



DEPARTMENT OF THE NAVY

U.S. NAVAL SUPPORT ACTIVITY

PSC 817, BOX 1

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NAVSUPPACT NAPLES INST 10340.10D

40P:SM:rs

2 NOV 2000

NAVSUPPACT NAPLES INSTRUCTION 10340.10D

From: Commanding Officer, U.S. Naval Support Activity, Naples, Italy

Subj: POLICY GOVERNING THE PROCUREMENT AND RETAIL SALE OF TAX-FREE LIQUEFIED PETROLEUM GAS (LPG) COUPONS FOR USE BY U.S. AND NATIONAL ALLIED TREATY ORGANIZATION (NATO) FORCES IN ITALY

Ref: (a) CINCUSNAVEUR ltr 5800 Ser 013/U/2825 of 9 Sep 91
(b) CINCUSNAVEURINST 5450.21E
(c) Italian Ministry of Finance ltr VI/A/766/R of 23 May 76
(d) Italian Ministry of Defense ltr BL 50039 of 21 Jan 77
(e) Italian Ministry of Finance ltr Div XII Prot. N. 10348/N of 10 Jul 91
(f) Italian Ministry of Finance ltr Div I/S.D. Prot. N.6780/N/92 of 6 Feb 93
(g) Italian Ministry of Defense ltr Prot. N. BL/4/50249 of 8 Mar 93
(h) Italian Ministry of Finance ltr Prot. N. 572 Div II/SD of 11 Feb 00

Encl: (1) Tax-Free Bombola LPG Ration Card
(2) Tax-Free Bulk Ration Card
(3) Procedure for Automated LPG Coupon Ration Cards

1. Purpose. To establish policy for the procurement and retail sale of tax-free LPG coupons by U.S. and NATO forces in Italy.

2. Cancellation. NAVSUPPACT Naples INST 10340.10C.

3. Applicability. The provisions of this instruction apply to all U.S. and NATO military organizations and activities responsible for the retail sale of tax-free LPG coupons, and to all U.S. and NATO military and civilian employees eligible to purchase tax-free products per applicable international and bilateral agreements and implementing instructions issued by the Government of Italy (GOI). Italian military and civilian personnel are not entitled to purchase tax-free LPG coupons under this program.

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4. Background. Pursuant to an agreement between the GOI and U.S. Naval Support Activity (NAVSUPPACT), Naples, Italy, references (a) through (h) authorize the use of tax-free LPG by U.S. and NATO forces in Italy and prescribe the policy and procedures for obtaining this product. NAVSUPPACT Naples and the Italian Ministry of Defense will jointly conduct periodic inspections of U.S. and NATO activities to ensure compliance with agreed upon policy and procedures.

5. Policy

a. Tax-free bulk and bombola LPG are authorized solely for use in home heating systems (permanent or portable).

b. Tax-free LPG products are controlled by ration coupons which are sold in amounts established by the GOI. U.S. and NATO commands shall designate an organization under their responsibility to act as the retail sales point for such coupons. Coupons may be exchanged for LPG products at designated supplier issuing points in Italy during the validity period.

c. As with other tax-free petroleum products, LPG coupon sales are controlled by ration cards (enclosures (1) and (2)). The amount sold per month must be recorded by the retail sales operator on the tax-free LPG ration cards. Tax-free LPG ration cards may be procured from NAVSUPPACT Naples, Control Division Office (Code 43), by submitting a standard MILSTRIP requisition using the following data:

<u>Card Denomination</u>	<u>Stock Number</u>	<u>Unit Price</u>
Tax-free LPG Bombola (cylinders)	0196-NP-080-0400	\$.05 each
Tax-free LPG Bulk	0196-NP-080-0300	\$.05 each

Area commanders currently producing ration cards for other tax-free products are authorized to locally print tax-free LPG ration cards with the same format and color as cards issued at NAVSUPPACT Naples.

d. Tax-free LPG ration cards (bombola and bulk) will be issued to authorized customers by cognizant U.S. and NATO commands monitoring personnel records. Tax-free LPG bulk ration cards cannot be issued to customers not owning an authorized supplier's LPG tank.

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e. Except as outlined in paragraph 8b below, no more than one tax-free LPG ration card will be issued to any individual.

f. All tax-free LPG ration cards will be retained on file at the retail outlets and will not be held or transferred by individual users, unless the card is voided. The cognizant issuing officer will notify the main retail sales office when individuals are detailed in conjunction with PCS moves so that the applicable ration cards can be voided.

g. Automated System. U.S./NATO commands are authorized to use an automated LPG coupon ration card system that complies with the policy set forth in enclosure (3).

6. Bombola LPG Coupons

a. Eligible individuals identified in paragraph 3 above may purchase a maximum of 200 kilograms of tax-free bombola LPG coupons per month. Only one bombola ration card is authorized per individual or family.

b. To obtain bombola LPG, customers must present an empty bombola and their coupons to a designated authorized dealer. Tax-free bombola LPG will be provided in 10, 15 or 25 kilogram cylinders in exchange for tax-free bombola LPG coupons in 5, 10 and 25 kilogram denominations, as applicable.

c. Per Italian law #539, if customers require an empty bombola, the dealer must provide one in exchange for a 10,000 lire deposit.

d. LPG dealers will provide customers a new plastic regulator free of charge (one time only) on request. If the customer requests a metal regulator, they must pay the current price agreed upon by NAVSUPPACT Naples and the LPG dealer.

e. Home delivery of bombola LPG is not provided under this program. Any arrangements for bombola home delivery are strictly between the dealer and the customers. Any additional price must be paid by the customer.

7. Bulk LPG Coupons

a. Customers currently authorized to receive tax-free home heating oil are not eligible to purchase bulk LPG coupons.

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b. Eligible individuals identified in paragraph 3 above may purchase a maximum of 400 liters of LPG bulk coupons per month. Exceptions are discussed in paragraph 8. Only one bulk ration card is authorized per individual or family.

c. Bulk LPG coupons may be sold year-round to permit customers sufficient coupons to last throughout the winter season. Retail outlets may not sell LPG coupons to customers who do not own a supplier's bulk LPG tank.

d. Delivery of bulk LPG will be made via the LPG supplier's tank trucks in exchange for LPG bulk coupons. Deliveries will only be made to the LPG supplier's tank installed at the customer's house.

e. Area commanders must provide NAVSUPPACT Naples Tax-Free Products Administrator (Code 40P) the name and telephone number of the designated ordering official annually not later than 31 March.

f. Commands' designated ordering offices will collect and consolidate customers' orders and forward them to the supplier with delivery instructions. It is mandatory that correct customer addresses be provided to the supplier at the time the orders are placed.

g. Orders should be placed with suppliers at least three days prior to the requested delivery date and in quantities of 400 liters or more. No deliveries are required to be made on Saturday, Sunday, or Italian holidays. The delivery truck driver is required to attempt delivery for no more than 30 minutes if the customer is not available. Deliveries will be made on the requested date from 0800 to 1700. The ordering officer must ensure that when the LPG supplier tank truck arrives at the destination, the customer is at home to receive the LPG product and will pay with coupons. Due to the nature of the product, LPG tank trucks cannot return to the supplier's depot with undelivered LPG.

h. As discussed in paragraphs 7c and 7d above, bulk LPG may only be delivered into tanks belonging to the authorized supplier. Customers without an authorized supplier's tank should submit applications for installation or transfer of a supplier's tank through the retail sales outlet. If required, the authorized supplier will contact the property owner's LPG tank company and negotiate the transfer of the tank, or coordinate installation of a new tank with the property owner. The authorized supplier is under no obligation to absorb the cost for the installation of the LPG tanks, however, they generally do so as a courtesy to the U.S./NATO

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forces. Local intermediaries not employed by U.S./NATO commands are not authorized to negotiate the transfer of LPG tanks.

8. Exceptions

a. Eligible U.S. and NATO bulk LPG customers who move into privately leased houses and require an initial top-off of their AgipGas tanks are authorized to purchase 800 liters of bulk LPG coupons. If required, customers may present a memo for a one-time additional 400 liter authorization directly to the Retail Sales Activity Manager. The retail sales operator will affix a copy of the request to the individual LPG ration cards and annotate the ration card in red ink with the quantity and date of the one-time additional 400 liters sold.

b. Eligible U.S./NATO LPG customers are authorized to purchase a maximum of 800 liters per month limited to the period October through March of each calendar year. The retail sale operator will annotate on the ration card, in red ink, the additional quantity authorized from October through March.

c. U.S. and NATO Base Commanders may approve a tax-free bombola LPG ration to customers entitled to tax-free bulk LPG or tax-free home heating oil when they can prove that their bulk LPG ration or heating system is inadequate to heat their homes. The base commander may delegate this authority by letter.

9. Authorized Use

a. Tax-free bombola and bulk LPG coupons must be used only with authorized dealers in Italy. They must be signed by the purchaser, dated and annotated with the ID number of the eligible person. They must be used only for the specified product and cannot be traded for other products.

b. LPG coupons are intended only for the personal consumption of the person to whom the ration card is issued. The selling, bartering, lending or giving of tax-free LPG coupons or the product itself to or from any other person is strictly prohibited.

c. Illegal use of coupons is a violation of the Uniform Code of Military Justice (UCMJ) and Italian fiscal law. Violators are subject to one or more of the following disciplinary or administrative actions:

- (1) Prosecution under the UCMJ.

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(2) Prosecution under Italian law by Italian Fiscal Authorities.

(3) Revocation or suspension of some or all of the tax exemption privileges, as directed by the appropriate U.S. or NATO Commander.

(4) Other administrative action, as appropriate.

10. Revocation of Privilege. The privilege of obtaining tax-free LPG products may be revoked for cause. By accepting the privilege of obtaining the products, personnel may be called upon at any time to substantiate in writing to the Commanding Officer, NAVSUPPACT Naples, the manner in which they have disposed of coupons. Failure to properly justify the use of the products or coupons may result in the revocation of privileges. Individuals who lose or misplace coupons will report the fact in detail and in writing to their Base Commanding Officer within one week of discovering the loss or misplacement.

11. Procurement of Coupons. Retail sales activities will request LPG coupons via letter, message or standard MILSTRIP form from NAVSUPPACT Naples (Code 40P). LPG coupon requests must also include the number of LPG valid ration cards (bombola and bulk) on hand at each retail sales outlet. After the coupons are issued, NAVSUPPACT Naples will forward proof of sales documents to the billing activity; Defense Financial Accounting Service, Norfolk OPLOC, 9712 Virginia Avenue, Code AAMB, Norfolk VA 23511-3297. This billing office will invoice the requesting activity in U.S. dollars. Payment of the invoice shall be by U.S. dollar check made payable to the "Treasurer of the United States" and mailed to the address specified on the invoice. Failure to make payment promptly will result in the customer being required to pay for coupons in advance. NATO resale activities experiencing difficulties with this procedure may contact NAVSUPPACT Naples Control Division Office (DSN 626-5431/2) for assistance. When requested, coupons may be shipped from NAVSUPPACT Naples to the retail sales activities in Italy via U.S. registered mail. However, once the coupons leave the custody of NAVSUPPACT Naples, the addressee will assume full responsibility for the use and the payment of both the coupons and any taxes burdened if product is lost or stolen.

12. Redemption of Coupons. Unsold and/or expired LPG coupons (signed and unsigned) may be returned by retail sales activities to NAVSUPPACT Naples Supply Department Material Division (Code 44) for redemption. These coupons must be voided prior to returning them for credit. Refunds will be provided for a period of 12 months

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beyond the coupon expiration date. The acquisition cost of the coupons, less a redemption fee of fifty cents (.50 U.S. dollars per book) will be applied as a credit to subsequent coupon orders. This redemption fee applies only to unsold and/or expired coupons held in stock by retail sales activities. Retail sales activities may issue instructions to customers establishing redemption procedures which may include a reduced redemption period for expired coupons returned by customers. The fifty cent redemption fee is not applicable to consumers.

13. Coupons Sales. Each tax-free LPG coupon sale will be recorded to ensure subsequent identification of coupons sold. The serial number of each coupon book (or coupons if sold, singularly) and the date of purchase will be entered on the purchaser's ration control card. The purchaser must acknowledge receipt of coupons by legibly signing a sales control log and initialing the ration control card. The retail sales activity manager, or a delegated representative not physically engaged in the sale of coupons, is responsible for matching, on a daily basis, the amount of coupons recorded as sold on the daily control sales log against the amount recorded on ration control cards and the amount sold as determined by inventory. Any discrepancies revealed should be immediately reported to the respective police or Security Officer and Base Commander for investigation, and to the NAVSUPPACT Naples Tax-Free Products Administrator. In order to simplify this important control procedure, the ration control card should be placed in a daily pending file box (as a sale is made and posted). After the cross check is completed, the ration control card is merged back with the master deck. All records pertaining to the sale of coupons, including individual ration control cards, will be retained for at least one year from the date of the last transaction recorded.

14. Lost or Stolen Coupons. At the discretion of Base Commanders or delegated representatives, lost or stolen coupons may be replaced by authorizing the individual to repurchase an amount equal to their loss. Requests for replacement of lost or stolen coupons must be submitted to Base Commanders via the proper police authority, and supported by a formal police report. A copy of the request, including the serial number of the coupons, should be submitted to NAVSUPPACT Naples, Tax-Free Products Administrator, as a means of reporting and further identifying stolen coupons.

15. Damaged Coupons. Base Commanders, or their designated representatives, may authorize the replacement of damaged coupons when the type, quantity and serial number of the coupons can be identified. Replacement coupons will be purchased by the customer.

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16. Reports. Each retail sale activity in Italy will submit a monthly letter report indicating the quantity (by type) of each tax-free LPG product issued. U.S. and NATO Base Commanders must provide to NAVSUPPACT Naples, a list of military activities, departments or offices under their responsibility and the name of the designated command representative who is authorized to purchase tax-free bombola and bulk LPG coupons from NAVSUPPACT Naples. This list will be periodically reviewed by each command and maintained in a current status. Reports shall be mailed in sufficient time to reach NAVSUPPACT Naples no later than the 20th day of the month following the report month. All reports shall be submitted to the NAVSUPPACT Naples Tax-Free Products Administrator (Code 40P).

17. Information. Specific cases not covered by this instruction will be reported for resolution to the NAVSUPPACT Naples Tax-Free Products Administrator at DSN 626-5439 or commercial 39-81-568-5439.


B. L. GRAY

Distribution:
NAVSUPPACT NAPLES INST 5216.4V
Lists I through VII

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TAX-FREE BOMBOLA LPG RATION CARD

NAME (Last, First, Middle) AND HOME ADDRESS		RANK/RATE	ACTIVITY AND TEL NR	
<h2 style="margin: 0;">BOMBOLA - "LPG" - RATION CARD</h2> <p style="margin: 5px 0;">WARNING</p> <p style="margin: 10px 0;">Selling, bartering, lending or giving tax free product coupons to any person or buying or borrowing from any other person is a violation of military regulations as well as Italian Law. Offenders are subject to one or more of the following: (1) Punishment under UCMY; (2) Prosecution under Italian Law; (3) Suspension or revocation of privileges or other appropriate administrative action.</p> <p style="margin: 10px 0;"><u>I HAVE READ AND FULLY UNDERSTAND THE ABOVE AND WILL COMPLY</u></p>				
CARD #	SIGNATURE OF MEMBER	INITIAL	SIGNATURE OF SPOUSE	INITIAL
N° 53001	SSN	MAX	MONTHLY RATION AUTH. 200 "KGS"	
SIGNATURE OF ISSUING OFFICER			DATE ISSUED	

	QUANTITY (KGS)	SERIAL NUMBERS		QUANTITY (KGS)	SERIAL NUMBERS
JUL			JAN		
AUG			FEB		
SEP			MAR		
OCT			APR		
NOV			MAY		
DEC			JUN		

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TAX-FREE BULK RATION CARD

NAME (Last, First, Middle) AND HOME ADDRESS RANK/RATE ACTIVITY AND TEL NR

- BULK- "LPG" RATION CARD

WARNING

Selling, bartering, lending or giving tax free product coupons to any person or buying or borrowing from any other person is a violation of military regulations as well as Italian Law. Offenders are subject to one or more of the following: (1) Punishment under UCMY; (2) Prosecution under Italian Law; (3) Suspension or revocation of privileges or other appropriate administrative action.

I HAVE READ AND FULLY UNDERSTAND THE ABOVE AND WILL COMPLY

CARD n.	SIGNATURE OF MEMBER	INITIAL	SIGNATURE OF SPOUSE	INITIAL
N° 4938	SSN	MAX	MONTHLY RATION AUTH.	
			400 "LITRES"	
	SUGNATURE OF ISSUING OFFICER		DATE ISSUED	
			EXP. DATE	

	QUANTITY (KGS)	SERIAL NUMBERS		QUANTITY (KGS)	SERIAL NUMBERS
JUL			JAN		
AUG			FEB		
SEP			MAR		
OCT			APR		
NOV			MAY		
DEC			JUN		

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PROCEDURE FOR AUTOMATED
LPG COUPON RATION CARDS

1. The LPG coupon ration card issue, renewal and maintenance will be controlled by the electronic system.
2. The automated system will do away with the LPG ration cards issued by authorized official.
3. All information on the current ration card will be scored into a computer. This process must be performed by user I.D. and password only to control access and provide an audit trail.
4. The automated data base program must contain all the information currently on the LPG ration card, except the signature and initials. The computer should be linked with a computer at the cashier cage at the retail sales outlet.
5. In addition, at the time of purchase, the computer must produce (print) a sales document which must be signed by the purchaser. The document must be maintained on file for at least two years at the retail sales outlet office and be made available to the joint NAVSUPPACT Naples/Italian Ministry of Defense auditors at the time of inspection.
6. The automated system must also be capable of printing a hard copy of the LPG rations card, a monthly summary report including the total number of purchasers, total quantity of POL coupons sold in liters or books broken down by product, etc. to be transmitted to the NAVSUPPACT Naples Tax-Free Products Administrator on a monthly basis.
7. The system must also be capable of flagging a LPG ration card, so an individual will not be allowed to purchase POL products when regulatory requirements, are not met. The system must facilitate the retrieval of an old LPG card when information is needed.
8. In the event the electronic system is out of order, a temporary ration card may be issued to authorized personnel in accordance with the procedure set forth in paragraph 5c of this regulation.