



DEFENSE SECURITY COOPERATION AGENCY
2800 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2800

06 FEB 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.

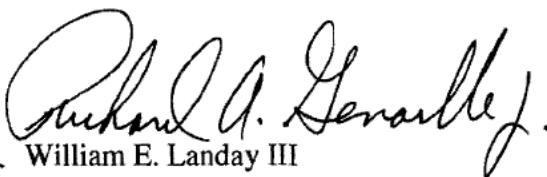
Instructions and Notes for SDD FMF LOA development are attached and should be reviewed carefully because of the unique characteristics of the SDD FMF Procurement program. The SDD FMF Procurement LOA Notes will be added to the Security Assistance Management Manual Appendix 6, LOA Notes.

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.

For 
 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".

#	Field	Description
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.
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"> 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. b) Benefitting Countries. Implementing Agency will list all approved Benefitting Countries in the applicable line note(s).
18	Official Case File	IA will ensure a copy of the DoS Memorandum to DSCA is retained in the official case file