

Chapter

6

TYPES OF CASES

INTRODUCTION

Foreign Military Sales (FMS) and Building Partner Capacity Cases (BPC) are comprised of the initial (i.e., Basic Document) Case Letter of Offer and Acceptance (LOA) document, and if required any subsequent case related Amendments and Modifications documents.

See SAMM Chapter 5 on the FMS case LOA policies and SAMM Chapter 15 on use of LOAs for BPC cases. BPC Case LOA Documents are sometimes referred to as “pseudo LOAs.” Each FMS or BPC case has a unique case identifier (described later in this chapter), which enables both the USG and the international partner to track it throughout its life cycle and to distinguish it from the many thousands of FMS and BPC cases currently active. The U.S. Government (USG) typically utilizes the case’s current implemented LOA as the legal instrument to conduct FMS under authorities provided in the Arms Export Control Act (AECA), and BPC programs per their applicable legal authorities that are documented in SAMM Chapter 15 Table 2. The case’s implemented LOA document, whether it be the basic LOA, an LOA amendment, or an LOA modification, itemizes the defense articles, services, and trainings that are planned to be provided. The LOA document is not used to provide FMS Price and Availability (P&A) data. There are four categories of cases which are listed below. SAMM C5.4.3 provides additional details on the types of FMS cases.

CATEGORIES OF CASES

In accordance with the SAMM C5.4.3 and C15, there are four categories of cases:

1. Defined Order cases
2. Blanket Order cases
3. Cooperative Logistics Supply Support Arrangement (CLSSA) cases
4. Building Partner Capacity (BPC) cases

Defined Order Cases

A Defined Order FMS case is one in which the defense articles, services, or trainings desired by the international partner are specified/quantified by the customer in the Letter of Request (LOR), and subsequently identified in the FMS case LOA documents. A Defined Order case is most commonly used for the sale of major end items, generally Significant Military Equipment (SME), which require more rigorous export and trade security controls throughout the FMS process. SME items and Major Defense Equipment (MDE), must be separately reflected on the case LOA documents and not embedded in other lines. Cases for major end items generally include related initial support items and services (generally one to three years), in accordance with the Total Package Approach (TPA) philosophy. Refer to Chapter 5 of this textbook to review the definitions of SME, MDE, and TPA. The Implementing Agency (IA) is responsible for preparing and submitting requisitions (orders) on Defined Order cases. Attachment 6-1 is a partial extract of a U.S. Army Defined Order FMS case basic LOA document.

A Defined Order case normally requires an LOA data analysis for the separately deliverable LOA line items in order to give the international partner the best available estimate of item costs and delivery schedules within an allowable processing time frame. This data study includes information on payment schedules, financial analysis for program milestones, delivery schedules, and projected payments to contractors. When appropriate and available, the IA may also use historical data when developing LOA pricing.

The types of defense articles and services normally sold via Defined Order cases include, but are not limited to, the following:

- SME and MDE—includes major end items and weapon systems (e.g., tanks, ships, airplanes, missiles, etc.), and related support requirements to activate and operate an item or system during an initial period of time
- Explosives, including munitions
- Classified/sensitive articles
- Specific services (transportation, aircraft ferrying, etc.)
- Technical Data Packages (TDP)

Blanket Order Cases

A Blanket Order case is one in which the international partner purchases a category of items, services, or training at a set dollar value ceiling with no definitive listing of the exact items or quantities desired. Since the dollar ceiling is usually established by the international partner, an LOA data analysis is generally not required to develop LOA pricing. On a Blanket Order case, national partners can submit requisitions as long as the case has funds available. Attachment 6-2 is a partial extract of a U.S. Air Force Blanket Order FMS case basic LOA document.

The types of defense articles, services, and training normally sold via Blanket Order cases include, but are not limited to, the following:

- Spares and repair parts: consumable and repairable items that become part of a higher assembly during use (generally for follow-on support of a major item or weapon system)
- Support equipment: special tools, test equipment, vehicles, construction equipment, materials handling equipment, etc., used in direct or indirect support and maintenance of weapon systems or end items
- Publications: forms, catalogs, manuals, stock lists, technical orders, engineering drawing specifications, reports, books, charts, etc.
- Maintenance: repairs, repair services, and minor modifications/alterations as authorized by the cognizant IA
- Repairables: supply items of a durable nature and design, which, when unserviceable, normally can be economically restored to a serviceable condition through regular repair procedures (includes such major components as aircraft engines, communications equipment, radars, motor vehicle engines, and transmissions or secondary items such as generators); may be repaired at the request of the international partner and with the approval of the appropriate IA
- Technical assistance services: site/system survey teams, installation and testing of major items, systems evaluation, technical assistance teams, advice from specialists, feasibility studies, systems integration, study groups to develop engineering requirements plans, etc.
- Training: formal (classroom) or informal (on-the-job) instruction of international students by DOD components, contractors (including instruction at civilian institutions), or by correspondence course to include technical, educational, or informational publications, and instructional media of all kinds
- Training aids: items that supplement training programs such as videotapes, DVDs, slide films, microfiche, transparencies, etc.

A Blanket Order case is typically used for follow-on support and training for a major item or weapon system following the initial support period. Initial or concurrent support is usually included in the original system sale Defined Order case as part of the TPA. Depending on the IA, a Blanket Order follow-on support case may be established for each category of item/service to be provided, for each major item/weapon system, or perhaps for support of multiple systems.

There are a number of instances where, by regulation, Blanket Order case procedures do not apply (see SAMM, C5.4.3.2.2). These items must be ordered on a Defined Order case. Items that are generally restricted from being ordered on a Blanket Order case include the following:

- SME, including MDE
- Classified materiel (except classified publications, which must be on a stand-alone line)
- Commercial items more readily provided from in-country (e.g., lumber, sand, gravel, household goods)
- Technical data packages (TDPs)
- Ozone-depleting substances

Defined versus Blanket Order Procedures

There are instances when either a Defined Order or Blanket Order case may be used, depending on the specific IA and international partner involved. IA policy, international partner preference, and item application (i.e., support for a specific system or program, or general support to a customer service, unit, depot, etc.), will dictate which type of case is most appropriate. International partners may sometimes prefer a Blanket Order case, because the Anticipated Offer Date (AOD) for the USG to offer the case is generally shorter than a more complex Defined Order case. This is due to the fact that the international partner usually establishes the case dollar value, thereby eliminating the need for a more time-intensive LOA data analysis. Refer to Chapter 5 of this textbook for a review of AODs. Blanket Order cases can also provide more flexibility, since items are not specifically identified and requisitions can be submitted as long as funds remain on the case. However, since the responsibility for preparing and submitting requisitions lies with the international partner on Blanket Order cases, the international partner must be familiar with DOD requisitioning procedures and supply systems.

An important feature of both Defined Order and Blanket Order cases is that materiel requirements are normally filled from DOD stocks only if on-hand assets are above the control level, also known as the reorder point. The only time that FMS requisitions will normally be filled below this reorder point is through a mature (programmed) CLSSA.

Cooperative Logistics Supply Support Arrangement (CLSSA) Cases

A CLSSA case is designed to provide more responsive follow-on spare parts support for U.S. produced military hardware owned by international partners. IAs may offer such arrangements with approval from the Defense Security Cooperation Agency (DSCA). A CLSSA consists of two cases. The first case, the Foreign Military Sales Order (FMSO) I case, is established up-front to buy “equity” in the DOD’s supply system for DOD-stocked, non-SME items used by the international partner on a recurring basis. This enables the DOD to augment defense stocks in anticipation of FMS demands and increases the probability of spare and repair parts being available for issue from DOD stock. The second case, the FMSO II case, is a Blanket Order CLSSA case used by the international partner to requisition those items. Many international partners prefer CLSSA cases for follow-on support. Chapter 10 of this textbook, “Logistics Support of International Military Sales,” provides additional information on CLSSAs.

Building Partner Capacity (BPC) Cases

The first traditional Title 22 security assistance-based FMS agreements started in the early 1950s. They were the result of the Cold War and represented a U.S. Department of State (DOS) tool of foreign policy. BPC agreements were first introduced in 2005. They came about because the DOD’s perspectives on training and equipping international partner’s military forces slowly began to change after the September 11, 2001 terrorist attacks on the United States. Defense officials began to regard the defeat of terrorist groups in the countries where they train and prepare as essential to U.S. national security. There was a realization that these groups could not be disrupted and defeated solely with U.S. forces under existing arrangements.

Thus the DOD, with DOS concurrence, petitioned Congress to provide additional authorities within U.S. law to use U.S. appropriated funds (other than Foreign Military Financing [FMF] and International Military Education and Training [IMET] funds) to transfer defense articles and services to international partners. Typically, these additional authorities allow the DOD and DOS to focus on building capacities of the international partner security forces and enhancing their capabilities to conduct/support:

- Counterterrorism operations
- Counter drug operations
- Counterinsurgency operations
- U.S. military and stability operations
- Multilateral peace operations

These types of activities funded with U.S. Government appropriations are called Building Partner Capacity (BPC) programs and are administratively managed using the FMS infrastructure. IAs develop BPC cases using established security assistance automated systems. It is important to note that DSCA has dedicated Chapter 15 of the SAMM as the source for comprehensive policy for case and BPC guidance. A partial extract of a pseudo LOA is shown in Attachment 6-3.

Typical (though not all-inclusive) BPC programs that may result in a case are described in SAMM C15.1.4. The most common are as follows:

- Indo-Pacific Maritime Security Initiative (MSI)
- Ukraine Security Assistance Initiative (USAI)
- Counter-ISIL/Counter-ISIS Train and Equip Fund (CTEF)
- Coalition Readiness Support Program (CRSP)
- Global Peace Operations Initiative (GPOI)
- Global Train and Equip (Section 333)
- Peacekeeping Overseas Contingency Operations (PKO/OCO) (FAA Section 551)

Each of these BPC programs will have its own unique authorization that will influence its execution guidelines and fiscal law constraints. For example, the program to build the capacity of foreign security forces, NDAA Section 333, contains both one fiscal year and two fiscal year obligation authority and should be used for emergent threats related to training and equipping an international partner's national security forces (forces not limited to the authority of the Ministry of Defense [MOD]) to conduct counterterrorism or counternarcotic operations or participate in/support military and stability operations in which U.S. armed forces are participating. The Section 333 authority can also be used to build the capacity of a foreign country's maritime security forces (including non-MOD elements) to conduct counterterrorism or counternarcotics operations. Thus, it is important that any participant involved in the development or execution of a BPC program recognize that each program has its own unique program guidelines.

The BPC case process starts with the requesting authority submitting a pre-coordinated BPC request or proposal to the IA and DSCA. The requesting authority could be the Security Cooperation Organization (SCO) at the U.S. Embassy, a Combatant Command (CCMD), Component Command, Department of State, another federal agency, or a combination of these organizations. The request, called a Memorandum of Request (MOR), is similar to a traditional FMS LOR, and it will identify the required services, equipment, and the BPC legal authority for the program. The IA may conduct a feasibility assessment to ensure such areas as requirements, definitions, transportation plans, technology/disclosure, special contracting issues, etc., are addressed and compliant with the BPC program guidelines. The assessment will also verify that the requirements identified are actionable within the program budget constraints and obligation time lines.

While not yet required for every BPC request, Section 333 requests are now requiring that before the MOR is submitted that an Initiative Design Document (IDD) and objective tree logic framework are submitted to the Joint Staff and DSCA for consideration. The IDD and objective tree logic framework are linked to the DOS' Integrated Country Strategy (ICS) and Country-specific SC Section (CSCS) of the CCMD Campaign Plan (CCP) and are designed to help determine if the request is a priority and executable.

The IDD and objective tree logic framework help to document the initial assessment, international partner baseline, desired security cooperation outcome, logic framework, theory of change, indicators and milestones, activities and resources required, monitoring plan, risks and guidance to stakeholders.

The theory of change is intended to make implicit assumptions more explicit, describe why certain actions will produce a desired change and clearly states what the intended outcome of the initiative will be and how it will be achieved. The objective tree logic framework maps goals and "SMART" (Specific, Measurable, Achievable, Relevant, Time-bound) objectives to activities necessary to achieve desired changes and visually describes activities and the planned process to achieve goals and objectives. For more on this, see Theory of Change and Logic Framework descriptions in Chapter 19.

If the IDD and objective tree logic framework are approved, the requesting authority will then begin development of the MOR. MORs have a very specific format (SAMM C15.T4), which includes an Excel spreadsheet, PowerPoint "Quad Charts," and Country Team Assessment. The requesting authority should submit the completed MOR no later than the first quarter of the fiscal year to allow adequate time for case development and funds obligation to the DSCA Integrated Regional Team in the BPC directorate and copy the implementing agency. DSCA then forwards the MOR to OUSD(P) and other organizations for review in accordance with DOD Instruction 5111.19. The project then enters the program design phase.

Each CCMD is responsible for multi-year planning of BPC activities and strategies for the regions and countries within its theater of operations, documented in the Theater Security Cooperation Plan (TSCP).

Chapter 15 of the SAMM also includes specific operating guidelines required when developing and executing the BPC programs:

- Congressional notification is required.
- The BPC case is not signed by the international partner receiving the articles and/or services. Once implemented, pseudo LOA documentation may be shared with the recipient (benefitting) international partner on a case-by-case basis in accordance with DSCA guidance.
- Transportation is typically provided by the USG to an in-country destination, and the SCO is responsible for conducting an inventory before transferring possession of the materiel to the international partner.
- For programs where the title transfers, it transfers at the point of delivery vice the initial point of shipment. The SCO is responsible for documenting the transfer to the benefitting national partner.
- LOA standard terms and conditions do not apply to pseudo LOAs.
- DSCA will issue a policy memorandum each fiscal year to identify the funding authority, a unique two-position alpha-numeric program code, and specific BPC case preparation procedures for each BPC program. Reviewing these policy memoranda on DSCA's website can help provide a more thorough understanding of BPC cases.
- The unique two-position alpha-numeric/alpha-alpha program code will become part of the BPC case identifier.
- The BPC case will cite the program authority and will note the period of availability for the financial authority.

- One or more benefitting countries identified to receive the program materiel or services may be identified in the BPC case.
- When a BPC case has multiple benefitting countries identified, copies of the case should not be released to countries.
- DOD and DOS “Leahy” human rights vetting must be completed before receiving BPC program assistance, as applicable.

The SCO and the CCMD play a significant role in the BPC case. They must interface with the recipient international partner in order to translate the specific BPC program objectives into detailed package requests. As stated previously, BPC program requests should be linked to the international partner and theater planning documents. Since some BPC cases have a short financial life cycle and are authorized only to counter immediate crisis situations, they generally do not contain sustainment support. Therefore, these sustainment support elements should be considered and funded through other SC programs such as FMS or IMET. The SCO and CCMD should include these sustainment elements in their planning documents.

LOA CASE IDENTIFIER

To differentiate among the approximately 14,000 implemented FMS and BPC cases, each case is assigned a unique case identifier. This case identifier is assigned by the IA and should be provided to the international partner as soon as possible after receipt of the LOR. However, if the proposed sale must be notified to Congress, the case identifier may not be available until the proposed sale is entered in the *U.S. Federal Register*. The case identifier is found on every page of every case. The case identifier has three major components:

1. **SC Customer Code:** A two-position code representing the international partner. A list of DOD country/activity codes is found in SAMM, Table C4.T2. For BPC cases, the SC partner code is replaced by a Program Code that represents the U.S. security cooperation program authorizing the transfer. Program codes are listed in SAMM C4.T2 and C15.T2.
2. **Implementing Agency (or service) Code:** A single alpha code that identifies the U.S. MILDEP or other IA that manages the item/system requested and is responsible for preparing the LOA on behalf of the USG. The most common codes are “B” for Army, “D” for Air Force, and “P” for Navy. Refer to Chapter 5 or Attachment 5-1 of this textbook, or SAMM Table C5.T2 for a listing of IA’s Authorized to Receive Letters of Request (LORs).
3. **Case Designator:** A three-position alpha code assigned by the IA to identify a specific offer to an international partner. The first position of the case designator generally identifies the category of item or service to be provided to the national partner. The meaning of this first position code varies by MILDEP and is not dictated by DSCA policy. See Table 6-1 of this chapter or Figure C5.F6 of the SAMM for general guidelines used by the MILDEPs in determining the first position of a case designator. The second and third positions are typically assigned sequentially to distinguish among a country’s separate cases for that same category of item or service.

As an illustration, the case identifier on the LOA in Attachment 6-2 is BN-D-EZY. For this example, “BN” is the SC Customer Code for the fictional international partner of Bandaria. The IA code is “D” for U.S. Air Force, and case designator “EZY” indicates that this is likely one of several cases that the U.S. Air Force has prepared for Bandaria in the “E” equipment category. The case identifier should be used on all documentation relating to the case, including amendments and modifications, as well as logistical and financial transactions. It is used to track the status of the case and is perpetuated in case directives, Military Standard Requisitioning and Issue Procedures (MILSTRIP) documents, FMS billing documents, and the DSCA 1200 computer system.

**Table 6-1
First Position of Case Designator***

First Position of Case Designator	Implementing Agency	Purpose	Type of LOA
A	Army	Materiel and Services for BPC Programs	Pseudo
A	Navy	Ammunition and Explosives	Defined
A	Air Force	Munitions	Defined
A	DCMA	Contract Administration Services	Blanket
A	DLA	Services for BPC Programs	Pseudo
A	NSA	Communications Security Equipment	Defined
B	Army	Repair Parts	Blanket
B	Navy	Spares and Components	Defined or Blanket
C	Navy	Spares and Components	Defined or Blanket
C	Air Force	Cartridge Actuated Devices/Propellant Actuated Devices (CAD/PAD)	Defined or Blanket
D	Army	Training OCONUS (SATMO)	Defined/Blanket/Pseudo
D	Air Force	Communications/Electronic Systems Sale	Defined
D	Navy	Equipment Support Services	Defined
E	Air Force	Equipment	Blanket
E	NSA	Communications Security Equipment	Defined
F	NSA	Communications Security Equipment	Defined
F	DLA	Packing, Crating and Handling Services	Defined or Blanket
F	Navy	Technical Assistance	Defined or Blanket
F	Army	Local Purchase Equipment and Training for Afghanistan	Pseudo
G	DISA	Communications Systems/Networks	Defined
G	NSA	Communications Security Equipment	Defined
G	Navy	Technical and Engineering Services	Defined or Blanket
G	Air Force	Services	Defined or Blanket
G	Navy	Materiel and Services for BPC Programs	Pseudo
G	Navy	Technical Services and Support	Defined or Blanket
H	Army	Corps of Engineers Construction Services	Defined
H	Navy	Direct Requisition Procedures	Defined
H	Navy	Global Peace Operations Initiative Construction and Support	Pseudo
H	NSA	Communications Security Equipment	Defined
I	Army	Excess Defense Articles	Defined
J	Navy	Direct Requisition Procedures	Blanket
J	NGA	Geospatial and Flight Information Publications	Defined
K	Army	Foreign Military Sales Order I and II	CLSSA
K	Navy	Foreign Military Sales Order I and II	CLSSA
K	Air Force	Foreign Military Sales Order I and II	CLSSA
L	Navy	Major End Items, Components and Equipment	Defined
L	Air Force	Equipment	Defined
M	Army	Medical Equipment from the US Army Medical Materiel Agency	Defined
M	Navy	Repair and Return Maintenance	Blanket
M	Air Force	Repair and Return Maintenance	Blanket
M	DLA	Excess Defense Articles and Related Services	Defined or Blanket
N	Army	Coproduction	Defined
N	Air Force	Special Support	Defined
O	Army	Training CONUS (SATFA)	Blanket

Table 6-1 (Continued)
First Position of Case Designator*

First Position of Case Designator	Implementing Agency	Purpose	Type of LOA
O	Air Force	Communications Security Devices	Defined
P	Air Force	Publications	Defined or Blanket
P	Navy	Cartridge Actuated Devices/Propellant Actuated Devices (CAD/PAD)	Defined
Q	Army	Materiel/Services from US activities located in Europe	Defined
Q	Air Force	Systems Sustainment Support	Defined or Blanket
Q	NGA	Geointelligence Products and Services	Defined
R	Navy	Medical Equipment, Spares, Publications, Support Equipment	Blanket
R	Air Force	Spares and Components	Blanket
S	Navy	Weapon System Sale (Ship or Aircraft)	Defined
S	Air Force	Aircraft System Sale	Defined
T	Army	Publications	Blanket
T	Navy	Training	Defined or Blanket
T	Air Force	Training	Defined or Blanket
U	Army	Materiel/Services provided from various Life-Cycle Management Commands, including but not limited to system package sales, munitions, spare parts, equipment, technical services, maintenance, etc.	Defined or Pseudo
U	DLA	Packing, Crating, and Handling Services in Support of BPC Programs	Pseudo
U	DTRA	Vulnerability Assessment and Protection Services	Defined
U	Navy	Major Items in Support of BPC Programs	Pseudo
V	Army	Materiel/Services provided from various Life-Cycle Management Commands, including but not limited to system package sales, munitions, spare parts, equipment, technical services, maintenance, etc.	Defined
V	Air Force	Modifications and Upgrades	Defined or Blanket
W	Army	Materiel/Services provided from various Life-Cycle Management Commands, including but not limited to system package sales, munitions, spare parts, equipment, technical services, maintenance, etc.	Defined
W	Missile Defense Agency	Missile Defense Systems and Services	Defined
X	Army	Materiel/Services provided from various Life-Cycle Management Commands, including but not limited to system package sales, munitions, spare parts, equipment, technical services, maintenance, etc.	Defined
Y	Army	Materiel/Services provided from various Life-Cycle Management Commands, including but not limited to system package sales, munitions, spare parts, equipment, technical services, maintenance, etc.	Defined
Y	Air Force	Missile System Sale	Defined
Y	DLA	Catalog/Services/Logistical Data	Blanket
Z	Army	Materiel/Services provided from various Life-Cycle Management Commands, including but not limited to system package sales, munitions, spare parts, equipment, technical services, maintenance, etc.	Defined
Z	Air Force	Airborne Warning and Control Systems	Defined
Z	DLA	Catalog Services/Logistics Data	Blanket

*Table 6-1 shows the most common applications of the case designator first position. However, each IA may make exceptions to how the first position is assigned.

SUMMARY

The case concept is crucial to understanding and managing FMS and BPC programs. FMS cases fall into one of four categories as defined by the SAMM: defined order, blanket order, CLSSA, and BPC.

Each FMS case is assigned a unique case identifier, composed of an SC customer code, IA code, and case designator. The case identifier is used for all managerial tasks associated with the case, such as financial and logistics tracking. BPC case identifiers contain a unique program code assigned by DSCA.

REFERENCES

DSCA Manual 5105.38-M, *Security Assistance Management Manual (SAMM)*. <https://samm.dsca.mil/>.

U.S. Air Force Manual, AFMAN 16-101, *International Affairs and Security Assistance Management*.

U.S. Army Regulation, AR 12-1, *Security Assistance, Training, and Export Policy*.

U.S. Navy Naval Supply (NAVSUP) Systems Command Publication 526, *Foreign Military Sales Customer Purchaser Supply Systems Guide*.

**Attachment 6-1
Sample Defined Order Case Basic LOA Document**



**United States of America
Letter of Offer and Acceptance (LOA)**

**BN-B-UI.V
BULLSEYE**

Based on Government of Bandaria, Ministry of Defence Letter, Ref: (continued on page 2)

Pursuant to the Arms Export Control Act, the Government of the United States (USG) offers to sell to the Government of Bandaria, Office of the Military Attaché, 2468 16th Street NW, Washington DC 20009, the defense articles or defense services (which may include defense design and construction services) collectively referred to as "items," set forth herein, subject to the provisions, terms, and conditions in this LOA.

This LOA is for the procurement of 95 BULLSEYE missiles and supporting equipment.

Estimated Cost: \$454,691,120

Initial Deposit: \$8,717,741

Terms of Sale:

Cash Prior to Delivery

Dependable Undertaking

Congressional Notification: 19 999

This offer expires on 21 February 2020. Unless a request for extension is made by the Purchaser and granted by the USG, the offer will terminate on the expiration date.

This LOA consists of page 1 through page 30.

The undersigned are authorized representatives of their Governments and hereby offer and accept, respectively, this LOA:

_____	06 Sep 2019	_____	13 Feb 2020
U.S. Signature	Date	Purchaser Signature	Date
Robert Van Horn		General Malaise	
Director, EASTCOM Regional Operations		Defense Chief of Staff	
Typed Name and Title		Typed Name and Title	
US Army Security Assistance Command, Redstone Arsenal, AT 35898		_____	
Implementing Agency		Agency	
DSCA Reviewed/Approved	12 Sep 2019	IMPLEMENTATION DATE: 22 Feb 2020	
DSCA	Date		

Information to be provided by the Purchaser:

Mark For Code_C_, Freight Forwarder Code_2_, Purchaser Procuring Agency Code_B_, Name and Address of the Purchaser's Paying Office: Office of the Military Attaché, 2468 16th Street NW, Washington DC 20009

Attachment 6-1 (Continued)
Sample Defined Order Case Basic LOA Document

Customer reference continued: DNM060, 04 March 2019, Office of the Military Attaché, 2468 16th Street, NW, Washington DC 20009.

Items to be Supplied (costs and months for delivery are estimates):

(1) Item Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs		(5) SCMCS: TA	(6) Ofc Cde	(7) Del Tm Cde
			(a) Unit	(b) Total			
001	32-658790-32 (V)M(R)(V) HULLS/VE MISSILE, 5 Guided Fissile (5%) Nonconformity unclassified. Material is classified CONFIDENTIAL. (Note(s) 1, 2, 9)	65 EA	\$5,059,628.03	\$296,094,700	701-44- TAS 80	2	8
002	EGA 956A308SLM6DS (DN)R(X)(V) 1. MODIFICATION, MISSILE, TEST EQUIPMENT & SERVICES (Note(s) 2, 9)			\$103,124,901 (Line Total)			
	a. PFI 40227501 Launcher Station Mod/ication Kit (L&K) (Note(s) 2)	26 KT	\$3,083,000.00	\$109,24,001	898-45- TAS	A	2
003	3.1 USM/VE MISSILE S/LV (N)(C) L(S)(U) L SUPPORT EQUIPMENT, BULLSEYE (Note(s) 1, 9)			\$1,521,900 (Line Total)			
	a. Fire Sol. Test Computer (857) and Kits (Military 3)	54 EA	\$27,999.00	\$1,521,900	818-70- TAS 80	X	2
004	EGA 956A308SLM6DS (DN)R(X)(V) 1. MODIFICATION, MISSILE, TEST EQUIPMENT & SERVICES (Note(s) 2, 9)			\$1,521,900 (Line Total)			

BN 817.Y
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**Attachment 6-1 (Continued)
Sample Defined Order Case Basic LOA Document**

(1) Item Nbr	(2) Description/Condition	(3) Qty. Unit of Issue	(4) Costs (a) Unit (b) Total	(5) SC/MOS: EA	(6) Ofc Rel Cde	(7) Del Trm Cde
a.	PULLSEYE Test Kit (Note(s) 4)	2 EA	\$907,500.00	\$1,815,000	P084 TAS	Z 4
006	PULLSEYE (N/N/N/R/00)			\$1,742,966		
c.	SUPPORT EQUIPMENT, PULLSEYE (Note(s) 2)			(Line Total)		
a.	0000000000000000 view of Frame (Note(s) 5)	15 EA	\$104,705.50	\$1,570,500	P120 TAS S	Z 4
006	EOA 05A00000PARTS (N/N/N/R/00)			\$6,800,500		
c.	COMPONENT PARTS/SUPPORT EQUIPMENT (Note(s) 2)			(Line Total)		
a.	PULLSEYE Prescribed Load List (PLL), PULLSEYE Authorized Sockage List (ASL), Supplemental Items to Support Integration, PULLSEYE S. statement, Scales (Note(s) 6)	2 SE	\$3,000,000.00	\$6,800,500	FY19 55: TAS	Z 4
007	EOA 05A00000PARTS (N/N/N/R/00)			\$100,500		
c.	COMPONENT PARTS/SUPPORT EQUIPMENT (Note(s) 2)			(Line Total)		
a.	PULLSEYE Missile Consumables (COMCON) - Outside the Continental United States (Note(s) 7)	2 SE	\$50,750.00	\$101,500	3044 30: TAS	Z 7
008	EOA 05A00000PARTS (N/N/N/R/00)			\$1,060,500		
c.	COMPONENT PARTS/SUPPORT EQUIPMENT (Note(s) 2)			(Line Total)		
a.	Unclassified PULLSEYE Scales - Connected Units States (UNCL) (S) (Note(s) 8)	2 SH	\$1,892,000.00	\$3,784,000	P111 80: TAS	Z 1

**Attachment 6-1 (Continued)
Sample Defined Order Case Basic LOA Document**

(1) Item Nbr	(2) Description/Condition	(3) Qty. Unit of Issue	(4) Costs (a) Unit (b) Total	(5) SC/MOS: TA	(6) Ofc Rel Cde	(7) Del Tm Cde
002 1	30A 090A00COMPARTS (1XN)(R)(Y) COMBINATION PARTS FOR AIR CARGO PALLETS (Note)(39)		57,105,000 ----- (Line Total)			
a.	CLASS 1 (1) BULLEYE Spares - Combination Joints (Class 1) (Note)(39)	2 30	83,842,800.00	83,842,800.00	TA5	Z 1
000 1	4250228000SRMFL (N)(N)(R)(X)(Y) R-R MISSILES & SUPPORT EQUIPMENT Repair and Return of BULLSEYE Ground Support Equipment. (QUALITY) (Note)(10,39)	XX		82,430,000	TA5	A 2
001 1	4250228000SRMFL (N)(N)(R)(X)(Y) R-R MISSILES & SUPPORT EQUIPMENT Repair and Return of Missile and Support Equipment (BULLSEYE) Manufacture of non-tested Items for Repair and Return as classified (C) (D) (L) (N) (Y). (Note)(11,39)	XX		83,140,500	TA5	A 2
002 1	4250228000SRMFL (N)(N)(R)(X)(Y) LOGISTICAL INTEGRATION SERVICES Contractor Support, Integration and Checkout (S-CIC) and system Integration Services (SIS) (SIC) (Note)(15,39)	XX		5,507,500	TA5	4
003 1	4250228000SRMFL (N)(N)(R)(X)(Y) OTHER TECHNICAL ASSISTANCE/CONTRACTOR PERSONNEL ONLY Contractor Technical Assistance in support of BULLSEYE Missiles. (Note)(13,39)	XX		50,150.00	TA5	4
004 1	30A 0701008FOACT (N)(N)(R)(X)(Y) SPECIAL ACTIVITIES Classified Security Clearance - (U) (S) (Y) (Y) (Note)(11)	XX		82,000,100	TA-	4

**Attachment 6-1 (Continued)
Sample Defined Order Case Basic LOA Document**

(1) Item Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a) Unit	(5) SC/MOS/ TA (b) Total	(6) Ofr Rel Cde	(7) Del Trm Cde
015 L	MIE 0205000T AUSGP (N)(N)(R)(XXI) OTHER TECHNICAL ASSISTANCE - US GOVERNMENT PERSONNEL (NOT TECHNICAL ASSISTANCE TEAMS) U.S. Government Technical Assistance - Lower Tier Project Office (LTPO) (Note(s) 15)	XX		\$3,888,685 X(13-73) TA4	-	-
016 L	MIE 0205000T AUSGP (N)(N)(R)(XXI) OTHER TECHNICAL ASSISTANCE - US GOVERNMENT PERSONNEL (NOT TECHNICAL ASSISTANCE TEAMS) U.S. Government Technical Assistance - Security Assistance Management Directorate (SAMDM) (Note(s) 16)	XX		\$1,486,283 S(13-73) TA3	-	-
Estimated Cost Summary:						
	(8) Net Estimated Cost			\$432,718,617		
	(9) Packing, Crating, and Handling			0		
	(10) Administrative Charge			16,443,308		
	(11) Transportation			5,529,195		
	(12) Other			0		
	(13) Total Estimated Cost			\$454,691,120		
To assist in fiscal planning, the USG provides the following anticipated costs of this LOA:						
ESTIMATED PAYMENT SCHEDULE						
<u>Payment Date</u>	<u>Quarterly</u>			<u>Cumulative</u>		
Initial Deposit	\$8,717,741			\$8,717,741		
15 Mar 2020	\$613,737			\$9,331,478		
15 Jun 2020	\$302,311			\$9,633,789		
15 Sep 2020	\$98,040			\$9,731,829		
15 Dec 2020	\$144,870			\$9,876,699		
15 Mar 2021	\$6,887,272			\$16,763,971		
15 Jun 2021	\$18,690,408			\$35,454,379		

Attachment 6-1 (Continued)
Sample Defined Order Case Basic LOA Document

<u>Payment Date</u>	<u>Quarterly</u>	<u>Cumulative</u>
15 Sep 2021	\$31,754,467	\$67,208,846
15 Dec 2021	\$51,945,565	\$119,154,411
15 Mar 2022	\$67,795,628	\$186,950,039
15 Jun 2022	\$66,341,769	\$253,291,808
15 Sep 2022	\$82,242,009	\$335,533,817
15 Dec 2022	\$94,132,601	\$429,666,418
15 Mar 2023	\$2,030,561	\$431,696,979
15 Jun 2023	\$2,090,299	\$433,787,278
15 Sep 2023	\$2,100,033	\$435,887,311
15 Dec 2023	\$2,219,101	\$438,106,412
15 Mar 2024	\$2,398,171	\$440,504,583
15 Jun 2024	\$2,761,417	\$443,266,000
15 Sep 2024	\$2,915,286	\$446,181,286
15 Dec 2025	\$2,828,990	\$449,010,276
15 Mar 2025	\$2,392,496	\$451,402,772
15 Jun 2025	\$1,728,411	\$453,131,183
15 Sep 2025	\$939,935	\$454,071,118
15 Dec 2026	\$480,388	\$454,551,506
15 Mar 2026	\$78,655	\$454,630,161
15 Jun 2027	\$52,714	\$454,682,875
15 Sep 2027	\$8,245	\$454,691,120

Explanation for acronyms and codes, and financial information, may be found in the "Letter of Offer and Acceptance Information."

Signed Copy Distribution:

1. Upon acceptance, the Purchaser should return one signed copy of this LOA to Defense Finance and Accounting Service - Indianapolis ATTN: Security Assistance Accounting, DFAS-JAX/IN 8899 E. 56th Street Indianapolis, IN 46249-0230. Simultaneously, wire transfer of the initial deposit or amount due with acceptance of this LOA document (if required) should be made to ABA #021030004,

BN-B-ULY
Page 6 of 30 Pages

**Attachment 6-2
Sample Blanket Order Case Basic LOA Document**



**United States of America
Letter of Offer and Acceptance (LOA)
BN-D-EZY**

Based on Government of Bandaria, Ministry of Defence Letter, Ref: (continued on page 2)

Pursuant to the Arms Export Control Act, the Government of the United States (USG) offers to sell to the Government of Bandaria, Office of the Military Attaché, 2468 16th Street NW, Washington DC 20009, the defense articles or defense services (which may include defense design and construction services) collectively referred to as "items," set forth herein, subject to the provisions, terms, and conditions in this LOA.

This LOA is for equipment in support of the C-130 aircraft.

Estimated Cost: \$5,000,000

Initial Deposit: \$280,894

Terms of Sale:

Cash Prior to Delivery

Dependable Undertaking

This offer expires on 5 March 2021. Unless a request for extension is made by the Purchaser and granted by the USG, the offer will terminate on the expiration date.

This LOA consists of page 1 through page 14.

The undersigned are authorized representatives of their Governments and hereby offer and accept, respectively, this LOA:

_____	16 Dec 2020	_____	12 Feb 2020
U.S. Signature	Date	Purchaser Signature	Date
Andrew J Crawford Director, EASTCOM Branch	_____	General Malaise Defense Chief of Staff	_____
Typed Name and Title		Typed Name and Title	
AFSAC International Division			
_____		_____	
Implementing Agency		Agency	
DSCA Reviewed/Approved	16 Dec 2020	IMPLEMENTATION DATE : 08 Mar 2021	
DSCA	Date		

Information to be provided by the Purchaser:
Mark For Code_B_, Freight Forwarder Code_2_, Purchaser Procuring Agency Code_D_, Name and Address of the Purchaser's Paying Office: Office of the Military Attaché, 2468 16th Street NW, Washington DC 20009

**Attachment 6-2 (Continued)
Sample Blanket Order Case Basic LOA Document**

Customer reference continued: Request, FAX #3302, 29 October 2013.

Items to be Supplied (costs and months for delivery are estimates):

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a) Unit	(5) SC/MOS/ TA (b) Total	(6) Ofr Rel Cde	(7) Del Trm Cde
001	A7A 492000000FA 7A (N)(N)(R)(VIII)	XX		\$4,815,116	X(-) TA4	Z 4
B4	GROUND HANDLING EQUIPMENT FOLLOW-ON					
47	Unclassified equipment in support of C-130 aircraft (Note(s) 1)					

Estimated Cost Summary:

(8) Net Estimated Cost	\$4,815,116
(9) Packing, Crating, and Handling	16,355
(10) Administrative Charge	168,529
(11) Transportation	0
(12) Other	0
(13) Total Estimated Cost	\$5,000,000

To assist in fiscal planning, the USG provides the following anticipated costs of this LOA:

ESTIMATED PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Quarterly</u>	<u>Cumulative</u>
Initial Deposit	\$280,894	\$280,894
15 Jun 2020	\$368,680	\$649,574
15 Sep 2020	\$653,793	\$1,303,367
15 Dec 2020	\$978,231	\$2,281,598
15 Mar 2021	\$1,140,451	\$3,422,049
15 Jun 2021	\$958,568	\$4,380,617
15 Sep 2021	\$496,490	\$4,877,107
15 Dec 2021	\$122,893	\$5,000,000

**Attachment 6-3
Sample BPC Case Basic LOA Document**

**United States of America
Letter of Offer and Acceptance (LOA)
7G-P-TPA
Bandaria, 10 U.S.C. SEC 333, BPC**

Based on Funds provided and written direction from (continued on page 2)

Pursuant to the Arms Export Control Act, the Government of the United States (USG) offers to sell to the Department of Defense, the defense articles or defense services (which may include defense design and construction services) collectively referred to as "items," set forth herein, subject to the provisions, terms, and conditions in this LOA.

This LOA provides for training and medical services in (continued on page 2)

Estimated Cost: \$245,000

Initial Deposit: \$245,000

Terms of Sale:

Cash with Acceptance 10 U.S.C. Sec. 333 2020

This offer expires on 31 March 2020. Unless a request for extension is made by the Purchaser and granted by the USG, the offer will terminate on the expiration date.

This LOA consists of page 1 through page 8.

The undersigned are authorized representatives of their Governments and hereby offer and accept, respectively, this LOA:

_____	10 Mar 2020	No Purchaser Signature required	15 Mar 2020
U.S. Signature	Date	Purchaser Signature	Date

SHELBY LYON

Deputy Director, EASTCOM

Typed Name and Title

Typed Name and Title

Navy International Programs Office

Implementing Agency

Agency

DSCA Reviewed/Approved

10 Mar 2020

IMPLEMENTATION DATE : 15 Mar 2020

DSCA

Date

Information to be provided by the Purchaser:

Mark For Code_(0)_, Freight Forwarder Code_(W)_, Purchaser Procuring Agency Code_T_,

Name and Address of the Purchaser's Paying Office: See Original Signed Document_____

DISCLAIMER: This document does not represent an offer from the United States Government. It is provided for information purposes only to assist in planning. Details remain subject to the potential for change prior to formal offer.

**Attachment 6-3 (Continued)
Sample BPC Case Basic LOA Document**

Customer reference continued: Defense Security Cooperation Agency (DSCA) Email dated 05 Nov 2019.

Case description continued: support of EASTCOM Operations.

Items to be Supplied (costs and months for delivery are estimates):

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a) Unit	(5) SC/MOS/ TA (b) Total	(6) Ofr Rel Cde	(7) Del Trm Cde
001	N00 000000FMSTRNG TRAINING P CONUS Training. (Note(s) 1)	(N)(N)(R)(IX) XX		\$231,660 S(-) TA3 Jun 2020 - Sep 2021	X	4
CS	Benefitting Country - Bandaria					
002	N7E 000000S365003 MEDICAL SERVICES P (Note(s) 2)	(N)(N)(R)(IX) XX		\$5,500 S(-) TA3 Jun 2020 - Sep 2021	X	4
CS	Benefitting Country - Bandaria					

Estimated Cost Summary:

(8) Net Estimated Cost	\$237,160
(9) Packing, Crating, and Handling	0
(10) Administrative Charge	\$7,840
(11) Transportation	0
(12) Other	0
(13) Total Estimated Cost	\$245,000

To assist in fiscal planning, the USG provides the following anticipated costs of this LOA:

ESTIMATED PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Quarterly</u>	<u>Cumulative</u>
Initial Deposit	\$245,000	\$245,000

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7G-P-TPA

Page 2 of 8 Pages

**Attachment 6-3 (Continued)
Sample BPC Case Basic LOA Document**

Explanation for acronyms and codes, and financial information, may be found in the "Letter of Offer and Acceptance Information."

Signed Copy Distribution:

1. Upon acceptance, the Purchaser should return one signed copy of this LOA to Defense Finance and Accounting Service - Indianapolis ATTN: Security Assistance Accounting, DFAS-JAX/IN 8899 E. 56th Street Indianapolis, IN 46249-0230. Simultaneously, wire transfer of the initial deposit or amount due with acceptance of this LOA document (if required) should be made to ABA #021030004, U.S.Treasury NYC, Agency Location Code: 00003801, Beneficiary DFAS-JAX/IN Agency, showing "7G-P-TPA, payment from Section 333, FY20 (Base)"; or a check for the initial deposit, made payable to the US Treasury, mailed to Defense Finance and Accounting Services, ATTN: Disbursing Operations-FMS Processing Col 135D, 8899 E. 56th Street, Indianapolis, IN 46249, showing "7G-P-TPA, payment from Section 333, FY20 (Base)". Wire transfer is preferred.

2. One signed copy should be returned to Department of the Navy, Navy International Programs Office, 1250 10th Street, SE Bldg 200, Suite 2000, Washington, DC 20374-5165.

Note 1. TRAINING.

Line Item 001 provides for defined order training in support of EASTCOM Operations for Bandaria, the shipment of student training materials, and the payment of student travel and living allowance (TLA).

The Minimum English Comprehension Level (ECL) requirement is seventy percent (70%).

The U.S. Government Security Cooperation Organization (SCO) assigned responsibility for assisting the U.S. Diplomatic Mission in-country will provide services and technical assistance in preparing students to receive training in the United States. The SCO will coordinate scheduling with appropriate agencies and assist in selection of students to ensure they meet security, medical, English language, and technical requirements for training provided under this LOA. The SCO will ensure all students are briefed before their departure and prepare necessary administrative documents related to training, including Invitational Travel Orders (ITOs), medical records, and arrival messages.

Travel and Living Allowance (TLA) as established per the Security Assistance Management Manual (SAMM) DSCA 5105.38-M will be charged to this line. Living allowance per student is limited to the rates authorized in the SAMM, Table C10.T12.

No participation in a Training Program Management Review is anticipated for this LOA.

Note 2. MEDICAL SERVICES.

Line Item 002 provides for medical services incurred by trainees and are reimbursable under this LOA.

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Attachment 6-3 (Continued)
Sample BPC Case Basic LOA Document

Note 3. Tuition Rate.

A charge of 50 percent of the tuition rate for the course phase shall be made for a student who is cancelled or rescheduled within 60 days before the starting date of the course or phase. For sequential training, the cancellation charge shall apply to courses or phases scheduled to start within the 60-day period. No charge shall be made for withdrawal from follow-on training when course cancellations or reschedulings are caused by the U.S.

Government or for students who attrite due to academic failure beyond the control of the student, or are disenrolled due to injury or illness incurred during training.

Cancellations or reschedulings shall be effective on the date notice is presented in writing to the U.S. overseas Security Assistance Organization (SAO) or other duly appointed and recognized U.S. Government representative. Charges for attrited (separated) students shall not be less than 50 percent of the tuition rate. Further, if the student completes more than half of the course, the cost shall be assessed on a pro rata share (e.g. 70 percent) of the tuition rate, or 100 percent of the tuition rate if a pro rata computation is not practicable.

Note 4. Liability.

The Purchaser is liable for any damages to U.S. Government equipment caused by negligence on the part of the student.

Note 5. TRAINING - HOMELAND SECURITY INFORMATION AND FORFEITURE CHARGES.

The purchaser or Benefitting Country must provide information for its personnel receiving training under this LOA to ensure that all training tracks in the Security Assistance Network (SAN) database have completed names, dates of birth, and places of birth (consisting of city and country) for each student no later than 16 calendar days prior to students' report date in the U.S. If the required information is not available in the SAN by such date, the U.S. Government will cancel or re-schedule the subject training. Forfeiture charges may apply in accordance with the DoD FMR, Volume 15, Chapter 7 and the Security Assistance Management Manual (SAMM), Chapter 10.

Note 6. ASSOCIATED LETTERS OF OFFER AND ACCEPTANCE.

This Letter of Offer and Acceptance (LOA) supports EASTCOM Operations for Bandaria, executed under authority of Title 10 United States Code, Section 333. This LOA is managed by NETSAFA and provides Training and Medical Services, the delivery of which determines if the Full Operational Capability provision applies to the Ground and Maritime Interdiction program.

Note 7. CASE CLOSURE- SECTION 333, FY20 (1 YR BASE O&M).

Closure activities will begin once all lines are supply service complete. Case closure will be completed not later than July 31, 2025.

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Page 4 of 8 Pages

**Attachment 6-3 (Continued)
Sample BPC Case Basic LOA Document**

Note 8. FUNDS SOURCE AND AVAILABILITY - SECTION 333, FY20 (1 YR BASE O&M).

Funds are provided in support of authority to build the capacity of foreign security forces per the functional capabilities listed in 10 USC Section 333.

1. The funds are subject to all the requirements and restrictions specified under Program Authority 10 U.S.C. Section 333 and Appropriation Authority P.L. 116-93 FY20.
2. The funds carry the same time, purpose, and availability restrictions associated with fund source 97 20 0100.
3. Funds not obligated within the period of availability ending on September 30, 2020 will be rendered unavailable for new obligations unless a subsequent authority extends the period of availability. Funds will cancel at midnight on September 30, 2025.
4. This is the only source of funding for costs associated with this LOA and funds are limited to the total estimated cost of this LOA. Neither DSCA nor the IA has other funds legally available to them for this requirement or for any costs that exceed the value of this LOA.

Note 9. BUILDING PARTNER CAPACITY (BPC) MATERIEL TRANSFER.

1. Shipment and Delivery:

- a. All shipments will be marked and labeled in accordance with DoD Standard Practice for Military Marking (MIL-STD 129).
- b. The U.S. Government agrees to provide transportation services for the items identified in this LOA to the point of delivery in the Benefitting Country. The SCO (or U.S. Government representative) will confirm receipt of all materiel deliveries.
- c. Any shipment discrepancies or damage will be reported by a U.S. Government representative through the existing DoD discrepancy reporting system (Transportation Discrepancy Report (TDR) or Supply Discrepancy Report (SDR)), according to procedures for processing U.S. Government-owned materiel transported through the Defense Transportation System (DTS)). The SDR (Standard Form 364) will be used by the SCO to promptly report any overage, shortage, damage, item deficiency, improper identification, improper documentation, or non-shipment of defense articles. The SCO may submit SDRs for documentation purposes regardless of the dollar value of the discrepancy, but only claims valued at \$200 or more (based on the value of the item plus any transportation and handling costs) will be reviewed for possible funding reimbursement. Discrepant articles will be returned to the U.S. Government's custody. Any claim, including a claim for shortage or nonperformance, received more than one year after delivery of the defense articles to the Benefitting Country (or after the end of the scheduled period of performance for services) will not be processed.
- d. The Benefitting Country is responsible for clearance of materiel through its customs at the point of debarkation (POD). After the U.S. Government has delivered materiel to the specified point of delivery in the Benefitting Country, the Benefitting Country is responsible for any required onward movement.

2. Title and Custody Transfer:

- a. The U.S. Government will retain title to and custody of the offered defense articles throughout transportation and delivery to the Benefitting Country, unless otherwise stated in this LOA.
- b. The U.S. Government representative will confirm delivery of materiel title and custody to an authorized Benefitting Country representative or agent by jointly signing a Transfer and Receipt document. The 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 DSCA Program Director and the IA.

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Page 5 of 8 Pages

Attachment 6-3 (Continued)
Sample BPC Case Basic LOA Document

Note 10. AVAILABILITY OF FUNDS ACROSS FISCAL YEARS.

Cross Fiscal Year Authority is provided by 10 USC 333(g) (2) (a) and authorizes the period of performance to begin when the program incurs the first financial obligation. All program activities must conclude no later than the end of the second fiscal year thereafter.

Training-only programs are only permitted to use the Cross Fiscal Year authority.

Full Operational Capability is provided by 10 USC Section 333(g) (2) (b). For a program to qualify for FOC, the U.S. Government must receive the last key article for the program (denoted on the Congressional Notification table) before the end of the fiscal year after the fiscal year in which the program incurs the first financial obligation. If all the key articles are delivered on time, the U.S. Government may provide the partner with defense articles, training (including Human Rights training), defense services (i.e. field service representatives contractor logistical support), supplies and small-scale military construction (subject to \$750,000 limit) associated with delivered of the key equipment.

These activities may continue into the next two full fiscal years after delivery of the equipment to the partner nation but must conclude before the end of that second fiscal year.

If the U.S. Government does not receive all the key articles (as denoted in the Congressional Notification table) for the program before the end of the next fiscal year after the 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 provision from 10 USC 333(g) (2) (a). The U.S. Government will make every effort to deliver articles to the partner nation within 120 days after acceptance of the articles by the U.S. Government or as soon as practical. FOC cannot be applied to programs that only provide training.

Note 11. MEDICAL EXPENSES IN CONUS.

As part of the Invitational Travel Order (ITO) process, Benefitting Country students will be medically screened before travel to CONUS and the Security Cooperation Organization (SCO) will recommend that the Benefitting Country purchase or provide medical insurance coverage for each student. A line may be included on this LOA to cover only unforeseen or emergency medical expenses that arise during travel, in the event that the student's insurance is inadequate.

Note 12. NONRECURRING COSTS DO NOT APPLY - BPC.

Nonrecurring Costs (NC) do not apply to BPC programs.

Note 13. ADMINISTRATIVE SURCHARGE.

An administrative surcharge of 3.2% has been applied to line(s) 001 and 002.

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Page 6 of 8 Pages

**Attachment 6-3 (Continued)
Sample BPC Case Basic LOA Document**

Copy to:

NETSAFA (N-321/N-834)
NAVSUP WSS
NAVY IPO (230)
EASTCOM
ODC Bandaria
DFAS-JAX/IN Indianapolis, IN

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