

Subject: (U): R : 021516Z OCT 98: APPROVAL AUTHORITY FOR OFFSHORE  
PROCUREMENT OF SAO VEHICLES REFERENCES:

Date: 5 Oct 1998 16:24:04 -0400

From: SECDEF WASHINGTON DC

Organization: CHAIRS User

Newsgroups: ADC.FO, ADC.PA, ADC.PAC, ADC.ATL, D TSA, DSAA.CHRMGT, DSAA.CHRMAA,  
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DSAA.CHRFPD, DSAA.CHRGEN, DSAA.CHRCPD, DSAA.CHRERP,  
DSAA.CHRBGT, USDP, PS.IS, PS.CIS, ISA.DPMOADMIN, ISA.DPMO,  
ISA.AFR POL, ISA.AFR, ISA.APCHINA, ISA.AP, ISA.NATOPOL, ISA.EUR POL,  
ISA.DASDEUR, ISA, SOLIC.BUDGET, SOLIC.RP, SOLIC.SS, ALL

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R 021516Z OCT 98

FM SECDEF WASHINGTON DC//USDP:DSCA//

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SUBJECT: APPROVAL AUTHORITY FOR OFFSHORE PROCUREMENT OF SAO VEHICLES  
REFERENCES:

- A. P.L. 87-195, FOREIGN ASSISTANCE ACT OF 1961
- B. AR 1-75/OPNAVINST 4900.31G/AFR 400-45, ADMINISTRATIVE AND  
LOGISTICAL SUPPORT OF OVERSEA SECURITY ASSISTANCE ORGANIZATIONS  
(SAOS)
- C. SECDEF (USDP) 240602Z JUL 90, SUBJ: CHANGE IN STATUTES GOVERNING  
THE PURCHASE OF FOREIGN-MANUFACTURED AND FOREIGN-PROCURED PASSENGER  
MOTOR VEHICLES FOR ADMINISTRATIVE PURPOSES FOR A SAO

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1. THIS MESSAGE REVIEWS THE POLICY FOR THE APPROVAL OF OFFSHORE  
PROCUREMENT OF VEHICLES USING SECURITY ASSISTANCE FUNDS.
2. SEC 636(I), REF A, STATES THAT NO SECURITY ASSISTANCE (T-20)  
FUNDS MAY BE USED TO PURCHASE SAO VEHICLES UNLESS SUCH VEHICLES ARE  
MANUFACTURED IN THE U.S. WHERE SPECIAL CIRCUMSTANCES EXIST, THE  
PRESIDENT IS AUTHORIZED TO WAIVE THIS PROVISION.
3. PARA 3-8, REF B, STATES THAT REQUESTS FOR EXCEPTION TO THE  
REQUIREMENT TO PURCHASE US-MANUFACTURED VEHICLES SHOULD BE SUBMITTED  
THROUGH THE UNIFIED COMMANDER TO DSCA.
4. REF C NOTED THAT SECDEF HAD DELEGATED THE AUTHORITY TO APPROVE  
OFFSHORE VEHICLE PROCUREMENT REQUESTS TO THE DIRECTOR, DSCA, WITH THE  
CONCURRENCE OF THE DEPARTMENTS OF STATE AND THE TREASURY. SUCH  
REQUESTS WOULD BE CONSIDERED ON A CASE-BY-CASE BASIS, WITH PERSONNEL  
SAFETY BEING THE MOST COMPELLING RATIONALE FOR APPROVAL OF SUCH  
EXCEPTIONS.
5. THERE HAS BEEN NO CHANGE TO THE POLICY AS STATED IN THE  
REFERENCES CITED ABOVE. ONLY THE DIRECTOR, DSCA, MAY APPROVE AN  
EXCEPTION TO THE POLICY REQUIRING THE PURCHASE OF U.S.-MANUFACTURED  
VEHICLES. ALL SUCH REQUESTS SHOULD INCLUDE COMPLETE JUSTIFICATION,  
WITH THE SECURITY OF SAO PERSONNEL CONTINUING TO BE THE MOST

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COMPELLING REASON FOR APPROVAL OF AN EXCEPTION. PROJECTED LOWER  
PROCUREMENT AND/OR MAINTAINABILITY COSTS ARE NOT A SUFFICIENT REASON  
FOR PURCHASE OF A FOREIGN-MADE VEHICLE.

6. DSCA POC: MR. K. EISENHARDT, COMPT/RM, 703-604-6551, DSN  
664-6551, FAX 703-604-6536, E-MAIL EISENHARDT@OSD.PENTAGON.MIL.

BT

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USCINCSO QUARRY HEIGHTS PM//SCCM/SCJS-SA//  
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FROM: DSAA/COMPT-BUDGET, I-61289/90  
SUBJECT: CHANGE IN STATUTES GOVERNING THE PURCHASE OF FOREIGN-MANUFACTURED AND FOREIGN-PROCURED PASSENGER MOTOR VEHICLES FOR ADMINISTRATIVE PURPOSES FOR A SAO

1. THE TRANSFER OF APPROPRIATIONS FOR GENERAL COST OF ADMINISTERING MILITARY ASSISTANCE AND SALES FROM THE MILITARY ASSISTANCE PROGRAM (MAP) APPROPRIATION TO THE FOREIGN MILITARY FINANCING (FMF) APPROPRIATION HAS CHANGED THE LEGAL BASIS FOR GRANTING WAIVER AUTHORITY TO PURCHASE FOREIGN-MANUFACTURED AND FOREIGN-PROCURED PASSENGER MOTOR VEHICLES FOR SECURITY ASSISTANCE ORGANIZATIONS (SAO). UNDER MAP, IF SPECIAL CIRCUMSTANCES EXISTED, THE DIRECTOR DSAA COULD EXERCISE THE WAIVER AUTHORITY IN SECTION 636(I) OF THE FOREIGN ASSISTANCE ACT (FAA) OF 1961 FOR REASONS OF PERSONAL SAFETY TO AUTHORIZE THE FOREIGN PROCUREMENT OF A FOREIGN-MADE VEHICLE FOR THE ADMINISTRATIVE USE OF A SAO. EACH REQUEST WAS EVALUATED ON A CASE-BY-CASE BASIS.
2. SINCE THE BEGINNING OF FISCAL YEAR 1990, SAO(S) ARE FINANCED IN PART FROM APPROPRIATED FUNDS MADE AVAILABLE TO CARRY OUT THE ARMS EXPORT CONTROL ACT (AECA). CONSEQUENTLY, SECTION 636(I) OF THE FAA WHICH IS APPLICABLE ONLY TO FAA FUNDS, IS NO LONGER APPLICABLE.
3. THE FMF APPROPRIATION SUBJECTS FUNDING OF A SAO ADMINISTRATIVE EXPENSES TO SECTION 42(C) OF THE AECA, WHICH READS IN PART: "FUNDS...MAY BE USED FOR PROCUREMENT OUTSIDE THE UNITED STATES ONLY IF THE PRESIDENT DETERMINES THAT SUCH PROCUREMENT WILL NOT RESULT IN ADVERSE EFFECTS UPON THE ECONOMY OF THE UNITED STATES...". EXECUTIVE ORDER NO. 11958 DELEGATES THE PRESIDENTIAL FUNCTIONS UNDER SECTION 42(C) AECA TO THE SECRETARY OF DEFENSE WHO SUCCESSIVELY REDELEGATED THESE FUNCTIONS TO THE DIRECTOR, DSAA. THIS EXECUTIVE ORDER ALSO REQUIRES THE CONCURRENCE OF THE SECRETARIES OF STATE AND TREASURY FOR DETERMINATIONS UNDER SECTION 42(C) AECA.
4. THE DIRECTOR OF DSAA HAS DETERMINED THAT PROCUREMENT OUTSIDE THE UNITED STATES FOR THE GENERAL COSTS OF ADMINISTERING MILITARY ASSISTANCE AND SALES BY A SAO ESTABLISHED UNDER SECTION 515 OF THE FAA OF 1961, AS AMENDED, INCLUDING THE PURCHASE OF PASSENGER MOTOR VEHICLES, WILL NOT RESULT IN ADVERSE EFFECTS UPON THE ECONOMY OF THE UNITED STATES OR ON THE INDUSTRIAL MOBILIZATION BASE. DSAA HAS OBTAINED THE CONCURRENCE OF THE DEPARTMENTS OF STATE AND TREASURY AS REQUIRED BY EXECUTIVE ORDER NO. 11958. THIS IS A ONE-TIME DETERMINATION.
5. WE EXPECT THE PROVISIONS OF THE JOINT SERVICE REGULATION ARI-75, OPNAVINST 4900.316, AFR 400-45, PARAGRAPH 3-BA BE ADHERED TO. EACH SAO THAT BELIEVES THERE ARE SPECIAL CIRCUMSTANCES THAT WOULD WARRANT AN EXCEPTION TO THIS POLICY SHOULD SUBMIT THEIR DETAILED JUSTIFICATION THROUGH THE UNIFIED COMMAND TO DSAA. EACH REQUEST FOR APPROVAL TO PURCHASE A FOREIGN-MANUFACTURED AND FOREIGN-PROCURED PASSENGER MOTOR VEHICLE WILL BE CONSIDERED ON A CASE-BY-CASE BASIS. PERSONAL SAFETY IN LIGHT OF THE TERRORIST THREAT LEVEL IS STILL THE MOST COMPELLING RATIONALE FOR REQUESTING AN EXCEPTION TO THIS POLICY. CITE THE JOINT MILITARY REGULATION/PARAGRAPH AND THIS MESSAGE WHEN REQUESTING APPROVAL FOR AN EXCEPTION TO AUTHORIZE A SAO TO PURCHASE A FOREIGN VEHICLE.
6. WE APPRECIATE THE INDULGENCE OF EACH SAO THAT HAS HAD A REQUEST FOR WAIVER TO 636(I) FAA HELD IN ABEYANCE WHILE THE DETAILS OF A DETERMINATION WERE BEING STAFFED. EACH REQUEST WILL BE EVALUATED AND OUR DECISION WILL BE FORTHCOMING DIRECTLY. BT

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