

Staffing Procedures for 607 Letters of Offer and Acceptance (LOA's)

Background

Section 607 of the Foreign Assistance Act of 1961 allows Federal Agencies to sell goods and services to friendly foreign governments when the President determines it is in furtherance of the purposes of Part One of the Act. As set out in sections 101 and 102, one of the purposes of the Act is to effectively utilize U.S. developmental resources to provide developmental assistance to those nations attempting to create the social and economic institutions necessary to achieve self-sustaining growth. Under 607, technical assistance is provided to the civil agencies of friendly foreign governments for developmental purposes including health, agriculture, environment, and infrastructure development.

Historically, the Corps of Engineers has been petitioned by friendly foreign governments to provide technical assistance for critical infrastructure problems related to water resource management, the environment, and other areas of Corps expertise. The requests are routinely framed as an initial request from a Ministry of a foreign government, for a preliminary assessment by a small team of civilian technical experts with possible follow-on projects to be determined by the assessment's results and the Ministry's fiscal constraints. Current LOA requests have been received from the Port Authority of Honduras, Ministry of the Environment of Colombia, and Ministry of Education of Argentina.

In the past, as a practical matter it was impossible for the Corps to respond to 607 requests. Unlike the sales of supplies and services to Foreign Militaries, under FMS cases, there simply were no documented procedures for the provision of developmental assistance under 607. The Corps pursued a number of vehicles to process these actions; none of which allowed for a timely response. In 1997, DSCA took responsibility for processing Corps 607 actions by modifying the LOA procedures normally used for standard FMS cases and the Corps current procedures are designed to implement this process.

Current Procedures

Over the past year, we have made great progress in streamlining and refining the 607 LOA approval process, however, the actions still require a great deal of interagency and intra-agency coordination.

The process is as follows: A Letter of Request is sent by the host country (must be from the Federal level) to the US Embassy in country, the Embassy endorses the letter and sends cables to DOS, and DOD with a copy furnished to the appropriate Corps District

notifying them of its endorsement. The District informs CECS-I of the request and drafts a request for a 607 determination to the appropriate agency (DOS, or AID – copy provided below). The DOS or AID provides the determination to the District. The District then drafts the LOA and forwards it with the 607 determination to CECS-I for review and signature. CECS-I upon review and signature of the LOA forwards the action to the SAUS-IA, who forwards it the ASA-CW, who provides it to the Army General Counsel for legal review. The Army General Counsel returns the LOA to the ASA-CW, who forwards it to DSCA. DSCA processes the action, provides it to DOS for review, then returns the action to the District for staffing in the requesting country.

Ann Castiglione-Cataldo, CESAM, is the Corps expert on 607 LOAs and may be consulted. She can also provide a complete package of all documentation.

District Letterhead

CESAM-PM-LA

November 2, 1998

U.S. Agency for International Development
Office of General Counsel
ATTN: Mr. Jan Miller

Washington, DC

Dear Mr. Miller:

Please reference USAID correspondence with Donald Kisicki, Chief, Office of Inter-Agency and Intergovernmental Support, US Army Corps of Engineers, dated August 11, 1998 concerning “607 Determinations”. This correspondence has been coordinated with Mr. Kisicki’s office.

We request a 607 determination for the purpose of providing USACE technical assistance to the Directorate of the Port Authority, Government of Honduras. As per the referenced USAID correspondence, the following information is presented for your review and approval:

1. Name of Entity Requesting the Service - Government of Honduras, Port Authority Director (Marco Antonio Hepburn)

2. Short Project Description: The Director of the Port Authority has requested Technical Assistance in the areas of master planning, port development, and related matters pertaining to the facilities managed by the Port Authority of the Government of Honduras. The initial work will be a preliminary engineering study at the port of Puerto Cortes to evaluate the site and facilities as a precursor to development of a Port Authority Master Plan. Future technical assistance could involve projects in the areas of study, design, and contracting for the construction of port facility improvements, environmental studies, and disaster relief in Honduras.

a. Estimated Cost: Initial specific project is estimated to cost \$20,000.00.

b. Location: Initial specific project is at Puerto Cortes, Honduras

3. Letter of Request: Provided as part of enclosed message from American Embassy, Tegucigalpa, dated 271758 Oct 98, Subject: Government of Honduras - US Army Corps of Engineers Port Construction Project.

4. USACE Point of Contact:

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Encl

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