



**DEFENSE SECURITY COOPERATION AGENCY  
201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408**

**FEB 06 2013**

**MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR  
DEFENSE EXPORTS AND COOPERATION  
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR  
INTERNATIONAL PROGRAMS  
DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR  
INTERNATIONAL AFFAIRS  
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY  
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE  
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY  
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY  
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE  
AGENCY  
DIRECTOR, MISSILE DEFENSE AGENCY  
DIRECTOR, DEFENSE LOGISTICS AGENCY  
DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE  
DIRECTOR, DEFENSE LOGISTICS AGENCY DISPOSITION  
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,  
NATIONAL SECURITY AGENCY**

**SUBJECT: Assignment of Security Cooperation Customer Code (SCCC) "88" for State Department Directed (SDD) Foreign Military Financing (FMF) Procurement program, DSCA Policy 13-04, [SAMM E-Change 193]**

The Department of State (DoS), Foreign Operations, and Related Programs Appropriations Act, 2010 (Div. F, P.L. 111-117) and subsequent legislation authorized the DoS to procure defense articles and services with FMF for subsequent transfer to benefitting countries to expedite assistance to foreign countries and international organizations. The SDD FMF Procurement program has been established to implement this new authority.

Although FMS policy and standard FMS Letter of Offer and Acceptance (LOA) Notes generally will apply to cases under the SDD FMF Procurement program, there will be significant differences from other FMS LOAs funded with FMF because SDD FMF LOAs are internal U.S. Government transactions. Benefitting countries will not sign an SDD FMF LOA, which means the Standard Terms and Conditions will not apply. DoS will, however, secure FMF Security Assurance Agreements from benefitting countries to obtain appropriate end-use, security, and retransfer assurances. DoS will send a memorandum to DSCA identifying the funding amount(s) and fiscal year; benefitting countries, reporting requirements; authorized services, equipment, and materials to be procured; and any specific DoS requirements, limitations and instructions. The DoS memorandum will form the basis of an SDD FMF LOA.

Instructions and Notes for SDD FMF LOA development are attached and should be reviewed carefully because of the unique characteristics of the SDD FMF Procurement program. The SDD FMF Procurement LOA Notes will be added to the Security Assistance Management Manual Appendix 6, LOA Notes.

Code "88" is assigned effective immediately for the SDD FMF Procurement program. Chapter 4, Table C4.T2B, Security Cooperation (SC) Customer and Regional Codes and FMS Eligibility, is updated as follows:

Customer/Organization	SC Customer Code	Combatant Command \1	Region Grouping \2	FMS AECA Eligible \3	Accel. Case Closure Eligible
State Department Directed Foreign Military Financing Procurement	88	NR	NR	Yes	Yes

During case execution, the Implementing Agency (IA) is responsible for submitting expenditure reports to DSCA (Business Operations Directorate) as specified in the DoS Memorandum to DSCA and as specified by DSCA (Business Operations Directorate).

If you have any questions, for policy, contact Kathy Ton, kathy.ton@dsc.mil, (703) 604-6611; for financial and reporting contact, Brad Bittinger, brad.bittinger@dsc.mil, (703) 602-1360; and for operations, contact Major Sandra (Sam) Rygalski, sandra.rygalski@dsc.mil, (703) 604-6627.

*William E. Landay III*  
 Fu2 William E. Landay III  
 Vice Admiral, USN  
 Director

Attachment:  
 As stated

cc:

AFRICOM

CENTCOM

EUCOM

NORTHCOM

SOUTHCOM

PACOM

TRANSCOM

SOCOM

STATE/PM-RSAT

USASAC

SATFA

USACE

NAVSUP WSS

NETSAFA

TRADOC

AFSAC

AFSAT

DISAM

MARCOR IP

SCETC

USCG International Affairs (G-CI)

**State Department Directed Foreign Military Financing (FMF) Procurement Program  
Instructions and Notes for LOA Development**

Any sole source purchases must be justified and approved in accordance with statutory authority using procedures applicable to United States Government appropriated-fund purchases. Contracts may not rely on Title 10 United States Code (U.S.C.) Section 2304 (c) (4), implemented by the Federal Acquisition Regulation (FAR) 6.302-4, International Agreement (directed source), as authority to award using other than full and open competition.

#	Field	Description
1	Case Identifier	Implementing Agency assigns Case Identifier.
2	Purchaser's Reference	Enter [subject, originator, serial number, date] of the Memorandum of Request.
3	Nickname Field	Enter the Benefitting Country/organization and the program name; e.g. BANDARIA CBSI TAFT. If there are multiple Benefitting Countries on the LOA, list the SC Customer Codes from SAMM Table C4.T2.; e.g. BN, BF, BH, before entering the program name. This field is limited to 50 characters.
4	Offer Expiration Date (OED)	The OED should be no later than the last date the funds are required to ensure they will be obligated prior to expiring.
5	Authority Field	Select the appropriate authority from the drop down menu; e.g. FY11 CBSI.
6	Authority Fiscal Year	Enter the appropriate fiscal year of the funding source; e.g. FY11.
7	Term of Sale Dollar Amount	Enter funding amount provided under the program for the authority selected.
8	S1 Description Field	Enter the Benefitting Countries' customer codes followed by a dash, and then a short description of the articles and services being provided. This field is limited to 45 characters.
9	Purchaser Mailing Address	Select "Department of State".
10	Benefitting Country	Select Benefitting Country for each line, as applicable. For lines with more than one Benefitting Country select "88".
11	Description/Condition Field	Any MDE or classified items will be listed separately on the LOA and not combined on a line with non-MDE or unclassified items. Lines should be listed in order from most to least substantial. After the major items, the remaining lines should be listed in order by Generic Code at the IA's discretion.

#	Field	Description
12	Offer Release Code (ORC)	Enter the appropriate ORC per SAMM Chapter 7.
13	Delivery Term Code (DTC)	Enter DTC 7 to indicate that DoD will provide trans-oceanic and in-country travel to the final destination. Enter DTC 9 if follow-on transportation from the port of debarkation has been arranged via another means.
14	Term of Sale	Enter “FMS Credit (Non-Repayable)”.
15	Customer Signatory Name	Enter “No Purchaser Signature Required”. This must be physically entered as it will not be automatically generated by DSAMS for this program.
16	State Description	Enter the approved Benefitting Countries being supported.
17	LOA Notes	<ul style="list-style-type: none"> <li>a) Additional to Standard FMS Notes. Implementing Agency and Case Writing Division will enter the LOA Note(s) as in the attached for Reporting Requirements, Team Deployment, and Purchase and Funds Usage Restrictions.</li> <li>b) Benefitting Countries. Implementing Agency will list all approved Benefitting Countries in the applicable line note(s).</li> </ul>
18	Official Case File	IA will ensure a copy of the DoS Memorandum to DSCA is retained in the official case file

## DSCA Policy 12-02, [SAMM E-Change 193]

### LOA Notes For State Department Directed Foreign Military Financing (FMF) Procurement Program

The following notes are added to SAMM Appendix 6, LOA Notes:

#### State Department Directed FMF Procurement Reporting Requirements

<b>Note Usage</b>
Mandatory for State Department Directed FMF Procurement LOAs Mandatory for Amendments and Modifications to State Department Directed FMF Procurement LOAs if the note was previously not included on the case.
<b>Note Input Responsibility</b>
IA
<b>Note Text</b>
“Implementing Agency (IA) will submit reports [insert quarterly, annually, etc.], to provide the required information as specified by DSCA (Business Operations Directorate). The following information will be included in the IA’s report: [list information to be reported as specified by DSCA (Business Operations Directorate/Financial Policy and Analysis Division)].”

#### State Department Directed FMF Procurement-Team Deployment

<b>Note Usage</b>
Mandatory for State Department Directed FMF Procurement LOAs which include training or services provided by U.S. Government personnel. Mandatory for Amendments and Modifications to State Department Directed FMF Procurement LOAs which add training or services provided by U.S. Government personnel.
<b>Note Input Responsibility</b>
CWD
<b>Note Text</b>
<ol style="list-style-type: none"><li>1. "Personnel Deployment:<ol style="list-style-type: none"><li>a. Personnel deployment dates will be established in coordination with the Security Cooperation Organization (SCO) and the Benefiting Country and upon confirmation that all training equipment, tools, facilities and interpreter support (if required) are available/operational, and that all Benefiting Country students are vetted and available at the training site.</li><li>b. U.S. Government and/or U.S. Government contractor personnel are responsible for timely and complete submittal of the necessary information and forms directly to the appropriate</li></ol></li></ol>

Benefitting Country agency for the required passports, visas, licenses, or permits. U.S. personnel are responsible for processing permits for U.S. employees and their dependents directly with the Benefitting Country.

- c. Funds from this LOA will be used to pay the costs of emergency leave travel of team members, if required. Such costs will be charged only to pay for travel from the team location to the nearest international airport in the continental United States and return. If a replacement team member is required, the travel cost from the new member's duty station to the team location will be charged. If there are insufficient funds on the LOA to cover the expenses, the LOA will be modified or amended to include these costs.

2. Team Control:

- a. The Combatant Command will exercise general supervision over the in-country operations and activities of the team through the SCO. The SCO will provide operational oversight and administrative support to the deployed team.
- b. Team personnel will not engage in or provide assistance or advice to the Benefitting Country in a combat or potential combat situation.
- c. U.S military team members will perform the duties of their office with the title and rank that they hold and will wear proper, corresponding uniform and insignia or civilian clothing, as prescribed by the U.S. Senior Defense Official (SDO) in country; civilian members will hold the precedence assigned by the Team Chief in accordance with their Civil Service grade.

3. Transportation In-country:

- a. Transportation arrangements for the team may be made by the SCO, but will be funded by this LOA.
- b. Rental/lease of vehicle(s), or commercial airline transportation within the Benefitting Country, should that be necessary for team support, will be charged to this LOA.
- c. For short periods/distances in-country, the SCO may arrange and/or provide a vehicle or other appropriate means of transportation. Maintenance of vehicle(s), fuel, insurance, oils, and lubricants will be charged to this LOA."

## State Department Directed FMF Procurement Purchase and Funds Usage

### Note Usage

Mandatory for State Department Directed FMF Procurement LOAs.

Mandatory for Amendments and Modifications to State Department Directed FMF Procurement LOAs if the note was previously not included on the implemented version of the case.

### Note Input Responsibility

CWD

### Note Text

"Funds will not be used to cover any other activities beyond those specified in the State Department Memorandum to DSCA without conferring with the State Department to ensure consistency with policy, Congressional Notification, and Reporting."