



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

10 SEP 2013

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
DEFENSE EXPORTS AND COOPERATION
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR
INTERNATIONAL PROGRAMS
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DIRECTOR, DEFENSE LOGISTICS INFORMATION
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DIRECTOR, DEFENSE LOGISTICS AGENCY
DISPOSITION DEPUTY
DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY

SUBJECT: Defense Security Cooperation Agency (DSCA) Policy for Security
Cooperation Organization (SCO) Housing - DSCA Policy 13-45.

It is DSCA policy that DSCA-funded (Foreign Military Sales (FMS) Administrative Surcharge Account funded) personnel assigned to SCOs utilize the Overseas Housing Allowance (OHA) whenever possible. OHA funds are appropriated annually by Congress specifically to fund military housing costs at rates established by the Defense Travel Management Office (DTMO). DTMO intensively manages the OHA program and housing rates worldwide to ensure that all military personnel and their command-sponsored dependents are afforded access to suitable housing. In unique situations, DSCA will provide the funding necessary to pursue alternative housing solutions. It should be recognized that the additional costs of U.S. embassy provided housing will place greater demand upon the FMS Administrative Surcharge Account,

potentially resulting in higher costs to our international partners through an increased surcharge on FMS cases.

The Director, DSCA, will grant case-by-case exceptions to this policy and approve funding for DSCA-funded SCO personnel participation in Embassy Leased Housing (ELH) where there are either (1) significant, validated force protection/security issues or (2) austere conditions/non-availability of adequate Western-style housing.

- (1) For force protection issues, the U.S. Chief of Mission (COM) must direct in writing that personnel under COM authority are required to use ELH due to documented security risks or bona fide force protection concerns. It must be noted that OHA has provisions to fund security upgrades to rented units. This force protection condition is intended to apply to more significant security situations in locations where assigned U.S. personnel are located in consolidated housing compounds with additional U.S. embassy managed security provisions.
- (2) In some countries, a dearth of Western-style housing does not allow an active market suitable to rental accommodations. Generally in these situations, the host nation's developing infrastructure does not meet westernized standards; therefore, the U.S. mission must take extraordinary steps to centrally obtain and manage housing in long-term lease situations for member assigned to the mission.

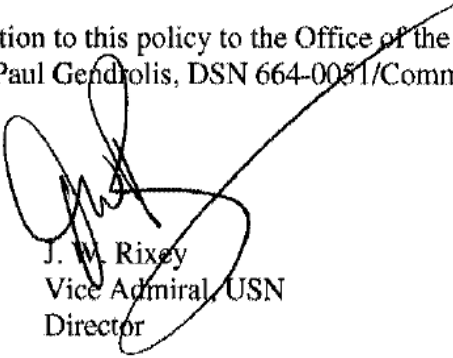
When either of these conditions is satisfied, the SCO may request through the Geographic Combatant Command (GCCMD) approval from DSCA to fund the transfer of SCO personnel into ELH. In the request, the GCCMD shall validate the threat level with corresponding security requirements and/or non-availability of adequate Western-style housing. The GCCMD request needs to also contain the estimated one-time transition costs, as well as the estimated annual costs, of ELH and the desired timeframe for transition.

DSCA is extremely sensitive to SCO quality of life considerations since they directly impact mission effectiveness of personnel. In collaboration with the GCCMDs, we will take whatever measures are available within the constraints of the FMS Administrative Surcharge Account to maximize quality of life for SCOs to optimize mission effectiveness. The financial considerations of ELH participation are significant and thus the housing status of SCOs worldwide is of tremendous interest to DSCA's management of the FMS Administrative Surcharge Account. In cases where OHA is not employed and SCO personnel instead participate in ELH, all direct and indirect costs of housing must be funded from the FMS Administrative Surcharge Account (non-appropriated funds). This account is funded entirely by a surcharge assessed to international partners on FMS cases (currently 3.5% of the total value of the sale). Our FMS partners justly demand that we carefully manage these funds. Where local conditions warrant the additional costs of ELH, DSCA will provide the additional funding. However, absent the above-mentioned conditions, the significant costs of ELH are not viewed as an acceptable additional expense to be passed on to our FMS partners.

In some situations, the GCCMDs may support the COM's decision to transition to ELH, even in locations where neither criteria noted above have been satisfied. In those rare situations, additional funding for ELH will not be provided and, instead, DSCA will likely request the GCCMD internally fund higher housing costs through programmatic

reductions elsewhere to offset the increased burden on the FMS Administrative Surcharge Account and to avoid having to raise the FMS surcharge. Programmatic reductions may include reducing the number of DSCA-funded personnel serving in the GCCMD's area of responsibility. DSCA recognizes that each SCO location is unique, and we will continue to work closely with each GCCMD to ensure the SCO mission and assigned personnel are fully supported.

Please forward requests for exception to this policy to the Office of the Comptroller, Directorate of Business Operations, Mr. Paul Gendrolis, DSN 664-0051/Commercial (703) 604-0051, email: paul.gendrolis@dscamil.



J. W. Rixey
Vice Admiral, USN
Director

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