



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

AUG 27 2007

In reply refer to:
 I-07/011292-POL

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Revision to Codes "B6" and "B7" for Afghanistan Security Forces Fund (ASFF) and Iraq Security Forces Fund (ISFF) Letters of Offer and Acceptance (LOAs), DSCA Policy 07-30 [SAMM E-Change 84]

Effective immediately, SAMM Table C4.T2., Country, International Organization, and Regional Codes and FMS Eligibility, is updated to revise code "B6" to track funds provided under the Fiscal Year 2007 Department of Defense Appropriations Act, Public Law 109-289, September 29, 2006, for the Afghanistan Security Forces Fund (ASFF) as supplemented by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28), May 25, 2007. Code "B7" will be used to track funds provided under this law for the Iraq Security Forces Fund (ISFF). The Defense Security Cooperation Agency must authorize the use of and assign the designators for these codes for preparation of LOAs.

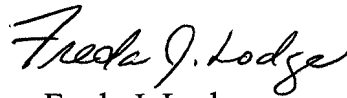
The following information applies:

Organization	FMS Code	Combatant Command 1	Regional Grouping 2	FMS AECA Eligible 3	Term of Sale - Dependable Undertaking Authorized	Accel. Case Closure Eligible
Fiscal Year 2007 DoD Appropriations Act (Public Law 109-289) (Sep 29, 2006) as supplemented by PL 110-28 (May 25, 2007) Afghanistan Security Forces Fund	B6	CE	NR	No	No	N/A
Fiscal Year 2007 DoD Appropriations Act (Public Law 109-289) (Sep 29, 2006) as supplemented by PL 110-28 (May 25, 2007) Iraq Security Forces Fund	B7	CE	NR	No	No	N/A

This change will be included in the automated version of the SAMM found on the DSCA Web Page as SAMM E-Change 84 and rescinds DSCA Policy 07-25, SAMM E-Change 82, "Assignment of Codes "B8" and "B9" for Afghanistan Security Forces Fund (ASFF) and Iraq Security Forces Fund (ISFF) Letters of Offer and Acceptance (LOAs)." The change was needed to better facilitate execution of these programs.

The procedures for pseudo LOAs to be authorized and funded using ASFF and ISFF are similar to those found in SAMM, Chapter 11, C11.3., Counter-Narcotics Assistance National Defense Authorizations Acts, Sections 1004 and 1033 and originally provided under DSCA Policy 06-50; however, certain references to the Arms Export Control Act are revised. Attached are specific case preparation instructions, to include LOA notes, for these requirements using the ASFF and ISFF, which are available for obligation until 30 September 2008.

If you have questions concerning the attached guidance, please contact Ms. Kathy Robinson, STR/POL, kathy.robinson@dscamail, (703) 601-4368.



Freda J. Lodge
Principal Director
Strategy

Attachment
As Stated

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Instructions and LOA Notes for Preparing Pseudo Letters of Offer and Acceptance (LOAs)
Public Law 109-289 as Supplemented by Public Law 110-28
Afghanistan and Iraq Security Forces Fund

Procedures for Public Law 109-289, as supplemented by Public Law 110-28 pseudo LOAs are similar to those in SAMM, Chapter 11, C11.3., Counter-Narcotics Assistance National Defense Authorizations Acts, Sections 1004 and 1033. If using other than full and open competition, since these pseudo LOAs are not signed by the FMS purchaser and do not involve an agreement with the foreign government, the authority of Title 10 United States Code 2304 (c) (4), implemented by the Federal Acquisition Regulation (FAR) 6.302-4, International Agreement (directed source), cannot be used to justify sole source requirements. Any sole source purchases must be justified and approved in accordance with other statutory authority such as Title 10 U.S.C. 2304(c)-1 or Title 10 U.S.C. 2304(c)- 2 using procedures applicable to United States Government appropriated-funded purchases.

Instructions for Preparing PL 109-289, as supplemented by PL 110-28, Pseudo LOAs
1. Case Identifier. DSCA (Strategy Directorate) will assign a case identifier composed of country code (e.g., “B6” for Afghanistan; “B7” for Iraq), 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-FMS)” (e.g., ASFF or ISFF, PL 109-289 and PL 110-28, (Non-FMS)) are identified in the “nickname” field on the pseudo LOA. Since ASFF has three internal customers, Afghanistan National Army (ANA), Afghanistan National Police (ANP), and Detainee Operations (DO), ASFF cases should be identified as ASFF/ANA, ASFF/ANP, or ASFF/DO, PL 109-289 and PL 110-28 (Non-FMS).
3. Purchaser’s Reference Field. Include the following statement below in the Purchaser’s Reference Field of the Customer Request: “Based on funds provided and the request of Program Originator [insert Program Originator’s name (e.g., MNSTC-I, CSTC-A, Combatant Commands, etc.)] to the Defense Security Cooperation Agency, dated [insert date of written request]. The legal authority is PL 109-289 (FY 07 Department of Defense Appropriations Act) as supplemented by PL 110-28 (FY07). See Note [insert LOA note number] for additional information.” (Note: We have removed the phrase “The Arms Export Control Act (AECA) does not apply”).
4. Terms of Sale Field. The Term of Sale for ASFF and ISFF pseudo LOAs is Cash with Acceptance
5. Authority Field. Insert “PL109PL110” (in DSAMS only)
6. Authority Fiscal Year. Insert “FY 2007” (in DSAMS only)
7. 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., “PL 109-289 and PL 110-28 (Non-FMS – No Purchaser Signature Required).”
8. Purchaser Mailing Address. Insert “Department of Defense.”
9. MASL. Use valid existing MASLs for items being transferred or contact DSCA to approve new MASLs, if required.
10. Delivery Term Code. Use Delivery Term Codes for Defense Transportation System (DTS) through final destination.

LOA Notes for PL 109-289, as supplemented by PL 110-28, Pseudo LOAs		
Note Name	Note Usage	Note Text
Authority for Sale PL 109-289 Programs as supplemented by PL 110-28	Mandatory for all PL 109-289 as supplemented by PL 110-28 Pseudo LOAs.	“This sale is made under the authority of PL 109-289 as supplemented by PL 110-28. 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 PL 109-289 as supplemented by PL 110-28. Any reference in this LOA to “purchaser” shall be construed as a reference to the Department of Defense.”
Case Closure PL 109-289 Programs as supplemented by PL 110-28	Mandatory for all PL 109-289 as supplemented by PL 110-28 Pseudo LOAs.	“This case must be fully reconciled and closed by 30 September 2013.”
Funds, Purpose, Availability, and Amount PL 109-289 Programs as supplemented by PL 110-28	Mandatory for all PL 109-289 as supplemented by PL 110-28 Pseudo LOAs.	<p>“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 PL 109-289 as supplemented by PL 110-28. The funds provided carry the same time, purpose, and availability restrictions associated with fund source [insert 21 7/8 2091 for Afghanistan Security Forces Fund], or [21 2007 2092 for Iraq Security Forces Fund].</p> <p>a. Failure to obligate the funds during the period of availability ending on 30 September 2008 will render them unavailable for new obligations after that date.</p> <p>b. All funds must be expended on or before 30 September 2013.</p> <p>c. Total funds available for expenditure against this Pseudo LOA are limited to the value of [insert dollar value].</p> <p>d. Amendments or Modifications to this Pseudo LOA are only authorized with DSCA written approval.”</p>

Nonrecurring Costs – USG Appropriation	Mandatory for LOAs when an NC charge applies but the case is financed by a USG appropriation. Mandatory for Amendments or Modifications when the case is financed by a USG appropriation and: (1) line items are added and the NC charge applies to the new lines; or (2) quantities are increased on line items where an NC charge applies. See Chapter 9, C9.4.5.	“Nonrecurring Costs (NC) apply to line item(s) [insert line item numbers] of this case. These charges are not included on this case because the case is financed with a USG appropriation.”
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