



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

APR 20 2007

In reply refer to:
I-07/005281-POL

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: National Defense Authorization Act for Fiscal Year 2007 (Public Law (PL) 109-364), Section 1206 – Transportation Guidance (DSCA Policy 07-16)

REFERENCE: DSCA Memorandum, March 2, 2007, Assignment of Code “B5” for National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364), Section 1206 – Security Assistance Management Manual (SAMM) E-Change 73 (DSCA Policy 07-10)

The referenced memorandum established pseudo code “B5” and provided guidance for preparing pseudo Letters of Offer and Acceptance (LOAs) for the FY 2007 section 1206 program. This memorandum contains additional guidance for this program relating to transportation and title/custody requirements.

As the section 1206 program is financed with Department of Defense (DoD) funds, DoD-arranged and funded transportation of defense articles from the supply source to a designated title/custody transfer point in the recipient country is an integral part of the program. As such, the Defense Transportation System (DTS) will be used to support the transportation component of the section 1206 program. The referenced memorandum specified that LOAs for the FY 2007 section 1206 program must cite the DTS Delivery Term Code (DTC) that will provide shipment all the way into the recipient country, generally accomplished through DTC 7 or DTC 9. Per SAMM Chapter 7, Table C7.T9., the definition of DTS is “that portion of the Nation’s transportation infrastructure that supports Department of Defense (DoD) common-user transportation needs across the range of military operations. It consists of those common-user military and commercial assets, services, and systems organic to, contracted for, or controlled by the DoD, except for those that are Service-unique or theater-assigned. DTS Organic includes not only USG-owned assets but also those instances where DoD charters the entire transportation asset. DTS Commercial-contracted covers those instances where DoD only has some of the cargo on the asset and has not chartered the entire transportation asset.”

It is important to understand that the DTS consists not only of military sea and airlift, but also commercially contracted carriers that can be chartered to cover the entire distance into the recipient country. It is also important to note that estimated actual costs should be used where available rather than standard transportation charges, and that the DoD rates apply to this program.

The following note relating to title and custody transfer of defense articles and services must also be included in each FY 2007 section 1206 LOA document:

LOA Note for Section 1206 of PL 109-364 Pseudo LOAs		
Note Name	Note Usage	Note Text
Title and Custody Transfer - Section 1206 of PL 109-364 Programs	Mandatory for all section 1206 of PL 109-364 Pseudo LOAs for FY 2007.	“The U.S. Government will retain title to and custody of the defense articles to be transferred under the authority of section 1206 of PL 109-364 (hereinafter “1206 program materiel”) until delivery to the recipient country. A designated U.S. Government representative will confirm and document delivery of the 1206 program materiel to an authorized recipient country representative or agent. This 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 [insert U.S Army Security Assistance Command, Navy International Programs Office, or Secretary of the Air Force/International Affairs]. ”

If you have any questions concerning guidance for preparing section 1206 pseudo LOAs, please contact Ms. Kathy Robinson, STR/POL, kathy.robinson@dscamil, (703) 601-4368. The overall point of contact for section 1206 programs is Mr. Robert Presler, PGM/MGT, robert.presler@dscamil, (703) 604-6648.



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