Chapter

6 TYPES OF LOAs

INTRODUCTION

The foundation of any US government (USG) sponsored sale of defense articles or services is the Letter of Offer and Acceptance (LOA). Except for Pseudo LOAs (explained later in this chapter), an LOA is a contractual sales agreement between the seller (USG) and the partner nation or international organization for defense articles or services such as 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. The LOA is written by a US military department (MILDEP) or other USG Implementing Agency (IA), based on applicable laws/regulations and the requirements that have been set forth in the requesting document. As indicated in chapter 5 of this textbook, "Foreign Military Sales Process," the LOA, when combined with associated amendments or modifications, is commonly referred to as an FMS case. Each LOA has a unique case identifier (described later in this chapter), which enables both the USG and the partner nation to track it throughout its life cycle and to distinguish it from the thousands of FMS cases currently active.

CATEGORIES OF LOAs

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

- Defined order LOAs
- Blanket order LOAs
- Cooperative Logistics Supply Support Arrangement (CLSSA) LOAs
- Pseudo LOAs

Defined Order Foreign Military Sales LOA

A defined order case is one in which the defense articles, services, or training desired by the partner nation or international organization are specified/quantified by the customer in the Letter of Request (LOR), and subsequently identified in the LOA document. A defined order LOA is most commonly used for sale of major end items, generally significant military equipment (SME), which require more rigorous export and trade security controls throughout the sales process. SME items, and SME items that are major defense equipment (MDE), must be separately reflected on the LOA and not embedded in other lines on the case. LOAs 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 IA is responsible for preparing and submitting requisitions (orders) on defined order cases. Attachment 6-1 is a partial extract of a US Army defined order FMS LOA.

A defined order case normally requires data analysis of separately deliverable line items in the case to give the purchaser 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 Foreign Military Sales LOA

A blanket order case is one in which in which the partner nation or international organization purchases a category of items or services (including 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 customer, an LOA data analysis is generally not required to develop LOA pricing. On a blanket order case, purchasers can submit requisitions as long as the case has funds available. Attachment 6-2 is a partial extract of a US Air Force blanket order LOA.

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

- Spares and repair parts: consumable and reparable 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: items of supply 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 customer 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, slides, 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.

Restrictions on Blanket Order Procedures

There are a number of instances where, by regulation, blanket order case procedures do not apply (see SAMM, C5.4.3.2). These items must be ordered on a defined order case. Items that are generally restricted from being ordered on a blanket order case include:

- SME, including MDE
- Initial logistics support that is normally ordered for concurrent delivery (e.g. TPA)
- Classified materiel (except classified publications, which must be on a stand-alone line)
- Lumber, sand, gravel, household goods and other commercial-type material
- Technical data packages (TDPs)
- Ozone depleting substances
- Explosives, including munitions

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 country involved. IA policy, partner nation 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. Partner nations may sometimes prefer a blanket order case because the Anticipated Offer Date (AOD) for the USG to offer the LOA is generally shorter than a more complex defined order case. This is due to the fact that the purchaser usually establishes the LOA 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 purchaser on blanket order cases, the partner nation or international organization must be familiar with US 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 LOAs

A CLSSA is designed to provide more responsive follow-on spare parts support for US produced military hardware owned by partner nations or international organizations. IAs may offer such arrangements with approval from the Defense Security Cooperation Agency (DSCA). A CLSSA consists of two LOAs. One LOA is established up front to buy "equity" in the DOD's supply system for DOD-stocked non-SME items used by the purchaser on a recurring basis. This enables 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 LOA is a blanket order CLSSA

case used by the purchaser to requisition those items. Many purchasers prefer CLSSAs for follow-on support. Chapter 10 of this textbook, "Logistics Support of International Military Sales," provides additional information on CLSSAs.

Pseudo LOA

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 US Department of State (DOS) tool of foreign policy. Pseudo LOAs were first introduced in 2005. Pseudo LOAs came about because the DOD perspectives on training and equipping foreign military forces slowly began to change after the September 11, 2001 terrorist attacks on the US. Defense officials began to regard the defeat of terrorist groups in the countries where they train and prepare as essential to US national security. There was a realization that these groups could not be disrupted and defeated solely with US forces under existing arrangements.

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

- Counterterrorism operations
- Counter drug operations
- Counterinsurgency operations
- US military and stability operations
- Multilateral peace operations

These types of activities funded with US government appropriations are called Building Partner Capacity (BPC) programs and are administratively managed using the FMS infrastructure. IAs develop pseudo LOAs for BPC programs 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 pseudo LOAs and BPC guidance. The terms "pseudo LOA" and "BPC case" can be used interchangeably. 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 pseudo LOA are described in SAMM C15.1.4. The most common are:

- Afghanistan Security Forces Fund (ASFF)
- Coalition Readiness Support Program (CRSP)
- DOD Counternarcotics (CN) Programs (Section 1033 and 1004)
- Global Train and Equip (Sections 1206 and 2282)
- Pakistan Counterinsurgency Fund/Counterinsurgency Capability Fund (PCF/PCCF)
- Peacekeeping Operations (PKO) (FAA Section 551)
- Global Peacekeeping Operations Initiative (GPOI)

Each of these BPC programs will have its own unique authorization that will influence its execution guidelines and fiscal law constraints. For example, the Global Train and Equip Section 1206 program is limited to one fiscal year obligation authority and can only be used for emergent threats related to training and equipping a foreign country's national military forces (forces under the authority of the Ministry of Defense (MOD)) to conduct counterterrorism operations or participate in/support military and stability operations in which US armed forces are participating. The 1206 authority can also be used to build the capacity of a foreign country's maritime security forces (including non-MOD elements) to conduct counterterrorism 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. An informative source that describes the rationale and funding parameters for all BPC programs is the Security Cooperation Tools web site (https://policyapps.osd.mil/sites/sctools). The "SC Tools" tab on DISAM's web site provides additional information about the tool and how it is accessed.

The pseudo LOA process starts with DOD (typically the security cooperation office [SCO] via the Combatant Command (CCMD) or other authorized agencies [DOS, UN, etc.]) submitting a pre-coordinated BPC request or proposal to the Implementing Agency (IA) and DSCA. 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 definition, 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. Some of the operating guidelines for pseudo LOAs (addressed in chapter 15 of the SAMM) include:

- Congressional notification is required for all pseudo LOAs.
- The pseudo LOA is not signed by the country or organization receiving the articles and/or services. Once implemented, pseudo LOA documentation may be shared with the recipient (benefitting) country 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 customer.
- 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 country.
- 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-digit program code, and specific pseudo LOA preparation procedures for each BPC program. Reviewing these policy memoranda on DSCA's web site can help provide a more thorough understanding of pseudo LOAs.
- The unique two-digit program code will become part of the pseudo LOA case identifier.
- The pseudo LOA 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 pseudo LOA.
- DOD and DOS "Leahy" human rights vetting must be completed for BPC services.

The SCO and the CCMD play a significant role in the pseudo LOA process. They must interface with the recipient country in order to translate the specific BPC program objectives into detailed package requests. BPC program requests should be linked to country 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 13,000 implemented FMS cases, each LOA is assigned a unique case identifier. This unique case identifier is assigned by the IA and should be provided to the customer 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 *US Federal Register*. The case identifier is found on every page of every LOA. The case identifier has three major components:

- Country Code: A two-position code representing the purchasing country or organization. A list of DOD country/activity codes is found in SAMM, table C4.T2. For Pseudo LOAs, the country code is replaced by a Program Code that represents the US Security Cooperation program authorizing the transfer. Program codes are listed in SAMM C4.T2 and C15.T2.

- Implementing Agency (or service) Code: A single alpha code that identifies the US 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 codes.

- Case Designator: A three-position alpha code assigned by the IA to identify a specific offer to a country. The first position of the case designator generally identifies the category of item or service to be provided to the purchaser. 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 assigned sequentially to distinguish among a country's separate FMS 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 Country Code for the fictional country of Bandaria. The IA code is "D" for US Air Force, and case designator "EZY" indicates that this is likely one of several cases that the US Air Force has prepared for Bandaria in the "E" equipment category. The case identifier should be used on all documentation relating to its associated LOA, including amendments and modifications, as well as logistics and financial transactions. It is used to track the status of the LOA 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	Cartidge 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

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, maintenace, 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 FMS case concept is crucial to the understanding and management of the overall FMS program. FMS cases fall into one of three categories as defined by the SAMM: defined order, blanket order, and CLSSA. Some BPC programs are implemented through the existing FMS infrastructure using a fourth category of case called a pseudo LOA.

Each FMS case is assigned a unique case identifier, composed of a country 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. Pseudo LOA case identifiers contain a unique program code assigned by DSCA.

References

DSCA Manual 5105.38-M, *Security Assistance Management Manual* (SAMM). http://www.samm.dsca.mil/.

US Air Force Manual, AFMAN 16-101, *International Affairs Security Assistance Management*.

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

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

Attachment 6-1
Sample Defined Order Case

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

BN-B-ULY
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 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: 12-999

This offer expires on 21 February 2013. 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 2012		13 Feb 2013
U.S. Signature	Date	Purchaser Signature	Date
Robert Van Horn Director, EASTCOM Regional Operations		General Malaise Defense Chief of Staff	
Typed Name and Title		Typed Name and Title	
US Army Security Assistance Command, Redstone Arsenal, AL 35898			
Implementing Agency		Agency	

DSCA Reviewed/Approved 12 Sep 2012 **IMPLEMENTATION DATE : 22 Feb 2013**

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

Customer reference continued: BN2060, 01 March 2012, Office of the Military Attaché, 2468 16th Street NW, Washington DC 20009.

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	(b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
001 L 5	B1U 1324658790132 (Y)(M)(R)(IV) BULLSEYE MISSILE, Guided Missile (GM). Nomenclature is unclassified. Material is classified CONFIDENTIAL (Note(s) 1, 39)	95 EA	$3,053,628.63	$290,094,720	P(19-44) TA5 SP	Z	8
002 L	B6A 9B6A00MSLM0DS (N)(N)(R)(IV) MODIFICATION, MISSILE, TEST EQUIPMENT & SERVICES (Note(s) 39)			$103,124,001 (Line Total)			
	a. PN 14622036 Launcher Station Modification Kit (LMK) (Note(s) 2)	28 KT	$3,683,000.04	$103,124,001	P(38-43) TA5	A	2
003 L	B1U 9B1U00BULLSEYE (N)(N)(R)(XIII) SUPPORT EQUIPMENT, BULLSEYE (Note(s) 39)			$1,624,000 (Line Total)			
	a. Fire Solution Computer (FSC) Mod Kits (Note(s) 3)	24 EA	$67,666.66	$1,624,000	P(18-26) TA5 NR	X	2
004 L	B6A 9B6A00MSLM0DS (N)(N)(R)(IV) MODIFICATION, MISSILE, TEST EQUIPMENT & SERVICES (Note(s) 39)			$1,522,500 (Line Total)			

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a) Unit	(b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
	a. BULLSEYE Test Set (Note(s) 4)	3 EA	$507,500.00	$1,522,500	P(84) TA5	Z	4
005 L	B1U 9B1U00BULLSEYE (N)(N)(R)(XIII) SUPPORT EQUIPMENT, BULLSEYE			$1,249,266 (Line Total)			
	a. 9999-01-713-3333 Missile Trainer (Note(s) 5)	12 EA	$104,105.50	$1,249,266	P(12) TA5 SP	Z	4
006 L	B9A 9B9A00GMPARTS (N)(N)(R)(IV) COMPONENT PARTS/SUPPORT EQUIPMENT (Note(s) 39)			$6,800,500 (Line Total)			
	a. BULLSEYE Prescribed Load List (PLL), BULLSEYE Authorized Stockage List (ASL), Supplemental Items to Support Integration, BULLSEYE Sustainment Spares (Note(s) 6)	2 SE	$3,400,250.00	$6,800,500	P(19-55) TA5	Z	4
007 L	B9A 9B9A00GMPARTS (N)(N)(R)(IV) COMPONENT PARTS/SUPPORT EQUIPMENT (Note(s) 39)			$101,500 (Line Total)			
	a. BULLSEYE Missile Consumables OCONUS - Outside the Continental United States (Note(s) 7)	2 SE	$50,750.00	$101,500	X(44-80) TA4	A	5
008 L	B9A 9B9A00GMPARTS (N)(N)(R)(IV) COMPONENT PARTS/SUPPORT EQUIPMENT (Note(s) 39)			$5,785,500 (Line Total)			
	a. Unclassified BULLSEYE Spares - Continental United States (CONUS) (Note(s) 8)	2 SE	$2,892,750.00	$5,785,500	P(44-80) TA5	Z	4

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a) Unit	(b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
009 L	B9A 9B9A00GMPARTS (N)(N)(R)(IV) COMPONENT PARTS/SUPPORT EQUIPMENT (Note(s) 39)			$7,105,000 (Line Total)			
	a. CLASSIFIED BULLSEYE Spares - Continental United States (CONUS) (Note(s) 9)	2 SE	$3,552,500.00	$7,105,000	P(44-80) TA5	Z	4
010 L	M2K02280000RRMSL (N)(N)(R)(XXI) R-R MISSILES & SUPPORT EQUIPMENT	XX		$2,436,000	P(38-74) TA5	A	E
3	Repair and Return of BULLSEYE Ground Support Equipment (BULLSEYE) (Note(s) 10, 39)						
011 L	M2K02280000RRMSL (N)(N)(R)(XXI) R-R MISSILES & SUPPORT EQUIPMENT	XX		$3,146,500	P(38-43) TA5	A	E
3	Repair and Return Missile and Support Equipment (BULLSEYE) Nomenclature is unclassified. Items for Repair and Return are classified CONFIDENTIAL (Note(s) 11, 39)						
012 L	M1E02050000L0GSV (N)(N)(R)(XXI) LOGISTICAL INTEGRATION SERVICES	XX		$507,500	P(38-43) TA5	-	4
3	Contractor System Integration and Checkout (SICO) and System Integration Demonstration (SID) (Note(s) 12, 39)						
013 L	M1E0205000THERTA (N)(N)(R)(XXI) OTHER TECHNICAL ASSISTANCE CONTRACTOR PERSONNEL ONLY	XX		$913,500	P(3-87) TA5	-	4
3	Contractor Technical Assistance in Support of BULLSEYE Missiles (Note(s) 13, 39)						
014 L	R9A 079100SPCLACT (N)(N)(R)(XXI) SPECIAL ACTIVITIES	XX		$2,933,162	X(1-84) TA4	-	4
3	Missile Field Surveillance - BULLSEYE (Note(s) 14)						

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a) Unit	(b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
015 L	M1E 0205000TAUSGP (N)(N)(R)(XXI) OTHER TECHNICAL ASSISTANCE - US GOVERNMENT PERSONNEL (NOT TECHNICAL ASSISTANCE TEAMS)	XX		$3,888,685	X(13-73) TA4	-	-
3	U.S. Government Technical Assistance - Lower Tier Project Office (LTPO) (Note(s) 15)						
016 L	M1E 0205000TAUSGP (N)(N)(R)(XXI) OTHER TECHNICAL ASSISTANCE - US GOVERNMENT PERSONNEL (NOT TECHNICAL ASSISTANCE TEAMS)	XX		$1,486,283	S(13-73) TA3	-	-
3	U.S. Government Technical Assistance - Security Assistance Management Directorate (SAMD) (Note(s) 16)						

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

Payment Date	Quarterly	Cumulative
Initial Deposit	$8,717,741	$8,717,741
15 Mar 2013	$613,737	$9,331,478
15 Jun 2013	$302,311	$9,633,789
15 Sep 2013	$98,040	$9,731,829
15 Dec 2013	$144,870	$9,876,699
15 Mar 2014	$6,887,272	$16,763,971
15 Jun 2014	$18,690,408	$35,454,379

Payment Date	Quarterly	Cumulative
15 Sep 2014	$31,754,467	$67,208,846
15 Dec 2014	$51,945,565	$119,154,411
15 Mar 2015	$67,795,628	$186,950,039
15 Jun 2015	$66,341,769	$253,291,808
15 Sep 2015	$82,242,009	$335,533,817
15 Dec 2015	$94,132,601	$429,666,418
15 Mar 2016	$2,030,561	$431,696,979
15 Jun 2016	$2,090,299	$433,787,278
15 Sep 2016	$2,100,033	$435,887,311
15 Dec 2016	$2,219,101	$438,106,412
15 Mar 2017	$2,398,171	$440,504,583
15 Jun 2017	$2,761,417	$443,266,000
15 Sep 2017	$2,915,286	$446,181,286
15 Dec 2017	$2,828,990	$449,010,276
15 Mar 2018	$2,392,496	$451,402,772
15 Jun 2018	$1,728,411	$453,131,183
15 Sep 2018	$939,935	$454,071,118
15 Dec 2018	$480,388	$454,551,506
15 Mar 2019	$78,655	$454,630,161
15 Jun 2019	$52,714	$454,682,875
15 Sep 2019	$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,

Attachment 6-2
Sample Blanket Order Case

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 2014. 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 2013		12 Feb 2014
U.S. Signature	Date	Purchaser Signature	Date
SUSAN L. McCLURE 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 2013 **IMPLEMENTATION DATE : 08 Mar 2014**

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

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	(b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
001	A7A 492000000FA7A (N)(N)(R)(VIII)	XX		$4,815,116	X(-)	Z	4
B4	GROUND HANDLING EQUIPMENT FOLLOW-ON				TA4		
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

Payment Date	Quarterly	Cumulative
Initial Deposit	$280,894	$280,894
15 Jun 2014	$368,680	$649,574
15 Sep 2014	$653,793	$1,303,367
15 Dec 2014	$978,231	$2,281,598
15 Mar 2015	$1,140,451	$3,422,049
15 Jun 2015	$958,568	$4,380,617
15 Sep 2015	$496,490	$4,877,107
15 Dec 2015	$122,893	$5,000,000

Attachment 6-3
Sample Pseudo Letter of Offer and Acceptance (LOA)

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

J1-P-LAZ

Bandaria, Section 1206, P.L. 109-163, as amd, BPC

Based on funds provided and the written request from the (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 Night Vision Devices, Supply Support, Parachute Equipment, Personal Communications Equipment and technical assistance.

Estimated Cost: $3,700,000 Initial Deposit: $3,700,000

Terms of Sale:

Cash with Acceptance 1206

This offer expires on 15 August 2014. 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:

	04 Aug 2014	No Purchaser Signature required	08 Aug 2014
U.S. Signature	Date	Purchaser Signature	Date

CDR Daniel A. Linquist, USN
Director, EASTCOM Branch

Typed Name and Title — Typed Name and Title

Navy International Programs Office

Implementing Agency — Agency

DSCA Reviewed/Approved 08 Aug 2014 **IMPLEMENTATION DATE : 22 Aug 2014**

DSCA — Date

Information to be provided by the Purchaser:
Mark For Code_2_, Freight Forwarder Code_-_, Purchaser Procuring Agency Code_P_, Name and Address of the Purchaser's Paying Office:_____

_____

Customer reference continued: Defense Security Cooperation Agency (DSCA) dated 7 March 2014.

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	(b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
001	H6P 5855000NVDPVS (S)(N)(E)(XII) PORTABLE VISION SYSTEM, NVD (GOGGLES, BINOCULAR, MONOCULAR, HANDHELD)	75 EA	$15,908.02	$1,193,102	X(2-24) TA4	X	7
G	AN/PVS-XX Night Vision Goggles (Note(s) 1)						
BN	Benefitting Country - Bandaria						
002	H6P 58550000NVDSP (N)(N)(R)(XII) SPARE PARTS, NVD	XX		$84,644	X(2-24) TA4	X	7
G	(Note(s) 2)						
BN	Benefitting Country - Bandaria						
003	J6A 16700000PRCHT (N)(N)(R)(XXI) PARACHUTES+AERIAL DEL EQUIPMENT	XX		$1,797,702	X(2-24) TA4	X	7
G	Parachute System (Note(s) 3)						
BN	Benefitting Country - Bandaria						
004	H6Z 589Z000THRC0M (N)(N)(R)(XI) COMMUNICATIONS EQUIPMENT, OTHER	XX		$75,102	X(2-24) TA4	X	7
G	(Note(s) 4)						
BN	Benefitting Country - Bandaria						

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a) Unit	(b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
005	M1E 0205000TTECHA (N)(N)(R)(XXI) OTHER TECHNICAL ASSISTANCE	XX		$105,182	X(-) TA4	-	-
G	(Note(s) 5)				Aug 2014 - Sep 2015		
BN	Benefitting Country - Bandaria						

Estimated Cost Summary:

(8) Net Estimated Cost	$3,255,732
(9) Packing, Crating, and Handling	0
(10) Administrative Charge	113,952
(11) Transportation	330,316
(12) Other	0
(13) Total Estimated Cost	$3,700,000

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

ESTIMATED PAYMENT SCHEDULE

Payment Date	Quarterly	Cumulative
Initial Deposit	$3,700,000	$3,700,000

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 LOA Implementing Agency shall sign one copy of this LOA document and retain the signed copy in case files.

2. Simultaneously, the LOA Implementing Agency will enter the Acceptance milestone into the Defense Security Assistance Management System (DSAMS), enabling the Defense Security Cooperation Agency (DSCA) to proceed with funds collection and case Implementation.

Note 1. AN/PVS-XX Night Vision Goggles.

Line item 001 provides seventy-five (75) AN/PVS-XX Night Vision Goggles.

Note 2. Night Vision Device (NVD) Supply Support.

Line item 002 provides for components, repair parts, assemblies and accessories required for the repair and support of NVDs.

Note 3. Parachute System.

Line item 003 provides the following parachute system and components, including sparing:

1. Multi-Mission Parachute system, quantity twenty-five (25)
2. Multi-Mission Parachute System, Spare, quantity four (4)

Note 4. Personal Communications Equipment.

Line item 004 provides the following personnel communications equipment, including sparing:

1. Headsets Single COMM kit, Coyote Brown NSN 9999-01-713-3254, quantity seventy (70)
2. Headsets Dual COMM kit, Coyote Brown NSN 9999-01-713-3255, quantity ten (10)

Note 5. Technical Services.

Line item 005 provides technical assistance in support of the acquisition, delivery and fielding of Night Vision Devices, parachute and communications equipment. Technical assistance efforts will include technical coordination and inspection, configuration management, logistics management support and Quality Assurance/Quality Control (QA/QC). Technical Assistance includes post-delivery support for equipment fielding, operator/maintainer equipment familiarization and establishment of Initial Operating Capability.

J1-P-LAZ
Page 4 of 7 Pages

Note 6. Shipment Consolidation.

a. The non-sensitive/non-hazardous material offered on Line Items 001-004 of this LOA will be shipped to the Navy Inventory Control Point at NAVSUP Weapon Systems Support, 5450 Carlisle Pike, Bldg 107 South End, Code N011, Mechanicsburg, PA 17055-0788 for consolidation. The consolidation point is responsible for the receiving, storage, control of inventory, repacking (if required), crating and containerization of material. Accessorial charges will be billed only to the extent that the U.S. Government incurs costs.

b. Vehicles, sensitive and/or hazardous materials will not be consolidated.

Note 7. NIGHT VISION DEVICES (NVDs) PHYSICAL SECURITY AND ACCOUNTABILITY - BPC.

1. The Benefitting Country will secure the Night Vision Devices (NVDs) transferred by the U.S. Government against loss, theft, or unauthorized access, and perform routine inventory checks. The Benefitting Country will provide the Security Cooperation Organization (SCO) and/or other appropriate U.S. Government representatives a written physical security and accountability control plan prior to receipt of the equipment. Inventory and accountability records maintained by the Benefitting Country will be retained for at least one year and made available for review upon U.S. Government request. Upon request, the U.S. Government will be permitted to conduct an inspection and inventory of the devices listed in this offer by serial number. In case of the destruction, loss, theft, or unauthorized access of any NVDs listed in this offer, the Benefitting Country will report the incident immediately to the U.S. Government (e.g. via the SCO to the Defense Technology Security Administration (DTSA)). The Benefitting Country will provide a written report with details of the incident within 30 calendar days to the U.S. Government. This report will include the steps being taken both to recover the equipment (if applicable) and to prevent recurrence.

2. The Benefitting Country should ensure that the following minimum physical security and accountability measures are included in the physical security and accountability control plan and met for all NVDs transferred on this LOA:

a. Physical Security: When not issued for use, the unit commander will provide NVD controlled-access, double barrier protection. Examples of double barrier protection include: a locked, built-in or free-standing steel container which is secured to a locked or guarded building, enclosed van, trailer or armored vehicle; a locked steel cage or vault secured in a locked or guarded structure. When in use, individuals issued NVDs will secure the devices and be responsible for maintaining control of the devices at all times. NVDs may be secured inside a locked, enclosed van, trailer, or armored vehicle if these vehicles remain under constant surveillance.

b. Accountability: While not issued for use, the unit commander or designated representatives will conduct monthly 100% physical count inventories and quarterly 100% inventories by serial number of the NVD. Records of these inventories will be kept for one year. While issued for use, the unit commander or designated representatives will perform a daily visual inventory of the NVDs.

3. The Director, DTSA authorized this transfer as delineated in the Defense Security Cooperation Agency (DSCA) Night Vision Implementation Memorandum(a) dated 30 June 2014

and/or previously by the DTSA waiver(s) dated not applicable.

Note 8. CASE CLOSURE- SECTION 1206 (FY14).

Closure activities will begin once all lines are supply service complete. Case closure will be completed not later than July 31, 2019.

Note 9. FUNDS SOURCE AND AVAILABILITY - SECTION 1206 (FY14).

Funds are provided in support of authority to build the capacity of foreign military forces to conduct counterterrorism or to support military, stability and maritime security operations.

1. The funds are subject to all the requirements and restrictions specified under Program Authority P.L. 109-163, as amended, and Appropriation Authority P.L. 113-76, FY14.

2. The funds carry the same time, purpose, and availability restrictions associated with fund source 97 4 0100.

3. Funds not obligated within the period of availability ending on September 30, 2014 will be rendered unavailable for new obligations unless a subsequent authority extends the period of availability. Funds will cancel at midnight on September 30, 2019.

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 10. 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.

Note 11. NONRECURRING COSTS DO NOT APPLY - BPC.
Nonrecurring Costs (NC) do not apply to BPC programs.

Note 12. CONTRACT ADMINISTRATION SERVICES (CAS) SURCHARGE.
For any lines on this LOA document with a Source of Supply of 'X' or 'P', the Contract Administration Services (CAS) surcharge rate apply: for Contract Administration, .65%; for Quality Assurance and Inspection, .65%; and for Contract Audit, .20%. CAS has only been applied to the portion of "X" - coded line items expected to come from procurement.

Note 13. ACCESSORIAL CHARGES.
A transportation charge has been applied to the applicable portions of line item numbers 001, 002, 003 and 004.

Note 14. ADMINISTRATIVE SURCHARGE.
An administrative surcharge of 3.5% has been applied to lines 001, 002, 003, 004 and 005.