

HEADQUARTERS  
UNITED STATES EUROPEAN COMMAND  
UNIT 30400  
APO AE 09131

DIRECTIVE  
NUMBER 60-8

19 September 2001

**LOGISTICS**

Logistic Support Using Acquisition and Cross-Servicing Agreements (ACSA)

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1. **Summary.** This Directive establishes HQ USEUCOM policy and procedures for Acquisition and Cross-Servicing Agreements issued under the Acquisition and Cross-Servicing Agreements authorities (ref. A and Appendix C) and DoD Directive 2010.9 (ref. B), which provide for the acquisition and transfer of logistic support, supplies, and services between the United States and governments of eligible countries, NATO subsidiary bodies, the United Nations Organization or any regional international organization of which the United States is a member; redelegates USCINCEUR authority to negotiate implementing arrangements (IAs) for logistic support, supplies, and services; provides procedures for requesting allocation of ceiling authorization; and identifies requirements for financial management, record keeping and reporting. A brief note on the historical development of the NATO Mutual Support Act (NMSA) (ref. A) is at Appendix C.

2. **Applicability.**

a. This Directive is a USEUCOM publication which establishes policy, assigns responsibilities, prescribes procedures, and directs actions for USEUCOM activities, internal and external to the Headquarters, to include component commands.

b. The definitions, policies, and procedures set forth in this Directive apply to:

(1) All elements of this command including HQ USEUCOM and the units, agencies, and activities assigned for its direct support; the component commands; Security Assistance Organizations (SAO); Offices of Defense Cooperation (ODC); Defense Cooperation in Armaments Offices (DCAO); and any joint task force established in the USEUCOM area of responsibility (AOR).

(2) All other DoD agencies and U.S. military organizations requiring support in the USEUCOM AOR.

3. **Internal Control Systems.** This Directive contains internal control provisions and is subject to the requirements of the internal management control program. For HQ USEUCOM and subordinate joint activities, the applicable internal control directive is ED 50-8, Internal Management Control Program.

4. **Suggested Improvements.** The proponent for this Directive is the Multinational Logistics Division (ECJ4-ML), Logistics and Security Assistance Directorate (ECJ4), United States European Command. Suggested improvements should be forwarded to HQ USEUCOM, ATTN: ECJ4-ML, Unit 30400, APO AE 09131.

5. **References.** See Appendix A.

6. **Explanation of Terms.** See Appendix B.

7. **Responsibilities in General.**

a. Component commanders shall:

(1) Ensure compliance with the applicable laws, DoD Directives and regulations, this Directive, service regulations and the cited references concerning the acquisition and transfer of logistic support, supplies, and services. This Directive is the primary directive for use in the U.S. European Command AOR. Conflicts among these authorities which arise for a particular matter should be referred to ECJ4-ML for resolution.

(2) Establish procedures to ensure compliance with DoD financial management policies and procedures governing ACSA transactions per DoD 7000.14-R, DoD Financial Management Regulation.

(3) Ensure subordinate commanders are informed of the policies and procedures to effect approved transactions under the ACSA authorities.

(4) Submit annual requests by 1 September of each year to HQ USEUCOM, ECJ4-ML, for allocation of dollar ceiling authorizations. Requests should provide forecasts for the Component's ACSA transactions for the next fiscal year per DoD 7000.14-R. They should also include any current or long-term financial management issues on the ACSA program of concern to the Component. If financial management issues are included in the request, then an information copy should be provided to the HQ USEUCOM Comptroller (ECCM).

(5) Establish procedures to request waivers from ECJ4-ML to the dollar ceiling authority limits when required and authorized by this directive or ACSA authorities.

(6) Account for all ACSA transactions and establish procedures to ensure that authorized dollar ceiling allocations are not exceeded. The policies and procedures in ref. C shall be followed.

(7) Establish review procedures to preclude fraud, waste and abuse in the ACSA program.

(8) Negotiate and conclude specific implementing arrangements (IA) with countries or organizations as required, however, the component must coordinate with ECJ4-ML prior to any negotiations with any country. Signature authority for generic (joint U.S.) IAs is reserved for ECJ4, unless otherwise specified by HQ USEUCOM.

(9) Notify ECJ4-ML of each newly concluded single service component IA no later than 30 days after conclusion.

(10) Submit the required annual reports on ACSA transactions to the designated service staff agency per DoD 7000.14-R (ref. C) and applicable service regulations. Submit an information copy of the annual reports to ECJ4-ML.

(11) Submit to ECJ4-ML an information copy of any periodic reports or reconciliation's prepared by the component command that contain financial data on ACSA transactions.

(12) Submit to ECJ4-ML, by 1 September of each year, a cumulative list of single service component IAs. This is intended to be a listing rather than a financial report.

(13) Contact HQ USEUCOM ECJ4-JLOC or ECJ4-ML with strategic transportation support requests. USTRANSCOM is the DoD manager of strategic transportation services (e.g., strategic airlift and sealift, aerial refueling, port services). Only USTRANSCOM can commit these controlled resources. Components must be prepared to arrange for payment procedures to reimburse USTRANSCOM for strategic transportation support provided under ACSA authorities, including use of reciprocal pricing principles included in cross-servicing agreements.

b. Within HQ USEUCOM:

(1) ECJ4 is designated the primary staff element responsible for ACSA matters. As such ECJ4 shall:

- (a) Be responsible for ensuring that ACSA's are signed by a Field Officer/General Officer.
- (b) Monitor compliance with this Directive.
- (c) Determine the eligibility of countries for U.S. acquisitions under acquisition-only authority (Section 2341 of ref. A).
- (d) Nominate countries for designation for cross-servicing agreements.
- (e) Negotiate and conclude cross-servicing agreements as an Executive Agent of the Chairman of the Joint Chiefs of Staff according to the ACSA authorities (ref. A), and DoD Directive 2010.9 (ref. B).
- (f) Ensure proposed new or revised cross-servicing agreements are reviewed by the Under Secretary of Defense (Acquisition and Technology) and approved by OSD prior to conclusion.
- (g) Negotiate and conclude any required IAs.
- (h) Allocate the annual dollar ceiling authorizations to USEUCOM component commands. Notify components when their requests for waivers to the dollar ceiling authority limits are approved.
- (i) Coordinate and approve ACSA requests from other Combatant Commands or Commands outside the USEUCOM AOR.
- (j) Coordinate with Offices of Defense Cooperation (ODC), U.S. Embassies, and components as required to assist in negotiating new and revised ACSA agreements and IAs with designated countries and organizations.

(2) The Office of the Legal Advisor (ECJA) shall provide legal review of ACSA matters and assist ECJ4 monitor compliance with the provisions of the cited references and this Directive.

(3) The Comptroller (ECCM) shall provide financial management advice and assistance on ACSA matters per requirements of DoD 7000.14-R (ref. C) and other applicable DoD financial policies and procedures and advise ECJ4 in the oversight of the ACSA program.

(4) The Plans and Policy Directorate (ECJ5) shall provide guidance as needed on procedures for effecting international agreements and review nominations of non-NATO countries for designation as eligible for cross-servicing agreements.

(5) Other directorates and offices within HQ USEUCOM shall provide technical assistance and advice to ECJ4 on matters within their assigned staff functions. They shall coordinate directly with the component commands and the Joint Staff as required to secure technical approvals needed to acquire or transfer specific logistic support, supplies, or services.

## 8. **Policies and Procedures.**

### a. ACSA Authorities & Procedures - Generally.

(1) ACSA authorities (ref. A) provide the following two distinct, although not entirely separate, legal authorities:

(a) Acquisition-Only Authority.

(b) Cross-Servicing Authority.

(2) In addition, ACSA authorities establish reciprocal pricing and reimbursement procedures that govern the acquisition and transfer of goods and services.

b. General Requirements and Limitations. ACSA authorities (ref. A), DoD Directive 2010.9 (ref. B), and DoD 7000.14-R (ref. C) include specific mandatory limitations, exclusions and restrictions.

(1) ACSA transactions shall be conducted per general principles of prudent procurement practice.

(2) Component commands and DoD agencies will specifically designate an office of primary responsibility (OPR) for ACSA matters. It is recommended that a structure be established to ensure that the logistics, comptroller/financial management, legal and contracting offices maintain effective and continuous communications on policies and procedures concerning the ACSA program.

(3) Procedures must be developed to ensure that a properly documented file exists for every ACSA transaction. ACSA support requests closely resemble a contract and create a binding commitment upon the United States military forces. Accordingly, contracting and financial officers should be consulted to assist in the development of sound procedures to ensure that ACSA files are properly documented.

(4) Personnel assigned responsibility by USEUCOM component commands and DoD agencies for administering ACSA agreements shall be specifically designated and shall have the requisite knowledge and experience to carry out authorized transactions per applicable laws, DoD policies and regulations and this Directive.

(5) ACSA authorities prohibit the increase in inventories of supplies for U.S. forces for the sole purpose of transferring supplies.

(6) ACSA authorities prescribe annual dollar ceilings on credits and liabilities that may be accrued by U.S. forces. Ceiling authorizations must be obtained from ECJ4-ML before ACSA transactions can be effected.

(7) Functional managers must review proposed ACSA transactions and secure any required approvals before using ACSA authorities.

(8) ACSA authorities may not be used to acquire or transfer weapon systems or major end items of equipment (except for temporary use (lease or loan) of general purpose vehicles and other items of nonlethal military equipment not designated as part of the United States Munitions List (ref. I).

(9) ACSA authorities may not be used to acquire or transfer guided missiles; naval mines and torpedoes; nuclear ammunition and included items such as warheads, warhead sections, projectiles, demolition munitions, and training ammunition; cartridge components and aircrew escape propulsion system components; chaff and chaff dispensers; guidance kits for bombs or other ammunition; and chemical ammunition (other than riot control agents).

(10) Loan of Equipment. Ref. A permits temporary loan of general purpose vehicles and selected items of military equipment. Use of ACSA authorities for temporary loans must be authorized in advance by ECJ4. ECJ4-ML will provide instructions on applicable policies and procedures for executing these transfers on a case by case basis. When forwarding requests for temporary loans, component commands and DoD agencies should include recommended terms and conditions for the borrower, such as payment for transportation costs, costs for repair parts and maintenance, costs for loss or damage to the equipment, depreciation costs for equipment and costs for consumable items.

c. Methods of Payment for Acquisitions and Transfer. Ref. A provides three methods of payment for acquisition and transfers of logistic support, supplies, and services. They are payment in cash (PIC), replacement-in-kind (RIK) and equal value exchange (EVE).

(1) Payment in Cash. Payment is made in the currency of the supplying party unless otherwise agreed to by the parties.

(2) Replacement-in-Kind. When RIK is used as the method of payment, the ordering party will replace or return supplies, or provide services, that are identical or substantially identical to the supplies or services that were provided by the supplying party. If the ordering party does not replace or return the supplies, or provide replacement services within one year, then the supplying party will convert the RIK transaction to PIC.

(3) Equal Value Exchange. The specific terms, conditions and logistic support, supplies and services to be exchanged under EVE will be agreed to by the points of contact (POCs) for ACSA transactions. The use of EVE should be discussed in an informal, verbal or written dialog between the POCs during the early stages of the transaction. The final agreement to use EVE in the ACSA transaction, and the specifics of the exchange, will be reflected in the written order agreed to by the parties prior to the exchange of support. If the EVE transaction is not completed within one year, then it converts to PIC.

Exceptions to these EVE procedures must be approved by ECJ4-ML.

d. Legislative Ceilings Limits. Ref. A establishes annual dollar ceilings that limit the amount of credits and liabilities that may be obligated or accrued by the United States. Ref. C provides DoD financial management requirements concerning those ceilings.

(1) Requests for Ceiling Authorization.

(a) Component commands and DoD agencies shall submit annual requests to ECJ4-ML, IAW DoD 7000.14-R, for allocation of the statutory ceiling authorizations by 1 September of each year. Requests shall cover anticipated requirements for all elements of their respective command for the next fiscal year and shall comply with the procedures in ref. C.

(b) Ceiling authorization is required for all transactions under this Directive (even if contemplated to be replacement-in-kind (RIK) or equal value exchange (EVE)). Every transaction must be counted against the total ceiling authorization. Ceiling authorization may be reinstated if a RIK or EVE transaction is repaid prior to reverting to a cash transaction.

(2) Allocation of Ceiling Authorization.

(a) USEUCOM shall allocate to the component commands and DoD agencies a dollar authorization for both purchase and sales transactions. These allocations shall be based on each respective component command's request and shall be made prior to the start of each fiscal year.

(b) Adjustments to allocations may be made by ECJ4-ML upon request by a component command.

(3) Limitations on Ceilings.

(a) Allocation of ceiling authorizations by ECJ4 does not increase the amount of obligational authority, but rather allows the use of existing budget authority to enter into acquisitions and transfers authorized by the ACSA authorities.

(b) Annual dollar ceilings are waived for the purposes and duration of active hostilities involving the armed forces, when the armed forces are involved in a contingency operation or a non-combat operation to provide humanitarian or foreign disaster assistance or in support of peacekeeping operations.

e. Acquisition-Only Authority (10 U.S.C. 2341).

(1) If specifically authorized by ECJ4 and subject to the availability of funds, USEUCOM component commands and DoD agencies may enter into acquisition-only transactions, or conclude individual acquisition orders without an agreement, in order to acquire the full spectrum of "logistic support, supplies, and services" per the ACSA authorities. This support may be acquired directly from qualified, eligible Governments, NATO subsidiary bodies and the United Nations Organization or any regional international organization of which the U.S. is a member, IAW Title 10 U.S.C. Chapter 138.

(2) Acquisition-only transactions may provide for reimbursement by cash payment, by

replacement-in-kind (RIK) or by equal value exchange (EVE).

(3) Acquisition-only transactions must comply with ref. C and shall be negotiated and concluded per DoD Directive 2010.9 (ref. B) and DoD Directive 5530.3 (ref. D).

(4) On a case-by-case basis, HQ USEUCOM ECJ4 may approve use of this acquisition-only authority. It does not require the existence of a cross-servicing agreement as a prerequisite.

f. Cross-Servicing Agreement Authority (10 U.S.C. 2342).

(1) The Secretary of Defense, after consultation with the Secretary of State, is authorized to enter into agreements for the reciprocal provision of logistic support, supplies, and services using the cross-servicing agreement authority. The full spectrum of "logistic support, supplies, and services" per the ACSA authorities may be acquired or transferred under cross-servicing agreements.

(2) Transfers of logistic support, supplies, and services under this authority may take place only under a cross-servicing agreement or when Acquisition Only Authority is granted.

(3) Acquisitions conducted under cross-servicing authority are subject to the availability of appropriations.

(4) Component commands and DoD agencies within USEUCOM are encouraged to establish simplified procedures for the acquisition and transfer of logistic support, supplies, and services under cross-servicing agreements, IAs and other related documents.

(5) DoD Directive 2010.9 (ref. B) provides policy for transferring logistics support, supplies, and services authorized by ACSA authorities. It contains limitations, exclusions and restrictions on the scope of logistics support, supplies, and services which can be provided.

g. Implementing Arrangements (IAs).

(1) IAs will be used to establish more detailed procedures for the acquisition and transfer of mutual logistic support. Where possible IAs will be joint US documents which will include annexes for each USEUCOM component command. Points of contact listed in the IA annexes will serve to expedite transactions for mutual logistic support.

(2) USEUCOM component commands are authorized to negotiate and conclude IAs applicable to a single Service component, however ECJ4 approval is required prior to initiating negotiations. Before conclusion, proposed IA's must be coordinated with ECJ4 and applicable commands.

(3) HQ USEUCOM may designate component commands to act as Executive Agents to negotiate generic (joint U.S.) IAs covering common or joint needs of two or more components. Designation of Executive Agent authority will be in writing by HQ USEUCOM to the component. In order to minimize the number of IAs per nation, every effort should be made to negotiate a single generic (joint U.S.) IA, i.e., one that will allow all USEUCOM component commands to acquire and transfer all categories of logistic support, supplies, and services authorized by ACSA authorities. These IAs shall be coordinated with the other USEUCOM components and approved by HQ USEUCOM prior to conclusion. Signature authority is retained by ECJ4.

h. Financial Management, Record Keeping and Reporting. DoD financial management regulations have been established to comply with the legal requirements of the ACSA authorities and the policies in DoD Directive 2010.9. They are currently in DoD 7000.14-R (ref. C). The key provisions are cited in Appendix C and they include the existing and future sources for these regulations.

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AVA N. WEBB-SHARPLESS  
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APPENDIXES

A - References

B - Explanation of Terms

C - Historical Development of the NATO Mutual Support Act

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HQ MARFOREUR, ATTN: G4, APO AE 09046 (1)  
HQ USEUCOM, SOCEUR, ATTN: SOJ4, APO AE 09128 (1)

## APPENDIX A

### References

- A. 10 U.S.C. 2341, Public Law 96-323, North Atlantic Treaty Organization Mutual Support Act (NMSA) of 1979, enacted August 4, 1980, as amended (Subchapter I of Chapter 138, Sections 2341-2350, Acquisition and Cross-Servicing Agreements (ACSA)).
- B. DoD Directive 2010.9, Mutual Logistic Support Between the United States and Governments of Eligible Countries and NATO Subsidiary Bodies, Sept. 30, 1988.
- C. DoD 7000.14-R, DoD Financial Management Regulation. Contains financial management regulations relating to ACSA in new vol. 11A (chapter 21), vol. 6 (chapter 8) and new vol. 12 (chapter 9).
- D. DoD Directive 5530.3, International Agreements, June 11, 1987, with change 1, 2/18/91.
- E. CJCSI 2300.01A, International Agreements, Feb. 12, 1999.
- F. ED 5-13, International Agreements; Authority and Responsibilities, Jan. 27, 1994.
- G. Charter of the United Nations with the Statute of the International Court of Justice annexed thereto,

signed June 26, 1945 (59 Statutes at Large 1031, TS 993).

H. 22 U.S.C. 2751, Public Law 90-629, Arms Export Control Act (AECA), October 22, 1968, as amended (Section 2751 *et seq.*).

I. 22 U.S.C. 2778, Public Law 99-145, Section 38(a)(1) of the Arms Export Control Act (AECA) (Section 2778(a)(1))(United States Munitions List).

J. Agreement on the Status of the North Atlantic Treaty Organization, National Representatives and International Staff, signed at Ottawa on September 20, 1951 (TIAS 2992, 5 UST 1087).

K. Protocol on the Status of International Military Headquarters Set Up Pursuant to the North Atlantic Treaty, signed at Paris on August 28, 1952 (TIAS 2978, 5 UST 870).

L. Army Field Manual (FM) 10-27, General Supply in Theaters of Operations, 20 April 1993.

## A-1 APPENDIX B

### Explanation of Terms

1. **Acquisition.** For purposes of this Directive, obtaining logistic support, supplies, or services, pursuant to para. 7(e), above, either with or without an acquisition agreement (Section 2341 of ref. A) or under a cross-servicing agreement (Section 2342 of ref. A). The term includes purchasing (whether for payment in currency, replacement-in-kind (RIK), or by equal value exchange (EVE)), renting, leasing, or otherwise temporarily obtaining logistic support, supplies, or services.

2. **Acquisition Agreement.** For purposes of this Directive, an agreement for the acquisition of logistic support, supplies, and services under acquisition-only authority (Section 2341 of ref. A). An acquisition agreement does not require the existence of a cross-servicing agreement or an IA as a prerequisite. Furthermore, an acquisition agreement, while helpful, is not legally required in order to use the acquisition-only authority of ACSA.

3. **ACSA Authorities.** The authorities conferred under Sections 2341-2350 of title 10, U.S. Code, as noted in paragraph 7.a and ref. A of this Directive.

4. **Ceiling Authorization.** Legal limitations are placed on the maximum dollar amounts that may be obligated or accrued by the United States under the ACSA authorities. Component commands within the USEUCOM AOR must request and receive ceiling authority for ACSA transactions from ECJ4-ML.

5. Contingency Operation. A military operation that:

a. Is designated by the Secretary of Defense as an operation in which members of the Armed Forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force; or

b. Results in the call or order to, or retention on, active duty of members of the Uniformed Services under Section 688, 12301(a), 12302, 12304, 12305, or 12406 of title 10 U.S.C.; chapter 15 of title 10 U.S.C.; or any other provision of law during a war or during a national emergency declared by the President or Congress (10 U.S.C. 101(a)(13)).

6. Cross-Servicing. The reciprocal provision of logistic support, supplies, or services.

7. Cross-Servicing Agreement. An agreement concluded under Section 2342 of 10 U.S.C. (ref. A) with the government of another NATO country, a NATO subsidiary body, the United Nations Organization, any regional international organization of which the United States is a member, or a designated, non-NATO country under which the United States agrees to provide logistic support, supplies, and services in return for an agreement to provide logistic support, supplies, and services to the United States Armed Forces by such country or international organization. Such agreements

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establish general principles, terms, and conditions for carrying out future transactions for required support. Cross-servicing agreements do not, in and of themselves, bind either party to any particular number or monetary value of transactions. Because they do not involve the obligation of funds, cross-servicing agreements may extend for an indefinite period of time.

8. Designated Country. Countries with which the DoD components may enter into cross-servicing agreements under Section 2342 of ref. A. The term automatically includes NATO countries, NATO subsidiary bodies, the United Nations Organization or any regional international organization of which the United States is a member. It also includes foreign countries not members of NATO that, after Department of State consultation and a minimum 30-day notification to the Committees on Armed Services and Foreign Relations of the U.S. Senate and the Committees on National Security and International Relations of the U.S. House of Representatives, have been designated by the Secretary of Defense for cross-servicing agreement purposes.

9. Eligible Country. Countries with which the DoD components may enter into acquisition agreements under acquisition-only authority (Section 2341 of ref. A). The term automatically includes NATO countries, NATO subsidiary bodies, the United Nations Organization or any regional international organization of which the United States is a member. It also includes any foreign country that meets one or more of the following criteria:

a. Has a defense alliance with the United States;

b. Permits the stationing of members of the U.S. Armed Forces or the homeporting of U.S. naval vessels in such country;

- c. Has agreed to pre-position U.S. materiel in such country; or
- d. Serves as the host country for U.S. Armed Forces during exercises or permits other U.S. military operations in such country.

10. Europe and Adjacent Waters. The territories of those NATO countries and subsidiary bodies and those waters within the "North Atlantic Treaty Area" as defined in the North Atlantic Treaty (amended by the Protocols on the Accession of Spain, Greece, Turkey, and the Federal Republic of Germany), excluding North America. The NATO European countries include Belgium, Czech Republic, Denmark, France, Germany, Greece, Hungary, Iceland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Turkey, and the United Kingdom, and Canada when Canadian forces are operating in Europe and adjacent waters.

11. Generic (Joint U.S.) Implementing Arrangement (IA). An IA that covers the full spectrum of logistic support, supplies, and services as authorized by ACSA authorities. Joint U.S. coverage includes points of contact for HQ USEUCOM, all USEUCOM component commands, other eligible U.S. Agencies, and the country or organization with which the U.S. has a cross-servicing agreement. Generally, it is not limited in scope or duration. See also definition of "implementing arrangement".

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12. Governments of Foreign Countries. The military or civilian governmental organizations, departments, and ministries or any subdivision thereof of a foreign country.

13. Implementing Arrangement (IA). A supplementary arrangement for logistic support, supplies, or services that prescribes details, terms, and conditions to further define and carry out cross-servicing agreements concluded under ACSA authority. While IAs will normally be more detailed in terms of defined levels of performance than cross-servicing agreements, they must be consistent with associated cross-servicing agreements and this Directive. IAs that do not involve the obligation of funds may extend for an indefinite period of time.

14. International Organization. For the purposes of this Directive, the term "International Organization" includes NATO, NATO subsidiary bodies, the United Nations Organization, and any regional international organization of which the United States is a member.

15. Logistic Support, Supplies, and Services. Food, water, billeting, transportation (including airlift), petroleum, oils, lubricants, clothing, communications services, medical services, ammunition, base operations support (and construction incident to base operations support), storage services, use of facilities, training services, spare parts and components, repair and maintenance services, calibration services, and airport and seaport services. This term includes the temporary use (lease or loan) of general purpose vehicles and other items of nonlethal military equipment not designated as part of the United States Munitions List under 22 U.S.C. 2778(a)(1) (Section 38(a)(1) of the Arms Export Control Act (AECA)(ref. I)).

16. Major Command Level. United States Commander-in-Chief, Europe (USCINCEUR) and the Commander of each of the component commands within the USEUCOM AOR.

17. Major End Item. A final combination of end products which is ready for its intended use and principal items (for example, launchers, tanks, mobile machine shops, and vehicles)(FM 10-27, B-1 (ref.L)).

18. Mutual Support Agreement. See definition of "Cross-Servicing Agreement."

19. NATO Subsidiary Body

a. Any organization within the meaning of the term "subsidiary bodies" in Article I of the multilateral "Agreement on the Status of the North Atlantic Treaty Organization, National Representatives and International Staff" (ref. J).

b. Any international military headquarters or organization to which the "Protocol on the Status of International Military Headquarters Set Up Pursuant to the North Atlantic Treaty" (ref. K) applies.

20. Order or Requisition. A support request for the provision of specific logistic support, supplies, or services pursuant to a cross-servicing agreement or IA.

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21. Reciprocal Pricing. Reciprocal pricing principles exist whenever the parties or their designated representatives agree that reciprocal pricing will govern ACSA transactions. In such cases, the price charged a recipient country or organization shall be the same as the price charged for identical logistic support, supplies, or services acquired by an armed force of the supplying country or organization.

22. Support Request. Orders used to document a request for logistic support, supplies, and services.

23. Transfer. Providing logistic support, supplies, or services under a cross-servicing agreement (Section 2342 of ref. A). The term includes selling (whether for payment in currency, replacement-in-kind, or by exchange of supplies or services of equal value), leasing, loaning, or otherwise temporarily providing logistic support, supplies, or services.

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APPENDIX C

Historical Development of the NATO Mutual Support Act

1. The authorities conferred by ref. A (10 U.S.C. Sections 2341-2350) have their origin in the North Atlantic Treaty Organization (NATO) Mutual Support Act of 1979 (NMSA). As originally enacted, the NMSA represented a legislative response to objections raised by our NATO allies over the highly formalized procedures then in use by U.S. forces in the European theater to both acquire and transfer logistic support.
2. Through passage of the NMSA, Congress granted DoD a special, simplified authority to acquire logistic support, supplies, and services without the need to resort to traditional commercial contracting procedures. In addition, the NMSA also authorized DoD, after consultation with the Department of State, to enter into cross-servicing agreements with NATO allies and with NATO organizations for the reciprocal provision of logistic support, supplies, and services. In so doing, Congress granted DoD a second acquisition authority in addition to the authority to transfer logistic support outside of Arms Export Control Act (AECA) (ref. H) channels.
3. There were two primary peacetime purposes for the NMSA. First, to provide for simplified procedures to facilitate the exchange of logistic support between U.S. forces and the military forces of allied countries during training and exercises. Second, to enable U.S. forces to receive host nation support and resources without having to resort to commercial contracting procedures. Congress granted cross-servicing authority (Section 2342 of ref. A) to accommodate support requirements of an operational nature. It granted acquisition-only authority (Section 2341 of ref. A) to resolve problems faced by U.S. forces in acquiring logistic support from our European Allies. The rationale underlying acquisition-only authority (as well as the rationale for the acquisition authority that makes up part of cross-servicing authority) is that traditional, commercial contracting procedures are inappropriate to transactions conducted at the government-to-government level.
4. As originally enacted, the NMSA was limited in its application to NATO allies and NATO subsidiary bodies and was geographically restricted to apply only to U.S. forces stationed in Europe and adjacent

waters. Subsequent changes to the NMSA have eliminated geographic restrictions. Similarly, amendments to this legislation have greatly expanded the list of eligible and designated countries to include many non-NATO countries. In view of the subsequent amendments and expanded scope of the NMSA, the authorities conferred by ref. A are now collectively referred to as "**Acquisition and Cross-Servicing Agreements (ACSA) authorities.**"