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DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, D.C. 20350

IN REPLY REFER TO:
OPNAVINST 4900.126
Op-63

OPNAV INSTRUCTION 4900.126

9 SEP 1980

Subj: Security Assistance Foreign Representatives

Ref: (a) Military Assistance and Sales Manual (MASM) DOD 5105.38M,
1 Aug 1980 (NOTAL)
(b) DODINST 5230.20 , 30 Apr 1980 (NOTAL)
(c) OPNAVINST 5510.48G, 15 Jun 1979 (NOTAL)
(d) DOD 5220.22R Industrial Security Regulation (enclosed by
OPNAVINST 5510.48G, 15 Jun 1979 (NOTAL)
(e) Defense Acquisition Regulations (DAR's)
(f) DODINST 2140.1, (implemented and enclosed by OPNAVINST
4920.10D), 11 Jul 1977 (NOTAL)

Encl: (1) Sample Mission Definition Statement--"Functions
of SAFR at NAVILCO"

1. Purpose. To establish policy and procedures concerning disclosure authority, mission definition, contractor relations and cost recoupment for Security Assistance Foreign Representatives (SAFR).

2. Scope. This instruction applies to all Department of the Navy activities hosting or having contact with SAFR.

3. Background. Security Assistance Foreign Representatives (SAFR) are defined as those individuals representing a foreign government and/or foreign military organization, acting in liaison with, conducting coordination with, or acquiring information from Department of the Navy (DON) activities for the purposes of security assistance. Security assistance includes Foreign Military Sales (FMS) and the Military Assistance Program (MAP) which are defined in reference (a). The SAFR can also be identified by any of the following functions:

a. Office residence at a DON activity, where the residence is paid for and the position is established by an FMS case (defined in reference (a)).

b. Functional Accreditation by the Chief of Naval Operations, (CNO) (Op-62) to DON activities, as defined in reference (b).

c. "Extended" visitation (as defined in reference (b)) by foreign representatives at DON activities. A visit exceeding two weeks continuous duration or intermittent visitation exceeding two months cumulative visitation in a 12 month period shall be considered "extended" and within the scope of this definition.

d. Foreign trainees at DON activities are considered SAFR if their training relates to conducting coordination for security assistance purposes.

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4. Disclosure Procedures. Reference (c) provides the basis of disclosure procedures concerning SAFR. Reference (d) implements procedures for handling classified information for industrial security. The host DON activity is required to appoint in writing a Control Officer for each SAFR. Control Officers are responsible for insuring that disclosure of classified information is strictly in accordance with disclosure authorization provided by CNO (Op-62). Frequency of personal liaison and proximity of office spaces can present risks of inadvertent disclosure of classified information which is not specifically required nor authorized for the SAFR. Requests for additional classified data beyond the scope of the authorized disclosure subject area(s) must be processed through normal disclosure channels. All disclosure must be authorized in writing. The objective of these procedures is not to restrict or constrain the flow of such information to the SAFR, but to insure that disclosure of such information is explicitly authorized, and that only that information necessary to the defined requirements of the SAFR is disclosed.

5. Mission Definition Procedures. It has been possible in the past for SAFR to embark on their duties without the hosting DON activity prescribing the type and scope of functions the SAFR could perform at the DON command. This practice will no longer occur. DON commands hosting or having assigned SAFR will define in written statements the type and scope of functions. Enclosure (1) is a sample letter which defines the mission of the SAFR at the Navy International Logistic Control Office (NAVILCO).

a. The mission definition will be made available to the SAFR for the following circumstances:

(1) "Functional" accreditation by CNO (Op-62) to a hosting DON command.

(2) Establishment of Memoranda of Understanding (MOU) or similar agreements with the foreign governments for the SAFR positions at the hosting DON activity.

(3) Establishment of FMS case for SAFR at the hosting DON command.

b. Mission definition statements for SAFR should discuss, but not be limited to, the following:

(1) Authorized disclosure subject area(s) specified in the functional accreditation or visit request approval letter from CNO (Op-62).

(2) Definition of access to telecommunication and Automated Data Processing (ADP) facilities at the hosting DON activity.

(3) Key points of contact in the DON activity for liaison with SAFR.

(4) Description of types of functions involved (e.g., monitoring case development, etc.).

(5) Definition of powers of signature SAFR holds (e.g., authorizing DD Form 1513 changes, modifications and amendments).

(6) Administrative services which are provided by the hosting DON activity. Some examples of these administrative services are: printing and copying; mail pickup and delivery; equipment and supply service; warehouse storage and transportation.

c. Mission definition statements should also note that security assistance management training is available through the Defense Institute of Security Assistance Management (DISAM). Requests for quotas should be addressed to CNO (Op-631K).

6. Contractor Relations Standards. The FMS case (DD Form 1513) establishes that the United States Government (USG) undertakes procurement with contractors on behalf of the foreign government. Standard procurement procedures defined in reference (e) apply to USG (foreign government) actions when the source of supply indicated on the DD-1513 is "P" (procurement). The SAFR conduct of liaison, coordination and all other activity associated with contractor relations shall be within the following guidelines:

a. SAFR liaison with contractors performing FMS contracts should be directed to the cognizant Procuring Contracting Officer (PCO). Contractual issues will be coordinated by the PCO and the Administrative Contracting Office (ACO) which have been assigned contract administration responsibilities. Communication with prime and sub-contractors will be via the project/program office to the PCO/ACO and within the disclosure guidelines established by the visit authorization (references (b), (c), (d) and paragraph 3. above apply).

b. Negotiation of billing and overhead rates, appointment or selection of personnel, dismissal or removal of personnel, negotiation of supplemental agreements and all other activities defined in Sections 1-405.1 and 1-406 of reference (e) as the functions of a contracting officer or contract administrator will be executed exclusively by USG appointed officers.

c. The submission and execution of changes to the original contract (resulting from change orders issued under the change clause) will be the responsibility of the contract administrator. SAFR and foreign government involvement in changes will be at the project/program office level only.

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d. Disclosure authorization for SAFR will be provided to the contractor in the form of "extended" visit approval, since the Department of Defense does not permit the functional accreditation of foreign nationals to industrial facilities.

7. Foreign Military Sales Management Cases/Case Lines covering Costs of SAFR Offices. Foreign Military Sales management cases or case management lines will be established to recover all costs related to U.S. Government support of SAFR. SAFR office costs are related to special support services provided to an FMS customer, which are outside the scope of administrative services ordinarily provided to FMS purchasers and financed from FMS administrative surcharge collections. Pricing will be in accordance with the following guidance. Requests for special support not addressed in the guidance below should be coordinated with CNO (Op-63 and Op-92).

a. Charges for Use of Facilities and Equipment.

(1) In the event that office space is provided in non-DOD facilities (i.e., is rented from commercial sources or the General Services Administration (GSA)), the pro-rata share of operating costs including space rental charges will be assessed on the basis of space assigned versus total space available for assignment. Amounts collected will be credited to the DON appropriation accounts which normally finance such costs. As a normal rule, the FMS customer (SAFR) will be expected to provide the office equipment and furnishings.

(2) In the event that office space located in DOD-owned facilities is provided the SAFR, a 4% asset use charge will be applied against costs of services specified in b. and c. below. These surcharges will be deposited to miscellaneous receipts account 173041.1201.

b. Administrative Support of SAFR Offices. All costs of administrative support for SAFR offices requested by the FMS customer, such as telephone and equipment rental, supplies, reproduction services, mail, message, and printing services, Automated Data Processing operations, etc. are chargeable to the FMS management case/line supporting the SAFR office. If not within the scope of the case, the services will not be provided. Actual costs will be charged whenever they are available. However, estimates and prorations of costs may be utilized as the basis of DD Form 1513 pricing of services and charging the FMS customer. Documentation regarding the development of these costs should be provided to CNO (Op-63). Amounts collected will be credited to the applicable DON appropriation which finances such costs.

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c. Special Services in Support of SAFR Offices. All costs of special services provided at the specific request of the SAFR, if the services are within the scope of the related FMS management case or case management line, will be charged to that case/case line. If not within the scope of the case, the services will not be provided. Costs of travel and personnel costs of DON personnel, only if specifically requested by the SAFR, will be charged to the case/line. Travel costs should be direct-cited to case funds if feasible. Other special efforts such as contractor assistance, special ADP reports (ADP programming) or other requested services and material/equipment are chargeable to the management case/line. Contractual transactions should be "direct cite" funded. Amounts for services provided by DON activities will be priced and collections credited in accordance with guidance in reference (f) (implemented in NAVCOMPT Manual, Volume 3, Appendix C and paragraph 032103).

8. Security Assistance Foreign Representatives Prohibitions. The following additionally define the functions of SAFR under FMS liaison cases:

a. Travel costs of the SAFR cannot be applied to an FMS case. Note the distinction here between the SAFR himself and DOD employees performing travel for the SAFR (Special Services para. 6.c. above).

b. Department of the Navy activities will not provide civil service employees in direct support of SAFR resident liaison cases.

c. The SAFR possess no authority to withdraw FMS case funds to pay for the business of miscellaneous, non-DOD services. Any funds the SAFR have under their control will be managed outside of FMS cases and FMS Trust funds.

9. Form. DD Form 1513 is for use only by Op-63.



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SAMPLE MISSION DEFINITION STATEMENT--

"FUNCTIONS OF SECURITY ASSISTANCE FOREIGN REPRESENTATIVES
(SAFR) RESIDENT AT THE U.S. NAVY INTERNATIONAL LOGISTICS
CONTROL OFFICE (NAVILCO)"

SAFR are assigned to resident duty at NAVILCO and are responsible for the performance of functions related to logistics support. In general, the functions they perform will fall into two categories: those functions which interact with NAVILCO in its administration of the Foreign Military Sales (FMS) Program of the country, and those functions which may be performed by the SAFR but are separate and apart from the mission of NAVILCO. For example, the SAFR resident at NAVILCO will normally be expected to perform the following functions utilizing the cognizant NAVILCO Operations Department Country Program Manager as the principal and initial point of contact:

- a. Monitor requisitions at NAVILCO for implemented FMS Letters of Offer, Form DD 1513's.
- b. Receive FMS supply status and maintain updated information on all requisitions.
- c. Respond to, or submit to higher authority for response, requests for additional technical data, acceptance of price increase, substitution, or changes in quantity received by NAVILCO from the DOD Supply System on Direct Requisitioning Procedures (DRP) or open order spare parts cases.
- d. Submit price and availability requests for secondary items to NAVILCO and, when appropriate, for major end items to the Chief of Naval Operations.
- e. Audit, review and submit to NAVILCO Reports of Discrepancies (ROD) received from in-country sources.
- f. Participate in scheduled FMS Implementation Reviews.
- g. Receive process and/or arrange for shipment of classified material.
- h. Provide active direction to the Freight Forwarder under contract to (country/military service) for the movement of material purchased in the U.S. and monitor, where applicable, the performance of the Freight Forwarder in carrying out this function.

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i. Trace shipments, as necessary, through the Freight Forwarder to assist in determining liability for losses, damages, shortages, and other shipment difficulties.

j. Effect reconciliation of supply statements with NAVILCO. Reconciliation of financial statements (such as DD 645 data) should include liaison with SAAC.

An example of the functions which are separate and apart from the mission of NAVILCO might include acting as a purchasing agent for material obtained from commercial sources, or supervising the loading of cargo aboard a non-U.S. flag ship. This type of function is, of course, totally determined by the requirements of the Representative's military service, subject only to the limitations of U.S. law and such laws of local jurisdictions (city, county, state, etc.) as may be applicable. The functions performed through interaction with NAVILCO are also determined by the SAFR's military service but, as a practical matter, are limited by the functions which NAVILCO itself performs in the discharge of its mission.

Orientation and training of SAFR in security assistance management is available through the Defense Institute of Security Assistance Management. Information on quota requests and costing for the course can be obtained from NAVILCO representatives.