), also known as Daesh, directed the Department of Defense (DoD) and the U.S. Central Command (USCENTCOM) to conduct a campaign to degrade, dismantle, and ultimately defeat ISIL/Daesh. The focus of DOD’s efforts is to work with and through the Government of Iraq (GoI) to build key security force capabilities, help professionalize its security forces, and promote longer term stability of the country and the region. Because the U.S. does not have direct operational control over these forces, the campaign is progressing at a pace that is driven by the GoI. This creates a more fluid and less predictable future that makes projecting funding requirements extremely challenging. For identification of the funding required, crucial assumptions must be made, and for FY 2017, these key assumptions are:

1. In FY 2017, the costs for equipping and training existing and new Iraqi units will decline, but the logistics requirements for supporting ongoing operations, including resupply and replacement of combat losses, will increase as compared to previous fiscal year justifications.
2. Iraqi security forces will be involved in continuing major operations to isolate, clear, hold, and stabilize territory currently occupied by ISIL, to include major population centers such as Mosul.
3. Using the operations in Ramadi and elsewhere in Anbar as a reference, it is expected that Mosul clearing operations will be slow; there will be a significant need for ammunition, anti-armor weapons, and counter-IED equipment; and the Iraqi forces will lose a significant amount of equipment to combat losses. (As an example, Iraqi Counter Terrorism Service (CTS) has seen over 200 HMMWVs destroyed in Ramadi operations between August and November 2015.)

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4. The effectiveness of hold forces made up of federal police, local police/security forces, and border police/security will be critical to holding liberated territory and improving security for the population and achieving U.S. objectives. Budget estimate assumes procurement of equipment to supply 20,000 of this hold force.
5. Current Building Partner Capacity (BPC) sites will continue to operate while new sites will be established as Iraqi security forces (ISF) moves north to and through Mosul.
6. The Iraqi economy will continue to be weak and their government will find it difficult to fund counter-ISIL/Daesh operations. U.S. and coalition support will continue to be important in paying for costs associated with the current crisis to achieve U.S. objectives.
7. Strong U.S. and coalition support, particularly highly visible support such as training and equipping, will be necessary for ISF to maintain sufficient combat power to accomplish assigned and future missions.

Summary: Based on these assumptions and estimates, DoD/USCENTCOM requires continued funding to achieve U.S. objectives and assist Iraq in defeating ISIL/Daesh and restore their borders. U.S. and coalition assistance has proven effective in halting the expansion of ISIL/Daesh, and will enable the Iraqi government to continue to liberate areas from ISIL/Daesh control, thereby providing a safe and secure environment in which Iraq can return to a sovereign and relatively stable state. Iraqi security forces will continue to need training and equipment to be successful in combined operations, securing liberated areas, and developing a non-sectarian and integrated security capability. FY 2017 is a critical year in the campaign to defeat ISIL/Daesh and continued financial support by the United States is required to execute the strategy and achieve the objectives as outlined by the President. These costs are considerably lower than a large scale deployment of U.S. armed forces, but still reaffirms our commitment to counter the ISIL/Daesh threat.

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III. PROGRAM SUMMARY:

The continued and evolving nature of the ISIL/Daesh threat underscores the importance of training, advising, assisting, and equipping Iraqi Security Forces providing them increased ability to liberate and secure lost territory, secure borders, protect the population, and enhance provincial and national defense. Support for these Iraqi Security Forces (including Iraqi Army; Kurdish Peshmerga; Ministry of Interior Police, Border Security, Emergency Response Division and other local security forces; Counter Terrorism Service; Popular Mobilization Forces; and other forces with a national security mission) demonstrates our commitment to maintaining the territorial integrity of a multi-ethnic Iraq and a unity of effort in defeating ISIL/Daesh.

This request outlines requirements to continue to generate additional capacity across key Iraqi security force elements by training and equipping “hold forces,” supporting ongoing combat operations, improving maintenance and sustainment of ITEF equipment provided, and ultimately improving their ability to provide security to the population and to re-establish full sovereignty in Iraq. To increase Iraqi security force capabilities and achieve U.S. objectives, U.S. assistance will focus on:

- Training and equipping additional security force elements needed to hold liberated areas and establish local security.
- Providing training, equipment and supplies needed to support ongoing operations.
- Providing maintenance support and providing sustainment for equipment vital to the defeat of ISIL/Daesh.
- Supporting the operation of training and engagement areas and establishing additional locations that will support Iraqi security force operations.

Government of Iraq Forces	FY 2017 (Dollars in Thousands)
EQUIPPING ADDITIONAL SECURITY FORCES (Hold Forces)	\$ 170,406
RESUPPLY COMBAT OPERATIONS	\$ 323,969
MAINTENANCE AND SUSTAINMENT	\$ 71,600
SITE IMPROVEMENTS, MAINTENANCE AND SUSTAINMENT	\$ 64,025
Total	\$ 630,000

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IV. PROJECT DESCRIPTION/JUSTIFICATION:

Equipment for Hold Forces. Primary equipping efforts in FY 2017 will focus more on Sunni “hold” and local security forces. The Combined Joint Task Force – Operation Inherent Resolve (CJTF-OIR) and Iraqi government currently assess that over 30,000 “hold force” personnel are required for Anbar, Salah Ad Din, and Ninewa provinces. These security forces will need training and equipment to make them more effective in holding liberated territory and maintaining security. This assessment calls for buying equipment to supply a 20,000 man force that will include federal police, local police/security forces, Sunni Popular Mobilization Forces, and border police. We project that the Iraqi GoI will contribute the funds and equipment for at least the remaining 10,000 to reach this goal.

Iraqi Security (Hold) Force Requirements (Dollars in Thousands)			
Description	Quantity	Unit Cost	Total Item Cost
Helmets	20,000	\$275.00	\$5,500
Body Armor	20,000	\$965.00	\$19,300
First Aid Kits	20,000	\$110.00	\$2,200
Rifle (w/magazines & pouches)	20,000	\$646.50	\$12,930
Shotguns	2,400	\$300.00	\$720
Pistols	2,400	\$640.00	\$1,536
Binoculars	1,200	\$350.00	\$420
Light Machine Guns (M240 B)	6,000	\$6,000.00	\$36,000
Heavy Machine Gun (M2)	1,200	\$13,000.00	\$15,600
Armored Vehicles	280	\$115,000.00	\$32,200
4x4 SUVs/Trucks	1,200	\$30,000.00	\$36,000
Satellite Phone (w/1yr service)	800	\$10,000.00	\$8,000
		Total	\$170,406

Combat Resupply. The Iraqis will have at least 24,000 security force personnel armed with NATO-standard weapons by FY 2017 and will continue to require NATO-standard ammunition to resupply units using these weapons. CJTF-OIR analysis to determine how much ammunition is needed to supply twelve approximately 2000-man brigades (or equivalent) for one year of basic combat operations are reflected in the table below. These estimates represent the most likely requirements but may be superseded by operational needs for other equipment, munitions or weapons as the campaign progresses, including for the Counter Terrorism Service. The Iraqis are expected to lose more vehicles in combat operations and will need replacements to sustain operations.

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Equipment like bulldozers and armored vehicles remain critical to operational success and are prone to heavy losses in front line and counter-improvised explosive device (C-IED)/clearing operations. Additionally, the Iraqis are losing up-armored vehicles such as the Iraqi Light Armored Vehicle (ILAV), some support vehicles, and heavy bulldozers which are used to clear mined areas. Projected operations to reclaim and hold Mosul, with extensive IED belts and layered defenses emplaced by ISIL/Daesh, are expected to inflict even more combat losses on these key Iraqi vehicles. Previous ITEF expenditures for maintenance and sustainment have returned many vehicles to the fight, but many of the armored troop carriers, gun trucks, route clearance and CIED exploitation vehicles have suffered unreparable catastrophic damage. Current loss projections based on existing data and campaign plan projections of upcoming and future operations exceed existing and inbound equipment sourced from current appropriations and other Iraqi/coalition sources, to include Foreign Military Financing (FMF) and Iraqi National Funds via Foreign Military Sales (FMS).

Combat Resupply Requirements (Dollars in Thousands)			
Description	Quantity	Cost	Total Item Cost
D7 Armored Dozer	30	\$500	\$15,000
Iraqi Light Armored Vehicle	75	\$750	\$56,250
M1151A1 HMMWV	350	\$220	\$77,000
FMTV Cargo Trucks	25	\$200	\$5,000
Ammunition Resupply (NATO-Standard)	varies by type	varies by type	\$110,183
Shipping costs	--	--	\$60,536
		Total	\$323,969

Equipment Maintenance and Sustainment. Under ITEF authority, the USG purchased and provided U.S. military equipment to support urgent operational requirements for the ISF. The purpose of this support was to generate and maintain momentum in the immediate fight against ISIL/Daesh. Due to the pace of delivery required to support operations and the expectation that sustainment was an Iraqi responsibility, the equipment provided did not include maintenance and sustainment support that would normally be provided by the GoI or as part of a FMS/FMF case. The lack of organic Iraqi capacity to maintain ITEF and other equipment required to defeat ISIL/Daesh is a critical weakness with the potential for severely negative operational impacts.

In order to preserve Iraqi combat power and the USG-invested equipment that can be used in operations to defeat ISIL/Daesh, there is a requirement for maintenance and sustainment of the equipment already purchased. This program will facilitate ISF logistics sustainment capacity and enable the ISF to maintain sufficient combat power to accomplish assigned missions. This sustainment is not intended to replace FMS and FMF programs, but rather, to complement it and to fill the gaps not covered by existing programs.

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For example, increased utilization of heavy, protected vehicles and armored forces in increasingly mobile operations may also require some use of ITEF funding to augment existing Iraqi capabilities and force structure.

This is intended as a limited program that is needed to support operations against ISIL/Daesh, with costs to be transitioned to the Iraqi government as soon as possible. Beyond FY 2017, costs are estimated to decrease as Iraqi sustainment capabilities continue to improve, or FMS/FMF funded programs are implemented and/or expanded to meet this enduring requirement. Moreover, the program is intended to complement existing mechanisms for maintenance and sustainment funded by the GoI to help develop a sustainable supply and maintenance program focused on U.S.-provided equipment.

Maintenance and Sustainment of Existing Equipment and Programs (Dollars in Thousands)	
Implementation, training, maintenance of automated inventory management system	\$15,000
Iraqi Logistics Contractor Support (Approx 25)	\$10,000
Embedded Maintenance SME Translated Technical Mmaterial	\$15,000
Rotational Maintenance SMEs	\$8,100
Reachback Technical Support	\$6,000
Sustainment Support for Combat Ops in Northern Iraq	\$17,500
Total	\$71,600

<p>For planning purposes:</p> <ul style="list-style-type: none"> • Basic Life Support and Security (BLSS) is estimated by the DoD Iraq Program Office US Army TACON at or about \$1 Million, per person, per year • Contract personnel estimated at \$600,000 per year, includes management overhead and salary, etc.

Training, Logistics and Operational Site Improvements, Maintenance and Sustainment. It is expected that the current BPC sites will continue to operate while new advise and assist engagement or training sites will be established as the Iraqi security forces move north to and through Mosul. There is a projected need for one or more assembly areas designed to support final organization and refit of combat forces prior to entering combat as well as sites to support advise/assist operations and direct logistics support as supply lines are extended further from Baghdad. These sites will be critical to the success of the Mosul operation. Effective logistics support will be a key element required for Iraqi Security Forces’ success; remediating a critical operational weakness of the Iraqi military. The requested funding supports initial estimates regarding establishment of engagement and support areas, improvements related to training and training support systems, perimeter security, ammunition supply points, entry control points, and airfield maintenance – all to support Iraqi security force elements extending their logistics tail. These costs may also be associated with adding additional types of training to support other national security forces or missions required for success. The estimated costs, not transferred to the Iraqis, to continue to operate existing sites and/or establish new sites \$64.025 million.

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BPC/A&A/Training/Operational Site Improvements, Maintenance, and Sustainment Support (Dollars in Thousands)	
Al Asad (facility improvements of Tribal Training Areas)	\$2,500
Al Asad Iraqi Life Support Areas annual sustainment	\$2,000
Besmaya Iraqi Life Support Areas annual sustainment	\$3,600
Erbil Maintenance, Sustainment, training support for Iraqi Living/Training Areas	\$2,125
TQ Maintenance, Sustainment, training support for Iraqi Living/Training Areas	\$16,500
Taji Maintenance, Sustainment, training support for Iraqi Living/Training Areas	\$2,300
Future Iraqi Logistics Support Areas and Tactical Assembly Areas along road to Mosul	\$35,000
Total	\$64,025

V. IMPACT IF NOT PROVIDED:

The FY 2017 budget request furthers critical work accomplished in the FY 2015 and FY 2016 ITEF program and is a key component of the counter-ISIL strategy to enable the Iraqi government to defeat ISIL/Daesh within its borders and re-establish full sovereignty. If the Iraq security force components – Army, Kurdish, CTS, MOI/Police, Popular Mobilization forces and potentially others with national security missions – do not receive the necessary training, equipment, advice, and assistance they will not be successful in liberating and holding areas, denying ISIL safe havens and producing an integrated force. Assisting the GoI in the development of a sustainable defense force is a cost-effective means of defeating ISIL/Daesh and providing lasting improvements to the security and stability of Iraq.

This assistance to the GoI and support to the ISF will also ensure continued U.S. influence in Iraq, reassure Iraqi Sunnis of their importance to the fight and GoI acceptance, and help provide security solutions in support of improved governance.

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Appendix 1: Ammunition Requirements

Ammo Type	SUST REQT per BDE/Month	12 BDE per year	Requested	Cost/Round	Total Item Cost / 12 BDE /yr
5.56mm Ball	57,600	8,294,400	8,294,400	\$0.22	\$1,824,768.00
Ctg. 5.56mm 4 Ball, 1 tracer linked	8,720	1,255,680	1,255,680	\$0.33	\$414,374.40
Ctg. 7.62mm 4 ball M80/1 tracer linked	9,728	1,400,832	1,400,832	\$0.56	\$784,465.92
Ctg. 60mm HE, M720A1 w/MO fuze	216	31,104	31,104	\$293.77	\$9,137,422.08
Ctg. 81mm HE M821E1 w/fuze	72	10,368	10,368	\$564.85	\$5,856,364.80
Ctg. 120mm Mortar HE M934A1	64	9,216	9,216	\$882.28	\$8,131,092.48
Grenade, hand fragmentation M67	640	92,160	92,160	\$42.85	\$3,949,056.00
Ctg. 12 Guage #00 Buck	7	1,008	1,008	\$0.15	\$151.20
5.56mm Tracer	9,600	1,382,400	1,382,400	\$0.53	\$732,672.00
Ctg. 9mm Ball, NATO M882	360	51,840	51,840	\$0.15	\$7,776.00
Ctg. 50 CAL, 4 API M8/1 API-T Linked	27,900	4,017,600	4,017,600	\$2.09	\$8,396,784.00
Ctg. 7.62mm NATO Special Ball, M118 Match	175	25,200	25,200	\$0.54	\$13,608.00
Ctg. 12 guage M1030 (Door breaching)	42	6,048	6,048	\$3.88	\$23,466.24
Ctg. 40mm Green Star Parachute (M661)	6	864	864	\$19.58	\$16,917.12
Ctg. 40mm Red Star Parachute (M662)	6	864	864	\$19.87	\$17,167.68
Ctg. 40mm Green Smoke M715	3	432	432	\$16.71	\$7,218.72
Ctg. 40mm Yellow Smoke M716	3	432	432	\$17.14	\$7,404.48
Ctg. Illum. White Star Parachute M583	10	1,440	1,440	\$23.09	\$33,249.60
Ctg. Illum. White Star Cluster M585	6	864	864	\$24.38	\$21,064.32
Ctg. 40mm HEDP M430 32 belt linked	21,000	3,024,000	3,024,000	\$15.36	\$46,448,640.00
Ctg. 40mm HEDP M433	50	7,200	7,200	\$15.58	\$112,176.00
Ctg. 60mm Illum M721	25	3,600	3,600	\$215.00	\$774,000.00
Ctg. 60mm Smoke WP M722A1/E1 w/fuze	80	11,520	11,520	\$160.00	\$1,843,200.00
Ctg. 120mm Mortar Illum XM930 w/fuze	16	2,304	2,304	\$442.00	\$1,018,368.00
Ctg. 81mm Smoke RP M819 w/fuze	21	3,024	3,024	\$346.40	\$1,047,513.60
Ctg. 81mm Illim M853A1 w/fuze	5	720	720	\$215.00	\$154,800.00

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Ctg. 120mm Mortar Smoke WP M929A1	64	9,216	9,216	\$936.00	\$8,626,176.00
Ctg. 120mm Mortar HE M934A1	64	9,216	9,216	\$725.00	\$6,681,600.00
Grenade, hand fragmentation M67	640	92,160	92,160	\$21.96	\$2,023,833.60
Grenade, hand white HC M8	160	23,040	23,040	\$19.00	\$437,760.00
Grenade, hand smoke green, AN-M18	64	9,216	9,216	\$21.19	\$195,287.04
Grenade, hand, smoke, yellow, AN-M18	64	9,216	9,216	\$31.89	\$293,898.24
Grenade, hand, smoke, red, AN-M18	64	9,216	9,216	\$29.77	\$274,360.32
Grenade, hand, smoke, violet, AN-M18	64	9,216	9,216	\$31.90	\$293,990.40
Smoke, Pot, M5 HC (10/20 min burn)	2	288	288	\$138.00	\$39,744.00
Signal, Illum, Ground Green Star	0	0	0	\$27.31	\$0.00
Signal, Illum, Ground Green Star, M195	24	3,456	3,456	\$38.25	\$132,192.00
Signal, Illum, Ground, White Star, M159	24	3,456	3,456	\$43.76	\$151,234.56
Signal, Illum, Ground, Red Star, M126A1	24	3,456	3,456	\$33.97	\$117,400.32
Signal, Illum, Ground, White Star, M127A1	24	3,456	3,456	\$41.01	\$141,730.56
Total					\$110,182,927.68

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