



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

20 DEC 2017

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: Assignment of Program Codes “7L” to track Fiscal Year (FY) 2018/2019 Overseas Contingency Operations Funds and “7M” 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 17-50 [SAMM E-Change 378]

Effective immediately, Program Code “7L” is assigned to track FY 2018/2019 Security Cooperation Overseas Contingency Operations (OCO) funds and “7M” is assigned to track FY 2018/2019 Operation and Maintenance (O&M) funds to be executed under the authority of Section 333 of title 10, United States Code. Funds are provided under Division A of the Further Continuing Appropriations Act, 2018 (P.L. 115-90) and will remain available until December 22, 2017. The availability of funds to support this case after December 22, 2017 is subject to the availability of appropriated funds.

Once the National Defense Authorization Act (NDAA) and appropriations bill for FY 2018 are enacted, the instructions for preparing “7L” and “7M” cases and Letter of Offer and Acceptance (LOA) notes and the Security Assistance Management Manual (SAMM) will be revised to cite the appropriate public laws. All implemented cases should be modified prior to case closure to reflect the 2018 NDAA authorization legislation and the full-year appropriations legislation.

Management and execution of FY 2018/2019 “7L” and “7M” programs will comply with guidance provided in the Security Assistance Management Manual (SAMM), Chapter 15.

The SAMM Table C4.T2, Country and International Organization Codes and FMS Eligibility, is updated as follows:

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

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

The SAMM Table C15.T2, Building Partnership Capacity (BPC) Program Codes and Authorities, is updated as follows:

Program	Pgm Code	Program Authority	Purpose	Fund Source	Appn Authority	Funds Availability Ends on September 30	Funds Cancel on September 30
Section 333, FY 18/19 (OCO)	7L	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. 115-90	December 22, 2017	December 22, 2024
Section 333, FY 18/19 (Base O&M)	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 18/19 0100	P.L. 115-90	December 22, 2017	December 22, 2024

Instructions for preparation of “7L” and “7M” 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 “7L” and “7M” LOAs will be fully expended and “7L” and “7M” 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.

A handwritten signature in blue ink that reads "Holly Haverstick". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Holly Haverstick
(Acting) Principal Director
Strategy

Attachment:
As Stated

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

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]. {XX-X-XXX} 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.”