



**DEFENSE SECURITY COOPERATION AGENCY**

WASHINGTON, DC 20301-2800

**MAY 21 2008**

In reply refer to:  
USP007344-08

**MEMORANDUM FOR SEE DISTRIBUTION**

**SUBJECT:** Assignment of Code "B8" for Fiscal Year (FY) 2008 Section 1206 of PL 110-181 for the Pakistan Frontier Corps Program, DSCA Policy 08-17 [SAMM E-Change 109]

**REFERENCE:** DSCA Memorandum, January 11, 2008, Subject: Assignment of Code "B8" for Fiscal Year (FY) 2008 Section 1206 Programs, DSCA Policy 08-02

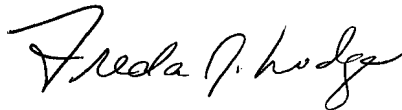
The referenced memorandum contains procedural guidance for documents pertaining to the FY 2008 Section 1206 program. This policy memorandum augments the referenced guidance regarding the preparation of FY 2008 Section 1206 Letters of Offer and Acceptance (LOAs) for the Pakistan Frontier Corps. Effective immediately, SAMM Table C4.T2., (Country, International Organization, and Regional Codes and FMS Eligibility), is updated to include using the previously established code "B8" to track funds provided for the Pakistan Frontier Corps, authorized by the National Defense Authorization Act for Fiscal Year 2008 (PL 110-181), Section 1206. This public law pertains only to the limited number of LOA documents prepared for the Pakistan Frontier Corps and not for all Section 1206 programs. The Defense Security Cooperation Agency must authorize use of this code for Pseudo LOA documents. The following information applies:

<b>Organization</b>	<b>FMS Code</b>	<b>Combatant Command 1</b>	<b>Regional Grouping 2</b>	<b>FMS AECA Eligible 3</b>	<b>Term of Sale-Dependable Undertaking Authorized</b>	<b>Accel. Case Closure Eligible</b>
National Defense Authorization Act for Fiscal Year 2007 PL 109-364, Section 1206; and National Defense Authorization Act for Fiscal Year 2008 PL 110-181, Section 1206 for the Pakistan Frontier Corps	B8	NR	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 109.

Procedures for FY 2008 Pseudo LOA documents authorized and funded pursuant to Section 1206 of PL 110-181 are the same as those followed for the Section 1206 program extended into FY 2008 by PL 109-364. Attached are specific LOA notes and instructions for Section 1206, Pakistan Frontier Corps Pseudo LOA documents funded with appropriations available to the Department of Defense for obligation in FY 2008.

If you have any questions concerning the attached guidance for preparing Section 1206 Pseudo LOAs, please contact Mr. Kidd Manville, STR/POL, [kidd.manville@dsc.mil](mailto:kidd.manville@dsc.mil), (703) 604-6594. The overall point of contact for section 1206 programs is Mr. Robert Presler, PGM/MGT, [robert.presler@dsc.mil](mailto:robert.presler@dsc.mil), (703) 604-6648.



Freda J. Lodge  
Principal Director  
Strategy

Attachment:  
As stated

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**Instructions for Preparing Section 1206 of PL 110-181**  
**Pseudo Letters of Offer and Acceptance (LOAs)**

LOA preparation instructions and applicable notes for FY 2008 Section 1206 (Authority to Build the Capacity of the Pakistan Frontier Corps) Pseudo LOA documents financed with FY 2008 Department of Defense Operation and Maintenance funds are listed below. These instructions and applicable notes only pertain to the LOAs prepared for the Pakistan Frontier Corps and are not for all Section 1206 programs.

<b>Instructions for Preparing Section 1206 of PL 110-181 Pseudo LOAs</b>
1. Case Identifier. DSCA (Strategy Directorate) will assign a case identifier composed of country code (e.g., "B8"), 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., Pakistan Frontier Corps, PL 110-181, Sec 1206 (Non-FMS)) 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 110-181 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 legal authority is Section 1206 of PL 110-181. See Note [insert LOA note number] for additional information."
4. Term of Sale Field. The Term of Sale for Section 1206 Pseudo LOAs is Cash with Acceptance.
5. Authority Field. Insert "Public Law 110-181" (in DSAMS only)
6. Authority Fiscal Year. Insert "2008" (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., Section 1206, PL 110-181 (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. For Section 1206 of PL 110-181 Pseudo LOA documents, use the Delivery Term Code (DTC) for Defense Transportation System that will provide shipment all the way into recipient country. This is generally accomplished through DTC 7, unless DTC 9 suffices.
11. Offer Expiration Date. The Offer Expiration Date on the LOA should be no later than the last date the funds are required to ensure they are obligated prior to the funds expiring.

LOA Notes for Section 1206 of PL 110-181 Pseudo LOAs		
Note Name	Note Usage	Note Text
Authority for Sale – Section 1206 of PL 110-181 Programs	Mandatory for all Section 1206 of PL 110-181 Pseudo LOAs for FY 2008	“This sale is made under the authority of Section 1206 of PL 110-181. 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 110-181 and to the Arms Export Control Act. Any reference in this LOA to “purchaser” shall be construed as a reference to the Department of Defense.”
Case Closure – Section 1206 of PL 110-181 Programs	Mandatory for all Section 1206 of PL 110-181 Pseudo LOAs for FY 2008	“This case must be fully reconciled and closed by 30 September 2013.”
Funds Expiration, Purpose, Availability, and Amount – Section 1206 of PL 110-181 Programs	Mandatory for all Section 1206 of PL 110-181 Pseudo LOA documents for FY 2008	<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 Section 1206 of PL 110-181. 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 9780100, DoD Operations and Maintenance (O&amp;M) or other funds that may be available for use in FY 2008.</p> <p>a. Failure to obligate FY 2008 O&amp;M funds during the period of availability ending on 30 September 2008 will render them unavailable for new obligations after that date.</p> <p>b. FY 2008 O&amp;M funds must be obligated by 30 September 2008 and 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 <b>[insert dollar value]</b>.</p> <p>d. Amendments or Modifications to this Pseudo LOA are only authorized with DSCA written approval.”</p>

LOA Note for Section 1206 of PL 110-181 Pseudo LOAs		
Note Name	Note Usage	Note Text
Title and Custody Transfer – Section 1206 of PL 110-181 Programs	Mandatory for all Section 1206 of PL 110-181 Pseudo LOA documents for FY 2008	“The U.S. Government will retain title to and custody of the defense articles to be transferred under the authority of Section 1206 of PL 110-181 (hereinafter “1206 program materiel”) until delivery to the recipient country. A designated U.S. Government representative will confirm and document delivery of the 1206 program materiel to an authorized recipient country representative or agent. This 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 <b>[insert U.S Army Security Assistance Command, Navy International Programs Office, or Secretary of the Air Force/International Affairs].</b> ”
Nonrecurring Costs – USG Appropriation	Mandatory for LOAs when an NC charge has been established but the case is financed by the 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 has been established on the new lines; or (2) quantities are increased on line items where an NC charge has been established. See Chapter 9, C9.4.5.	“Nonrecurring Costs (NC) have been established for 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.”