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IN REPLY
REFER TO DLMSO

October 21, 2009

MEMORANDUM FOR SUPPLY AND FINANCE PROCESS REVIEW COMMITTEE
MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 289, Revisions to Security Assistance Program Procedures, Modification of the Definition of the Security Assistance Type of Assistance and Financing Codes (MILSTRIP/Supply) and Policy Change to Billing Procedures (MILSBILLS/Finance) (staffed as PDC 289)

The attached change to DOD 4000.25, Defense Logistics Management System (DLMS), DOD 4000.25-1-M, Military Standard Requisitioning and Issue Procedures (MILSTRIP), and DOD 4000.25-7-M, Military Standard Billing System (MILSBILLS) is approved. This change is effective immediately. ADC 289 publishes previously issued policy and updates documentation for clarification and consistency.

Addressees may direct questions to the DLMSO points of contact, Ms. Ellen Hilert, Chair, Supply Process Review Committee (PRC), 703-767-0676, DSN 427-0676, or e-mail: ellen.hilert@dla.mil, or Mr. Robert Hammond, Finance PRC Chair, 703-767-2117, DSN 427-2117 or e-mail: robert.hammond@dla.mil. Others must contact their Component designated representative.

A handwritten signature in black ink, appearing to read "Donald C. Pipp", written over a circular stamp or seal.

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
DUSD(L&MR)SCI

ADC 289

Revisions to Security Assistance Program Procedures and Modification of the Definition of the Security Assistance Type of Assistance and Financing Codes

1. ORIGINATOR

a. Defense Logistics Agency, International Programs, Customer Operations and Readiness, (J-31/CSO-I), phone: 703-767-7515

b. Defense Security Cooperation Agency, Directorate of Business Operations, Financial Policy & Analysis, phone: 703-601-3761

2. FUNCTIONAL AREA: Supply and Finance

3. REFERENCES:

a. DLA Memorandum dated August 9, 2007, subject: Request for the Modification of the Definition of the Security Assistance Type of Assistance and Financing Code for Defense Working Capital Fund (DWCF) Support of Grant Aid Contingency Operations and Humanitarian Drawdowns (attached)

b. DoD 5105.38M, Security Assistance Management Manual (SAMM), Chapter 11.4.4.3, Defense Working Capital Fund (DWCF) Items.

c. DOD Financial Management Regulation 7000.14-R, Volume 12, paragraph 230502, dated September 2005

d. DOD Financial Management Regulation 7000.14-R, Volume 11B, paragraph 110106.A, dated October 2002

e. Public Law 87-195, Foreign Assistance Act (FAA) of 1961, Section 506, Paragraph (d)

4. REQUESTED CHANGES: This change identifies administrative revisions to the MILSTRIP Chapter 6, Security Assistance Program (Enclosure 2); DLMS dictionary, and MILSTRIP Ap2.19, Security Assistance Type of Assistance and Financing Codes (Enclosure 3), and MILSBILLS Chapter 2, Billing Procedures (shown below).

a. Revise MILSTRIP Chapter 6, Security Assistance Program, to make the following changes. The updated chapter text is shown at Enclosure 1 with revisions identified in *bold italics*. Outdated terminology or procedures have been corrected to include:

- Remove the term Military Assistance Program and the acronym MAP from the chapter.
- C6.5.2.1 - Add a paragraph on the release of assets in support of a RAD entry.
- C6.5.5.1 - Add a paragraph on extended RDDs in support of FMS requisitions.

- C6.15.3.3.5 - Add a paragraph on storage charges being assessed when items are held due to a failure to respond to an NOA.
- C621.2 - Add a paragraph on DLA's billing for Type of Assistance Code C Grant Aid requisitions.

(1) Background: This change is primarily administrative, requiring no programming changes. This change accommodates the inclusion of a paragraph on the timeframe for shipments using a Required Availability Date (RAD), the use of extended Required Delivery Dates (RDDs), a paragraph regarding possible storage charges for materiel awaiting Notice of Availability (NOA) responses, and some minor changes to program names and acronyms. These changes incorporate guidance found in the DoD 5105.38M, Security Assistance Management Manual (SAMM).

(2) Reason For Change: These revisions ensure MILSTRIP Chapter 6, Security Assistance Program, and MILSBILLS chapter 2 are up-to-date and matches the SAMM.

(a) The clarification regarding storage charges is identified in MILSTRIP as a cautionary notice of potential consequence resulting from failure to respond to the Notice of Availability in a timely manner leaving material to remain in storage at the Distribution Depot.

(b) The clarification of the reimbursement requirement for Grant Aid requisitions identified with Type of Assistance Code C, is to align this document with the OUSD(C) policy issued in 1994 (see below) requiring all Working Capital Fund requisitions for Presidential Drawdowns to contain a funding source. It is believed that this has resulted in material being shipped to the SA countries without reimbursement to the seller (e.g. these requisitions have been processed as "free issue" rather than being properly billed).

b. Revise the definition for Type Of Assistance Code "C" to read:

"C Presidential determination to order defense articles from stock and performance of defense services to satisfy Grant Aid Requirements with reimbursement from subsequent military assistance appropriations (Section 506 of the FAA of 1961). All requests for Working Capital Fund activities (to include transportation), shall include a funding source to allow DWCF activities to be reimbursed by the military departments; orders will not be accepted without a funding source. (DoD FMR 7000.14R, Vol 12, paragraph 230502 and Vol 11B, paragraph 110106.A.)"

(1) Background: In 1994, OUSD(C) issued a policy requiring all Working Capital Fund requisitions for Presidential Drawdowns have a funding source, so DWCF activities can be reimbursed by the Military Departments without delay. Orders will not be accepted without a funding source. This policy is included in the DoD FMR 7000.14R, Vol 12, paragraph 230502 and Vol 11B, paragraph 110106.A.

(2) Reason for Change: The revised definition clarifies this policy to ensure all Working Capital Fund activity requests have a funding source.

c. Revise the definition for Type Of Assistance And Finance Code "M" to read:

“M MAP Merger/USG Grants. The MAP, established under the mutual Defense Assistance Act of 1949, originally provided for the loan or grant of military equipment, materials, and services (including training) to eligible nations. Since FY 82, the authority of Section 503(a)(3) of the FAA of 1961 has been used to merge MAP funds with recipient countries funds and/or with FMS financing credit in the FMS Trust Fund, to make adequate funds available to finance the country’s FMS cases. In addition, since FY 06, other authorities have authorized granting of US appropriations for use for FMS.”

(1) Background: In 2006, DSCA was given authority to grant funds received from a State Department Appropriation. Procedures were established to control the funds granted and use existing codes that had comparable pricing policies and would not required a system change. It was determined that the policies associated with the MAP funding were comparable and therefore, guidance was published.

(2) Reason for Change: Update definitions to reflect correct policy and required practices. Note a prior update to MILSTRIP updated references to Military Traffic Management Command (MTMC) to Military Surface Deployment and Distribution Command (SDDC) (appears in multiple locations in the attached chapter).

d. Revise MILSBILLS Chapter 2 Billing Procedures, paragraph C2.1.1.4 as shown below.

C2.1.1.4. Drawdowns.

C2.1.1.4.1. Materiel requisitioned under authority of Section 506 of the Foreign Assistance Act¹ must not be billed until funds are appropriated, ***with the exception of Working Capital Fund activities.*** The determination to use Section 506 does not provide obligation or disbursing authority. Section 506 permits the drawdown of existing DoD stocks subject to an appropriation to be made at a later date to effect reimbursement to the Defense account. Since there is no assurance that reimbursement will be received the transfers cannot be recorded as accounts receivable. Therefore, issues under Section 506 should be treated as transfers without reimbursement. The transaction should be reversed if appropriations are received to reimburse the appropriate accounts. Should Congress fail to appropriate funds for this purpose, the Defense account must absorb these costs. Section 506 drawdowns of GSA or other non-DoD stock are not authorized.

C2.1.1.4.2. All requests for Working Capital Fund activities (to include transportation), shall include a funding source, allowing DWCF activities to be reimbursed by the military departments without delay. Orders will not be accepted without a funding source. DoD FMR 7000.14R, Vol 12, paragraph 230502 and Vol 11B, paragraph 110106.A.).

5. ADVANTAGES AND DISADVANTAGES:

a. Advantages: These changes will bring in line what is stated by the existing law and policy and remove outdated information. This will ensure that the Military Departments are

¹ Security assistance requisition with type of assistance code of “C.”

aware they are responsible for reimbursing DWCF of all money for the services rendered. Revising the definition of a current code does not impact systems.

b. Disadvantage: None.

6. IMPACT: No systems impact has been identified. Comparable changes will be applied to the DLMS manual and the SAMM, DoD 5105.38M

7. Additional DLMS information: DLA clarified procedures for the methodology used to implement the extended RDD under DLMS. This information will be included in the DLMS manual (equivalent to MILSTRIP paragraph C. 6.5.5.1.):

In the case of DLA support, the extended RDDs will cause intentional holding of support. For those orders, the support date is calculated externally by DAASC upon receipt of the transaction and fed to the Enterprise Business System (EBS). DAASC sends SMS the actual Standard Delivery Date which in the case of extended (S-coded) RDDs will cause the order to go into BP status and be held until 50 days prior to the release date.

C6. CHAPTER 6

SECURITY ASSISTANCE PROGRAM

C6.1 GENERAL

C6.1.1. The provisions of MILSTRIP apply to all phases of requisitioning and issue to support the Security Assistance Program; however, this chapter provides special procedures and instructions for preparing and processing FMS and Grant Aid requirements (see AP2.19) which are exceptions to other areas of the manual.

C6.2. RESERVED

C6.3. REQUISITION FORMATS

C6.3.1. Requisitions for FMS and Grant Aid materiel vary from the construction of requisitions in support of U.S. Forces. Codes peculiar to FMS and MAP Grant Aid requisitions are listed in the designated appendices and the DoD 4000.25-8-M (MAPAD) together with their meanings and applications. Specific FMS and MAP Grant Aid requisition entries are as follows:

C6.3.1.1. Grant Aid

C6.3.1.1. Requisitioner Field (rp 30-35)

C6.3.1.2. Rp 30 will contain the FMS and Grant Aid S/A code (AP2.2) of the U.S. *Service Implementing Agency* responsible for administering the Grant Aid Program line.

C6.3.1.3. Rp 31-32 will contain the country/*activity* code (AP2.18).

C6.3.1.4. Rp 33 will contain the customer-within-country/*activity* code to indicate the recipient or place of discharge within the country/*activity* (see MAPAD), with the exception of requisitions containing DI A05 with special one-time shipping instructions entered in the Remarks block of the requisition. In this instance, a DI A05 requisition may contain a zero in rp 33. The special instruction will include an address to receive documentation when documents are not to be forwarded to the ship-to address. The use of DI A05 requisitions will be limited to one-time situations where it is not practicable to designate the addresses by coded entries in the requisition and in the MAPAD.

C6.3.1.5. Rp 34 will contain a numeric zero (0).

C6.3.1.6. Rp 35 will contain the appropriate Grant Aid type of assistance/financing code (AP2.19).

C6.3.1.2. Supplementary Address Field (rp 45-50)

C6.3.1.2.1. Rp 45 will contain Y to indicate that the data entered in rp 46-50 are nonsignificant to the overall systems but are to be perpetuated in all subsequent documentation.

C6.3.1.2.2. Rp 46-50 will contain the RCN. This number is assigned by the appropriate Service activity and is constructed as follows:

C6.3.1.2.3. Rp 46 will contain the last digit of the program year in which the requisitioned item was approved and funded.

C6.3.1.2.4. Rp 47-50 will contain the four-position program line item number (alpha/numeric) or the program.

C6.3.2. Foreign Military Sales

C6.3.2.1. Requisitioner Field (rp 30-35)

C6.3.2.1.1. Rp 30 will contain the FMS and Grant Aid Service assignment code (AP2.2) of the U.S. ***Service Implementing Agency*** responsible for administering the FMS Case.

C6.3.2.1.2. Rp 31-32 will contain the country/activity code (AP2.18).

C6.3.2.1.3. Rp 33 will contain the customer-within-country code. This code will be assigned and recognized in conjunction with entries in rp 46-47. The application of the customer-within-country code in relation to coded entries in rp 46-47 is explained in paragraph C6.3.2.3., below. When a customer-within-country code is not applicable, a zero will be entered.

C6.3.2.1.4. Rp 34 will contain the FMS delivery term code (see the ***DTR_or DLMS dictionary (LOGDRMS) for code definition and applicable values***) to convey the point of delivery condition negotiated under the case agreement and must correspond to delivery terms specified in the applicable Letter of Offer and Acceptance.

C6.3.2.1.5. Rp 35 will contain the appropriate FMS type of assistance/financing code (AP2.19).

C6.3.2.2. Supplementary Address Field (rp 45-50)

C6.3.2.2.1. Rp 45 will contain the FMS and Grant Aid Service Code of the customer country's requisitioning Service. This code is derived from AP2.2) and published as [the Security Assistance Program Customer Service Designator](#) in the DLMS dictionary (LOGDRMS).

C6.3.2.2.2. Rp 46 will contain the applicable country FMS offer/release option code (A, Y, or Z) or code X to denote that the United States is responsible for transportation arrangements, as determined by negotiations between the customer representative and the U.S. Service responsible for administering the FMS case, and as reflected in the Case Agreement (refer to MILSTRIP Terms and Definitions for Type of Country Security Assistance Offer/Release Options). FMS offer/release option codes are listed in the definitions and terms

section of this manual with explanations of their application and recognition under FMS offer and release procedures.

C6.3.2.2.3. Rp 47 will contain a code to designate the recipient of shipments and documentation and will be the FMS *country representative/freight forwarder* (CR/FF) code as published in the MAPAD. This entry and the use of code X or W will be applied and recognized in conjunction with the entry in rp 33 as explained in paragraph C6.3.2.3., below.

C6.3.2.2.4. Rp 48-50 will contain the specific FMS case designator consisting of a three-position alpha/numeric code. The first position will always be alphabetic and the second and third positions may be alphabetic or numeric. All correspondence (such as letters and messages) will always include the appropriate case *identifier composed of the two digit country/activity code, one digit Implementing Agency code, and the three digit case designator as part of the identification data.*

C6.3.2.3. Designation of Shipment Addresses for Foreign Military Sales

C6.3.2.3.1. The means of expressing ship-to and/or mark-for addresses in requisitions are the entries shown in rp 33 (customer-within-country) and rp 47 (CR/FF), *respectively*. The designation of such addresses will be consistent with delivery terms contained in the case agreement. Specific codes will not be utilized in requisitions until such time as the codes and corresponding addresses are published in the MAPAD.

C6.3.2.3.1.1. The DAAS will reject requisitions, referral orders, passing orders, DI AT_ follow-ups, and DI AM_ modifiers, containing MAPACs that do not have valid ship-to and mail-to addresses in the MAPAD, to the submitting ILCO. (Supply Status (DI AE9) with Status Code DP applies.)

C6.3.2.3.1.2. The ICPs may reject requisitions received off-line (mail, message, courier, fax, telephone) which contain MAPACs that do not have valid ship-to and mail-to addresses in the MAPAD, to the submitting ILCO. This includes remarks/exception type DI A05/A0E requisitions directing materiel to various shipping points. (DI AE_ with Status Code CX applies).

C6.3.2.3.1.3. When shipment is to be made to a CR/FF or to a point designated by a CR/FF in response to NOA, a specific code other than an X or W will be entered in rp 47. In this instance, the ship-to address will be the address listed in the MAPAD for the CR/FF or the address provided in response to the NOA. The mark-for address will be the address listed in the MAPAD for the code in rp 33. For those countries which have elected not to publish clear-text addresses for rp 33 codes, there will be no mark-for address, but supply and shipping activities will perpetuate the rp 33 code in all related documentation. When a customer-within-country code is not applicable, a zero will be entered.

C6.3.2.3.1.4. When shipment is to be made to an assembly point or staging area, an XW will be entered in rp 46-47 and a clear-text address will be conveyed in an exception requisition. *See paragraph C6.3.2.4.3.* The rp 33, if required, will designate the mark-for address.

C6.3.2.3.1.5. When shipment is to be made to an address within the customer country, an **XX** will be entered in rp **46-47** and the in-country ship-to address will be the address listed in the MAPAD for the code in rp 33. *See paragraph C6.3.2.4.3*

C6.3.2.3.1.6. The foregoing instructions apply to all customer countries except Canada. For Canada, shipment address codes are contained in rp 46 and 47.

C6.3.2.4. FMS Offer/Release Option Codes

C6.3.2.4.1. FMS offer/release option codes are used in requisitions for shipments to be made or offered to CR/FFs. These codes specify whether shipments are to be made automatically or under one of two types of NOAs and will be consistent with the conditions of the FMS case agreements. FMS offer/release option codes are not applicable to requisitions for Canada since FFs are not utilized for Canada and both rp 46 and 47 are used to denote shipment addresses.

C6.3.2.4.2. FMS offer/release option codes and their explanations are contained in the definitions and terms section of this manual.

C6.3.2.4.3. If, consistent with the conditions of the FMS case agreements, transportation arrangements for shipments will be accomplished by the U.S. Service, an **X** will be entered in rp 46 in lieu of a country FMS offer/release option code. When an **X** is authorized and entered in rp 46, an **X** or **W**, denoting shipment to an address within the customer country or shipment to an assembly point or staging area, must be entered in rp 47.

C6.4. RESERVED

C6.5. REQUIRED AVAILABILITY DATES

C6.5.1. Requisitions for FMS and Grant Aid requirements for major weapons systems, end items, and concurrent spares will be prepared to reflect the amount of time remaining from dates of requisitions until RADs become effective. In FMS cases the RAD will be computed by adding the lead time stated on the Letter of Offer and Acceptance (**LOA**) to the date of **acceptance by the purchaser**. For Grant Aid, the RAD will be computed by adding the ICP determined lead time to the date of the order.

C6.5.2. The requisition RAD will be expressed as the number of months remaining from the date of the requisition to the computed RAD which will be entered in rp 63-64 of the requisition. The character **A** will be inserted in rp 62. This technique enables supply source, ILCO, and customer control of requisitions, provides for recognition of firm commitments to foreign governments, and helps assure that materiel requirements are ready for delivery by the approved RAD. The actual date of materiel availability **for calculation of the RAD** will be the last day of the month depicted by the rp 62-64 entries. Shipment of materiel will be made at the time of initial requisition processing to the extent that releasable assets are available regardless of the number of lead time months shown in rp 63-64 of the RAD entry. **Materiel not immediately available should be acquired and shipped by the last day of the month depicted by the rp 63-64 entries. However, depending on availability, materiel may be acquired and shipped after the**

RAD expires unless cancellations are submitted. Appropriate status will be provided to the address(es) designated in the requisition.

C6.5.3. For Grant Aid, as soon as practicable, but not later than 120 days after receipt of an approved funded order, the S/A Departments will place a RAD on the requisitions for major items, ***and the associated support equipment and initial issue parts***, as determined by the S/A.

C6.5.4. RAD time begins with the date of the requisition (*i.e., the date contained in the requisition document number (See Appendix 2.14)*), ***and does not have the affect of holding release of the materiel.***

C6.5.5. Requisition originators will modify the RADs when contract forecast delivery dates indicate availability of items at a time other than designated by the previously established RADs. In inter-S/A actions, when requisitions or other documents bear a RAD with a shorter lead time than when the materiel will be available, the supplying S/A will promptly provide the requesting S/A with status reflecting the true availability date. This will be accomplished by use of DI AE_ with Supply Status Code BB, BV, or B3, as appropriate. The requesting S/A will adjust all records to reflect the new availability date information. When the supplying S/A is aware that the established RAD will not be met, that S/A's supply source will advise the appropriate ILCO that the RAD will not be met due to slippage and internal processing. The advice of RAD slippage will be furnished the ILCO by letter, message, or DI AE_ with Supply Status Code B3.

C. 6.5.5.1. An extended ***Required Delivery Date*** (RDD) in an FMS requisition will be expressed with the letter S in rp 62, and the number of months ***from the date of the requisition*** before ***which*** delivery is required entered in rp 63-64 of the requisition. The release date is defined as 50 days prior to the last day of the month indicated in 63-64. Releasable assets will be held until 50 days prior to the last day of the month indicated.

C6.6. RESERVED

C6.7. REQUISITION PREPARATION AND SUBMISSION

C6.7.1. Requisitions will be prepared and transmitted by FMS purchasers and SAOs to the applicable ILCO in the appropriate MILSTRIP format as prescribed by the U.S. Service. The ILCO will transmit FMS and Grant Aid requisitions to the appropriate supply source in the prescribed DoD MILSTRIP format.

C6.7.2. Requisitions prepared by the U.S. Service for FMS and Grant Aid requirements will be transmitted to the appropriate supply source in the prescribed MILSTRIP format.

C6.7.3. ILCOs will enter a ***Cooperative Logistics Support Program Code*** (CLPSC) (AP2.22) in rp 72 of applicable requisitions and passing orders, in order to convey programmed/nonprogrammed status of a requisition to an ICP/IMM. Supply support, provided under CLSSA agreements, is intended to provide support to the requiring nation on the same basis that support is provided to U.S. Forces, ***within assigned priority (based upon Force or Activity Designator (F/AD)) and with all other coding being equal.*** However, such support cannot be provided if the combat effectiveness of U.S. Forces would be impaired thereby.

Consequently, CLSSA support is not to be provided on the same basis as for U.S. Forces until after the expiration of a lead time period necessary to augment U.S. Stocks to support the agreement. CLSSA requisitions received before the expiration of required lead time may be filled from existing supply source stocks only if stock levels do not drop below the established reorder point. If sufficient stock balances are not available to fill such requisitions without dropping below the reorder point, supply sources will initiate procurement action to fill the CLSSA requirement. CLSSA requisitions received prior to expiration of the established lead times are considered to be “unprogrammed” requirements. Unprogrammed CLSSA requisitions and passing orders will contain CLPSC 2 in rp 72 (AP2.22). CLSSA requisitions and passing orders received after expiration of the lead time required to augment stock levels will be processed in the same manner as U.S. demands. Such requisitions and pass order are considered to be “programmed” requirements and will contain CLPSC 1 in rp 72. If rp 72 is blank when the requisition is received by the ICP/IMM, the requisition will be processed as an unprogrammed requirement.

C6.7.4. Certain FMS and Grant Aid requisitions will be subject to a restriction in quantity when it is determined that the total requirement for an item will result in more than 25 shipment units. This constraint is employed to preclude the assignment of non-MILSTRIP TCNs, which occurs when the number of shipment units exceeds 25 and which causes a loss of identity to the shipment. The Services will specify those items of equipment to which the quantity restriction applies. Generally, these items will be equipment such as wheeled/tracked vehicles or other items when a unit of issue of one each will constitute a single shipment unit.

C6.8. RESERVED

C6.9. STATUS IN GENERAL²

C6.9.1. Supply sources will provide status only to the ILCO or other monitoring activities identified in rp 54 of AP3 formats. DI AE3 will be used on supply status, and DI AS3 will be used on shipment status in response to follow-ups. However, DI AE8/AS8 will be used in supply source initiated status. It is the responsibility of the ILCO or monitoring activity to furnish status to the appropriate country status recipient.

C6.9.2. Status from the ILCO/monitoring activity to the MAPAD status recipient will be transmitted through the DAAS.

C6.9.3. . Status to FMS customers is sent to the MAPAD TAC 4 status recipient.

C6.9.4. Status to Grant Aid customers is sent to the MAPAD TAC 3 *purchaser*/in-country SAO status recipient.

C6.9.5. The M&S entry in rp 7 should be zero to preclude unnecessary status output. The transmission medium is determined by DAAS.

C6.10. STATUS UPON REQUISITION INITIATION OR SUBMISSION³

² Revised FMS status procedures last reported as not implemented by DLA (Subsistence). Refer to AMCL 156.

C6.10.1. General. Status is provided by the ILCO to the customer when the requisition enters the supply system.

C6.10.2. Service Initiated Requisitions. When FMS requisitions are prepared and introduced by a U.S. Service, a supply status document representing the U.S. prepared requisition will be transmitted by the introducing U.S. Service to the appropriate MAPAD status recipient. The supply status document may also be prepared for CONUS generated Grant Aid transactions and, when prepared, will be transmitted to the appropriate in-country SAO. The supply status (DI Code AE_) will contain a code A thru E in the third position to reflect the type of stock number being requisitioned. It is desired that the latest available unit price be entered in rp 74-80; however, this is an optional entry depending on the capability of the Service involved. Status Code BU will be entered in rp 65-66 and the ESD in rp 70-73 may be left blank.

C6.10.3. Customer Initiated Requisitions.

C6.10.3.1. When *purchaser* prepared FMS requisitions are forwarded to supply sources by the ILCO, supply status with DI AE2 citing Status Code BW will be provided to the customer.

C6.10.3.2. When Grant Aid requisitions prepared by the in-country SAO are forwarded to supply sources by the ILCO, supply status with DI AE1 citing Status Code BW will be provided to the customer/SAO.

C6.10.3.3. The latest available unit price may be entered in rp 74-80, and the ESD in rp 70-73 may be left blank.

C6.11. FOLLOW-UPS AND STATUS RESPONSES⁴

C6.11.1. As authorized, follow-ups, modifiers, and cancellations for FMS and Grant Aid transactions may be submitted by RCS or in-country SAOs to the source(s) designated by the individual U.S. Service administering the FMS case or Grant Aid program line.

C6.11.2. When follow-ups are submitted to the ILCO/monitoring activity, the latest status information will be furnished to the CR by the ILCO/monitoring activity.

C6.11.3. FMS requisition status will contain DI AE2 or AS2.

C6.11.4. Grant Aid requisition status will contain DI AE1 or AS1.

C6.11.5. When current status information is not available on requisitions submitted to the supply system, the ILCO/monitoring activity may transmit the follow-up to the appropriate supply source or provide interim status to the customer pending completion of ILCO/monitoring activity follow-up action. In either case, a supply status document containing Status Code BW or BM (as indicated by the U.S. Service) and a blank ESD field may be provided to the

³ See Footnote 1.

⁴ See Footnote 1.

customer. When requisitions have not been introduced into the supply system, the ILCO/monitoring activity will provide a written reply to the customer originated follow-ups.

C6.12. CANCELLATION AND REJECTION STATUS⁵

C6.12.1. Cancellation and rejection status from the supply source will be provided to the ILCO/monitoring activity citing DI AE3 and the appropriate status code.

C6.12.2. DI AE1/AE2 supply status transactions will not be produced by the supply source on FMS and Grant Aid requisitions.

C6.13. STATUS ON FOREIGN MILITARY SALES NOTICE OF AVAILABILITY⁶

C6.13.1. When FMS requisitions are processed and an NOA is forwarded to the CR/FF, a DI AE2 supply status transaction containing Status Code BL will be furnished to authorized status recipients at the same time the NOA is forwarded. The BL status advises that the item is available for shipment and was offered to the CR/FF on the date entered in rp 70-73.

C6.14. MODIFICATION OF COUNTRY FOREIGN MILITARY SALES OFFER/ RELEASE OPTION OR FREIGHT FORWARDER⁷

C6.14.1. Unusual circumstances *may* require a change in the country FMS offer/release option code or freight forwarder code for an FMS case or for individual requisitions within an FMS case. When this condition exists, FMS customers or ILCO/monitoring activity may initiate DI AM_ requisition modifier to change the coded data in FMS requisitions released to the supply system.

C6.14.2. FMS requisition modifier transactions will be initiated under chapter 2, paragraph C2.19. Entries in the requisition modifier transaction may differ from those in the original requisition only to reflect changes to one or any combination of the following:⁸

C6.14.2.1. Media and Status, rp 7.

C6.14.2.2. FMS Offer/Release Option, rp 46.

C6.14.2.3. Freight Forwarder, rp 47.

C6.14.2.4. Signal, rp 51.

C6.14.2.5. Fund, rp 52-53.

⁵ See Footnote 1.

⁶ See Footnote 1.

⁷ See Footnote 1.

⁸ Revised requisition modifier procedures last reported as not implemented by USMC. Refer to AMCL 123C.

C6.14.2.6. Distribution, rp 54.

C6.14.2.7. Project, rp 57-59.

C6.14.2.8. Priority Designator, rp 60-61.

C6.14.2.9. Required Availability Date, rp 62-64.

C6.14.2.10. Advice, rp 65-66.

C6.14.3. Modifiers which change the FMS offer/release option or FF must be submitted to procurement for manual amendment of contracts. Customers are responsible for additional charges which may accrue. To limit manual processing and avoid additional contract charges, modifiers which change the FMS offer/release options or FFs should be submitted only when the change is mandatory. When **LOAs** have not been amended to reflect the changes, FMS customers must coordinate with the Service monitoring activity before requesting requisition modification.

C6.15. RELEASE OF FOREIGN MILITARY SALES SHIPMENTS

C6.15.1. General

C6.15.1.1. The procedures to be followed in releasing shipments of FMS materiel from storage activities are normally dependent upon the entry in rp 46 of requisitions or related transactions. The exceptions to use of the FMS offer/release option code in rp 46 in the release of shipments are:

C6.15.1.1.1. When the shipment is unclassified and is to be accomplished by parcel post/small parcel delivery service, the shipment will be released automatically without an NOA regardless of the entry in rp 46 and should be either insured, certified, or registered. Evidence of shipment must be provided for all FMS shipments regardless of shipment size, weight, or value. Classified shipments always require use of an NOA, as indicated below.

C6.15.1.1.2. When an export release is required from **SDDC** under **DTR 4500.9-R, Chapter 203 (Shipper, Transshipper, and Receiver Requirements and Procedures)**, the shipping activity will submit a request for export release to the **SDDC Operations Center** before shipment. An NOA will be furnished to the CR/FF and will indicate that an export release has been requested. The export release provided by the **SDDC** releasing authority will include shipping instructions as coordinated with the CR/FF.

C6.15.1.1.3. When the shipping activity determines that the shipment includes materiel **that** is dangerous/hazardous, sensitive, or otherwise requires a high degree of protection or control within CONUS, but does not require an export release. **Note that Offer/Release Option Z procedures must be followed if any unusual transportation factors apply. This includes oversize or overweight shipments, hazardous material shipments, classified shipments, sensitive shipments, and ammunition, arms and explosives shipments or any other factor that mandates coordinated release procedures (this does include Canada). Shipment must not be made until a response from the NOA is received.**

C6.15.1.1.4. From **SDDC**, an NOA will be furnished to the CR/FF regardless of the entry in rp 46 and the shipment will be held pending receipt of release and shipping instructions from the CR/FF. NOAs for classified shipments will be forwarded to the CR identified in the MAPAD.

C6.15.1.1.5. For shipments not subject to the exceptions outlined in paragraph C6.15.1.1., above, the entry in rp 46 will prescribe procedures to be followed in releasing shipments of FMS materiel from storage activities. When FMS Offer/Release Options Y and Z are entered in rp 46, notification to the designated CR/FF is required prior to release of the shipment. When rp 46 contains FMS Offer/Release Option A or X, the shipment will be released automatically, without providing an NOA to the CR/FF.

C6.15.1.1.6. U.S. shipping activities use the NOA to notify the designated CR/FF addressee that materiel is ready for shipment. A manual NOA will be prepared for all classified shipments and certain unclassified shipments for all **FMS purchasers** except those **customers** specifically requesting mechanized NOAs such as the Federal Republic of Germany. FMS purchasers desiring to receive the mechanized NOA will submit a request to the Director, Defense Logistics Management Standards Office. All **purchasers** requesting the mechanized NOA will be identified in this paragraph. Procedures for NOA preparation are contained in paragraphs C6.15.2. and C6.15.3., below.

C6.15.1.1.7 The NOA document, manual or mechanized, will be assigned a notice number. The FMS notice number will be the **Transportation Control Number (TCN) assigned to the shipment and created in accordance with guidance in the DTR 4500.9, Appendix L**

C6.15.2. Manual Notice of Availability

C6.15.2.1. The DD Form 1348-5, Notice of Availability/Shipment, will serve as a cover document for individual copies of the DD Form 1348-1A applicable to each line item in a shipment unit. Together, these documents will comprise the original NOA. The data to be entered on the DD Form 1348-5 describe the shipment unit, while the supporting copies of the DD Form 1348-1A provide individual item data. All blocks of the DD Form 1348-5 from the top of the form to the portion captioned "TO BE COMPLETED BY ADDRESSEE" will be completed by initiating activities when the applicable shipment units are consolidated. In instances of single-line item shipment units, the following data are not mandatory entries on the DD Form 1348-5 if they are contained in the accompanying copies of the DD Form 1348-1A; type pack, pieces, weight, and cube. All data blocks are self-explanatory, except that the NOA date (the date notice is transmitted) will be entered in the block titled "Notice of Availability/Shipment." The "Notice Number" block will contain the TCN assigned to the shipment. When an export release is required from the **SDDC**, the DD Form 1348-5 will be annotated or stamped in the lower left corner "EXPORT RELEASE REQUIRED." The shipping activity will also annotate or stamp brief notes applicable to materiel discussed in paragraph C6.15.1.1.3., when appropriate. The manual NOA will be mailed to the notice recipient specified in the MAPAD except that the NOAs covering classified shipments will be forwarded to the country representative. Distribution of DD Form 1348-5 (AP1.4) will be as follows:

COPY NO. **USE**

- 1 Retained by the shipping activity pending receipt of shipment release instructions.

- 2, 3 Furnished to the appropriate CR/FF address (as designated in the MAPAD to receive the NOA) with copies of the DD Form 1348-1A, for insertion of shipment release instructions on the third copy and return to the shipping activity. The second copy will be retained by the CR/FF.

C6.15.2.2 Replies to manual NOAs will be accomplished by two different methods. When an export release is required, the CR/FF will furnish specifying consignment instructions, if any, and coordinate these or other shipment or delivery instructions with ***SDDC*** releasing authority. When an export release is not required, the reply will be accomplished by insertion of shipment release instruction on the third copy, which will be returned to the issuing activity. Shipment release instructions will provide for shipment or delivery of materiel to a single destination by shipment unit. ~~Shipment units identified by shipment unit number will not be split by shipping activities to accommodate shipments or deliveries to multiple points.~~ Instructions to CR/FFs regarding replies to NOAs will specify the need for coordinated instructions when an export release is required and include provisions for the following minimum data in the replies to other NOAs:

C6.15.2.2.1. The complete name and address of the consignee except when materiel will be picked up by the CR/FF.

C6.15.2.2.2. The date materiel is to be shipped or the date the materiel will be picked up by the CR/FF.

C6.15.2.2.3. The complete name and telephone number(s) of the individual(s) who will be available and authorized to receive on behalf of the purchaser, for the specific classified shipment covered by the NOA advising of the availability of a classified shipment.

C6.15.2.3. In instances where the shipment does not require an export release or the shipping activity has determined that there is *no* requirement for a high degree of protection or control and FMS Offer/Release Option Y is contained in rp 46, the shipment will be released to the CR/FF on the 15th calendar day after the NOA date, unless alternate shipping instructions are received. When an export release is required, the shipment will be held pending receipt of release and shipping instructions from the ***SDDC*** releasing authority and if such instructions are not received within 15 calendar days after the NOA date, a follow-up only to ***SDDC*** will be made in lieu of transmitting a duplicate NOA. In instances where the shipping activity has determined a need for a high degree of protection of control or FMS Offer/Release Option Z is contained in rp 46, the shipment will be held pending receipt of release and shipping instructions from the CR/FF. Should such instructions not be received within 15 calendar days after the NOA date, a duplicate of the NOA will be transmitted to the designated notice recipient, with the same shipment unit number assigned. This duplicate NOA will be annotated to indicate that the shipment delay is caused by the CR/FF's failure to furnish release and shipping instructions.

Two copies of the DD Form 1348-5, Notice of Availability/Shipment, together with the DD Form 1348-1A, will constitute the delay NOA. *The Service focal point will be advised of the problem for Army and Air Force sponsored shipments; the Navy freight forwarder assistance office will be advised for Navy and Marine Corps sponsored shipments.*

C6.15.3. Mechanized Notice of Availability. Except for classified shipments or unclassified shipments to be accomplished by parcel post/small parcel delivery service, the mechanized FMS NOA is provided to customers having a need to receive mechanized data for FMS shipments when FMS Offer/Release Option Y or Z is entered in rp 46 of requisitions or when an export release is required pursuant to chapter 202 of AR 55-355, et al. The mechanized NOA consists of the following documents:

C6.15.3.1. The FMS NOA key document will contain shipment unit information and will accompany the FMS NOA detail document. The initial key document will contain DI AD1 when an export release is not required and DI ADR when an export release is required. When release instructions have not been received within 15 days of the DI ADR NOA date, a follow-up will be made to the *SDDC* releasing authority and a delay NOA key document, DI AD3, will not be prepared or transmitted to the CR/FF. When FMS Offer/Release Option Z applies and release instructions have not been received within 15 calendar days of the DI AD1 NOA date, a delay NOA key document containing DI AD3 will accompany the delay NOA detail documents.

C6.15.3.2. The FMS NOA detail document will contain line item information as contained in the issue/release document; such as, the MRO or DD Form 1348-1A. The initial detail document will contain DI AD2. When FMS Offer/Release Option Z applies and release instruction have not been received within 15 calendar days of the NOA date, a delay detail document containing DI AD4 will be prepared for each initial detail document which accompanied the initial key document.

C6.15.3.3. The FMS reply document (DI AD5) will always be used when replying to a mechanized NOA other than DI ADR. When replying to a DI ADR NOA key document the specifying consignment instructions and/or other shipment or delivery instructions will be provided to the *SDDC* releasing authority to facilitate provision of a coordinated (export) release to the shipping activity. In replying to mechanized NOA other than DI ADR, the following rules apply:

C6.15.3.3.1. When shipment release is to be made to the addresses identified by coded entries in the MAPAD, the AD5 document will contain an R in rp 60.

C6.15.3.3.2. When shipment release instructions are being mailed under separate cover, the AD5 document will contain an E in rp 60. The shipment release instructions that are mailed may be accomplished by letter, country designated forms, or other appropriate communications; however, such instructions must reach the shipping activity within 15 days for transactions coded with FMS Offer/Release Option Y. Otherwise, the shipment will be release automatically to the appropriate address contained in the MAPAD. The S/A's implementation of these procedures will provide for such replies to be transmitted to the activity designated by the RI contained in rp 4-6 of the NOA documents.

C6.15.3.3.3. When a country replies to an NOA and rejects the shipment because the shipment unit contains material that will constitute a duplicate shipment, the shipping activity will withdraw the rejected material from the shipment and prepare a new NOA (AD1 and AD2 or ADR and AD2).

C6.15.3.3.4. Shipments from Procurement (to be finalized).

C6.15.3.3.5. Storage or staging charges may accrue when a NOA response (or failure to respond) requires the items to be held for an extended period of time. Any storage costs are charged to the FMS case.

C6.16. RESERVED

C6.17. CONSOLIDATION AND MARKING OF FOREIGN MILITARY SALES SHIPMENTS

C6.17.1. Consolidation. The shipment planning process should recognize and assure compatibility of codes in requisitions and related documents when configuring shipment units. Requisitions with an N or E in rp 62, or 777 in rp 62-64, will not be held for consolidation, but the NOA requirements remain in effect. To assure compatibility of codes, rp 30-34, rp 45-50, and rp 57-61 must be considered for FMS nonassembly shipments; rp 55 and 56 must be considered in addition to rp 30-34, rp 45-50, and rp 57-61 for FMS assembly shipments; and rp 30-33, rp 35, and rp 57-61 must be considered for Grant Aid.

C6.17.1.1. FMS assembly shipments may be consolidated into containers or shipment units if under the same U.S. Service program manager, recipient country, customer within country, delivery term code, in-country service, offer/release option code, FF code, FMS case, case line number, project codes (if applicable), and PD. The criteria for FMS nonassembly shipments are the same as for assembly shipments with the following exception; nonassembly shipments may be consolidated regardless of CLN.

C6.17.1.2. Grant Aid assembly and nonassembly shipments may be consolidated into containers or shipment units if under the same U.S. Service program manager recipient country, customer within country, type of assistance, project code (if applicable), and PD.

C6.17.1.3. Consolidation will also be limited by the following conditions:

C6.17.1.3.1. Physical characteristics of items should be compatible with other items in the same shipment unit.

C6.17.1.3.2. Explosives or other dangerous articles will not be consolidated with other items

C6.14.1.3.3. Aircraft, missiles, engines, and large (excess dimension) spares or assemblies for any item of equipment subject to special handling or construction or requiring movement as a single shipment unit will not be consolidated with other line items.

C6.17.1.3.4. Radioactive or magnetic materiel will not be consolidated together or with other materiel.

C6.17.1.3.5. When shelf-life items are included in a consolidated shipment, the exterior of the consolidated shipping container will be marked under the multipack requirements of MIL-STD-129.

C6.17.2. Address Marking. The manner of designating ship-to and/or mark-for addresses in requisitions is described in subparagraph C6.3.2.3. After determining the specific coded entries and their use as a ship-to and/or mark-for address in a given requisition, the corresponding clear-text address for container markings will be obtained from the MAPAD.

C6.18. RESERVED

C6.19. DOCUMENT DISTRIBUTION

C6.19.1. Military Assistance program Grant Aid Documents

C6.19.1.1. DD Form 1348-1A. Documentation to accompany shipments will be two copies of the DD Form 1348-1A, Issue Release/Receipt Document and one copy of the APL, if produced. See Figure C6-1.

C6.19.1.2. DD Form 250. On direct deliveries from vendors, a copy of the DD Form 250, Material Inspection and Receiving Report, or the equivalent procurement shipping and receiving document, will be forwarded to the SAO of the country.

C6.19.2. Foreign Military Sales Documents

C6.19.2.1. DD Form 1348-1A. Documentation to accompany shipments will be two copies of the IRRD and one copy of the APL, if produced. See Figure C6-1. For shipments requiring and NOA, three copies of the DD Form 1348-1A will accompany the NOA.

C6.20. RESERVED

C6.21. SPECIAL GRANT AID PROCEDURES

C6.21.1. When issues of excess materiel are made in support of reimbursable Grant Aid requisitions, the following action will be initiated:

C6.21.1.1. Change signal code to D (ship to requisitioner, no billing required (free issue)).

C6.21.1.2. Furnish BN supply status to designated address(es).

C621.2. When issues of DoD DWCF stocks are made in support of reimbursable Grant Aid requisitions, Type of Assistance (TA) Code C is currently being used. DWCF activities are billing for those after the fact.

C6.22. RESERVED

C6.23. CANCELLATION OF REQUISITIONS

C6.23.1. The same rules governing cancellation of requisitions for Troop Support (see chapter 2, paragraph C2.17.; chapter 3, paragraph C3.27.; and chapter 8) will apply to FMS and Grant Aid except for special procedures herein.

C6.23.2. When individual line items with a Grant Aid program RCN are to be canceled, or FMS cases/program are to be canceled, the canceling Agency/activity will submit single-line cancellation requests under the appropriate Service policy.

C6.23.3. FMS/Grant Aid single-line cancellation requests will be processed under chapter 3, paragraph C3.27 except that:

C6.23.3.1. No tracer action will be initiated for FMS shipments to foreign ***purchasers that*** move in commercial transportation channels to commercial FFs and are therefore not available for cancellation after turnover to the carrier, post office, or FF. Storage activities will furnish supply sources with shipment status documents (DI AU_).

C6.23.3.2. Supply sources will advise the ILCO of contractual agreements that will result in cost conditions if cancellations, diversions, or holding are accomplished. The ILCO decide whether the cancellation, diversion, or hold actions will be suspended or continued. Decisions to continue cancellations or diversions will be provided the supply source by narrative message containing the notation: "Decision for cancellation or diversion by ILCO."

C6.23.4. FMS/Grant Aid mass cancellation requests will be processed under chapter 8, except that Security Assistance Program mass cancellation requests will be submitted with the required codes for identification of one of the following, for which cancellation of all requisitions is requested:

C6.23.4.1. U.S. Service code and country/activity code (rp 30-32).

C6.23.4.2. U.S. Service code and country/activity code (rp 30-32) and project code (rp 57-59).

C6.23.4.3. FSC or FSG when associated with U.S. Service code and country/activity code (rp 30-32).

C6.23.5. Transportation (such as the terminal costs associated with stopping, holding, and returning materiel to depots or storage) and procurement termination costs incident to actual diversion/cancellation of FMS requisitions will be charged under ***DoD 7000.14-R (DoD Financial Management Policy)***.

C6.23.6. Grant Aid shipments that meet the criteria for shipment diversion under mass cancellation conditions will be diverted to the predesignated storage sites of the canceling Service by the DTS. Storage sites in receipt of Grant Aid cancellation shipment(s) will report the receipt(s) to the applicable Service ICP/ILCO and the materiel will be accounted for as suspended materiel pending receipt of disposition instructions. Service ILCOs will provide disposition instructions under the provisions of DoD 5105.38-M (Part II).

C6.23.7. Navy sponsored FMS shipments from vendor sources will be diverted to predesignated Navy storage sites by the DTS. FMS shipments sponsored by the other Services and Navy sponsored shipments from DoD/GSA storage activities will be diverted under chapter 8, paragraph C8.5.1.

C6.24. RESERVED

C6.25. RETURN OF DISCREPANT FOREIGN MILITARY SALES MATERIEL

C6.25.1. Discrepancies in FMS shipments are reported on a *Supply Discrepancy Report (SDR)* (via SF 364, Report of Discrepancy, *or equivalent under DLMS*) by the receiving FMS customer *through the applicable ILCO*. The required data entries and procedures for processing SDRs are provided by the *DoD 4000.25-M, DLMS Manual, Volume II, Chapter 17 (previously joint regulation DLAI 4140.55, AR 735-11-2, SECNAVINST 4355.18A, AFJMAN 23-215)*.

C6.25.2. When it is determined that materiel reported *on a SDR* is to be returned to U.S. supply systems stocks, the U.S. supply source, *shall provide the SDR reply to the applicable ILCO for distribution to the FMS customer. The supply source, or the applicable ILCO, shall prepare the DD Form 1348-1A, to be used to return the materiel shall contain entries shown in AP3.50. All DLA shipments, resulting in an SDR due to a wrong item received, shall be returned to a CONUS DLA depot as part of the SDR process.*

C6.25.3. The DTS will be used to return discrepant FMS materiel when appropriate. This can be accomplished in two ways.

C6.25.3.1. If a transshipment point has not been specified and the SAO has the capability/capacity to perform this function, the SAO will arrange for movement through the DTS.

C6.25.3.2. If a transshipment point has been designated, the transshipment point will arrange for movement through the DTS.

C6.25.3.3. The transshipment point should be a U.S. activity located in the FMS country that submitted the SDR and/or be reasonably accessible to the FMS country.

C6.25.3.4. The transshipment point will, as a minimum, provide legible copies of the signed DD Form 1348-1A (evidencing receipt) to the U.S. supply source identified in rp 67-69, the appropriate CR listed in the MAPAD, and, if requested, to the consignor. The latter two copies may be reproductions of the copy furnished to the supply source.

C6.25.3.5. Coordination between the U.S. supply source and the focal point listed in DLAI 4140.55, et al. is required prior to initial designation as transshipment point of an S/A other than that of the supply source.

V6.25.3.6. When the DTS is not used for return of discrepant FMS materiel, the holding FMS purchaser will arrange for movement through the CR/FF to the activity designated in Block 3 of the DD Form 1348-1A. CONUS inland shipments will be effected by the use of a collect CBL convertible to a GBL upon receipt. Reimbursement of transportation charges

between the holding FMS purchaser and the CR/FF will be requested by the CR to the U.S. supply source identified in rp 67-69 of the DD Form 1348-1A.

C6.25.3.7. Regardless of the method of transporting return-eligible discrepant FMS materiel, all shipments pursuant to these procedures must be completed within 180 days of the date of document preparation entered in Block 5 of the DD Form 1348-1A.

<u>DOCUMENT</u>	<u>NO. OF COPIES</u>	<u>DISTRIBUTION</u>
DD Form 1348-1A	Three	Two copies will accompany all shipments. (One copy must be the first carbon copy.) A minimum of one copy will be on the outside if not in conflict with other applicable directives. The original will be retained by the shipper unless an automated capability is available to prove a shipment has been made. When DD Form 1348-1A contains bar coding, one of the two copies to accompany all shipments will be the original copy.
DD Form 1348-1A	One	Forwarded via priority mail to the activity designated in the MAPAD to receive the document (Type Address Codes 5 and 6; if blank, see Type Address Codes 1 and 2, respectively).
Automated Packing List	One	If an APL is produced, it will be attached to the outside of the shipping container.

Figure C6.F1. Distribution of DD Form 1348-1A and Automated Packing List

C6.26 FMS TRANSPORTATION

C6.26.1. FMS Transportation guidance may be found in the Security Assistance Management Manual (SAMM), DoD 5105.38M and the Defense Transportation Regulation, DTR 4500.9-R, Part II.

C6.26.1.1. FMS detention and demurrage charges are located in the Security Assistance Management Manual (SAMM), DoD 5105.38M, Chapter 7.

C6.26.1.2. FMS document retention requirements are defined in the DTR, Appendix E, Paragraph Q.

AP2.19. APPENDIX 2.19

SECURITY ASSISTANCE PROGRAM TYPE OF ASSISTANCE AND FINANCING CODES

NUMBER OF CHARACTERS: One.
TYPE OF CODE: Alphanumeric.
EXPLANATION: Provides additional information concerning type of transaction applicable to Security Assistance shipments.
RECORD POSITION(S): 35.

AP2.19.1. MILITARY ASSISTANCE PROGRAM GRANT AID

<u>CODE</u>	<u>EXPLANATION</u>
I	Grant Aid rendered under the authority of the FAA of 1961 for which the United States receives no reimbursement.
A	Grant transfers of Excess Defense Articles provided under the authority of the FAA of 1961 for which the United States receives no reimbursement for the value of the materiel.
C	Presidential determination to order defense articles from stock and performance of defense services to satisfy Grant Aid Requirements with reimbursement from subsequent military assistance appropriations (Section 506 of the FAA of 1961). <i>All requests for Working Capital Fund activities (to include transportation), shall include a funding source to allow DWCF activities to be reimbursed by the military departments; orders will not be accepted without a funding source. (DoD FMR 7000.14R, Vol 12, paragraph 230502 and Vol 11B, paragraph 110106.A.)</i>
D	Military Assistance Service Funded. Grant Aid programs transferred to the DoD budget, which were not controlled and implemented through the MAP documentation and ADP system.
H	Grant Aid share of cost sharing agreements.
K	Grant Aid of assets obtained through barter arrangements with Federal Republic of Germany (used in conjunction with Supply Source Code "B" only).
L	Grant Aid provided through the NHPLO for maintenance support of Hawk Missile system (use in conjunction with Supply Source Code "N" only).

- P Grant Aid programs transferred to the DoD budget which were controlled and implemented through the MAP documentation and ADP system.
- R Grant Aid of U.S. recovered materiel resulting from liquidation of NAMSA excess stockage.
- S Assigned to all records in the ROK Equipment Transfer program authorized by Public Law 95-384 at no charge to MAP. This code is also assigned to all PY 71 update and 72 equipment transferred to the ROK under Public law 91-652 at no cost to MAP. This code is also assigned to ammunition transferred to the Royal Thai Government from Army FMS Case UEB. Transfer at no cost to MAP was authorized by Section 24, Public Law 96-92.

AP2.19.1.1. Type of assistance Codes used in other than MAP Grant Aid transactions:

- F Training provided as a part of an FMS case. This data is maintained in the DSAA Grant Aid data base purely as a service to assist the Military Department in accounting for students and/or spaces provided under FMS. Not used in MILSTRIP.

AP2.19.2. FOREIGN MILITARY SALES. Terms of sale and accompanying type of assistance codes indicate the statutory authority for a foreign military sale; the time of payment for the sale; whether the sale is to be from DOD stocks or procurement; and whether the sale is to be financed on a cash or credit basis. The implementing agency enters the appropriate Terms of Sale and accompanying type of assistance codes in the "Terms" block of the letter of offer. The implementing agency uses type of assistance code for MILSTRIP requisitioning purposes. The following codes and definitions have been extracted from DOD 5105.38-M (SAMM), for the convenience of MILSTRIP participants. A more complete definition of the codes shown below may be found in the SAMM.

<u>CODE</u>	<u>EXPLANATION</u>
3	Cash sale from Stock with Payment in Advance. This code applies to cash payments in advance of delivery and/or performance for a foreign military sale which the Implementing Agency determines at the time of the offer will be from DoD stocks.
4	Source of Supply Not Predetermined with Payment in Advance. This code applies to cash payment for a foreign military sale for which the Implementing Agency has not yet determined, at the time of the offer, the extent to which the supply source will be DoD stocks or procurement.
5	Cash Sale from Procurement with Payment in Advance. This code applies to cash payment in advance of delivery and/or performance for a foreign military sale which the Implementing Agency determines at the time of the offer will be from DoD procurement.

- 6 Cash Sale from Stock with Payment on Delivery. This code applies to cash payment upon delivery of defense articles or initiation of performance of defense services which the Implementing Agency determines at the time of offer will be from DoD stocks.
- 7 Cash sale from Procurement with 120-Day Payment. This code applies to cash payment 120 days after delivery of articles or commencement of performance of services for a foreign military sale, which the Implementing Agency determines at the time of the offer, will be from DoD procurement.
- 8 Cash sale from Stock with 120-Day Payment. This code applies to cash payment 120 days after delivery of articles or commencement of performance of services for a foreign military sale which the Implementing Agency determines at the time of the offer will be from DoD stocks.
- M MAP Merger/USG Grants. The MAP, established under the mutual Defense Assistance Act of 1949, originally provided for the loan or grant of military equipment, materials, and services (including training) to eligible nations. Since FY 82, the authority of Section 503(a)(3) of the FAA of 1961 has been used to merge MAP funds with recipient countries funds and/or with FMS financing credit in the FMS Trust Fund, to make adequate funds available to finance the country's FMS cases. ***In addition, since FY 06, other authorities have authorized granting of US appropriations for use for FMS.***
- N Section 23 or 24 AECA, FMS, Credit (Non-Repayable).
- U FMSO No. 1. This code applies to cash payment for a FMSO No.1 SSA. The purchasing government buys equity in a specified dollar amount of DoD stocks. DoD maintains that portion of its stocks for eventual delivery to the purchasing government under a FMSO No.2 requisition agreement.
- V FMSO No. 2. This code applies to cash payment for a FMSO No.2 SSA which permits the purchaser to submit requisitions for common repair parts and secondary items in the DoD stocks of which the purchaser has bought an equity under a FMSO No.1 agreement. The use of this code requires the input of CLPSC Code 1 or 2 (appendix AP2.22) in rp 72 of CLSSA requisitions and passing orders by the applicable ILCO.
- Z Section 23 or 24, AECA, FMS Credit.

Enclosure 3, PDC 289 Comment Resolution

#	Submitter	Comment (Rational if provided)	Response
1	Defense Security Assistance Development Center (DSADC)	<p>“C6.3.1.2. Rp 30 will contain the FMS and Grant Aid S/A code (AP2.2) of the U.S. S/A responsible for administering the Grant Aid Program line.”</p> <p>Comment - I suggest that the DoD manuals begin incorporating the term <i>U.S. Service Implementing Agency</i> into their manuals, as it has fallen into common usage.</p> <p>and</p> <p>“C6.3.2.1.1. Rp 30 will contain the FMS and Grant Aid Service assignment code (AP2.2) of the U.S. Service responsible for administering the FMS Case.”</p> <p>Comment 1 - I suggest that the DoD manuals begin incorporating the term <i>U.S. Service Implementing Agency</i> into their manuals, as it has fallen into common usage.</p>	Concur. Change made
		<p>Comment 2 - Note that the activities responsible for managing the FMS and Grant programs are the same, but the descriptions of those agencies in paragraphs C6.3.1.2 and C6.3.2.1.1 (highlighted in bold above) differ.</p> <p>“C6.3.2.2.2. Rp 46 will contain the applicable country FMS offer/release option code (A, Y, or Z) or code X to denote that the United States is responsible for transportation arrangements, as determined by negotiations between the customer CR and the U.S. Service responsible for administering the FMS case, and.....”</p> <p>“C6.3.2.2.3. Rp 47 will contain a code to designate the recipient of shipments and documentation and will be the FMS CR/FF code as published in the MAPAD.”</p> <p>Comment – The definitions of CR and FF should be provided the first time the acronym is used.</p>	Concur. Change made
		<p>“C6.3.2.2.4. Rp 48-50 will contain the specific FMS case designator consisting of a three-position alpha/numeric code. The first position will always be alphabetic and the second and third positions may be alphabetic or numeric. All correspondence (such as letters and messages) will always include the appropriate case designator as part of the identification data.”</p> <p>Comment – As Implementing Agencies (e.g. U.S. Army, U.S. Air Force, etc.) may assign the same case designator (i.e. they are only unique within a service), the sentence italicized above should be replaced with the following sentence: All correspondence (such as letters and messages) will always include the appropriate country/international organization code, U.S. Service Implementing Agency and case designator (e.g. BN-B-ABC) as part of the identification data.</p>	Concur. Change made

		<p>“C6.3.2.3.1. The means of expressing ship-to and/or mark-for addresses in requisitions are the entries shown in rp 33 (customer-within-country) and rp 47 (CR/FF).”</p> <p>Comment – This statement may be confusing to some. Suggest modify the statement to “The means of expressing ship-to and/or mark-for addresses in requisitions are the entries shown in rp 33 (customer-within-country) and rp 47 (CR/FF), respectively.”</p>	Concur. Change made
2	DSADC cont'd	<p>C6.3.2.3.1.4. When shipment is to be made to an assembly point or staging area, a W will be entered in rp 47 and a clear-text address will be conveyed in an exception requisition. The rp 33, if required, will designate the mark-for address.</p> <p>Comment – Explanation of the “W” code in rp 47, should include reference to an “X” code in rp46.</p>	Concur. Change made
		<p>C6.3.2.3.1.5. When shipment is to be made to an address within the customer country, an X will be entered in rp 47 and the in-country ship-to address will be the address listed in the MAPAD for the code in rp 33.</p> <p>Comment - Explanation of the “X” code in rp47, should include reference to an “X” code in rp46, and an explanation of the transportation responsibility (USG). Perhaps a reference should be made to paragraph C6.3.2.4.3.?</p>	Concur. Change made
		<p>C6.5.2. The requisition RAD will be expressed as the number of months remaining from the date of the requisition to the computed RAD which will be entered in rp 63-64 of the requisition. The character A will be inserted in rp 62. This technique enables supply source, ILCO, and customer control of requisitions, provides for recognition of firm commitments to foreign governments, and helps assure that materiel requirements are ready for delivery by the approved RAD. The actual date of materiel availability will be the last day of the month depicted by the rp 62-64 entries. Shipment of materiel will be made at the time of initial requisition processing to the extent that releasable assets are available regardless of the number of lead time months shown in rp 63-64 of the RAD entry. Appropriate status will be provided to the address(es) designated in the requisition.</p> <p>Comment – I agree with the intent of the change, but would also like to ensure that the RAD does not go unheeded should material not be in stock. Please change as follows: Shipment of materiel will be made at the time of initial requisition processing to the extent that releasable assets are available regardless of the number of lead time months shown in rp 63-64 of the RAD entry. However, material not immediately available should be acquired and shipped by the last day of the month depicted by the rp 62-64 entries. Appropriate status will be provided to the address(es) designated in the requisition.</p>	<p>Concur. Change made.</p> <p>DLMSO provided additional clarification regarding actual date calculation and order fulfillment subsequent to the RAD.</p>
		<p>C6.5.3. For Grant Aid, as soon as practicable, but not later than 120 days after receipt of an approved funded order, the S/A Departments will place a RAD on the requisitions for major items, as determined by the S/A, and the associated support equipment and initial issue parts.</p> <p>Comment – The paragraph is poorly worded. Does it mean that the S/A determines the RAD for the major item, support equipment and initial issue parts, or does it mean that the associated support equipment and initial issue parts have a bearing on the RAD established for the major item?</p>	Concur. Wording rearranged to indicate S/A determines the RAD for the major item, support equipment and initial issue parts.

3	DSADC cont'd	<p>C6.5.4. RAD time begins with the date of the requisition</p> <p>Comment – Is the “date of the requisition” the embedded Julian date (rp 37-40) in the Requisition Document Number, or is it actually the date that the requisition was received and processed by the ICP? FMS legacy systems are capable of processing requisitions up to one year old, and a newly established FMS/GA requisition might appear to be “aged” when it first arrives at the ICP. “Old dates” may invalidate RAD logic contained in the ICP system, if they are based upon embedded Julian dates in the requisition, and may require a supplier to attempt to provide material in less than realistic lead times.</p>	Sentence updated for clarification: RAD time begins with the date of the requisition, <i>(i.e., the date contained in the requisition document number (See Appendix 2.14)), and does not have the affect of holding release of the materiel.</i>
		<p>C. 6.5.5.1. An extended RDD in an FMS requisition will be expressed with the letter S in rp 62 and the number of months before delivery is required entered in rp 63-64 of the requisition. The release date is defined as 50 days prior to the last day of the month indicated in 63-64. Releasable assets will be held until 50 days prior to the last day of the month indicated.</p> <p>Comment – Is the RDD calculation based upon the embedded Julian date (rp 37-40) in the Requisition Document Number, or is it actually the date that the requisition was received and processed by the ICP? The paragraph should express that logic.</p>	Sentence updated for clarification: An extended RDD in an FMS requisition will be expressed with the letter S in rp 62, and the number of months <i>from the date of the requisition</i> before <i>which</i> delivery is required entered in rp 63-64 of the requisition.
		<p>C6.15.3.3.5. Storage or staging charges may accrue when a NOA response (or failure to respond) requires the items to be held for an extended period of time. Any storage costs are charged to the FMS case.</p> <p>Comment 1 - “Storage” charges and “Staging” charges should be addressed separately in this paragraph, as the first is an unplanned event, and the latter is normally a planned event, akin to some sort of special material consolidation point arrangement and fee schedule.</p> <p>Comment 2 – “...to be held for an extended period of time.” Any storage costs are charged to the FMS case.” These statements are rather weak, due to the fact that they do not express specific time periods or processes. Recommend the last sentence be changed to provide the suppliers with sufficient administrative authority to initiate billings, as follows: Material remaining in storage for more than 90 days after the initial NOA document was provided to the CR/FF, to which no response has been received, shall incur storage fees equivalent to the prevailing storage rate, as determined by the ICP. The storage fees will be billable against the FMS case, and may be assessed on a quarterly basis.</p>	<p>Comment 1. No action taken.</p> <p>Comment 2. Concur, but requires additional staffing. Deferred.</p>
4	USASAC	<p>This action was coordinated with our Financial folks and they indicated there was no impact and concurred in the proposed change. Within CISIL, while there is not a supporting edit to ensure that unfunded requisitions are not released for working capital fund items, the risk is low because if such a requisition were released, it would be cancelled by the supply source.</p> <p>Also, the execution of these programs are intensively managed, and procedures and the execution guidance strongly covers this type of requirement and the need for Service funding.</p>	
5	DDC	DSS currently prints the TCN in the field NOTICE NUMBER on the DD1348-5	

		NOA form. No systems change will be required.	
6	DSCA Financial Policy & Internal Operations	As appropriate when using the word “country” referencing to the customer it should be changed to “purchaser” through out the document.	Where applicable, the term country is changed to purchaser
		Several instances where acronym/abbreviation are used and not spelled out the first time – recommend review the entire chapter to ensure acronyms/abbreviations are spelled out the first time used in the chapter.	Concur. Changes made.
		Attachment, page 3, paragraph 3, line 2, change “if” to “of” in the following “..loan or grant of military ...” and in 3 rd sentence reference to the Section 503(a)(3) the “A” should be lower case. Last sentence, last word “sales” delete since it is redundant since FMS is an acronym for Foreign Military Sales.	Concur: Changes made
		C6.3.1.2.2. recommend spelling out RCN – Record Control Number	Concur: Changes Made (RCN used differently in other functional areas, so spelled out here)
		C6.5 change “AVAILABLE” to “AVAILABILITY” and insert acronym “(RAD)”.	Concur: Changes made
		C6.5.1. Change 2 nd sentence from “...adding the lead time state on the Letter of Offer and Acceptance to the date of receipt of completed, funded, Letter of Offer and Acceptance.” to “...adding the lead time stated on the Letter of Offer and Acceptance (LOA) to the date of acceptance by the purchaser.”	Concur: Changes made
		C6.5.5.1. recommend spelling out RDD, assume this is Required Delivery Date.	Yes, Spelled out.
		C6.7. change “FMS countries” to “FMS purchasers”	Concur. Change made
		C6.7.3. recommend spelling out “CLPSC”	Concur. Change made
		C6.7.3. recommend adding at the end of the second sentence “within assigned Force Activity Designators (FADs).”	Concur, but modified. Sentence reworded as: Supply support, provided under CLSSA agreements, is intended to provide support to the requiring nation on the same basis that support is provided to U.S. Forces, <i>within assigned priority (based upon Force or Activity Designator (F/AD)) and with all other coding being equal.</i>
		C6.11.5 replace “which” with “that”	Modified wording.
		C6.14.1 replace “which” with “that” in last sentence.	Modified wording.
		C6.14.3 replace “U.S. Department of Defense Offer and Acceptance agreements” with “LOA”	Concur. Change made
		C6.15.1.1.3. replace “which” with “that”	Concur. Change made
		C6.14.3 In response to Comment – DSCA does not process the requisitions, will defer to inputs you receive from the Implementing Agencies.	Agree
		C6.15.2.1. delete “a” in front of the word “accomplish” in first sentence.	Concur. Change made
		Insert “,” after “copy” in the third sentence so it will read “...third copy, which...”	Concur. Change made
		C6.15.2.1.3. change “purchasing country” to “purchaser”	Concur. Change made
C6.15.3.3.2. change “which” to “that” at the beginning of the third line	Concur. Change made		
C6.15.3.3.3. change “which” to “that” after “...contains material”	Concur. Change made		
C6.15.3.3.5. Also should consider to setting a standard of specific number of days when charges would be assessed and on what basis the storage rate is determined.	Deferred - Standard for specific number of days would need to be staffed for coordination.		

		C6.15.3.3.5 Note this was added, also recommend Detention and Demurrage be added as reflected in attached DSCA Policy 08-04 Memo.	Nonconcur with the Detention and Demurrage policies, which are currently in both the SAMM and will be in the Defense Transportation Reg (DTR) shortly. The change has been submitted for the DTR as of 8/18/08.
7	DSCA cont'd	C6.17.1.1. last sentence replace "is" with "are"	Concur. Change made
		C6.19 In response to Comment – DSCA defers to inputs you receive from the Implementing Agencies.	Agree
		C6.23.3.1 first line replace "foreign countries which" to "foreign purchasers that"	Concur. Change made
		C6.23.3.2 change "which" to "that"	Concur. Change made
		C6.23.6. change "which" to "that"	Concur. Change made
		C6.25.3.3. change "which" to "that"	Concur. Change made
		AP2.19. K replace "Map-owned" with "MAP-owned"	Concur. Change made
		AP2.19.2. at the end of the first sentence replace "case" with "cash"	Concur. Change made
		AP2.19.2. Code 3 – capitalize "P" in Payment in first sentence and "I" in "Implementing Agency"	Concur. Change made
		AP2.19.2. Code 4 – after "Source of Supply Note Predetermined "with Payment in Advance." Also capitalize "I" in "Implementing Agency"	Concur. Change made
		AP2.19.2. Code 5 - capitalize "I" in "Implementing Agency"	Concur. Change made
		AP2.19.2. Code 6 - - capitalize "I" in "Implementing Agency"	Concur. Change made
		AP2.19.2. Code 8 - capitalize "P" in Payment in first sentence and "I" in "Implementing Agency"	Concur. Change made
		AP2.19.2. Code M – change reference from "503(A)(3)" to "503(a)(3)"	Concur. Change made
		AP2.19.2. Code U & V – change "an" to "a" before "FMSO" in the paragraphs (2 instances in each paragraph)	Concur. Change made
8	DLMSO	<p>DLMSO identified a inconsistency regarding requirement for NOA/NOA reply for classified shipments when comparing MILSTRIP, MAPAD, and DTR guidance on this subject.</p> <p>DSCA provide the following as currently reflected in the SAMM: "NOAs apply only to LOA line items that use DTC 4, 5, 8, B, C, E, or H. NOAs are always used for DTC 8 shipments of Sensitive AA&E items that must be routed through a DoD-controlled POE. Although DoD procures portions of the transportation for DTCs 5 and 8 (and their Repair and Return equivalents), NOA procedures also apply to shipments of materiel released using these codes."</p>	<p>The following clarifying note was added (C6.15.1.1.3), and MAPAD was updated for consistency.</p> <p><i>Note that "Z" procedures must be followed if any unusual transportation factors apply. This includes oversize or overweight shipments, hazardous material shipments, classified shipments, sensitive shipments, and ammunition, arms and explosives shipments or any other factor that mandates coordinated release procedures (this does include Canada). Shipment must not be made until a response from the NOA is received.</i></p>

		DLMSO identified an inconsistency regarding who to notify if there is no reply to the NOA when comparing MILSTRIP and MAPAD (including DLMS dictionary).	The following clarifying note was added (C6.15.2.3) <i>The Service focal point will be advised of the problem for Army and Air Force sponsored shipments; the Navy freight forwarder assistance office will be advised for Navy and Marine Corps sponsored shipments.</i>
9	DLMS continued	<p>DLMSO MAPAD Administrator is in the process of updating the MAPAD manual. When it is published, the appendices will no longer exist. This change will impact a couple of your changes in ADC 289. Easiest solution is to remove the MAPAD appendix references now and substitute LOGDRMS references. This change will later sync up with modifications we have made to the MAPAD manual while preparing MAPAD for inclusion in the DLMS manual.</p> <p>First, I suggest an update to paragraph C6.3.2.1.4. In there you reference MAPAD Appendix 1.6. In the new version of the MAPAD manual, we have dropped AP1.6 and refer to LOGDRMS for the table containing the FMS Delivery Term Codes. I would suggest you keep the MAPAD reference, but change AP1.6 reference to the link below:</p> <p>http://www.dla.mil/j-6/dlms0/eApplications/LOG.NET/UI/Log_Qualifiers/lqvqcDetails.aspx?code=A3</p> <p>Next, in paragraph C6.3.2.1.1. we have dropped the FMS Service Code appendix in the MAPAD and include the 5 unique FMS codes in the MAPAD chapter. We also updated LOGDRMS, highlighting the FMS Service codes with the phrase "FMS AND GRANT AID USE ONLY" in the usage column. If you update your reference to use the LOGDRMS link below, it should preclude future changes when the MAPAD is publish as part of the DLMS.</p> <p>http://www.dla.mil/j-6/dlms0/eApplications/LOG.NET/UI/Log_Qualifiers/lqvqcDetails.aspx?code=94</p>	<p>Concur.</p> <p>(Note: MILSTRIP is on a different timeline, so MILSTRIP appendix references have been retained at this time.)</p> <p>Linked to separate element to show just those codes allowable in this usage. DLMS requisition had previously established this element as the Security Assistance Program Customer Service Designator.</p>
10	DLMSO continued	<p>Remove the sentence indicated. The shipment unit is the lowest level of shipment, so by definition it can only be shipped to one place.</p> <p>"Replies to manual NOAs will be accomplished by two different methods. When an export release is required, the CR/FF will furnish specifying consignment instructions, if any, and coordinate these or other shipment or delivery instructions with SDDC releasing authority. When an export release is not required, the reply will be accomplished by insertion of shipment release instruction on the third copy, which will be returned to the issuing activity. Shipment release instructions will</p>	Concur.

		provide for shipment or delivery of materiel to a single destination by shipment unit. Shipment units identified by shipment unit number will not be split by shipping activities to accommodate shipments or deliveries to multiple points. Instructions to CR/FFs regarding replies to NOAs will specify the need for coordinated instructions when an export release is required and include provisions for the following minimum data in the replies to other NOAs:....”	
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