



DEFENSE SECURITY COOPERATION AGENCY

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MAY 16 2011

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

SUBJECT: Assignment of Program Code "H3" for Fiscal Year (FY) 2011 Iraq Security Forces
Fund (ISFF), DSCA Policy 11-30, [SAMM E-Change 185]

Program Code "H3" is assigned to track ISFF provided under the Department of Defense and Full Year Continuing Appropriations Act, 2011 (P.L. 112-10) and used for services and equipment that are authorized for 100% ISFF funding, as provided by the Ike Skelton National Defense Authorization Act (NDAA), 2011, (P.L. 111-383). Authorized items include items of significant military equipment (SME) and items on the U.S. Munitions List (USML).

FY11 ISFF (H3) funds will remain available until September 30, 2012. As a matter of policy, all H3 Letters of Offer and Acceptance (LOA) documents should be expended, as well as fully reconciled and closed, on or before July 31, 2017.

Instructions and notes for preparation of FY11 ISFF (H3) LOAs are attached to this memorandum. The following program information for FY11 ISFF is provided for use in preparation of LOAs and other case documentation.



FY11 ISFF Program Information

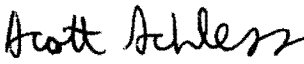
Program	Code	Authority	Purpose	Fund Source	Expire FY	Cancel FY
ISFF	H3	P.L. 111-383, P.L. 112-10	To provide assistance to the security forces of Iraq	21-11-2092	2012	2017

Chapter 4, Table C4.T2. in the automated version of the SAMM found on the DSCA Web Page is updated as follows, as SAMM E-Change 185:

Organization	FMS Code	Combatant Command 1	Regional Grouping 2	FMS AECA Eligible 3	Accel. Case Closure Eligible
Ike Skelton National Defense Authorization Act, 2011 (Public Law 111-383) and Department of Defense (DoD) and Full Year Continuing Appropriations Act (CAA), 2022 (Public Law 112-10), Iraq Security Forces Fund (ISFF)	H3	CE	NR	AECA Only	N/A

Notwithstanding SME and USML items, P.L. 111-383 stipulates that FY11 ISFF shall generally be used on a cost share basis to fund no more than 80% of services and equipment sold to Iraq. These sales will be developed and tracked using the FMS "IQ" country code. Guidance on the development of split-funded IQ cases will be issued in a separate policy memo.

If you have any questions concerning this guidance, please contact Ms. Marie Kokotajlo, DSCA-STR/POL, marie.kokotajlo@dscamail, (703) 604-1107, or Ms. Michele Kennedy, DSCA-DBO/FPIO, Michele.kennedy@dscamail, (703) 604-6578.


 Scott Schless
 Principle Director
 Strategy

Attachment:
As stated

Instructions and Notes for Preparing FY11 ISFF (H3) LOAs

Any sole source purchases must be justified and approved in accordance with statutory authority found in Title 10 U.S.C. using procedures applicable to United States Government appropriated-funded purchases. However, contracts to carry out a pseudo LOA 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.

Instructions for Preparing FY11 ISFF (H3) LOAs

<p>1. Case Identifier. Enter the unique case identifier assigned by DSCA (Strategy Directorate). This will be composed of the Program Code (H3), the single-digit Implementing Agency code of the DoD Component providing the support, and a three-letter case designator.</p>
<p>2. Purchaser’s Reference. Enter “Based on funds provided and the written request from [enter Program Originator’s name (e.g., USF-I) and the LOR/MOR reference number] to the Defense Security Cooperation Agency, dated [insert date of request].”</p>
<p>3. Nickname Field. Enter the Benefitting Country, the Program, the Authority, and then the text “(non-FMS)” (e.g., “Iraq, ISFF, PL 111-383/PL 112-10 (non-FMS)”).</p>
<p>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. Any case with an OED which is earlier than 60 days out must include a Short OED note.</p>
<p>5. Terms of Sale. Select “Cash With Acceptance.”</p>
<p>6. Authority Field. Select “ISFF112-10” This field only appears in DSAMS</p>
<p>7. Authority Fiscal Year. Select “FY 2011.” This field only appears in DSAMS.</p>
<p>8. S1 Description Field. Enter the Benefitting Country’s country or activity code (i.e., IQ) followed by a dash, and then a short description of the articles and services being provided. (This field allows no more than 45 characters.)</p>
<p>9. Purchaser Mailing Address (on the Distribution Tab of the DSAMS Case Detail window). Select “Department of Defense.”</p>
<p>10. Customer Signatory Name. Enter “PL 111-383/PL 112-10 (Non-FMS – No Purchaser Signature Required).”</p>
<p>11. Benefitting Country (BC). Select “IQ” for each line.</p>
<p>12. Description/Condition Field. For each line item, select the applicable Military Articles and Services List (MASL). Contact DSCA (Business Operations) to receive new MASLs.</p>
<p>13. Delivery Term Code. Select DTC 7 or 9, whichever will provide shipment all the way into the Benefitting Country. Contact DSCA (Strategy) for approval to use any other DTC.</p>

Notes for FY11 ISFF (H3) LOAs

Name	Usage	Text
Authority for Sale – FY11 ISFF	Mandatory for all FY11 ISFF LOAs	“This sale is made under the authority of P.L. 111-383/P.L. 112-10 and the United States Arms Export Control Act (AECA). Any reference in this LOA to the United States AECA, to defense articles, and to defense services shall be construed instead to be a reference to P.L. 111-383/P.L. 112-10 and the AECA. Any reference in this LOA to “purchaser” shall be construed as a reference to the Department of Defense.”
Case Closure – FY11 ISFF	Mandatory for all FY11 ISFF LOAs	“This case must be fully reconciled and closed by July 31, 2017.”
Funds Expiration, Purpose, Availability and Amount – FY11 ISFF	Mandatory for all FY11 ISFF LOAs	<p>“The funds financing this LOA are provided in support of authority to provide assistance to the security forces of Iraq and are subject to all the requirements and restrictions under the heading of P.L. 111-383/P.L. 112-10.</p> <ul style="list-style-type: none"> a. The funds carry the same time, purpose, and availability restrictions associated with fund source 21-11-2092. b. Failure to obligate the funds during the period of availability ending on September 30, 2012, will render them unavailable for new obligations unless a subsequent authority extends the period of availability. All funds must be expended on or before July 31, 2017. c. The total funds available for expenditure against this LOA are limited to the value of [insert LOA dollar value].”

Name	Usage	Text
Nonrecurring Costs – USG Appropriation	<p>Mandatory for LOAs when an NC charge has been established, but the case is financed by a USG appropriation.</p> <p>Mandatory for Amendments or Modifications when the case is financed by a USG appropriation and line item(s) for which an NC charge has been established are added or changed (See Ch. 9, C9.4.5.)</p>	<p>“Nonrecurring Costs (NC) have been established for line item(s) [insert line item numbers]. These charges are not included on this case because the case is financed with a USG appropriation.”</p>
Title and Custody Transfer - FY11 ISFF	Mandatory for all FY11 ISFF LOAs	<p>“The U.S. Government will retain title to and custody of the defense articles to be transferred under the authority of P.L. 111-383/P.L. 112-10 until delivery/receipt by the recipient country. A designated U.S. Government representative will confirm and document delivery/receipt of the program materiel to an authorized recipient country representative or agent. The U.S. Government representative will keep documentation showing when, where, and to whom delivery was made and will provide a copy of this documentation to the Defense Security Cooperation Agency and the Implementing Agency.”</p>