



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

MAY 12 2006

In reply refer to:  
I-06/006029-POL

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Assignment of Code "B4" for National Defense Authorization Act for Fiscal Year 2006 (PL 109-163), Section 1206 – Security Assistance Management Manual (SAMM) E-Change 53 (DSCA Policy 06-28)

Effective immediately, SAMM Table C4.T2., Country, International Organization, and Regional Codes and FMS Eligibility, is updated to add code "B4" to track funds provided under National Defense Authorization Act for Fiscal Year 2006 (PL 109-163), Section 1206. The Defense Security Cooperation Agency must authorize use of this code for pseudo Letters of Offer and Acceptance documents. The following information applies:

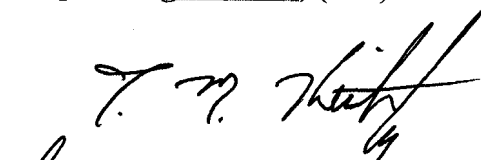
Organization	FMS Code	Combatant Command 1	Regional Grouping 2	FMS AECA Eligible 3	Term of Sale-Dependable Undertaking Authorized	Accel. Case Closure Eligible	EDA Grant Eligible
National Defense Authorization Act for Fiscal Year 2006 (PL 109-163), Section 1206	B4	NR	NR	No	No	N/A	N/A

This change will be included in the automated version of the SAMM found on the DSCA Web Page as SAMM E-Change 53.

Procedures for pseudo LOAs to be authorized and funded pursuant to section 1206 of PL 109-163 are similar to those found in SAMM, Chapter 11, C11.3., Counter-Narcotics Assistance National Defense Authorization Acts, Sections 1004 and 1033. Attached are specific LOA notes and case preparation instructions for section 1206 programs funded with appropriations available to the Department of Defense for obligation in FY 2006.

If you have any questions concerning the attached guidance for preparing section 1206 pseudo LOAs, please contact Ms. Kathy Robinson, STR/POL, [kathy.robinson@dscamail](mailto:kathy.robinson@dscamail), (703) 601-4368 or Ms. Patricia Higgins, DBO/FPS, [patricia.higgins@dscamail](mailto:patricia.higgins@dscamail),

(703) 604-6570. The overall point of contact for PL 109-163, Section 1206 programs is Mr. Robert Presler, PGM/MGT, [robert.presler@dscamilitary.com](mailto:robert.presler@dscamilitary.com), (703) 604-6648.

  
for Freda J. Lodge  
Principal Director  
Strategy

Attachment:  
As stated

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**Instructions for Preparing Section 1206 of PL 109-163**  
**Pseudo Letters of Offer and Acceptance (LOAs)**

Procedures for section 1206 pseudo LOAs are similar to those found in SAMM, Chapter 11, C11.3., Counter-Narcotics Assistance National Defense Authorization Acts, Sections 1004 and 1033. LOA notes and instructions for section 1206 pseudo LOAs are listed below. These instructions are for section 1206 programs funded with FY 2006 Department of Defense-Wide Operation and Maintenance.

<b>Instructions for Preparing a Section 1206 of PL 109-163 Pseudo LOAs</b>
1. Case Identifier. DSCA (Strategy Directorate) will assign a case identifier composed of country code (e.g., "B4"), Implementing Agency code of the DoD Component providing the support, and a case designator assigned by DSCA (Strategy Directorate).
2. Nickname Field. The country/organization receiving the support and the pseudo case authority and the text "(Non-AECA)" (e.g., Bandaria, PL 109-163, Sec 1206 (Non-AECA)) are identified in the "nickname" field on the pseudo LOA.
3. Purchaser's Reference Field. Include the following statement below in the Purchaser's Reference Field of the Customer Request: "Based on the written request provided by the section 1206 of PL 109-163 Program Originator [insert Program Originator's name (e.g., Department of State, Combatant Commands, etc.)] to Defense Security Cooperation Agency, dated [insert date of written request]. The Arms Export Control Act (AECA) does not apply. The legal authority is section 1206 of PL 109-163. See Note [insert LOA note number] for additional information."
4. Terms of Sale Field. The Term of Sale for section 1206 Pseudo LOAs is Cash with Acceptance.
5. Authority Field. Insert "Section 1206 of Public Law 109-163."
6. Purchaser Signature Field (Customer Signatory Name on Distribution Tab of Case Detail). Insert the authority and the statement that no purchaser signature is required (e.g., section 1206, PL 109-163 (Non-AECA - No Purchaser Signature Required)).
7. Purchaser Mailing Address. Insert "Department of Defense".
8. MASL. Use valid existing MASLs for items being transferred or contact DSCA to approve new MASLs, if required.
9. Delivery Term Code. Use Delivery Term Code for Defense Transportation System (DTS) for section 1206 of PL 109-163 Pseudo LOAs, unless the written request specifies otherwise.

LOA Notes for Section 1206 of PL 109-163 Pseudo LOAs		
Note Name	Note Usage	Note Text
Authority for Sale – Section 1206 of PL 109-163 Programs	Mandatory for all section 1206 of PL 109-163 Pseudo LOAs for FY 2006.	“This sale is made under the authority of section 1206 of PL 109-163. Any reference in this Letter of Offer and Acceptance to the United States Arms Export Control Act, to defense articles, and to defense services shall be construed instead to be a reference to section 1206 of PL 109-163. Any reference in this LOA to “purchaser” shall be construed as a reference to the Department of Defense.”
Case Closure – Section 1206 of PL 109-163 Programs	Mandatory for all section 1206 of PL 109-163 Pseudo LOAs for FY 2006.	“This case must be fully reconciled and closed by <b>[enter the date the appropriation closes or as cited by the requestor].</b> ”
Funds Purpose, Availability, and Amount – Section 1206 of PL 109-163 Programs	Mandatory for all section 1206 of PL 109-163 Pseudo LOAs for FY 2006.	<p>“Funds Purpose, Availability and Amount.” The funds financing this Pseudo Letter of Offer and Acceptance (LOA) are expiring funds and are subject to all the requirements and restrictions under the heading of section 1206 of PL 109-163. The funds provided are in support of authority to build the capacity of foreign military forces and carry the same time, purpose, and availability restrictions associated with the fund source 9760100, DoD Defense-Wide Operation and Maintenance. <b>[Note: If funds other than 9760100 are made available to fund this authority, then substitute the valid appropriation].</b></p> <p>a. Failure to obligate FY 2006 DoD Defense-Wide Operation and Maintenance funds during the period of availability ending on 30 September 2006 will render them unavailable for new obligations after that date.</p> <p>b. FY 2006 DoD Defense-Wide Operation and Maintenance funds must be expended on or before 30 September 2011.</p> <p>c. Total funds available for expenditure against this Pseudo LOA are limited to the value of <b>[insert dollar value]</b>.</p> <p>d. Amendments or Modifications to this Pseudo LOA are only authorized with DSCA written approval.”</p>