



DEPUTY UNDER SECRETARY OF DEFENSE FOR
LOGISTICS AND MATERIEL READINESS
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

OCT 10 2007

MEMORANDUM FOR CHAIRMAN OF THE JOINT CHIEFS OF STAFF
COMMANDING GENERAL, MULTI-NATIONAL FORCES -
IRAQ

SUBJECT: Increase in Donation Threshold for Foreign Excess Personal Property
(FEPP) in Iraq

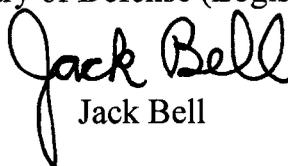
This memorandum updates my August 4, 2006, letter to the Chairman of the Joint Chiefs of Staff and Director, Defense Logistics Agency, titled "Increase in Donation Threshold for Foreign Excess Personal Property (FEPP) in Iraq." I hereby increase the donation threshold for foreign excess personal property (FEPP) in Iraq to \$10,000 acquisition value, under the conditions specified below. All other stipulations of my original letter remain in effect, except as modified by this letter.

Also, in response to the June 8, 2007 letter received from the MNF-I DCS for Resources and Sustainment, titled "Increase in Donation Threshold for Foreign Excess Personal Property (FEPP) in Iraq," I delegate donation authority to the MNF-I DCS Resources and Sustainment, subject to the conditions specified below. This authority may not be further delegated. By definition, such items are obsolete, excess to global Military Service needs, or not cost effective to retrograde. The authority for determining the item's status remains with the Military Service that owns the item. Such determinations will be made using currently effective policies and regulations.

Any equipment to be donated for use "as is" must be accompanied by a spares and, as necessary, a tooling package to ensure its continuing value to the recipient. Any equipment donated for use in a maintenance training program or for use by an organization with an adequate maintenance and parts-acquisition capability is exempt from this requirement.

If property value of an item exceeds \$10,000 but is otherwise qualified for donation, a formal request for exception to policy can be submitted separately to the DUSD (L&MR) for approval. The request must include the date, quantity, item description, original acquisition value, property value at time of proposed donation, donor, and recipient.

The MNF-I DCS for Resources and Sustainment shall retain a list of all items donated for audit purposes, and shall forward a copy to: the DLA J-3; the Deputy Chief of Staff for Logistics for the Military Service (for the Army, the Deputy Chief of Staff G-8), and the Deputy Under Secretary of Defense (Logistics and Materiel Readiness).


Jack Bell





DEPUTY UNDER SECRETARY OF DEFENSE FOR
LOGISTICS AND MATERIEL READINESS
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

AUG 4 2006

MEMORANDUM FOR CHAIRMAN JOINT CHIEFS OF STAFF
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Increase in Donation Threshold for Foreign Excess Personal Property (FEPP) in Iraq

This responds to a June 23, 2006 request from the Director of Logistics Operations, Defense Logistics Agency, to increase the threshold for donation of foreign excess personal property (FEPP) located in Iraq. 40 United States Code 704(b)(3), as promulgated in Chapter 8, paragraph D. of the Defense Materiel Disposition Manual (DoD 4160.21-M), authorizes the heads of executive agencies to dispose of property through donation when the estimated costs of care and handling exceed the estimated proceeds from sale.

Based on the request dated June 16, 2006 by the Multi-National Forces Iraq (MNF-I) to the DLA and the cost benefit analysis dated June 9, 2006 conducted by the Defense Reutilization Marketing Service (DRMS), I hereby grant an exception to increase the threshold for donation for FEPP in Iraq with the following conditions:

- Property being donated had an acquisition cost of less than \$5,000
- Property being donated does not require demilitarization and is not subject to trade security control (i.e. items appearing on the U.S. Munitions List of the International Traffic in Arms Regulation or "dual-use" items under the Commerce Control List of the Export Administration Regulations)
- Property being donated is not environmentally regulated or hazardous
- Property is donated to only those entities that are approved by the Department of State
- MNF-I shall retain a list of items and recipients for property donated under this amended authority and a copy shall be provided to the DLA, J-3 and to the Deputy Chief of Staff for Logistics for the Military Service that previously had the items on its property books (or in the case of the Army, the Deputy Chief of Staff G-8) on a monthly basis
- Authority to abandon or destroy property is not changed

A separate request, including a listing of specific items, quantities, intended recipients, value of property to be donated, and justification supporting the donation request, must be made to DUSD(L&MR) or designee for each Forward Operating Base (FOB) for approval to donate property with an acquisition value of \$5,000 or greater. This exception authority will remain in effect for 12 months. Six months from the date of this memorandum, DLA J-3 will recommend adjustment to and/or continuation of this threshold increase. DLA must review the lists of items and recipients as supporting documentation of its recommendation.



The authority for up to 53 closing FOBs to donate property for substantial benefit to the Iraqi Security Forces and defined Iraqi Ministries up to a total value of \$2 million per FOB, which I authorized by memorandum dated June 2005 and amended in December 2005 and March 2006, remains in effect. No other authorities are affected.

If you have any questions or require additional information, you may contact Debra Bennett, on my staff, at 703-604-0098 x137 or debra.bennett@osd.mil.


Jack Bell

cc:
Director, Joint Staff
Deputy Chief of Staff, Army G-8
CENTCOM J4
MNF-I



HEADQUARTERS
MULTI-NATIONAL FORCE - IRAQ
BAGHDAD, IRAQ
APO AE 09342-1400

REPLY TO
ATTENTION OF

MNFI-R&S

8 Jun 2007

MEMORANDUM FOR: Deputy Under Secretary of Defense for Logistics and Material Readiness, 3500 Defense Pentagon, Washington, DC 20301-3500

SUBJECT: Increase in Donation Threshold for Foreign Excess Personal Property (FEPP) in Iraq

References: (a) DUSD (L&MR) Memorandum, 4 Aug 2006, same subject
(b) DLA Memorandum, 9 Jun 2006, same subject

1. Request your support to expand the donation authority for foreign excess personal property (FEPP) in Iraq granted in reference (a).

2. Request that MNF-I Deputy Chief of Staff, Resources and Sustainment (DCS R&S) be delegated the authority to donate items that are not cost effective to retrograde. DCS R&S will use the following factors to determine cost effectiveness of donating an item:

- Fair Market Value (FMV), as determined by the Defense Reutilization Marketing Service (DRMS)
- Cost to retrograde the item as stated in attachment (2) of reference (b)
- Sales potential of the item. Security conditions allow for only extremely limited sales.
- Potential value of the item to stimulate the Iraqi economy

Items will be screened for reutilization within theater prior to being nominated for donation. Items of military value will be retrograded in accordance with service regulations.

3. Items that will be donated include, but are not limited to, these and similar items: (1) Container Housing Units (CHUs); (2) Generators; (3) Non-tactical vehicles; (4) Fuel tanks; (5) Unclassified computer and information equipment; (6) Air Conditioner and heating units; (7) Barrier materials; (8) Furniture and appliances; (9) Construction equipment; and (10) Non-military items not economically repairable .

4. My staff continues to look for ways to mitigate the amount of retrograde necessary as we look towards the end of Operation Iraqi Freedom (OIF). Expansion of the donation authority will give MNF-I the flexibility to make the best use of resources as we leave theater. Also, donation of equipment is in support of our objectives to stimulate the Iraqi economy. Initiatives such as Iraqi First and Iraqi-Based Industrial Zones (I-BIZ) have been a great success and will benefit further from our continued support.

5. I appreciate your team's proactive engagement on this issue. My POC on this matter is Colonel John Cawthorne, Base Transfer Division Chief, at DSN 318-822-1633 or John.Cawthorne@iraq.centcom.mil.

STEVEN M. ANDERSON
Brigadier General, USA
DCS R&S, MNF-I