



DEFENSE SECURITY COOPERATION AGENCY

2800 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2800

13 October 2022

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR
INTERNATIONAL AFFAIRS
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
DEFENSE EXPORTS AND COOPERATION
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR
INTERNATIONAL PROGRAMS
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE
AND ACCOUNTING SERVICE – INDIANAPOLIS
OPERATIONS
DIRECTOR OF CYBERSECURITY DIRECTORATE AND DEPUTY
NATIONAL MANAGER FOR NATIONAL SECURITY
SYSTEMS, NATIONAL SECURITY AGENCY

SUBJECT: Defense Security Cooperation Agency Policy Memorandum 22-30, Department of Defense Appropriated Building Partner Capacity Interim Solution Packing, Crating, and Handling Direct Charges [SAMM E-Change 578]

References: (a) DSCA, Department of Defense Appropriated Building Partner Capacity Accounting Interim Solution, Policy Memo 20-47, September 29, 2020
(b) DSCA, Clarification to Department of Defense Appropriated Building Partner Capacity Accounting Interim Solution, Policy Memo 20-86, January 29, 2021

As part of the Defense Security Cooperation Agency (DSCA) Building Partner Capacity (BPC) Interim Solution (reference (a)), this policy memorandum instructs U.S. Implementing Agencies (IAs) how to charge and be compensated for Packing, Crating, and Handling (PC&H) activities in support of Title 10 (T10) BPC cases.

PC&H, as outlined in the DoD Financial Management Regulation volume 15, chapter 7, 4.1, includes the costs incurred at DoD facilities for labor, materials, or services in removing requisitioned articles from storage locations, preparing them for shipment from the storage or distribution points, and processing necessary materiel release confirmation documents.

Beginning October 1, 2022, fiscal year (FY) 2023, all PC&H charges for T10 BPC cases implemented on or after August 14, 2020, in accordance with reference (a) and (b), will be

funded through the annual BPC transportation allocation, if PC&H costs are not already included in the transportation costs for a given BPC case based upon the programs requirements. PC&H costs incurred through procurement are typically included in the unit cost of the equipment however, procurement items that do not include PC&H in the unit cost will have the PC&H costs paid through the IA's annual T10 BPC transportation account. PC&H costs incurred through stock items will be paid with the IA's annual T10 BPC transportation allocation (e.g. funds transferred to the Navy managed transportation account for PC&H activities provided by the Navy). For T10 BPC cases implemented prior to August 14, 2020, IAs should refer to the guidance in reference (a) and (b), which outline the requirements for amendments and modifications to below-the-line indirect charges for these existing cases.

For IAs that do not have an established T10 BPC transportation allocation, the Army will provide funding from the Army transportation case via a direct cite Military Interdepartmental Purchase Request (MIPR) for PC&H services performed during the FY. In order to ensure funds are included in each T10 BPC program's Congressional Notification and that funds are made available on the Army case at the beginning of the FY, IAs must submit their T10 PC&H estimates for the next FY to the DSCA Office of International Operations (IOPS) program manager through the T10 BPC cost collection process due annually in September. Additional guidance will be published in the annual Comptroller memo, "FY 20XX DSCA T10 BPC Cost Collection Guidance." A more detailed schedule will be sent to IAs in June of each FY.

In addition to the submission to the DSCA IOPS program manager, IAs utilizing the Army transportation case must also provide their PC&H estimates to the Army case manager via the U.S. Army Security Assistance Command-Washington Field Office. IAs are to return all residual funds from the MIPR back to the Army case manager by June 1 of the FY in which the funds' period of availability expires. Residual funds will either be reallocated and obligated for PC&H or transportation activities for another T10 BPC program, or returned to DSCA prior to the end of the FY. In the event a PC&H charge is received after residual funds have been returned, the IA should notify the DSCA program manager for guidance on how to obtain currently available funds to cover the charges.

Should you have questions concerning this memorandum, please contact my action officers in Financial Policy & Regional Execution Directorate, Financial Policy Division: Mr. Lucas Rose, lucas.j.rose1.civ@mail.mil, (202) 853-5693; and Ms. Jennifer Robey, jennifer.e.robey.civ@mail.mil, (703) 692-1329.

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Date: 2022.10.13 16:13:53 -04'00'

J. Aaron Harding
Chief Operating Officer and Chief Financial Officer
Defense Security Cooperation Agency

Attachment:
Security Assistance Management Manual E-Change 578

Security Assistance Management Manual E-Change 578

1. Add the following SAMM section:

C15.3.1.1.6. PC&H charges on T10 BPC cases implemented on or after August 14, 2020 will be funded with an annual T10 BPC transportation account, if the PC&H is not already included in the transportation costs. PC&H costs incurred through stock items will be paid with the IA's annual transportation account.

C15.3.1.1.6.1. IAs must submit T10 PC&H estimates for the next FY to the DSCA (Office of International Operations (IOPS)) program manager through the T10 BPC cost collection process due annually in September.

C15.3.1.1.6.2. IAs that do not have an established transportation account will receive funding via a direct cite Military Interdepartmental Purchase Request (MIPR) for T10 PC&H services performed during the FY.

C15.3.1.1.6.2.1. IAs must provide T10 PC&H estimates to the Army case manager via the U.S. Army Security Assistance Command-Washington Field Office in coordination with their submission to DSCA (IOPS) program manager.

C15.3.1.1.6.2.2. IAs will return all residual funds from the MIPR back to the Army case manager by June 1 of the FY in which the funds' period of availability expires.

2. Update the following SAMM section:

C15.3.1.2.1.1. Transportation and Packing Crating and Handling. Starting October 1, 2020, all defense article cases funded with Section 333 authority funds and with an appropriate Delivery Term Code (DTC) 2, 5, 7 or 9 will use a current year transportation case. Until the process for establishing a transportation/PC&H case is finalized, requestors will send Transportation Account Code (TAC) requests to the following email address:

usarmy.belvoir.usasac.list.gte.trans-appvl-fund-req@mail.mil usarmy.belvoir.usasac.list.gte.trans-appvl-fund-req@army.mil.

C15.3.1.2.1.1.1. Upon DSCA (Office of International Operations (IOPS)) direction, the Army and the Navy will each ~~prepare necessary actions (e.g., develop a T10 BPC case) establish a current year transportation case,~~ to accommodate ~~include a line~~ for T10 PC&H services. The Air Force will request a TAC from the Army managed case to ship Air Force sourced defense articles or material on Section 333 cases, with the applicable DTC. The Army case will fund costs associated with consolidating materials at the DSCA-recognized Joint Consolidation Point (JCP) in Mechanicsburg, PA. The case will also fund the Delivery Assistance Team services as required.

C15.3.1.2.2.1. Transportation and Packing Crating and Handling. Due to the size and nature of the program, DSCA recommends Indo-Pacific Maritime Security Initiative (MSI) programs continue to use the prime vendor as the primary transportation mode. If it is determined that the defense articles need to be consolidated at the JCP with the DTC code 2/7, the Army ~~current year transportation case~~ or the Navy ~~established~~ current year transportation ~~ease allocation~~ will be used to fund the transportation and PC&H.