



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

27 MAR 2018

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, SECURITY ASSISTANCE, 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:** Update to Program Code “7M” used to track FY 2018 DSCA Operation and Maintenance Funds and assignment of “7F” to track FY 2018/2019 DSCA Operation and Maintenance Funds Executed Pursuant to the Section 333 Build the Capacity of Foreign Security Forces Program, DSCA Policy 18-19 [SAMM E-Change 380]

Effective immediately, Program Code “7M” is updated to track FY 2018 (one year Base Operation and Maintenance (O&M)) funds and “7F” is assigned to track FY 2018/2019 (two year Base O&M) to be executed under the authority of Section 333 of Title 10, United States Code. Funds are provided under Division C of the Consolidated Appropriations Act, 2018 (P.L. 115-141); “7M” will remain available for obligation until September 30, 2018 and “7F” will remain available until September 30, 2019.

Changes to DSCA’s appropriated budget provided under the Consolidated Appropriations Act, 2018 necessitate the update to program code “7M” and the creation of “7F.” Roughly 75% of DSCA’s Base budget transitioned from two year O&M funding and reverted back to one year O&M funds. To prevent a large amount of rework and execution delays, all “7M” cases already in development will be updated to reflect 1 year Base O&M funding. Management and execution of FY 2018 and FY 2018/2019 “7M” and “7F” programs will comply with guidance provided in the Security Assistance Management Manual (SAMM), Chapter 15.

The SAMM Table C4.T2B., Security Cooperation (SC) Customer and Regional Codes and FMS Eligibility, is updated as follows:

Organization	SC Code	Combatant Command \1	Regional Grouping \2	FMS AECA Eligible \3	Accel. Case Closure Eligible
Section 333 of Title 10, United States Code, FY 18 (1 Year Base O&M)	7M	NR	NR	AECA Only	No
Section 333 of Title 10, United States Code, FY 18/19 (2 Year Base O&M)	7F	NR	NR	AECA Only	No

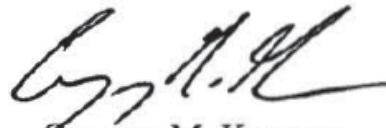
The appropriation available for “7M” and “7F” Letters of Offer and Acceptance (LOAs) is recorded in the SAMM, Table C15.T2, Appropriation Authority column, and shall be cited on each “7M” and “7F” LOA in the Funds Expiration, Purpose, Availability, and Amount note.

The SAMM Table C15.T2, Building Partnership Capacity (BPC) Programs and Authorities, is updated to include the following:

Program	Pgm Code	Program Authority	Purpose	Fund Source	Appn Authority	Funds Availability Ends on September 30	Funds Cancel on September 30
Section 333, FY 18 (	7M	10 U.S.C. Sec. 333	Build the capacity of foreign security forces per the functional capabilities listed in 10 USC Section 333	97 18 0100	P.L. 115-141	2018	2023
Section 333, FY 18	7F	10 U.S.C. Sec. 333	Build the capacity of foreign security forces per the functional capabilities listed in 10 USC Section 333	97 18/19 0100	P.L. 115-141	2019	2024

Instructions for preparation of “7M” and “7F” LOA documents are found in the SAMM, Table C15.5. Attached is the “Section 333 Availability of Funds Across Fiscal Years” case note and updated language for the “Associated Letters of Offer and Acceptance” that have been added to the SAMM, Appendix 6, LOA Notes Listing. Funding associated with “7M” and “7F” LOAs will be fully expended and “7M” and “7F” cases will be reconciled and closed as soon as possible, but no later than two months before the funds cancellation date.

If you have any questions concerning this guidance, please contact Ms. Caroline Chin, DSCA-STR/SPI, caroline.s.chin.civ@mail.mil, (703) 697-9073.



Gregory M. Kausner

Deputy Director

Attachment:  
Program Specific Case Notes

cc:

USAFRICOM  
USCENTCOM  
USEUCOM  
USNORTHCOM  
USSOUTHCOM  
USPACOM  
USTRANSCOM  
USSOCOM  
STATE/PM-RSAT  
USASAC  
SATFA  
TRADOC  
NAVSUP WSS  
NETSAFA  
AFSAC  
AFSAT  
DISAM  
MARCOR IP  
SCETC  
USCG International Affairs (G-CI)

## Program Specific Case Notes

### Section 333 Availability of Funds Across Fiscal Years

#### Note Usage

-FMS- no

-BPC- yes

-Mandatory for LOAs that utilize the Section 333 authority. Mandatory for any Modifications and Amendments if not included on the basic case.

#### References

DSCA Policy Memo 16-38

DSCA Policy Memo 17-50

#### Note Input Responsibility

CWD

#### Note Text

For the Full Operational Capability (FOC) authority to apply to this Section 333 program, the U.S. Government must receive the major end items for the program before the end of the fiscal year after the fiscal year in which funds are first obligated. Every effort will be made to deliver equipment to support the program to the US Government no later than the end of the fiscal year after the fiscal year in which funds are first obligated. The goal is to deliver articles to the partner nation within 120 days after delivery of the articles to the U.S. Government or as soon as practical.

Under FOC, the provision of defense articles, training, defense services, supplies and small-scale military construction associated with delivered equipment may commence upon financial implementation of the case and may continue into the next two full fiscal years after delivery of the equipment to the partner; but must conclude before the end of that second fiscal year. Defense articles, services, or training associated with major end items provided under this program that support the achievement of FOC may include, but are not limited to: other supporting defense articles, field service representatives; contractor logistics support; small-scale military construction (subject to separate limits); and Defense Institute for International Legal Studies training to promote respect for human rights, fundamental freedoms and respect for civilian control of the military, and new equipment/initial operator training.

If the U.S. Government does not receive the major end items for the program before the end of the fiscal year after the fiscal year of first obligation, the program does not qualify for FOC and must revert to the reduced period of performance authorized under the cross fiscal year authority.

Under the cross fiscal year authority, the period of performance for the program begins when the program incurs its first financial obligation and must conclude no later than the end of the second fiscal year thereafter.

### **Associated Letters of Offer and Acceptance**

#### **Note Usage**

-FMS- no

-BPC- yes

-Mandatory for LOAs that utilize the Full Operational Capability provision of the Section 2282 or 333 authority. Mandatory for any Modifications and Amendments if not included on the basic case.

#### **References**

DSCA Policy Memo 16-38

DSCA Policy Memo 17-50

#### **Note Input Responsibility**

IA

#### **Note Text**

Varies. Use the following template:

"This Letter of Offer and Acceptance (LOA) supports the Congressionally Notified program for [Country- Program Title], executed under authority of Title 10 United States Code, Section [2282 or 333]. This LOA is managed by [Program Office] and provides [the major end item], the delivery of which determines if the Full Operational Capability provision applies to the [Program Title] program."