



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

31 OCT 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: Assignment of Program Code “QC” to track Fiscal Year (FY) 2019 DSCA Operation and Maintenance (O&M) Funds, Program Code “QD” to track FY2019/2020 DSCA O&M Funds, and Program Code “QE” to track FY 2019/2020 Security Cooperation (SC) Overseas Contingency Operations (OCO) funds executed pursuant to the Section 333 Build the Capacity of Foreign Security Forces Program, DSCA Policy 18-57 [SAMM E-Change 406]

Effective immediately, Program Code “QC” is assigned to track FY 2019 (one year base O&M) funds, Program Code “QD” is assigned to track FY 2019/2020 (two year base O&M), and Program Code “QE” is assigned to track FY 2019/2020 (two year base SC OCO) funds – all to be executed under the authority of Section 333 of title 10, United States Code. Funds are provided under Division A of the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act and Continuing Appropriations Act, 2019 (P.L. 115-245); “QD” and “QE” will remain available for obligation until September 30, 2020.

Management and execution of FY 2019 and FY2019/2020 “QC”, “QD” and “QE” 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 19 (1 Year Base O&M)	QC	NR	NR	AECA Only	No
Section 333 of title 10, United States Code, FY 19/20 (2 Year Base O&M)	QD	NR	NR	AECA Only	No
Section 333 of title 10, United States Code, FY 19/20 (2 Year Base OCO)	QE	NR	NR	AECA Only	No

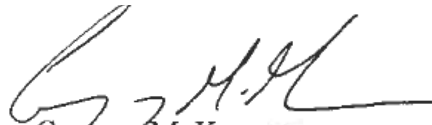
The appropriation available for “QC” and “QD” and “QE” Letters of Offer and Acceptance (LOAs) is recorded in the SAMM, Table C15.T2, Appropriation Authority column, and shall be cited on each “QC” and “QD” and “QE” LOA in the Funds Expiration, Purpose, Availability, and Amount note.

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, FY19 (1 Year Base O&M)	QC	10 U.S.C. Sec. 333	Build the capacity of foreign security forces per the functional capabilities listed in 10 USC Section 333	97 19 0100	P.L. 115-245	2019	2024
Section 333, FY 19/20 (2 Year Base O&M)	QD	10 U.S.C. Sec. 333	Build the capacity of foreign security forces per the functional capabilities listed in 10 USC Section 333	97 19/20 0100	P.L. 115-245	2020	2025
Section 333, FY 19/20 (2 Year Base OCO)	QE	10 U.S.C. Sec. 333	Build the capacity of foreign security forces per the functional capabilities listed in 10 USC Section 333	97 19/20 0100	P.L. 115-245	2020	2025

Instructions for preparation of “QC” and “QD” and “QE” LOA documents are found in the SAMM, Table C15.T5. 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 “QC” and “QD” and “QE” LOAs will be fully expended and “QC” and “QD” and “QE” 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. Michelle Davis, DSCA-STR/SPI, michelle.davis13.civ@mail.mil, (703) 697-9052.



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)

**Security Assistance Management Manual (SAMM), E-Change 406
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
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

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."