

H. Morris

5105.38-M



DEPARTMENT OF DEFENSE

MILITARY ASSISTANCE AND SALES MANUAL

PARTS

- I General Information
- II Grant Aid
- III Foreign Military Sales

1 AUGUST 1978

DEFENSE SECURITY ASSISTANCE AGENCY





DEFENSE SECURITY ASSISTANCE AGENCY
WASHINGTON, D. C. 20301

MILITARY ASSISTANCE AND SALES MANUAL

The Military Assistance and Sales Manual is published under authority delegated to me by Department of Defense Directive 5105.38. It sets forth responsibilities, policies, and procedures governing the administration of Security Assistance Programs within the Department of Defense agencies and by other personnel engaged in Security Assistance activities.

Ernest Graves

ERNEST GRAVES

Lieutenant General, USA

Director,

Defense Security Assistance Agency

The revised manual, dated 1 August 1978, supersedes the Military Assistance and Sales Manual (MASM), DOD 5105.38-M, dated 24 August 1973 which included MASM changes 1 through 19.

The following MASM change correspondence/messages have been incorporated in this manual:

Messages:

SECDEF 3285/DTG 211845Z NOV 75, subject: Pricing of Materiel Items in MAP Grant Aid Programs
SECDEF 2516/DTG 062229Z FEB 78, subject: MASM-II, Chapter K - Utilization, Redistribution and Disposal of MAP Materiel
SECDEF 3082/DTG 160052Z FEB 78, subject: MASM-II (Chapter C) Articles and Services; and (Chapter F) Program Submission and Management
SECDEF 3085/DTG 160053Z FEB 78, subject: Commercial Availability of FMS Items
SECDEF 4760/DTG 080126Z JUL 78, subject: Chapter E - Military Education and Training

Correspondence:

DSAA Memorandum I-1076/78 dated 23 February 1978, subject: Revision to Security Classification Guidelines in MASM
DSAA Memorandum I-2128/78 dated 7 March 1978, subject: MASM-III, Chapter D - Preparation and Processing of FMS Transactions
DSAA Memorandum I-4542/78 dated 15 May 1978, subject: MASM-III, Chapter F - Implementation of FMS
DSAA Memorandum I-4647/78 dated 20 May 1978, subject: MASM-III, Appendix C - Major Defense Equipment List (MDEL)
DSAA Memorandum I-5674/78 dated 9 June 1978, subject: MASM-I, Chapter C - Policy; and MASM-III, Chapter D - Preparation and Processing of FMS Transactions

MILITARY ASSISTANCE AND SALES MANUAL

LIST OF EFFECTIVE PAGES

<u>Chapters</u>	<u>Page Numbers</u>	<u>Date of Latest Revision</u>
Table of Contents	xi through xix	1 August 1978
PART I—GENERAL INFORMATION		
Glossary of Terms and Abbreviations	1 through 13	1 August 1978
DOD Directives and Instructions	1 through 7	1 August 1978
A	A-1 and A-2	1 August 1978
B	B-1 through B-4	1 August 1978
C	C-1 through C-3	1 August 1978
D	D-1 through D-11	1 August 1978
E	E-1 and E-2	1 August 1978
F	F-1 through F-3	1 August 1978
G	G-1 through G-4	1 August 1978
H	H-1 through H-24	1 August 1978
Appendix A	App A-1 through App A-34	1 August 1978
PART II—GRANT AID		
A	A-1 through A-4	1 August 1978
B	B-1 through B-6	1 August 1978
C	C-1 through C-27	1 August 1978
D	D-1 through D-14	1 August 1978
E	E-1 through E-43	1 August 1978
Appendix 1-E	App 1E-1 through App 1E-7	1 August 1978
F	F-1 through F-22	1 August 1978
G	G-1 through G-24	1 August 1978
H	H-1 through H-4	1 August 1978
J	J-1 through J-22	1 August 1978
PART III—FOREIGN MILITARY SALES		
A	A-1 through A-7	1 August 1978
B	B-1 through B-6	1 August 1978
C	C-1 through C-21	1 August 1978
D	D-1 through D-45	1 August 1978
E	E-1 through E-8	1 August 1978
F	F-1 through F-14	1 August 1978
G	G-1 through G-17	1 August 1978
H	H-1 through H-4	1 August 1978
J	J-1 through J-6	1 August 1978
K	K-1 through K-13	1 August 1978
L	L-1 through L-21	1 August 1978
M	M-1 through M-9	1 August 1978
Appendix A	App A-1 through App A-4	1 August 1978
Appendix B	App B-1 through App B-5	1 August 1978
Appendix C	App C-1 through App C-12	1 August 1978

FOREWORD

The Military Assistance and Sales Manual (MASM) provides in a single volume information and instructions needed at all levels within the Department of Defense to carry out responsibilities of the Secretary of Defense for administering U.S. Military Assistance and Foreign Military Sales Programs and related activities. Subjects unique to these programs are covered in detail; those affecting their administration, but which are of general application to other DOD programs, are referenced and summarized if appropriate.

The MASM is divided into three major parts. The first addresses subjects of general interest that are applicable both to the Military Assistance Program (MAP) and Foreign Military Sales (FMS). The second is devoted to subjects unique to MAP, while the third covers subjects unique to FMS. Material in each part has been arranged into chapters, each of which to the extent practical is complete coverage of a particular subject or function.

User suggestions for improvements to the MASM, both as to coverage and arrangement, are solicited. Such suggestions should be specific and addressed to the Director, DSAA.

CONTENTS

<i>Chapter</i>	<i>Page Number</i>
LETTER OF TRANSMITTAL	iii
FOREWARD	v
TABLE OF CONTENTS	xi

PART I—GENERAL INFORMATION

GLOSSARY OF TERMS AND ABBREVIATIONS

DOD DIRECTIVES AND INSTRUCTIONS

A. PURPOSE, AUTHORITY AND SCOPE	A-1
1. Purpose of Security Assistance	A-1
2. Nature of Security Assistance	A-1
3. Legislative Authority and Constraints	A-1
4. Leases	A-2
5. Distribution of the MASM	A-2
6. Reports Control Symbol	A-2
B. RESPONSIBILITIES AND RELATIONSHIPS	B-1
1. Executive Branch	B-1
2. Department of Defense	B-1
3. Relationships	B-3
C. POLICY	C-1
1. Purpose and Scope	C-1
2. Administration	C-1
3. Planning	C-1
4. Economic Considerations	C-1
5. Emphasis on Sales	C-2
6. Personnel	C-2
7. Excess Defense Articles	C-2
8. Commitments	C-3
9. Incendiary Items and Riot Control Agents	C-3
10. MAP (Grant Aid) Price and Availability Data	C-3
D. PLANNING	D-1
1. Military Security Assistance Projection (MSAP)	D-1
2. Foreign Country Participation	D-1
3. Coordination at Country Level	D-2
4. Continuous Appraisal	D-2

MILITARY ASSISTANCE AND SALES MANUAL

Chapter	Page Number
5. Coordination	D-2
6. Projection Period	D-2
7. Planning Cycle	D-2
8. Preparation of the MSAP	D-5
 E. SHIP TRANSFERS	 E-1
1. Purpose	E-1
2. General Policy	E-1
3. Sale	E-1
4. Loan	E-1
5. Lease	E-1
6. Transfer Plan Development	E-1
7. Approval Procedures	E-2
 F. AUDITS AND INSPECTIONS	 F-1
1. Purpose	F-1
2. Types of Audits/Inspections	F-1
3. Notification of Audits and Inspections	F-1
4. Policy Concerning Releasability to GAO od DOD Records Relating to MAP, MASF and FMS	F-1
5. Relationship with Audit/Inspection Agency	F-2
6. Exit Conference	F-2
7. Action on GAO Audit Draft Reports	F-2
8. Action on GAO Final Reports	F-2
9. Action on DAS Reports	F-3
10. Action on IGA Reports	F-3
11. Corrective Action Follow-on	F-3
 G. SECURITY CLASSIFICATION AND RELEASE OF INFORMATION	 G-1
1. Purpose and Scope	G-1
2. Security Classification Guidelines	G-1
3. RCS: DSAA(AR)1100 FMS Report Submissions	G-3
4. Release of Information to Foreign Governments, Inter- national Organizations, and the Public	G-3
 H. MILITARY ARTICLES AND SERVICES LIST (MASL) GUIDANCE	 H-1
1. General	H-1
2. MASL Content	H-1
3. Definitization Policy	H-2
4. DSAA MASL Files	H-2
5. Assignment of Footnote Codes	H-3
6. MASL Relationship to DSAA Program Data Files	H-3
7. Maintenance of the MASL	H-4
8. Submission of MASL Data	H-4

Chapter

Page Number

APPENDIX A -- MACHINE READABLE CODES	App A-1
--	---------

PART II--GRANT AID

A. ELIGIBILITY	A-1
1. General Authority	A-1
2. Conditions of Eligibility	A-1
3. General Information	A-2
4. Prohibitions Against Furnishing Assistance	A-2
B. UTILIZATION, REDISTRIBUTION AND DISPOSAL OF MAP MATERIEL	B-1
1. General	B-1
2. Supervision of End-Item Use	B-1
3. Reporting and Screening MAP Materiel Declared Excess	B-2
4. Transfer of MAP Excess Materiel	B-3
5. Cannibalization and Retention	B-4
6. Disposal of MAP Property	B-4
7. Reporting MAP Property Redistribution and Disposal	B-6
C. ARTICLES AND SERVICES	C-1
1. Purpose	C-1
2. Master Program File	C-1
3. MAP Element Descriptive Data	C-1
4. General Programming Guidelines	C-4
5. Programming Guidance and Procedures	C-7
6. Execution Procedures	C-15
7. Implementing Procedures	C-16
8. NATO Standardization Agreement on Supply Forms	C-24
D. CONSTRUCTION	D-1
1. General	D-1
2. Responsibilities	D-2
3. Planning and Programming	D-5
4. Approval and Funding	D-8
5. Changes to Funded Construction Programs	D-9
6. Reporting	D-11
E. MILITARY EDUCATION AND TRAINING	E-1
1. Purpose	E-1
2. Objectives	E-1
3. Areas of Emphasis	E-1
4. Resources Management	E-1
5. English Language Training	E-2

MILITARY ASSISTANCE AND SALES MANUAL

<i>Chapter</i>	<i>Page Number</i>
6. Selection and Utilization of Trainees	E-3
7. Constraints	E-3
8. Program Development and Execution	E-4
9. Student Training	E-5
10. Mobile Training Teams (MTT)	E-12
11. Field Training Services	E-13
12. Extraordinary Expenses	E-14
13. Other Training Support	E-14
14. Training Aids	E-14
15. Programming	E-15
16. Annual Training Report	E-21
APPENDIX 1 -- Chapter E -- Format for Invitational Travel Orders (ITO) for Formal Schooling, OJT, Famil- iarization/Qualification and Observer Training	App 1E-1
F. PROGRAM SUBMISSION AND MANAGEMENT	F-1
1. Purpose	F-1
2. Submission of Data	F-1
3. Changes of Funded Programs	F-7
4. Programming of MAP Owned Materiel (MAPOM)	F-15
5. Programming of Transferable Assets	F-16
6. Excess Defense Articles (EDA) General Programming Instructions	F-19
7. MAP Orders	F-19
G. MAP ADMINISTRATION AND SUPPORT COSTS	G-1
1. General	G-1
2. Responsibilities	G-1
3. Military Assistance Program Semi-annual Review Cycle	G-1
4. Development and Submission of Budget Estimates	G-2
5. General Instructions for Completion of Formats	G-2
6. Instructions Applicable to Individual Formats for September Financial Plan/Budget Review	G-3
7. Instructions Applicable to Formats for March Financial Plan/Budget Review	G-9
H. FUNDING OF PROGRAMS	H-1
1. Financial Resources	H-1
2. Annual Appropriations	H-1
3. Reappropriations	H-1
4. Reimbursements	H-1
5. Recoupments	H-2
6. Transfers	H-2

MILITARY ASSISTANCE AND SALES MANUAL

Chapter	Page Number
7. Administrative Authority	H-2
8. Method of Fund Reservation	H-2
9. MAP Order Funding	H-3
10. Allocation of Funds	H-3
11. Special Authorization	H-3
12. Continuing Resolution Authority	H-4

J. MAP REPORTS	J-1
1. Purpose	J-1
2. Structure of the MAP Data Base	J-1
3. Categories of MAP Reports	J-1
4. Requests for MAP Reports	J-1
5. MAP Reports	J-2
6. Abbreviated Titles	J-5

PART III—FOREIGN MILITARY SALES

A. ELIGIBILITY FOR FOREIGN MILITARY SALES	A-1
1. General Authority	A-1
2. Conditions of Eligibility	A-1
3. Eligible Countries and International Organizations	A-1
4. Special Approval Requirements	A-1

B. FOREIGN MILITARY SALES POLICIES, GUIDELINES AND RESTRICTIONS	B-1
1. Purpose	B-1
2. Basic Sales Policy and Guidelines	B-1
3. Major Restraints and Significant Recurring Reports to the Congress	B-3

C. GENERAL PROCEDURES	C-1
1. Introduction	C-1
2. Buyer-Seller Relationships	C-1
3. Purpose for Sale of U.S. Military Equipment Abroad	C-1
4. General Criteria Regarding Sale of Military Equipment	C-2
5. Channels Used in the Sale of Military Equipment	C-2
6. Basic Foreign Military Sales Procedures	C-3
7. Furnishing Information on Price, Availability and Condition of Military Equipment to Foreign Governments	C-4
8. Pricing of FMS Transactions	C-7
9. Authorized Surcharges	C-7
10. Diversion of DOD Materiel	C-9
11. Insurance	C-9

MILITARY ASSISTANCE AND SALES MANUAL

Chapter	Page Number
12. Source Selection for Procurement for Foreign Governments	C-9
13. U.S. Response to Requests for "Offset" Procurement	C-10
14. Release of U.S. Technical Data	C-13
15. Principles Regarding Coproduction Projects	C-16
16. Processing Letters of Offer for \$25 Million or More or For Major Defense Equipment of \$7 Million or More	C-17
17. Sales Commissions and Fees	C-17
18. Engineering Review of U.S. Provided Foreign Communi- cations Systems	C-19
19. Patent Rights	C-20
20. DOD P&A Versus a Commercial Proposal	C-20
21. Translation Services	C-20
22. Appointment of an Agent	C-20
D. PREPARATION AND PROCESSING OF FOREIGN MILITARY SALES TRANS- ACTIONS	D-1
1. Introduction	D-1
2. DD Form 1513--Offer and Acceptance	D-1
3. Processing Requests for Letters of Offer and Acceptance	D-2
4. Duration of Letters of Offer	D-2
5. Information Conveyed by Letters of Offer	D-3
6. Supplemental Information for Letters of Offer	D-3
7. Absence of Specific Information	D-7
8. Pricing Data to be Included with Selected Letters of Offer	D-7
9. DD Form 1513-1--Amendment to Offer and Acceptance	D-8
10. DD Form 1513-2--Notice of Modification of Offer and Acceptance	D-9
11. Letters of Intent (LOI)	D-10
12. Financial Annexes	D-11
13. Obligational Authority	D-11
E. LOAN FINANCING	E-1
1. Purpose	E-1
2. General	E-1
3. Policy Guidance	E-1
4. Types of Loans	E-1
5. Channels for Credit Requests	E-2
6. Utilization of FMS Loans	E-3
7. Financial Standards and Criteria	E-4
8. FFB Credit Procedures	E-5
9. DOD Direct Loan	E-7

MILITARY ASSISTANCE AND SALES MANUAL

Chapter	Page Number
F. IMPLEMENTATION OF FMS	F-1
1. Purpose	F-1
2. Policies	F-1
3. Types of Foreign Military Sales	F-1
4. Requisition Procedures	F-4
5. Management Review	F-5
6. Delivery Performance	F-5
7. Supply Management	F-6
8. Packaging and Handling	F-7
9. Transportation and Traffic Management	F-7
10. Customer Service	F-11
11. Suspensions/Cancellations	F-12
12. Management Reports	F-13
G. FINANCIAL PROCEDURES	G-1
1. Purpose	G-1
2. Basic Principles	G-1
3. Terms of Sale; Type of Assistance Codes	G-2
4. Financial and Billing for Foreign Military Sales under Credit Agreements Executed Subsequent to March 1972	G-5
5. Financing and Billing for Military Sales Guaranties	G-7
6. Commercial Contracts Financed From DOD Direct Credit Funds	G-7
7. Commercial Contracts Financed by Guaranty of Private Credit	G-8
8. Processing Foreign Military Sales under Credit Agree- ments Executed Prior to April 1972	G-9
9. Closing Foreign Military Sales Cases Financed under Credit Agreement Executed Prior to April 1972	G-10
10. Multiple Sources of Financing	G-11
11. Overdue Billings and Delinquent Accounts	G-12
12. Billing for Payments of Principal and Interest for the DOD Direct Credit Program	G-13
13. Reporting Collections of DOD Direct Credit Funds From DSAA and From Private Guaranty Credit Funds	G-13
14. Sale of MAP Owned Property Under FMS	G-13
15. Addresses of Military Department Central Collection and Billing Offices	G-14
16. Addresses of Military Department Central Activities Responsible for Preparation and Issuance of Letters of Offer	G-14

MILITARY ASSISTANCE AND SALES MANUAL

Chapter	Page Number
H. FOREIGN MILITARY SALES - COMMERCIAL AVAILABILITY	H-1
1. Purpose	H-1
2. Legislative Provisions	H-1
3. Department of Defense Policy	H-1
4. Guidelines for Determining Commercial Availability	H-1
5. Guidelines for Sale Through FMS Procedures	H-2
6. Special Exception - Federal Republic of Germany	H-2
7. Procedures for Processing Requests for Sale or for Pricing and Availability Data	H-3
8. Documents Rescinded	H-3
J. FOREIGN MILITARY SALES TRAINING (FMST)	J-1
1. Purpose and Scope	J-1
2. General Guidance	J-1
3. English Language Training	J-3
4. FMST Tuition Rates	J-3
5. Cancellation of Training--Penalty Charge	J-4
6. Training at Civilian Institutions	J-4
7. Transportation and Travel	J-4
8. Living Allowances/Privileges	J-4
9. Training of Civilians Under FMS	J-5
10. FMS Orientation Training Courses and Visits	J-5
11. Mobile Training Teams (MTTs), and Field Training Services (FTS)	J-5
12. Training Relations	J-5
13. Restrictions on Transfer of Training	J-6
14. Intelligence Training	J-6
K. FOREIGN MILITARY SALES REPORTING SYSTEM	K-1
1. Purpose	K-1
2. Concept	K-1
3. Reporting Frequency	K-1
4. Master File Update	K-2
5. Major Features	K-2
6. Military Articles and Services List (MASL)	K-2
7. Preparation of FMS Data Cards	K-2
8. Control Fields	K-11
9. Changing Field to Blank	K-11
10. Increase or Decrease of Numbers	K-11
11. Inter-Relationship of Card Fields	K-12
12. Card Processing	K-12
13. FMS Administrative Surcharges	K-13
14. Special Characters	K-13

MILITARY ASSISTANCE AND SALES MANUAL

<i>Chapter</i>	<i>Page Number</i>
L. FMS REPORTS	L-1
1. Purpose	L-1
2. Source of FMS Data	L-1
3. Categories of FMS Reports	L-1
4. Requests for FMS Reports	L-2
5. FMS Reports	L-2
6. Abbreviated Titles	L-5
M. MANAGEMENT OF THE CEILING ON WEAPONS AND WEAPONS RELATED ITEMS	M-1
1. Purpose	M-1
2. Policy Guidance	M-1
3. Description on the Ceiling	M-1
4. Allocation Accounting System	M-1
5. Description of the Allocation Accounting System	M-2
6. Estimated Ceiling Activity	M-4
7. Monthly Report	M-4
APPENDIX A - MAJOR DEFENSE EQUIPMENT LIST	App A-1
APPENDIX B - PROCEDURES FOR PROCESSING FMS LETTERS OF OFFER WHICH MUST BE REPORTED TO CONGRESS	App B-1
APPENDIX C - FINANCIAL ANNEXES TO LETTERS OF OFFER	App C-1

MASM PART I

GENERAL INFORMATION

GLOSSARY OF TERMS AND ABBREVIATIONS

Definitions contained herein are designed to assist in reaching a common understanding of terms applicable to the Military Assistance Program and Foreign Military Sales activities. They are not intended to be used to establish policy, doctrine, or to reflect techniques or technical procedures. Finally, where the source of a definition is a legislative document, the specific Act and Section is also cited.*

Acceptance, Letter of Offer

U.S. Department of Defense (DD) Form 1513 Offer and Acceptance by which the U.S. Government offers to sell to a foreign government or international organization defense articles and defense services pursuant to the Arms Export Control Act, as amended. The DD Form 1513 lists the items and/or services, estimated costs, the terms and conditions of sale, and provides for the foreign government's signature to indicate acceptance.

Acceptance Date

The date which appears on the acceptance portion of DD Form 1513 and indicates the calendar date on which a foreign buyer agrees to accept the items and conditions contained in the FMS offer portion.

Accepted Case

An FMS offer and acceptance for defined requirements signed by the designated representative of the eligible recipient.

Accessorial Charges

A separate charge for packing, crating, port handling and loading, and transportation (PCH&T) associated with preparation and delivery of materiel.

* Foreign Assistance Act of 1961, as amended, as FAA. Arms Export Control Act, as amended, as AECA. Mutual Security Act of 1954, as amended, as MSA 1954.

Acquisition Value

The actual or estimated value of an item or service in terms of its original cost to the U.S., exclusive of any costs incurred subsequent to acquisition and without regard to the time at which actual acquisition occurred or the method by which it was financed.

Administrative Agency

The Military Department charged with the responsibility for the provision of logistical and administrative support to a DOD element in a foreign country or international organization.

Administrative Charges

Charges associated with the administration of the defense logistic system. For Foreign Military Sales administrative surcharges include the standard 2% administrative surcharge as well as the 5% administrative surcharge for supply support arrangements and (when authorized) the 5% administrative surcharge for non-standard items. They specifically exclude administrative expenses charged directly to the body of the FMS case.

Aggregation Levels

A series of successively more detailed groupings of related resources, forces or requirements used to summarize similar data at different levels of detail for management review.

Arms Transfers

Defense articles and defense services such as arms, ammunition, and implements of war, including components thereof and the training, manufacturing licenses, technical assistance and technical data related thereto, provided by the government under the Foreign Assistance Act of 1961, as amended; the Arms Export Control Act, as amended; other statutory authority; or directly by commercial firms to foreign countries; foreign private firms, or to international organizations (Sec 414, MSA 1954, and Executive Order No. 10973, as amended, "Administration of Foreign Assistance and Related Articles").

Asset Use Charge

A charge for use of government-owned plant or equipment by a contractor for a commercial contract, when rent-free use of government plant or equipment is not authorized.

Attrition

Loss, destruction, or wear-out or damage of non-expendable articles determined by the MAAG to be beyond the point of economical repair and rehabilitation.

Blanket Order Case

An open-end requisitioning case covering spare parts for a specific weapons system. The FMS case is of specific duration, normally 12 months.

Budget Year

The fiscal year following the current fiscal year; the subject of new budget estimates.

Cancelled Case

An FMS case which was not accepted or funded within prescribed time limitations, or was cancelled by the requesting country or the U.S. government. In the latter case, the U.S. government or purchaser electing to cancel all (or part) of case prior to delivery

of defense articles or performance of services shall be responsible for all (or associated) termination costs.

Case

A contractual sales agreement between the U.S. and an eligible foreign country or international organization documented by DD Form 1513. One FMS case designator is assigned for the purpose of identification, accounting, and data processing for each accepted offer (DD Form 1513).

Case Description

A short title specifically prepared for each FMS case.

Case Designator

A unique designator assigned by the implementing agency to each Foreign Military Sales case. The designator originates with the offer of a sale, identifies the case through all subsequent transactions, and is generally a three letter designation.

Case Suffix Code

Machine readable code—See Appendix A, Part I.

Cash in Advance

U.S. dollar currency, check, or other negotiable instrument submitted by the customer concurrent with acceptance of a sales offer.

Cash Sales (DOD)

Involves either "cash in advance", payment within a reasonable period not to exceed 120 days after delivery of the article of the rendering of the service, or payments as funds are required to meet progress payments to suppliers under a "Dependable Undertaking" (Secs. 21 and 22, AECA).

Civic Action

The use of preponderantly indigenous military forces on projects useful to the local population at all levels in such fields as edu-

cation, training, public works, agriculture, transportation, communications, health, sanitation and others contributing to economic and social development which also serve to improve the standing of the military forces with the population.

Closed Case

An FMS case on which all materiel has been delivered and/or all services have been performed, all financial transactions, including all collections, have been completed, and the customer has received a final statement of account.

Collection

Receipt in U.S. dollar currencies, checks, or other negotiable instruments from a customer country to pay for defense articles or services, based on accepted FMS cases.

Commercial-Type Items

Any items, including those expended or consumed in use which, in addition to military use, are used and traded in normal civilian enterprise and which are, or can be imported/exported through normal international trade channels.

Commercial Sale

Sale made by U.S. industry directly to a foreign buyer not administered by the DOD and not involving credit under the provisions of the Arms Export Control Act.

Commitment

Any communication between a responsible U.S. official and a representative foreign official (including officials of any international organization or supra-national authority) which reasonably could be interpreted as being a promise that the U.S. will provide a foreign government (including international organizations or supra-national authorities) with funds (including long term credit assignments), goods, services, or information.

Commodity Group

A grouping or range of items which possess similar characteristics, have similar applications, or are susceptible to similar supply management methods.

Completed Case

A delivered FMS case for which all collections have been completed, but for which accounting statement has not been furnished the purchaser.

Concurrent Spare Parts (CSP)

Spare parts programmed as an initial stockage related to a major item and normally delivered concurrently with the delivery of the major item.

Congressional Presentation Document

The document presented annually to Congress, describing the proposed Military Assistance and Foreign Military Sales programs for Congressional authorization and appropriation.

Constructive Delivery (FMS)

Delivery of materiel to a carrier for transportation to the consignee, or delivery to a U.S. post office for shipment to the consignee. Delivery is evidenced by completed shipping documents or listings of delivery at the U.S. post office. The delivery of materiel to the customer or the customer's designated freight forwarder at point of production, testing or storage at dockside, at staging areas, or at airports constitutes actual delivery.

Constructive Delivery (MAP)

Delivery of materiel to a carrier - land, ocean or air—for transportation to a consignee, or when delivered "free on board" (FOB)

or "free alongside ship" (FAS) at a port of embarkation for transshipment to a consignee. In the case of float-away vessels, fly-away aircraft, and certain offshore procured materiel, constructive delivery occurs when the item is accepted on behalf of the recipient country.

Consumption

The actual or estimated quantity of an item consumed or expended during a given time interval expressed in quantities by the most appropriate unit of measure per applicable stated basis.

Consumption Requirements

Items required to replace those expended or expected to be expended or consumed in use.

Continuing Resolution Authority (CRA)

Authority to obligate funds against the MAP or IMETP appropriation for the new fiscal year under Continuing Resolution Authority granted by Congress in a Joint Resolution making temporary appropriation prior to passage of the regular appropriation act.

Cooperative Logistics Sales

Sales pursuant to arrangements wherein continuing support is provided a foreign government through its participation in the U.S. Department of Defense logistics system, with reimbursement to the U.S. for support performed.

Cooperative Logistics Support Arrangement

The arrangement, sometimes called a supply support arrangement, under which logistic support is provided to a foreign government through its participation in the U.S. Department of Defense logistic system with reimbursement to the U.S. for support performed.

Counterpart Currencies

Counterpart currencies are local currencies deposited by an aid-receiving country in a special account in its own name, and although available for the benefit of the recipient country, can be used only for the purposes agreed to by the United States. These funds are generated whenever commodities are granted by AID under arrangements which result in the accrual of proceeds to the recipient country, and the deposits are in amounts equal to such proceeds. (Sec. 609, FAA)

Credit

Transactions approved on a case-by-case basis by the Departments of State, Treasury and Defense, which allow repayment of military export sales for periods beyond 120 days after delivery of materiel or performance of service (Sec. 23, AECA).

Credit Arrangement

An agreement with a foreign government that the U.S. will advance a stipulated amount of credit for financing of a Foreign Military Sale to that government (Sec. 23, AECA).

Credit Guaranty

A guaranty to any individual, corporation, partnership or other judicial entity doing business in the United States (excluding U.S. Government agencies) against political and credit risks of nonpayment arising out of their financing of credit sales of defense articles and defense services to eligible countries and international organizations. (Sec. 24, AECA)

Current Fiscal Year

The fiscal year in progress but not yet completed; e.g., between and including 1 October past 30 September.

Defense Articles

Includes any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war; any property, installation, commodity, material, equipment, supply, or goods used for the purposes of furnishing military assistance or making military sales; any machinery, facility, tool material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any other defense article or any component or part of any articles listed above, but shall not include merchant vessels, major combatant vessels (10 U.S.C. 7307), or as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011), source material, by-product material, special nuclear material, production facilities, utilization facilities, or atomic weapons or articles involving Restricted Data. (Sec. 644(d), FAA and Sec. 47(3), AECA)

Defense Information

Any document, writing, sketch, photograph, plan, model, specification, design prototype, or other recorded or oral information relating to any defense article, defense service, or major combatant vessel (e.g., DE, SS and above), but shall not include Restricted Data as defined by the Atomic Energy Act of 1954, as amended, and data removed from the Restricted Data category under section 142d of that Act. (Sec. 644(e) FAA 61)

Defense Service

Includes any service, test, inspection, repair training, publication, or technical or other assistance, or defense information used for the purpose of furnishing military assistance but does not include military education and training activities. (Sec. 644(f), FAA)

Delivered Case (Same as Completed Case)

An FMS case on which all materiel has been delivered and all services have been performed. The case is not closed until final bill-

ing action and funds are received.

Delivery

(a) Constructive or actual delivery (as defined above); (b) the performance of services for the customer or requisitioner; (c) accessorial services, when they are normally recorded in the billing and collection cycle immediately following performance.

Delivery Commitment Date

The date negotiated in the DD Form 1513 for complete delivery of the total quantity of the line item.

Delivery Forecast

Estimated date of delivery of the total quantity of a line item.

Dependable Undertaking

A firm commitment by the foreign government or international organization to pay the full amount of a contract for new production or for the performance of defense services which will assure the U.S. against any loss on such contract and to make funds available in such amounts and at such times as may be required by the contract, or for any damages and costs that may accrue from the cancellation of such contract, provided that in the judgment of DOD there is sufficient likelihood that the foreign government or international organization will have the economic resources to fulfill the commitment. (Sec. 22, AECA).

Designated Country Representative

A person or persons duly authorized by a foreign government to act on behalf of that government to negotiate, commit, sign contractual agreements, and/or accept delivery of materiel.

Developed Country

A country so designated by the U.S. Treasury Department in applying the Interest Equalization Tax, and listed in Section 1 of Executive Order 11285, dated June 10, 1966. All countries not listed are less developed.

Disposable MAP Property

MAP property determined to be no longer needed for the purpose initially furnished and for which no further MAP requirement exists (see Redistributable Property); and, MAP property which does not meet the criteria for utilization screening and is classified as disposable property by the MAAG when initially reported by the country.

Diversion

Any deliberate action that causes materiel ordered to meet a foreign commitment to be delivered to other than the original intended recipient.

DOD Direct Credit

Long-term credit which is directly financed from the appropriation or account available for that purpose. Authority is Section 23 of the Arms Export Control Act, as amended, or pertinent earlier legislation.

Dollar Value Line

A program line representing a requirement for certain services, commodities, or a grouping of items of material (normally of high density and low unit cost) for which the requirement is measured only in dollars. These lines are identified in the MASL by unit of issues XX (dollars).

Down Payment

Money transferred to the credit of the Treasurer of the United States or other authorized officer at the time of acceptance of

DD Form 1513 as partial payment for defense articles or services contracted for by an eligible foreign country.

DSAA

Defense Security Assistance Agency—See DOD Directive 5105.38.

Economic Supporting Assistance

See Security Supporting Assistance.

Eligible Recipient (FMS)

Any friendly foreign country or international organization determined by the President to be eligible to purchase defense articles and defense services, unless otherwise ineligible due to statutory restrictions. (Sec. 3, AECA)

Eligibility Recipient (MAP)

Any foreign country or international organization determined by the President to be eligible to receive military assistance, unless otherwise ineligible due to statutory restrictions. (Sec. 503, FAA)

End Item

Assembled whole system or equipment, ready for its intended use, (1) for which only ammunition, fuel or other energy sources are required to place them in an operating state, and (2) consisting of components and parts with or without accessories or attachments, e.g., rifles, tanks, aircraft, ships, etc.

Eximbank Financed Sale

Sale of defense items or services financed by credit supplied by the Export-Import Bank. The sale may be made by DOD or by U.S. industry directly to the foreign buyer. U.S. industry sales are subject to DOD approval.

Excess Personal Property

Personal property which has been determined to be unnecessary for the discharge of DOD responsibilities after completion of utilization screening among DOD activities in accordance with policies prescribed by DOD Directive 4160.21, "DOD Personal Property Disposal Program", and Defense Disposal Manual (DOD 4160.21-M).

Exclusive (Non-Exclusive) License

A license covering a patent(s), technical or proprietary data, technical assistance, know-how, or any combination of these, granted by a U.S. firm to a foreign firm or government to produce, co-produce or sell a defense article or service within a given sales territory without competition from any other licenses or from the licensor. A non-exclusive license is a license as described above, except that competition may be permitted with other licensees and/or the licensor.

Expendable Supplies and Material

Supplies which are consumed in use, such as ammunition, paint, fuel, cleaning and preserving materials, surgical dressing, drugs, medicines, etc., or which lose their identity, such as spare parts, etc. Sometimes referred to as "consumable supplies and material."

Expenditures

Cash disbursements.

Excess Defense Articles

Defense articles owned by the United States Government and not procured in anticipation of military assistance or sales requirements, or pursuant to a military assistance or sales order, which are in excess of the Approved Force Acquisition Objective and Approved Force Retention Stock of all Department of Defense Components at the time such articles are dropped from inventory by the supplying

agency for delivery to countries or international organizations. (Sec. 644(g), FAA)

Extended Offer

A new FMS offer for which a reply from the buyer has not been received within the time limit specified on the letter of offer which is still in effect pending clarification of its status.

Financing, Type of

The method by which the U.S. Government is authorized to sell defense articles and services under the Arms Export Control Act (e.g., cash in advance, dependable undertaking, credit).

Five Year Defense Program (FYDP)

The official program summarizing the Secretary of Defense's approved plans and programs for the Department of Defense.

Foreign Military Sales (FMS)

Include cash sales from stocks of the DOD; procurement for cash sales by the DOD; DOD credit sales, and DOD guaranties covering the private financing of credit sales of defense articles and defense services. (Sec. 21, 22, 23, and 24, respectively, AECA)

Foreign Military Sales Order No. 1 (FMSO No. 1)

Provides for pipeline capitalization of a cooperative logistics support arrangement, which consists of stocks "on hand" and replenishment of stocks "on order" in which the participating country buys equity in the U.S. supply system for support of a specific weapons system. Even though stocks are not moved to a foreign country, deliver (equity) does in effect take place when the country pays for the case.

**Foreign Military Sales Order
No. 2 (FMSO No. 2)**

Provides for replenishment of withdrawals of consumption-type items (repair parts, primarily) from the DOD Supply System to include charges for accessorial costs and a systems service charge.

General Program Costs

Those Military Assistance Program costs which are not specifically identified to recipient country or regional programs such as administrative expenses and supply operations; formerly termed "Non-Regional Costs."

Generic Code (GC)

Machine Readable Code—See Appendix A, Part I.

Grant Aid

Military Assistance rendered under the authority of the FAA for which the United States receives no dollar reimbursement.

Implementing Agency

The Military Department responsible for the execution of Grant Aid and FMS Programs. See Appendix A, Part I.

Implementation Date

The date when supply action on an FMS case is initiated or directed by the implementing agency—See Appendix A, Part I.

Investment Cost

Cost of equipment, supplies and services that improve the capability of a force, including initial unit equipment, war reserves of equipment and ammunition, concurrent spare parts, and initial spare parts stockage

levels. Also includes replacement costs for obsolescent and attrited equipment, rebuild and modernization costs for newly provided equipment, costs for construction facilities equipment, projects programmed as dollar value lines to facilitate administration, and training costs associated with the introduction of new equipment or an improved capability.

Joint Forces Memorandum (JFM)

An annual document prepared by the JCS and submitted to the Secretary of Defense recommending a Joint Force Program which takes into account U.S. forces and security assistance to other nations.

**Joint Strategic Objectives Plan
(JSOP)**

An annual document prepared by the JCS which provides advice to the President and the Secretary of Defense on the military strategy and force objectives deemed necessary to attain U.S. national security objectives.

Lead Time (MAP)

The estimated time which will elapse between the first of the fiscal year in which a requirement is programmed and the date on which the item will be received by the requiring activity (usually a MAP recipient country); or in the case of services, the date on which military assistance funds will be expended for the services rendered. MAP lead time for materiel end items includes the following increments:

(a) A six-month estimated lag time between 1 July and the date the current year MAP is funded.

(b) The time required to procure, or to repair and/or rehabilitate the item, including the time required to prepare and process procurement instructions, contracts, work orders, requisitions and similar documents.

(c) The time required to prepare and

package for shipment.

(d) An estimated time of two months required to ship and receive.

Lease

An agreement for temporary transfer of the right of possession and use of a non-excess defense article or articles to a foreign government or international organization, with the transferee agreeing to pay rent to the U.S. Government and/or maintain, protect, repair, or restore the article(s), subject to and under authority of Title 10 USC, Section 2667.

Less Developed Country (LDC)

Excluded from the list of developed countries designated by Executive Order 11285 of June 10, 1966, for purposes of the Interest Equalization Tax, or which are considered LDC by the Eximbank for purposes of the Exim Act of 1945, as amended.

Loan

An agreement for temporary transfer of the right of possession and use of a defense article or articles not acquired with Military Assistance funds to a foreign government or international organization, at no rental charge to the transferee, with the transferor U.S. Military Department being reimbursed from MAP funds, subject to and under authority of the Foreign Assistance Act, Section 503.

Local Currency

The official currency of the foreign country.

Major Defense Equipment

Any item of significant combat equipment on the United States Munitions List having a non-recurring research and development

cost of more than \$50 million or a total production cost of more than \$200 million. Part III, Appendix A of this Manual lists items which constitute Major Defense Equipment.

MAAG (Military Assistance Advisory Group)

As used herein, the term MAAG encompasses Joint U.S. Military Advisory Groups, Military Missions, Military Advisory Groups, U.S. Military Groups, and U.S. Military Representatives exercising responsibility within a U.S. Diplomatic Mission for security assistance and other related DOD matters. Defense Attaches are included only when specifically designated.

Maintenance Float

End items or components of equipment authorized for stockage at installations or activities for replacement of unserviceable items when immediate repair of the unserviceable equipment cannot be accomplished by the field maintenance activity.

Major Item (Line)

A program line for which the requirement is expressed quantitatively as well as in dollars. These lines are identified in the MASL by a unit of issue other than dollars (XX).

Military Assistance Program (MAP)

An annual program for which the United States Government receives no dollar reimbursement, showing a detailed funding program for a given fiscal year related to specific military assistance requirements by area and country, and taking into account the lead times necessary to effect the deliveries or perform the services in that program.

MAP Assets

Materiel for which title has been transferred to MAP ownership, but not to a recip-

ient country or organization.

MAP Element

An integrated activity, a combination of men, equipment, supplies, facilities, and other resources, which together constitute an identifiable military force, unit, activity or specific function within a Country Military Assistance Program.

MASF (Military Assistance Service Funded)

All defense articles and defense services transferred to foreign countries under the authority contained in the Department of Defense Appropriation Act.

Military Articles and Services List (MASL)

Catalogue of materiel, services and training used in the planning and programming of Grant Aid, International Military Education and Training (IMET) and Foreign Military Sales (FMS). For Grant Aid this catalogue contains end item availability of materiel and services and for both Grant Aid and FMS it establishes a uniform level of line item detail in the automated program files of all agencies. Separate MASLs are maintained for IMET and FMS training. These catalogues disseminate course availability, price and duration of training to all concerned.

Military Export Sales

All sales of defense articles and defense services made from U.S. sources to foreign governments, foreign private firms and international organizations, whether made by DOD or by U.S. industry directly to a foreign buyer. Such sales fall into two major categories, Foreign Military Sales and Commercial Sales.

MILSTAMP

Military Standard Transportation and Issue Procedure.

MILSTRIP

Military Standard Requisitioning and Issue Procedure.

Obligations

Amounts of orders placed, contracts awarded, services received, and similar transactions during a given period requiring future payment of money. Such amounts include adjustments for differences between obligations previously recorded and accrued expenditures or actual payments.

Offer Date

The date which appears on the offer portion of DD Form 1513 and which indicates the date on which an FMS offer is made to a foreign buyer.

Open Sales Case

An FMS case is designated open as long as any portion of the transaction is incomplete, i.e., delivery of materiel, performance of services, financial transactions, or rendering of the final statement of accounts.

Open Sales Offer

An FMS offer made to a foreign buyer which is pending acceptance.

Operation & Maintenance Costs (O&M Costs)

Costs associated with equipment, supplies, and services required to train, operate, and maintain forces in a recipient country, including cost of spare parts other than concurrent spares and initial stockages, ammunition and missiles used in training or replacements for such items expended in training or operations, rebuild and overhaul costs (excluding modernization) of equipment subsequent to initial issue, training and other

services that do not constitute investment costs, and administrative costs associated with overall program management and administration.

Orientation Tours

Tours arranged for key foreign personnel for the purpose of orientation and indoctrination.

Paramilitary Forces

Forces or groups which are distinct from the regular armed forces of any country, but resembling them in organization, equipment, training, or mission.

Personal Property

Property of any kind or any interest therein, except real property, records of the U.S. Federal Government, and Naval vessels of the following categories: battleships, cruisers, aircraft carriers, destroyers and submarines.

Pipeline

That portion of (a) approved and funded MAP articles and services, and (b) accepted FMS orders for defense articles and services, for which delivery, either constructive or actual, has not occurred, or services have not been rendered.

Planning, Programming, Budget System (PPBS)

An integrated system for the establishment, maintenance, and revision of the Five Year Defense Plan (FYDP) and the DOD budget.

Program Decision Memorandum (PDM)

A document which provides Secretary of Defense decisions on the Program Objectives Memorandum (POM) and the Joint Forces

Memorandum (JFM).

Program Line

A single line of data representing a requirement for articles or services in a military assistance program.

Program Objectives Memorandum (POM)

Memorandum prepared annually by the DASD(ISA)SA which recommends total resource requirements within the fiscal guidance established by the Secretary of Defense.

Progress Payments

Those payments made to contractors or DOD industrial fund activities as work progresses under a contract, on the basis of cost incurred or percentage of completion, or of a particular stage of completion, accomplished prior to actual delivery and acceptance of contract items.

Public Law 480 (PL 480) Funds (Sec. 104(c))

Foreign currencies derived from sale of surplus agricultural commodities under Title I, P.L. 480, Agricultural Trade and Development Act of 1954, as amended. Sec. 104(c) authorizes these foreign currencies to be used for procuring equipment, materials, facilities, and services for the common defense including internal security.

Purchase Approval

Approval issued by DSAA for DOD which permits the country to utilize the credits extended under the Credit Agreement to finance the purchase of agreed to defense articles and defense services.

MILITARY ASSISTANCE AND SALES MANUAL PART I

Reappropriation

MAP or IMETP funds which at the end of the fiscal year are not reserved or obligated and are customarily made available by the Congress for use in the subsequent fiscal year.

Recoupments

Adjustments or cancellations of outstanding MAP orders in prior year program accounts which generate additional funds for the current year operations.

Redistributable MAP Property

All MAP personal property which has been declared, by the recipient government to the United States, as no longer needed for the purposes for which furnished and which meets the criteria for utilization screening as prescribed in Chapter K Part II.

Rehabilitation Cost

See Value.

Reimbursements

Funds realized from the sale of MAP owned property, such funds being deposited to MAP accounts and available for programming.

Routing Identifier (RI)

Machine Readable Code—See MILSTRIP Routing Identifier Code, Appendix A Part I.

Secondary Item Line

A dollar value line encompassing items of equipment (e.g., "Other Support Equipment"), as distinct from a dollar value line encompassing commodities or components, parts and accessories.

Security Assistance

For the purpose of this manual, the term Security Assistance includes all DOD activities carried out under the authority of the AECA, or FAA, or related appropriation acts and other related statutory authorities.

Security Supporting Assistance

Funds used to finance imports of commodities, capital, or technical assistance, provided either as a grant or loan in accordance with terms of a bilateral agreement; counterpart funds thereby generated may be used as budgetary support. Most such funds are used to enable a recipient to devote more of its own resources to defense and security purposes than it otherwise could do without serious economic or political consequences. Replaces term "Economic Supporting Assistance."

Services

Services include any service, repair, training of personnel, or technical or other assistance or information used for the purpose of furnishing non-military assistance. (Sec. 644(k), FAA)

Supply Operation Costs

Refers to the categorization of those costs which are related to the procurement and issue of materiel and excess articles delivered to MAP and FMS recipients but not included in the standard prices of the materiel. These costs include packing, crating, handling and transportation expenses incurred in the issue and transfer of materiel; and logistics management expenses (exclusive of military pay and allowances) incurred by activities in the areas of procurement operations, supply management, requisition control and processing, and related services.

Third Country Training

Training provided under U.S. supervision outside the CONUS in a country other than the country of program. Training may in-

clude U.S. assistance for costs of normal student travel and living allowances.

TLA

Travel and Living Allowance.

Total Obligation Authority (TOA)

The total financial requirements of the Five Year Defense Program, or any component thereof, required to support the approved program of a given fiscal year.

Training (FMS)

Formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aid, orientation, training exercise, and military advice to foreign military units and forces. (Sec. 47(5), AECA)

Training (Grant Aid)

International Military Education and Training (IMET) includes formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence

courses, technical, educational, or information publications and media of all kinds, training aids, orientation, and military advice to foreign military units and forces. (Sec. 644(n), FAA)

Value

A. Excess Defense Articles

(1) With respect to an excess defense article, the actual value of the article plus the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying the article, except that for purposes of Section 632(d) such actual value shall not be taken into account:

(a) For major items the pricing guidance contained in DOD Instruction 2140.1 may be used to determine the value of EDA.

(b) For secondary items the inventory standard stock price is to be used.

(2) With respect to a non-excess defense article delivered from inventory to foreign countries or international organizations under this Act, the acquisition cost to the United States Government, adjusted as appropriate for condition and market value;

(3) With respect to a non-excess defense article delivered from new procurement to foreign countries or international organizations under this Act, the contract or production costs of such article, and;

(4) With respect to a defense service, the cost to the United States Government of such service.

DOD DIRECTIVES AND INSTRUCTIONS

Significant DOD Directives and Instructions pertaining to the Military Assistance and Sales Program and its administration are as follows:

***1005.3 September 16, 1967 as amended—Decorations and Gifts from Foreign Governments.**

This Directive furnishes policy guidance governing the acceptance and retention of decorations and gifts from foreign governments, and establishes procedures regarding receipt and disposition of such decorations and gifts with particular reference to persons performing duties in connection with the Military Assistance Program.

***1130.2 October 2, 1965 as amended—Engineering and Technical Services—Management and Control.**

This Directive establishes Department of Defense policies and criteria for the management, programming, use, administration, and reporting of engineering and technical services furnished to foreign governments and international organizations under the Military Assistance Program.

***2000.3 March 11, 1959 as amended—International Interchange of Patent Rights and Technical Information.**

This Directive applies to the activities of all Department of Defense personnel involved in the international interchange for defense purposes of patent rights and technical information. The policy prescribed herein applies to unclassified as well as classified information, owned by the United States Government or privately owned, but does not apply to patents, patent applications, and technical information in the field of atomic energy.

***2000.8 February 14, 1964 as amended—**

Cooperative Logistics Support Arrangements.

This Instruction prescribes policies and criteria for preparing cooperative logistic support arrangements between the U.S. Department of Defense and the defense establishment of foreign governments, and assigns responsibilities for implementation thereof.

***2000.9 January 23, 1974—International Co-Production Projects and Agreements Between the United States and Other Countries or International Organizations.**

This Directive prescribes general policies and principles governing international co-production projects negotiated under agreements between the United States Government and eligible foreign governments, international organizations, foreign producers or other approved agencies.

***2000.10 January 17, 1972—Selection and Training of Security Assistance Personnel.**

This Directive establishes standard procedures and responsibilities within the Department of Defense for the selection and training of personnel to serve in positions involving the planning and execution of Security Assistance activities. Its provisions apply to all components of the Department of Defense, including the Joint Chiefs of Staff, the Military Departments, Unified Commands and overseas MAAGs.

***2010.1 July 23, 1973 as amended—Support of International Military Activities.**

This Instruction assigns responsibility, and establishes methods for providing budgetary,

financial, logistical, and administrative support by agencies of the Department of Defense to international military headquarters and other international military agencies of the North Atlantic Treaty Organization (NATO), the South East Asia Treaty Organization (SEATO) and the Central Treaty Organization (CENTO).

***2010.5 October 4, 1976 as amended—
DOD Participation in the NATO Infrastructure Program.**

This Directive provides guidance for programming and budgeting of the United States share of the common funded NATO Infrastructure Program through the Military Construction Program; issues policies for funding, accounting, recouping, and reporting on the status of DOD funds used to prefinance facilities related to the NATO Program; and delineates responsibilities involved in DOD participation in the Infrastructure Program.

***2015.4 November 5, 1963—Mutual Weapons Development Data Exchange Program (MWDDEP) and Defense Development Exchange Program (DDEP).**

This Instruction establishes procedures for exchanging certain technical and scientific military information of mutual interest to the United States and other countries through exchange of correspondence, reports, equipment or other material or technical documents, and by visits of technical personnel; and delineates Director of Defense Research and Engineering and military department responsibilities for carrying out the subject programs. The provisions of this Instruction apply to the military department; to the MAAGs as may be determined on a case-by-case basis, and cover the exchange of information concerning a military technical or scientific area, weapon, weapons system, or operational concept.

***2100.3 July 11, 1963 as amended—United States Policy Relative to Commitments to**

Foreign Governments Under Foreign Assistance Programs.

This Directive promulgates the policy to insure that the United States, or an individual representing the U.S., does not make commitments, expressed or implied, to furnish funds, including long term credit arrangements, goods, or services to foreign governments without appropriate governmental clearances; satisfactory assurance that such commitments can and will be met and do take into account the best interests of the U.S. in the use of its resources; and a clear understanding with the recipient as to the nature, scope, and time-span of the commitment.

***2110.8 June 26, 1972 as amended—
Transfer of Releasable Assets of the DOD to Eligible Foreign Countries and International Organizations on a Foreign Military Sales Basis.**

This Instruction establishes policies and procedures for the transfer by sale of releasable assets of the Department of Defense to eligible foreign countries and international organizations.

***2110.12 August 19, 1970 as amended—
Shipment of Military Assistance Program and Foreign Military Sales Materiel.**

This Instruction prescribes policies and procedures applicable to shipments of the following types of materiel; Military Grant Aid (MAP), Military Assistance Service Funded (MASF), MAP-owned Redistributable Materiel, and Foreign Military Sales (FMS). It also states policies and procedures for transfer of title of this materiel from the United States to the recipient and payment of transportation and related accessorial costs.

***2110.29 September 4, 1970 as amended—
Method of Financing, Funding, Accounting, and Reporting for Foreign Military Sales to Friendly Foreign Governments and International Organizations.**

This Instruction prescribes uniform procedures for financing, funding, accounting, and reporting for sales of Defense articles and Defense services to friendly foreign countries and international organizations.

***2110.31 April 10, 1967 as amended—Contributions by Foreign Governments for Administrative and Operating Expenses of Military Assistance Programs.**

This Instruction prescribes policies and procedures for acquiring, using, accounting and reporting for currencies and assistance-in-kind contributed by foreign governments for administrative and operating expenses of the Military Assistance Program.

***2110.32 November 7, 1962 as amended—Financial Procedures for Military Assistance Sales under the Military Procurement Agreement Between the United States and the Federal Republic of Germany.**

This Instruction prescribes uniform procedures and requirements for accounting and preparing requests for monthly advances of funds for Military Assistance Sales cases received from the Federal Republic of Germany.

***2110.33 December 27, 1962 as amended—Preparation of U.S. Inventory Materiel for Transfer Under the Grant Aid Military Assistance Program.**

This Instruction prescribes standard conditions for preparation of U.S. military inventory materiel prior to transfer to foreign recipients as Military Assistance only.

***2125.1 June 18, 1970 as amended—Military Assistance Program Offshore Procurement (MAP/OSP).**

This Directive establishes Department of Defense policy governing the procurement of articles and services outside the United States, its possessions, and Puerto Rico for use under the Military Assistance Program, and assigns responsibilities for carrying out its provisions.

***2140.1 March 8, 1977—Pricing Sales of Defense Articles and Defense Services to Foreign Countries and International Organizations.**

This Instruction provides policies for uniform DOD application of pricing and cost criteria in connection with sales of Defense articles and Defense services (including training) furnished pursuant to Foreign Military Sales agreements and supply support arrangements with friendly foreign governments and international organizations.

***2140.2 January 5, 1977—Recovery of Non-recurring Costs Applicable to Foreign Sales.**

This Directive provides policy, criteria, and procedures for use by Department of Defense Components in (1) determining the DOD nonrecurring costs associated with the research, development, and production of major defense equipment offered for sale to foreign governments and international organizations; (2) calculating the equitable share of such costs which should be borne by the foreign buyer; (3) including such share in the sales price.

***2140.3 April 20, 1976—Foreign Military Sales Materiel Billing Procedures.**

This Instruction establishes the requirements and procedures for supporting the accounting statement or billing for materiel prepared and submitted by the Military Departments to foreign governments and by the Defense Supply Agency and General Services Administration to the Military Departments for Foreign Military Sales (FMS).

***3100.3 September 27, 1963 as amended—Cooperation with Allies in Research and Development of Defense Equipment.**

This Directive establishes Defense Department policy for strengthening cooperation with Allies in research and development and assigns responsibilities for implementing it. This policy calls for maximum coordination

of technical objectives and programs with those of our allies.

***4000.25 November 12, 1976—Administration of Military Standard Logistics Data Systems.**

This Directive prescribes uniform guidance and responsibilities for the assignment, development, and continuous administration of military standard logistics data systems. It is the intent of this Directive to promote the utilization of military standard logistics data systems in the implementation of approved Department of Defense policies in such logistics functional areas as: cataloging, inventory management, procurement, contract administration, storage, distribution, transportation and movement, maintenance, property disposal, international supply support, and integrated support of weapons.

***4100.37 June 7, 1974—Retention and Transfer of Materiel Assets.**

This Directive clarifies terms defined in the Foreign Assistance Act which affect transfer of DOD materiel to allied and friendly forces; amends the retention policy concerning retail stock; expands the authorization for non-reimbursable transfer of assets to satisfy prepositioned war reserve deficiencies; and clarifies the policy on pricing and transfers of materiel assets to allied forces.

***4140.19 May 1, 1968 as amended—Phased Provisioning of Selected Items for Initial Support of Weapons Systems, Support Systems and End Items of Equipment.**

This Instruction promotes an increased use of phased provisioning as a management technique to defer procurement of selected items during initial provisioning and prescribes the conduct of a time-phased series of provisioning reviews and redeterminations of the range and quantity of selected items to be procured for initial support. The provisions of this Instruction apply to complex weapon and support systems and high-cost end items of equipment being procured by

the military departments and defense agencies, including those procured for the Military Assistance Program and the Foreign Military Sales Program.

***4140.34 September 5, 1968—DOD Personal Property Utilization Program.**

This Directive (1) reissues and consolidates DOD policies governing the effective use of DOD personal property, (2) establishes the Defense Utilization Manual (4140.34-M) as a regulation of the DOD, and (3) assigns responsibility for its development and maintenance.

***4140.35 June 12, 1972 as amended—Physical Inventory Control for DOD Supply System Materiel.**

This Instruction provides policies, procedures, performance objectives, and effectiveness reporting for improving the accuracy of inventory control and asset information in the supply system of the DOD.

***4160.21 February 23, 1972 as amended—DOD Personal Property Disposal Program.**

This Directive (1) provides overall policies and assigns responsibilities for the DOD Personal Property Disposal Program, (2) establishes Defense Disposal Manual (4160.21-M) as a regulation of the DOD, and (3) assigns responsibility for development, maintenance, and issuance of the Manual.

***4410.6 February 18, 1971 as amended—Uniform Materiel Movement and Issue Priority System (UMMIPS).**

This Directive provides criteria for the Uniform Materiel Movement and Issue Priority System which prescribes (1) guidance for the proper ranking of materiel requirements considering the mission importance of the activity and the urgency of need for the materiel; and (2) incremental time standards for requisition processing and materiel movement.

***5030.28 March 10, 1970—Munitions Control Procedures for U.S. Munitions List Export Licenses Applications Referred to DOD by Department of State.**

This Directive delineates requirements and responsibilities of the Assistant Secretary of Defense (International Security Affairs), the Director of Defense Research and Engineering, the Military Departments, the Joint Chiefs of Staff, and other DOD components for reviewing and presenting the Department's position to the Department of State on munitions export license applications referred to the Department of Defense.

***5100.27 December 29, 1964—Delineation of International Logistic Responsibilities.**

This Directive expands existing Department of Defense international security and logistic responsibilities, assignments and functions, assigns specific international logistic responsibilities, and emphasizes and clarifies the coordination responsibilities of DOD components to assure effective and efficient fulfillment of international logistic plans and programs.

***5100.46 December 4, 1975—Responsibilities for Foreign Disaster Relief Operations.**

This Directive establishes the DOD policy for the employment of military resources in foreign disaster emergency relief operations and assigns responsibilities to staff officials in the Office of the Secretary of Defense, particularly the Assistant Secretary of Defense (International Security Affairs), the Joint Chiefs of Staff and the military departments for carrying out this policy.

***C-5105.32 March 23, 1973—Defense Attache System.**

This Directive provides general policy and guidance with respect to the maintenance and direction of a single Defense Attache System (DAS). This Directive cross references with DOD Directive 5132.3, "Security Assistance Functions" performed by specified Defense Attaches.

***5105.38 August 11, 1971 as amended—Defense Security Assistance Agency (DSAA).**

This Directive establishes the Department of Defense organizational structure for carrying out the responsibilities of the Secretary of Defense under the Foreign Assistance Act of 1961, as amended; the Arms Export Control Act, as amended; and under Executive Orders and Directives relating to the administration of Military Assistance and Foreign Military Sales.

***5118.4 March 19, 1970—Deputy Comptroller for Internal Audit—Functions and Responsibilities.**

This Instruction establishes procedures governing activities of the Office of the Deputy Comptroller for Internal Audit (DCIA) with particular reference to DCIA audit coverage of military assistance program activities at the OSD, Unified Commands, MAAGs and missions, and Military Assistance Service Funded (MASF) programs.

***5132.2 May 20, 1961 as amended—Assistant Secretary of Defense (International Security Affairs).**

This Directive sets forth the responsibilities, functions, and authorities of the Assistant Secretary of Defense (International Security Affairs).

***5132.3 December 20, 1972, as amended—Department of Defense Policy and Responsibilities Relating to Security Assistance.**

This Directive establishes Department of Defense policy for carrying out the responsibilities of the Secretary of Defense under the Foreign Assistance Act of 1961, as amended, and under Executive Orders and Directives relating to the administration of Military Assistance.

***5154.18 May 26, 1965—Defense Medical Materiel Board.**

This Directive establishes a Defense Medical Board as a joint activity of Department of Defense, subject to the direction, author-

ity and control of the Secretary of Defense, and under professional policy guidance of the Assistant Secretary of Defense (Manpower). The provisions of this Directive apply to the military departments and other Department of Defense agencies involved in any phase of the Medical Materiel Program (including the Military Assistance and Emergency Disaster Aid Programs, both domestic and foreign).

***5160.41 October 5, 1968 as amended—Defense Language Program.**

This Directive establishes the Army as Executive Agent for the overall management and operation of all DOD language training, including the language training programs supported by the Military Assistance Program.

***5230.11 December 31, 1976 as amended—Disclosure of Classified Military Information to Foreign Governments and International Organizations.**

This Directive implements the provisions of the "National Policy and Procedures for the Disclosure of Classified Military Information to Foreign Governments and International Organizations, 27 September 1966" insofar as they pertain to the Department of Defense and it establishes internal DOD procedures for the disclosure of classified military information to foreign governments and international organizations.

***C-5230.17 April 17, 1970 as amended—Procedures for the Administration, Standardization, and Control of Foreign Disclosure Activities.**

This Instruction establishes uniform standards and procedures for use by DOD components in handling cases involving disclosure or denial of classified military information ("disclosure") to foreign governments and international organizations.

***5410.17 January 15, 1965—An Informa-**

tional Program for Foreign Military Trainees and Visitors in the United States.

This Directive establishes an Informational Program for foreign military trainees and visitors in the United States to complement their formal training courses and orientation, and assigns responsibilities within the Department of Defense for the establishment, operation and administration of individual informational programs as described herein.

***7060.2 January 16, 1969 as amended—International Balance of Payments Program—Accounting, Reporting, and Estimating.**

This Instruction establishes the DOD system of accounting and reporting for DOD international transactions related to U.S. balance of payments data, including grants and credits extended to foreign countries. It also establishes the DOD management control system for transactions entering the international balance of payments.

***7060.4 March 6, 1971 as amended—International Balance of Payments Program—Construction, Maintenance and Repair of Real Property Facilities in Foreign Countries.**

This Directive establishes policies and procedures governing the construction, maintenance and repair of real property in foreign countries which will minimize expenditures entering the International Balance of Payments (IBOP).

***7200.7 December 16, 1964 as amended—Accounting and Pricing for Materiel Financed by Procurement Appropriations for Military Functions.**

This Directive establishes policies, procedures, and criteria to be followed by Defense components in the pricing of and financial accounting for inventories, receipts, and issues of all materials, supplies, and equipment.

***7290.1 June 22, 1970 as amended—Method of Financing, Accounting, and Fiscal Reporting for the Military Assistance Grant Aid Program.**

This Instruction prescribes uniform procedures for financing, funding, accounting, and fiscal reporting for grant aid furnished to eligible foreign countries and international organizations, pursuant to the provisions of the Foreign Assistance Act of 1961.

***7290.2 January 20, 1970 as amended—Policy Guidance for Determining Reimbursable Costs for the Training of Foreign Nationals under the Military Assistance Grant Aid Program.**

This Instruction provides policy guidance for uniform application in computing reimbursement for the costs incurred in the training of foreign nationals under the Military Assistance Grant Aid Program.

***7360.9 February 11, 1977—Use of United States-owned Foreign Currencies.**

This Instruction prescribes policies and procedures governing the use of United States-owned foreign currencies for (1) payments of DOD and MAP requirements, programs, and activities and (2) personal expenditures of DOD personnel located overseas.

***7420.1 January 26, 1967 as amended—Regulations Governing Stock Fund Operations.**

This Directive establishes regulations concerning stock fund operations and is applicable to MAP with regard to transfer of property to MAP and Foreign Military Sales recipients.

***7420.12 March 10, 1977—Billing, Collection and Accounting for Sales of Materiel from Supply System Stock.**

This Instruction establishes uniform policies and procedures for billing, collecting, and related accounting for sales of materiel from supply system stock, including direct deliveries. The provisions herein apply to DOD sales from inventory of stock fund and appropriation financed materiel within the Department of Defense, including transfers to the Military Assistance Grant Aid Program.

***7510.4 April 7, 1967 as amended—Uniform Policy for Charging Accessorial and/or Administrative Costs Incident to Issues, Sales, and Transfers of Materials, Supplies and Equipment.**

This Instruction establishes the policies and procedures to be followed by the military departments and Defense agencies for charging expenses arising from, or incident to, issues, sales, and transfers of all materials, supplies, and equipment (materiel), including issues, sales, and transfers to Military Assistance Programs.

CHAPTER A

PURPOSE, AUTHORITY AND SCOPE

1. Purposes of Security Assistance

Since World War II, the United States has been assisting friendly foreign countries in establishing and maintaining adequate defensive postures, consistent with their economic stability and growth, to maintain internal security and resist external aggression. Its reason for furnishing such assistance is based upon the tenet that the security and economic well-being of friendly foreign countries is essential to the security of the United States. This principle is inherent to the Truman Doctrine, the Marshall Plan, and more recently, the Nixon Doctrine. Assistance is rendered in a variety of ways, including the provision through sale or grant of defense articles, services and training and the making of financial and commodity grants.

2. Nature of Security Assistance

As a program, Security Assistance comprises the sale of defense articles, services and training, the grant of such articles, services and training without reimbursement in appropriate cases, and economic supporting assistance in exceptional cases to offset costs of maintaining armed forces. The Department of Defense is concerned primarily with sales and grants of defense articles, services and training, two forms of Security Assistance that it administers and for which it has direct responsibilities.

3. Legislative Authorities and Constraints

a. The Military Assistance Program (MAP) and the International Military Education and Training Program (IMETP) are grant aid programs that are carried out

under authority of the Foreign Assistance Act (FAA) of 1961, as amended. Foreign Military Sales (FMS) are made under authority of the Arms Export Control Act. These acts are subject to reconsideration annually by the Congress, at which time funds needed to carry out the program are authorized and, in addition, other amendments usually are made. In general, however, they provide authority

(1) To grant or loan defense articles and defense services under the Military Assistance Program (MAP),

(2) To grant training under the International Military Education and Training Program (IMETP),

(3) To sell defense articles, services and training (FMS),

(4) To extend and guarantee credit in connection with sales (FMS),

(5) To appropriate funds needed to carry out the Military Assistance Program and the International Military Education and Training Program, and to extend and guarantee credit for Foreign Military Sales.

b. In addition to the authorizing legislation cited above, appropriations must be obtained from Congress. Such appropriations may or may not equal the amounts authorized.

c. Legislative authorizations and appropriations may not be obtained until after the beginning of the fiscal year to which they pertain. Pending completion of such legislation, essential MAP, IMETP and FMS activities usually are carried out under Continuing Resolution Authority (CRA) provided by the Congress.

4. Leases

a. Establishment and Revocation

The Foreign Assistance Act and the Arms Export Control Act do not authorize leases of defense articles to foreign governments or international organizations under MAP or FMS. In exceptional circumstances when in the national interest, the Secretary of a Military Department may lease a non-excess defense article or articles to a foreign government or international organization under Title 10 USC, Section 2667. Military Departments will not arrange such a lease if a Foreign Military sale is feasible or if the foreign country or international organization is eligible for a loan or grant under MAP. Further, Military Departments will not prepare such leases as FMS transactions; use of a DD Form 1513 is not authorized for leases. Leases must have the concurrence of the General Counsel or Judge Advocate General of the Military Department, and the approval of DSAA. Further, leases for Major Defense Equipment must have the concurrence of the Assistant General Counsel for International Affairs, Department of Defense. Revocation of a lease requires the approval of DSAA.

b. Loss, Destruction, or Damage of Articles Leased

Lease terms will stipulate that in the event of loss or destruction of any article during its lease, the lessee government will reimburse the U.S. Military Department for the depreciated value of the article at the time of its loss or destruction. Lease terms will also provide that if any article is returned with damage beyond normal depreciation sustained during its lease, the lessee government will reimburse the U.S. Military Department for such damage upon return of the article.

c. Ship Transfers

For leases of ships, the special provisions of Part I, Chapter E of this Manual also apply.

d. Loans

Loans of defense articles to foreign governments or international organizations may be arranged under authority of the Foreign Assistance Act, Section 503, in accordance with Part II, Chapter C, paragraph 4.c. of this Manual.

5. Distribution of the MASM

DSAA will make distribution of the MASM and published changes to Unified Command; MAAGs, Military Missions and Offices of Defense Cooperation assigned to host countries; Military Departments; and other governmental agencies. Military Department Headquarters are responsible for making proper distribution to all users within their respective areas of Command, and should inform subordinate commands of proper channels for arranging to be placed on automatic distribution for MASM changes.

Requests placed on DSAA for MASM distribution will be honored if a valid requirement is established by the requesting office and/or agency. All inquiries should be addressed to DSAA Attention: Comptroller.

6. Reports Control Symbol

a. RCS: DSAA (AR) 1000 is assigned to the data processing cards and tapes, as well as, related narrative prescribed by MASM, Part II for Grant Aid activities.

b. RCS: DSAA (AR) 1100 is assigned to the data processing cards and tapes, as well as, related narrative prescribed by MASM, Part III for Foreign Military Sales activities.

CHAPTER B

RESPONSIBILITIES AND RELATIONSHIPS

1. Executive Branch

Within the Executive Branch, numerous departments and agencies (e.g., Office of Management and Budget, National Security Council, Department of the Treasury, Agency for International Development, Export-Import Bank) have a wide variety of responsibilities related to Security Assistance. Aside from the President, however, the principal responsibilities established by legislation are assigned to the Secretary of State and the Secretary of Defense. There are:

a. Under the direction of the President, the Secretary of State is responsible for continuous supervision and general direction of Military Assistance Programs and Foreign Military Sales, including but not limited to determining whether there shall be a program or a sale and, if so, the amount thereof.

b. The Secretary of Defense has primary responsibility for:

(1) Determination of military end-item requirements;

(2) Procurement of military equipment in a manner that permits its integration with service programs;

(3) Supervision of end-item used by the recipient country in the case of equipment provided under MAP;

(4) Movement and delivery of military end items; and

(5) Within the Department of Defense, the performance of any other functions with respect to providing Military Assistance and Foreign Military Sales.

2. Department of Defense

Detailed functions relating to Security Assistance are set forth in the Foreign As-

sistance and Foreign Military Sales legislation, in Executive Orders, in DOD Directives and Instructions, and in Terms of Reference. In general, major responsibilities of the principal Defense Department components involved in security assistance are as follows:

a. Within the Department of Defense, the Assistant Secretary of Defense, International Security Affairs (ASD/ISA), acts for the Secretary of Defense and is his principal representative and spokesman on Security Assistance matters. He formulates policy and represents the Department of Defense with other governmental agencies in matters concerning Security Assistance policy and guidance. The Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) is responsible for developing delivery policy for the movement of Military Assistance Program (MAP) and Foreign Military Sales (FMS) cargo. Implementation delivery policy shall be accomplished by the Military Services and Department of Defense agencies.

b. As the operating arm of the Secretary of Defense, the Defense Security Assistance Agency (DSAA) is responsible for directing and supervising the administration and implementation of Security Assistance within the policies established by the ASD/ISA.

c. In accordance with DOD Directive 5105.38, the Defense Security Assistance Council (DSAC) advises the Secretary of Defense on Security Assistance matters of major importance and provides expeditious high-level coordination of such matters within DOD. Membership of the DSAC includes the ASD/ISA (Chairman), the Direc-

tor of DSAA (Secretary), appropriate Assistant Secretaries of Defense, and the Director of the Joint Staff, Joint Chiefs of Staff. The Chairman also requests representation from the Military Services and other DOD components on an ad hoc basis, as appropriate. The DSAC has no permanent staff or secretariat, but does employ ad hoc working groups to address specific Security Assistance matters.

d. The Secretaries of the Military Departments advise the Secretary of Defense on all Security Assistance matters impacting on or relating to their departments and act for the Secretary of Defense where responsibility for such action is so delegated. The Military Departments are specifically responsible for conducting training and for procuring and providing such defense articles and services as may be required by approved Security Assistance programs and accepted sales cases.

e. The Joint Chiefs of Staff (JCS) are responsible for correlating Security Assistance planning with military force planning and security objectives and provide the Secretary of Defense with military advice on security assistance matters.

f. For their respective areas of cognizance, Commanders of Unified Commands correlate Security Assistance plans and programs with U.S. military plans and are responsible for developing and submitting Security Assistance plans to the Secretary of Defense. They command the MAAGs in their areas of responsibility and direct and supervise all Security Assistance actions in such areas.

g. Unified Command, Component Commanders, and/or Service Representatives will advise and assist in the performance of functions relating to Security Assistance. In order to provide the required expertise and assistance, they will keep informed as to the item content of each year's Security Assistance Program and the capabilities and limitations of each country located in theater. Field trips will be made as necessary to accomplish the Security Assistance mission.

Direct access to MAAG Service sections is authorized. Component Commanders and/or Service Representatives will:

(1) Keep Unified Commander advised as to their view concerning:

(a) The capabilities and operating standards desired as objectives for country forces receiving Security Assistance and the composition, strength, unit organization, and the equipment of these forces.

(b) The capabilities of military forces in MAP recipient countries to operate effectively with other forces, and in support of U.S. war plans.

(c) Development and modernization programs and force objectives related to MAP forces of their respective Service to assure that capabilities of the forces are oriented toward complementing U.S. objectives in theater.

(d) The respective Service aspects of uni-service, joint, and combined training.

(e) Military facilities required to support MAP country forces.

(f) The revision and/or development of tables of organization and equipment, unit authorization lists, tables of distribution, and tables of allowances, based on the recommended structure for country forces.

(2) Participate in the review of Military Security Assistance Projections (MSAP) and budget year program updates.

(3) Implement approved Military Education and Training Programs in coordination with the Military Departments.

(4) Participate in inspections and surveys of MAAGs.

(5) Review inspection and audit reports and submit comments and recommendations as required.

(6) In addition to the general responsibilities outlined in paragraph 2.g. above, the following specific responsibilities are assigned:

(a) Air Force Service Representative will be the central coordinator and advisor for United Commander for in-country air defense facilities and equipment in order to assure unity in U.S. and allied air defense operational planning and to assure comple-

mentary air defense systems. In the performance of these functions, Service Representative and his designated air defense commanders are authorized direct communication with the MAAGs on country air defense proposals, plans, and programs.

(b) Army Service Representative will respond to Unified Commander requirements for the Security Assistance surface-to-air missile (SAM) programs, and will arrange for combat readiness evaluations of deployed units (less funding) when specifically tasked by Unified Commander. Representative is authorized direct communication with MAAGs on SAM proposals, plans, and programs as they apply to Unified Commander tasking.

h. Chiefs of Military Assistance Advisory Groups (MAAGs) are representatives of the Secretary of Defense to their host governments on Security Assistance matters. They assist the foreign government in developing and executing Security Assistance plans and programs, and submit to ASD/ISA (DSAA), with information copies to the Unified Commander or other appropriate authority, such data, proposals, and recommendations as may be required or otherwise suitable to the execution of the mission.

3. Relationships

a. Although under command control of the Unified Command, MAAGs are also under general supervision of the Chief of the U.S. Diplomatic Mission who is responsible for coordinating the full range of U.S. governmental objectives and activities in the country. The Chief of MAAG is responsible for insuring that his activities are fully coordinated within the U.S. Diplomatic Mission. Where unresolved differences between the Chief of MAAG and Chief of the Diplomatic Mission exist, the Chief of MAAG will refer such differences promptly to the DASD/ISA(SA) with an information copy to the Unified Command.

b. The primary channel of communication concerning Foreign Military Sales (FMS), Military Assistance Program (MAP), and

International Military Education and Training Program (IMETP) matters will be direct between MAAGs and DSAA, ASD/ISA, or Military Departments as appropriate. Information copies will be provided to the Unified Command for regional evaluation/comment as deemed appropriate by the Unified Command.

c. Unified Commands must be communicated with concerning:

(1) Military Assistance planning and policy matters relating to the implementation of Military Assistance Programs.

(2) Standardization of equipment, methods and doctrines.

(3) Recommendations for improvement of host country military organization and procedures.

(4) Offshore procurement.

(5) Support beyond MAAG organic capabilities.

(6) Requests for disclosure of U.S. classified military information:

(a) pertaining to strategic guidance and planning,

(b) belonging to or originated by more than one Service, or

(c) not releasable under current national disclosure policy, the release of which is recommended.

(7) Combat effectiveness and status of training of country forces. (Include appropriate Service Representative as information addressee.)

(8) Administrative support, except as otherwise necessary to comply with the provisions of Joint Instruction AR 1-75, OPNAVINST 4900.31 Series, AFR 400-45, and CINCPACINST 4400.1 Series.

(9) Budgets for administrative support of MAP activities. (See Part II, Chapter G.)

(10) Manning authorizations.

(11) Request for assistance, if unable to attain appropriate response to requests for action for technical advice and engineering services.

d. All DSAA (or ASD/ISA) Security Assistance directives and communications to Unified Commands, MAAGs, and Military

MILITARY ASSISTANCE AND SALES MANUAL—PART I

Departments that have military operational or policy implications require coordination with the JCS. Conversely, all JCS Security Assistance directives and communications to

Unified Commands, MAAGs, and Military Departments require coordination with the ASD/ISA who will, if appropriate, effect further coordination with DSAA.

CHAPTER C

POLICY

1. Purpose and Scope

This chapter sets forth basic DOD policies of general application to all Security Assistance programs and activities. More specific policies applicable to a particular program are contained in other chapters dealing with that subject and, in addition, more policies of limited application are set forth in planning guidance published periodically by the ASD/ISA.

2. Administration

Security Assistance shall be administered in accordance with the Foreign Assistance Act, the Arms Export Control Act, and related or successor legislation, and in support of the foreign policy and national security objectives of the U.S. It shall support and be in consonance with U.S. military strategic plans and objectives and in conformity with policy and planning guidance issued by or for the Secretary of Defense.

3. Planning

a. There will be close coordination between U.S. military force planning and Security Assistance planning under the "Total Force" concept at all levels in the Department of Defense.

b. The fundamental responsibility of foreign governments to determine the nature of their own security interests and the path of their own progress shall be recognized. U.S. advisory assistance and training provided to less developed countries will emphasize the development of a capability to manage military resources with particular emphasis on planning, programming and budgeting activities at the national level.

c. The development of regional defense arrangements and self-support capabilities suitable for multi-national participation shall be encouraged.

d. The development of the capability to counter insurgency and to provide for internal stability and security will be encouraged in less developed friendly countries.

e. To the extent feasible, the use of indigenous military forces or activities helpful to the economic development of less developed friendly countries shall be encouraged, provided that such participation does not significantly detract from the capability of the forces to perform essential military missions.

4. Economic Considerations

a. Security Assistance plans and programs shall take into consideration the economic capabilities of the specific foreign country concerned and the support provided by third countries. If economic considerations are expected to restrict the attainment of needed military strength, security supporting assistance will be sought from the Agency for International Development as may be appropriate.

b. The cost to the U.S. and allied/friendly countries of equipping, operating and maintaining recipient countries' military forces will be held to a minimum. Except for overriding military considerations, the buildup of military forces which the recipient country cannot ultimately support will be discouraged.

c. Security Assistance shall be implemented in such a manner as to mitigate adverse effects on the U.S. international balance of payments.

d. Consistent with other relevant considerations, Grant Aid (MAP) material assistance shall be reduced and terminated to any country having sufficient economic capability to enable it to equip and maintain its military forces at adequate strength without undue economic burden. Country plans and programs which facilitate the orderly phase-out of Grant Aid (MAP) material assistance will be encouraged and supported.

e. As rapidly as possible, consistent with the foreign country's economic capabilities, O&M support will be eliminated from the MAP, the foreign country assuming responsibility for meeting these requirements from its own resources.

(1) MAP funds may not be used to provide O&M support for equipment or systems acquired by purchase, lease, loan, or third country grant. (Excludes Training and Training Aids.)

(2) Exceptions to the above require prior approval of the Director, DSAA on a case-by-case basis, and will be favorably considered only where justified on the basis of exceptional circumstances.

5. Emphasis on Sales

a. To the extent practicable and consistent with overall Security Assistance objectives, allied/friendly countries will be encouraged to acquire U.S. defense articles (including excess defense articles), services and training through purchase rather than Grant Aid.

b. There are special cases in which the U.S. might find it necessary to recommend the use of commercial sources for the purchase of defense articles and services. Cooperation, to the extent such is practicable, with representatives of U.S. firms in the sale of U.S. defense articles and services to meet valid country requirements must be consistent with overall U.S. foreign policy and national security objectives, and within the provisions of current legislation.

c. Wherever practical and consistent with overall U.S. objectives and interests, foreign countries will be encouraged to purchase the residual rights of the U.S. Government to materiel furnished as grant aid.

6. Personnel

a. Consistent with the achievement of U.S. objectives, MAAGs and other DOD elements stationed abroad for Security Assistance purposes will be reduced in size as rapidly as possible to the minimum essential personnel needed to carry out the function of:

(1) Maintaining an effective military dialogue directly between the U.S. Department of Defense and the foreign military establishment.

(2) Assisting the foreign military establishment in arranging for the purchase of its requirements through FMS or directly from U.S. industry.

(3) To the extent required by law and appropriate DOD instructions, discharging responsibilities of the Secretary of Defense with respect to supervising the utilization of materiel supplied as grant aid, and administering disposition of such materiel as may be excess to the foreign country's requirements.

b. In minimizing the need for U.S. Security Assistance personnel stationed abroad, and simultaneously to further the doctrine of self-reliance on the part of foreign countries, special attention will be given to early elimination of overseas personnel spaces designated for advisory and training functions.

c. Wherever practicable, mobile training teams, technical assistance teams, and similar arrangements of a temporary or semi-permanent duration will be substituted for permanent MAAG personnel spaces.

7. Excess Defense Articles

a. To the extent practical, excess defense articles (EDA) will be used to meet Grant Aid requirements. Defense articles will not be programmed from new procurement or non-excess stocks if there is reasonable expectation that the requirement can be met with excess defense articles, including appropriate substitute items.

b. Excess defense articles will be provided only to meet programmed requirements and

current year unprogrammed requirements (i.e., fully eligible and validated grant aid requirements that are not programmed in the current year solely due to lack of resources).

8. Commitments

a. No discussions or written communications that make or imply future performance on the part of the U.S., or future allocations, obligations, or expenditures of U.S. funds will be made without specific prior approval of the Director, DSAA.

b. All agreements, offers, arrangements, or other communications committing the U.S. to furnish any article or service will define precisely the terms and limits of such commitment as well as the foreign country's obligations upon which such U.S. commitment is predicated. The limits of responsibility for any additional or recurring costs for training, training material, ancillary equipment, modification, testing, improvement, repair, or follow-on materiel support also will be defined.

9. Incendiary Items and Riot Control Agents

The U.S. Government generally discourages the purchase of incendiary items and riot control agents but recognizes that there are occasions when a country will have a legitimate need for certain types of such items. The following is U.S. Government policy regarding the sale of such items:

a. NAPALM including napalm thickener, dispenser and fuses will not be provided through MAP, FMS, or on a commercial basis.

b. Requests for white phosphorus munitions should be addressed to the Department of State with information copy to DSAA. Requests should indicate by type of ammunition requested the quantity and intended use of the ammunition. Requests should be accompanied by mission's opinion as to whether the amount requested is reasonable in relation to the intended use, current on-hand inventories, and predictable usage rates of such items; and requests must contain assurance from host government that the white phosphorus munitions will not be used for incendiary purposes. Upon Department of State approval, DSAA will advise the cognizant DOD component of the approval along with the conditions for its use which will be made a part of the LOA.

c. Riot control agents may not be provided via MAP or FMS but certain types are available on a commercial basis. Such proposed commercial sales require that an export license be obtained from the Department of State, Office of Munitions Control.

10. MAP (Grant Aid) Price and Availability Data

Program originators will obtain price and availability data from the supplying Military Department prior to submission of data card 3 program additions to DSAA for materiel items with a unit of issue code of other than XX. In addition, commitment code 9 will be inserted in card column 22 of program additions to indicate that unit price, supply source and leadtime reflected therein are based on price and availability data obtained from the implementing agency within sixty days prior to date of program submission.

CHAPTER D

PLANNING

1. Military Security Assistance Projection (MSAP)

a. Planning for Security Assistance is an integral part of the Department of Defense Planning, Programming and Budgeting System (PPBS) as set forth in DOD Instruction 7045.7. The Military Security Assistance Projection (MSAP) is the principle vehicle through which security assistance requirements are accumulated for inclusion. These projections permit preliminary program decision at Washington level and enable the Military Departments to include security assistance requirements in their Program Objective Memorandums.

b. Since the PPBS is a dynamic system undergoing continuous refinement, revised instructions as to content, format and timing of the Military Security Assistance Projection will be issued from time to time as required. A schedule of events normally is published by the Secretary of Defense during the first part of each calendar year. Thus, dates set forth are approximate and will be governed by the current PPBS event calendar.

2. Foreign Country Participation

a. Fundamental responsibility for decisions relating to the level and nature of its defense effort and the allocation of resources rests with the foreign government. Thus, to the extent practical within applicable guide-

lines and consistent with U.S. responsibility in controlling its own resources, development and justification of U.S. Security Assistance plans and programs are functions of the foreign government. The essential role of the MAAG is to assist the foreign government in making its decisions, dissuading it from those that constitute an unwise allocation of resources or that otherwise do not contribute effectively to the achievement of U.S. objectives.

b. Involvement of the foreign government in security assistance planning and programming inevitably entails the release to it of essential guidelines and data. Release of such information will be as prescribed in Part I, Chapter G, paragraph 4.

c. Discussions and communications between DOD and foreign officials incidental to development of plans, programs, and related data will be conducted in such a way as to insure mutual understanding that such exchanges do not constitute or imply any commitment on the part of the U.S. In case of doubt as to interpretation by the foreign officials, a memorandum for record will be prepared setting forth clearly the nature and scope of the communication or discussion, the fact that it is (was) for planning purposes only, and that it is (was) in no way a commitment on the part of the U.S. Copies of such memorandums will be furnished the Chief of the U.S. Diplomatic Mission and the foreign officials concerned.

d. Security Assistance planning documents and related data constitute internal staff papers of the Executive Branch. They do not represent a statement of U.S. Government intentions and are not releasable outside the Executive Branch except as specified in Part I, Chapter G, paragraph 4, or as specifically authorized by the DASD/ISA(SA) in situations to which Chapter G does not apply.

3. Coordination at Country Level

Chiefs of MAAGs will insure that Security Assistance programs are fully coordinated within the U.S. Country Team. Comments of the Chief of the U.S. Diplomatic Mission will accompany all program recommendations forwarded by the MAAG in accordance with these instructions.

4. Continuous Appraisal

Security Assistance planning must be a continuous, systematic process in order to reduce reaction time to a minimum when objectives and requirements change, minimize peak workloads at all management levels, and allow decisions to be made in light of current planning information. Therefore, Security Assistance planning procedures at all levels of the Department of Defense will include provisions for continuing review and a system for recommending program adjustments.

5. Coordination

During all stages of Military Security Assistance planning, programming and execution, USCINCEUR and USCINCSO will consider the views of CINCLANT on those aspects which affect the LANTCOM area. USCINCSO will consider the views of CINCPAC on those aspects which affect the PACOM area. USCINCEUR and the U.S.

Mission to NATO will consider each other's views on matters of mutual interest, particularly weapons development and production.

6. Projection Period

Unless otherwise specified, the term "projection period" will refer to a five-year time span. A new MSAP submitted to the Secretary of Defense on or about 1 March of each year will address a five-year planning period beginning nineteen months later.

7. Planning Cycle

Unless otherwise specified, the term "planning cycle" will refer to the approximate 28-month period of time necessary to develop guidance, to plan responsive programs for the current planning period, and to obtain authorization and appropriations for the first year of a planning period (normally called the "budget year"). Since a planning cycle extends beyond twelve months, key events of two or more cycles will be occurring at the same time.

The planning cycle includes the following key events:

a. JSOP Vol II Guidance (including Book III, "Allied and Friendly Forces")

In May, the Joint Chiefs of Staff (JCS) provide guidelines/format for the development of the Joint Strategic Objectives Plan (JSOP), Volume II, Book III, "Allied and Friendly Forces."

b. JSOP Vol I (Military Strategy and Force Planning Guidance)

This document, issued in May is prepared by the JCS and is based on current policy and planning guidance. It covers the mid-range period. The section on strategy provides statements of the national security objective, derived military objectives, global

and regional appraisals, and strategic concepts for the employment and support of forces. The section on force planning guidance includes U.S. Military Security Assistance and measures associated risk.

c. Defense Policy and Planning Guidance

In September, the Secretary of Defense issues in one document the essential national security policies required for force planning, including "Military Security Assistance" discussed in JSOP Volume II, Book III.

d. JSOP Volume II, Book III, "Allied and Friendly Forces" Input

During September, the Commanders of the Unified Commands provide recommendations for Military Security Assistance Programs and objective force levels within the criteria of reasonable attainability and prudent risk. It is based on the continuing country team dialogue with countries to develop plans and programs for types of assistance and mutual courses of action.

e. JSOP Volume II, Book III, "Allied and Friendly Forces"

In December, the JCS issues this document which provides an estimate of Allied and Friendly countries major objective force levels for the mid-range period in support of U.S. national security and military objectives. It serves as the basis for establishment of the U.S. military position on Military Security Assistance. It is based on the latest JSOP Volume I and current policy and planning guidance.

f. Formulation and Issuance of Military Security Assistance Policy Guidance

During November and December, OASD/ISA develops and issues detailed Military Security Assistance objectives and program guidance, to include fiscal constraints by country for MAP (materiel and services), IMETP (training), and FMS Credit. This

event initiates MAAG/CINC development of recommended update to the MSAP.

g. Defense Planning and Programming Guidance

In February, the Secretary of Defense issues his policy and programming guidance update (subparagraph c, above). Selected adjustments of Military Security Assistance Objectives and fiscal guidance will be provided as required.

h. Integrated Security Assistance Planning Data

Commencing in November and continuing through January, MAAGs and CINCs develop the necessary input for the Joint Force Memorandum ("Support to Other Nations") (JFM) and the MSAP. This input is based on the latest policy, planning and programming guidance and is reflected in a recommended update to the MSAP. The update is provided by the MAAGs to the CINCs, who will provide their inputs to JCS (J5) and DASD/ISA(SA) to arrive by NLT 15 January. Concurrently, detailed program data supporting the budget year is provided to the Director, DSAA. The CINCs should identify in the MSAP update submission any issues which, in their judgment, require presentation and/or resolution at the OSD/JCS level and these comments should be handcarried by representatives to Washington on 22 January.

i. Joint Force Memorandum ("Support to Other Nations" (JFM))

By about 1 March, the JCS provides the Secretary of Defense with their recommendations on Support to Other Nations programs within fiscal and logistics constraints. It includes a summary of analyses and assessment of risks associated with the constrained forces as measured against the strategy and military objectives of JSOP Volume I and the planning and programming guidance of

the Secretary of Defense. It also provides an evaluation of the MSAP update recommendations.

j. Military Security Assistance Projection (MSAP)

The MSAP is prepared by DASD/ISA (SA) in consideration of the JFM and the Country Team/MAAG/CINC recommendations for the updated MSAP. It specifies objectives for Military Security Assistance, grant materiel aid, grant foreign military training, FMS Cash and Credit Sales, US Commercial Sales and non-US Sales to country/region. It recommends the total resource requirements within the parameters of guidance provided by the Secretary of Defense. The MSAP is forwarded to the Secretary of Defense about 1 March. Concurrently, copies are provided to the JCS, CINCs, Military Departments, MAAGs, and to selected agencies in the Executive Branch outside DOD to advise of program levels recommended to the Secretary of Defense. This allows the Military Departments to reflect the net effect of Military Security Assistance on their manpower and production base requirements in their Service Program Objective Memorandums.

k. Identification of Security Assistance Issues within DOD

This event takes place during June and July. Within DOD, the Military Security Assistance Projection is reviewed along with the POMs of the Military Departments and Defense agencies. In this review, issue papers are prepared on matters of substance which require response by DASD/ISA(SA). The issue papers are circulated for comment to the JCS and the Services before being submitted for decision to the Secretary of Defense. Responses to issue papers constitute the evaluation process which leads to program decisions by the Secretary of Defense. DASD/ISA(SA) may call upon the CINCs

for assistance in the preparation of responses to issue papers.

l. Program Decision Memorandum (PDM)

This document, issued about 15 August, provides the decisions of the Secretary of Defense on all Defense programs. Decisions on the Service POMs which impact on security assistance matters may require adjustment of the MSAP and an up-to-date data base for interagency program review. The suspense to the MAAGs/CINCs to adjust the data normally will be early September.

m. Interagency Security Assistance Program Review

This review is for the budget year and one out-year, and takes place at the Washington level during September. It subjects the program to detailed examination prior to budget submission to the Office of Management and Budget (OMB). A review by the Security Assistance Program Review Committee (SAPRC) normally concludes the review process about 1 October.

n. Budget Formulation and Submission

This event follows the SAPRC review. It consists of a Security Assistance budget, including dollar levels by country and type of assistance, submitted to the Office of Management and Budget (OMB) about 15 October by the Department of State (normally with the concurrence of the Department of Defense).

o. Presidential Budget Decision (PBD)

Following examination of the budget request by OMB, the President's budget decision on the overall security assistance program normally will be made in the latter part of December.

p. Congressional Presentation Document (CPD) Baseline Guidance

Based on the PBD, DASD/ISA(SA) for-

mulates and provides CPD baseline guidance to the CINCs/MAAGs. CINCs/MAAGs will adjust detailed program data to reflect the CPD baseline guidance and submit changes in accordance with provisions of Chapter F, Part II, to the Director, DSAA in early January.

q. Congressional Presentation Document Preparation and Congressional Hearings

The CPD is prepared by DSAA, based on detailed program data submitted in accordance with Chapter F, Part II, and data provided by other DOD elements. The CPD provides the Congress with detailed supporting documentation of the President's budget request and is furnished to Congress about 15 February. Subsequent hearings subject the Executive Branch request reflected in the CPD to detailed examination by the Congress. Authorization and appropriations legislation results from the hearings, are passed by the Congress, and are signed into law by the President prior to the beginning of the fiscal year (1 October).

r. Program Adjustment

When legislative action has been completed, program levels are adjusted as necessary by the Department of State in consultation with the Department of Defense.

8. Preparation of the MSAP

a. Content

- (1) Section I—Executive Summary
- (2) Section II—Security Assistance Objectives
- (3) Section III/A — East Asia/Pacific Region
- (4) Section III-B — Near East/South Asia Region
- (5) Section III-C—Europe Region
- (6) Section III-D—Africa Region
- (7) Section III-E—Latin American Region

- (8) Section IV-A—General Costs
- (9) Section IV-B—Foreign Training
- (10) Section V—FMS System Projection
- (11) Section VI — Requirements for Manpower

b. Instructions for Preparation

(1) Sections I, II, V, and VI, MSAP, are developed by OASD/ISA.

(2) Sections III and IV, MSAP, are prepared by OASD/ISA based on data submitted on each region and each country (excluding training only) by MAAGs and Unified Commands. Update of the MSAP may consist of relatively minor changes to the MSAP of the current year. Nevertheless, recommended narratives and data submissions should be a current restatement of:

(a) Regional appraisal/objectives to include political/economical factors.

(b) Country appraisal to include strategic importance, U.S. objectives (include political/economical factors), single paragraph threat and a brief review of country military capabilities and limitations.

Narratives supporting recommended changes to Table D-1 will be prepared on separate paper to facilitate the MSAP revision process. Justification of revised programs presented in Table D-1 should address commitments and constraints, country progress toward self-reliance, possible reduction of O&M support, relationship of the program to U.S. objectives, and other pertinent information to support the recommended programs to include indicating relative priorities of major categories in Table D-1.

(3) Sample formats of Tables D-1, D-2, and D-3 are reflected at the end of this Chapter. Tables will be submitted concurrently with the data specified in paragraph b above. OASD/ISA may elect to consolidate data on a regional or worldwide basis for presentation in the MSAP. In any event,

MILITARY ASSISTANCE AND SALES MANUAL—PART I

submissions will follow MSAP format specified herein.

(4) ADP MSAP program detail (see Chapter F, Part II) to support the first year of the MSAP planning period update will be concurrently provided through ADP channels to DSAA.

c. Distribution

(1) MAAGs in USSOUTHCOM area will make direct distribution of recommended material updating the MSAP to:

Addressee	Number of Copies
USCINCSO	1
Deputy Assistant Secretary of Defense for Security Assistance (SA)	2
Joint Staff (J-5, Attn: Security Assistance Plans Division)	3

(2) MAAGs in the EUCOM and PACOM areas will make direct distribution of recommended material updating the MSAP to respective CINCs, who will forward to OASD/ISA(SA) (2 copies) and JCS(J-5) (3 copies) the complete MAAG submission, along with identified Unified Commands' comments/recommendations.

(3) Distribution of the MSAP will be as determined by DASD/ISA(SA).

d. Administrative Instructions

(1) Unless otherwise indicated, recommended changes to MSAP will be prepared on 8" x 10½" paper, using standard size type, single spaced except for double spacing between paragraphs.

(2) The reverse side of tabular data papers will be left blank.

(3) Where feasible, computer listings in tabular format may be submitted to satisfy requirement for update of Tables D-1 through D-3.

(4) Each page will be marked with the highest security classification of any information contained thereon. Each paragraph of narrative will be preceded by (U) if the

paragraph is Unclassified; (C) if the information is Confidential; or (S) if the information is Secret. TOP SECRET information will not normally be included in the MSAP unless it contributes decisively to net program evaluation.

(5) The MSAP in its entirety is not releasable to foreign nations. Release of selected portions may be accomplished in accordance with provisions of Chapter G, Part I.

(6) Dollar amounts reflected in Table D-1 should be rounded to one decimal place (i.e., \$1.1, \$2.2, etc.).

(7) Self-financed defense effort figures, Table D-2, should equate to sum of in-country sources, purchases from third countries, and purchases from U.S., Table D-3.

(8) U.S. MAP (grant aid and EDA) defense effort figures, Table D-2, should equate to sum of U.S. grant aid, Table D-3.

(9) Assistance from other countries, under defense effort, Table D-2, should equate to sum of third country grants, Table D-3.

(10) Total defense effort figure, Table D-2, should equate to investment and O&M total, Table D-3, except in rare cases where U.S. financed defense budget support is shown in Table D-2.

(11) FMS Cash Sales, U.S. Commercial Sales, and non-U.S. Sales must be carefully screened at the highest local national defense decision level practicable to ensure that the planning data submitted is as reliable as possible. Once this has been accomplished, the data must then be compared with recent past history of requirements and budget and economic limitations to refine this planning data to that level of assurance normally associated within the DOD for five-year defense projections. Where there are strong indications of potential purchase data which cannot be verified by the above method, these may be reflected as footnotes where warranted, but should not be included in the tabular data.

TABLE D-1

SECURITY ASSISTANCE FY-

(Country)

(Planning Period)

(Quantity/\$ in Millions)

	FY-					FY-					FY-				
	MAP	FMS	US	NON	US	MAP	FMS	US	NON	US	MAP	FMS	US	NON	US
INVESTMENT															
Aeronautical Mod. (1)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Missiles (2)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Naval Mod. (3)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Ground Mobility (4)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Weapons (5)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Command & Control (6)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Other Articles & Support	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Eqp. (7)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total Investment	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
OPERATIONS & MAINTENANCE (9)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
PCH&T	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
TOTAL INVESTMENT & O&M	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
TRAINING (8)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
TOTAL EFFORT	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Instructions for application of Generic Codes to Table 1

- (1) All generic code A. (For generic codes A1-A5, reflect aircraft by specific type. For generic codes A6-A9, roll up under heading "Aircraft Support").
- (2) All generic code B. (Reflect missiles by specific type. Roll up support under "Missile Support").
- (3) All generic code C; F3A through F3Z. (For generic codes C1-C6, reflect ships by specific type. Roll up investment items under generic code C-9 into "Ship Support". Roll up generic codes F3A-F3Z into "Naval Ordinance Weapons").
- (4) Generic codes D1A-D1E; D4A-D5C; E1A-E4Z. (For generic codes D1A-D1E & D4A-D5C, identify by type of combat vehicle. For generic code E1A-E4Z, identify by summarizing at second level of generic code).
- (5) Generic codes D2A-D3B; F1A-F1Z; F2A-F2Z; F4A-F9B. (For generic codes D2A-Z identify at third level of generic code. For generic codes D3A-B identify by specific type. For generic codes F1A-F2Z and F4A-F9B identify by summarizing at second level of generic code).
- (6) All generic code H. (Roll up generic code H under major heading "Command & Control").
- (7) Identify investment costs in generic codes G, J, K, M, P, Q & R. (Roll up under major heading "Other Articles & Support Equipment").
- (8) All generic code N. (Roll up under major heading "Training").
- (9) All cost code O requirements. (Roll up under major heading "Operations & Maintenance").

NOTE: If new equipment introduction is programmed/planned on this table, summary comment on related training programs will be included in the narrative. ADP data submitted concurrently to DSAA will contain supporting training detail related to new equipment for the budget year. In addition, for the budget year and outyears, if training programs/plans are otherwise of such significance to be emphasized, they should be briefly discussed in the narrative.

For additional guidance see reverse.

NOTE (Cont'd)

The following additional guidance has been specified by the Military Departments as important to enable them to incorporate MAAG/CINC update submissions and MSAP data in their Service POMs with regard to production and/or readiness effects. Data requested should be included in supporting justification or as footnotes, as appropriate. Inclusion of specific type/model items in this NOTE is for purposes of Service POM planning only, and does not reflect any intention by the US Government to sell or not to sell any item so listed.

—Aeronautical Modernization (1)

- New production requirements should identify aircraft precisely by type/model as well as by quantity and \$ in millions. Special configuration/capability should also be included by footnote citation to aid in requirement planning, e.g., Laser pods, ECM pods, AGE, special modifications, spares, etc.
- Should two or more types of aircraft be in close competition for ultimate selection, a choice must be made as to the single entry to be shown in Table 1; additional explanatory data may be included, footnoted to reflect alternatives possible or probable.
- Identify maintenance concept—organizational, intermediate and depot capability planned, and/or is commercial contractor support planned and at what level.
- Estimate number of operating locations, UE and whether co-location is planned.
- If Cooperative Logistics Arrangements (CLA) is desired for new procurement, indicate by aircraft type, quantity and flying hours per year. Estimate spare requirements other than CLA by dollar amounts and type system.
- For Support of Present Aircraft Systems, state current system arrangement and forecast changes in cooperatives logistics/supply support arrangements; forecast spare requirements other than CLA by dollar and type system and include present weapon system levels of maintenance and operational concepts.
- Helicopters: Specify as appropriate:

Observation	OH-58A (LOH)
Utility	CH-47 Cargo
	CH-54B Cargo
	UH-1H (Utility/Tactical)

—Missiles (2)

- Identify by type/model/quantity, as appropriate, such as AIM 7/9, AGM 65.

—Include by sub-category, as appropriate:

Antitank:	Dragon Tracks, Dragon Missiles
	TOW Launcher, TOW Missile
Air Defense:	Chaparral Fire Unit, Chaparral Missile
	Improved Hawk Fire Unit, IH Missiles

I Hawk US Battery sets normally include US TOE items not desired by some foreign countries. All figures for I Hawk assumed to be stripped of these items unless noted.)

Land Combat:

—Ground Mobility (4)

—Include by sub-category as appropriate:

Tanks:	M60A1
	All other
Recovery Vehicles:	M578 Light
	M88A1
Armored Personnel Carrier Family:	M113A1 APC
	M577A1 Command Post
	M548A1 Cargo Carrier
	M106A1 Mortar Carrier

Special Purpose Vehicles to include AGE, fire fighting, etc., by type, model and special configuration/capability.

—Weapons (5)

—Include as sub-categories as appropriate:

Artillery

Towed: M167 Gun AA (Vulear)
Self Propelled: M109A1B—155mm How
M110—8" How
M163 Gun AA Vulear

Small Arms

Individual: M79 Grenade Launcher
M203 Grenade Launcher
Crew Served: M40A2 Recoilless Rifle (106mm)
M29A1 Mortar (81mm)
M60 Machine Gun (7.62mm)

—Command & Control (6)

—For navigational aids, air defense radar and terminal radar, identify by type/model and by special configuration/capability.

—For ground force radios, identify as appropriate:

AN PRC 77
AN VRC 46
AN VRC 47
AN VRC 12
AN GRC 106

—Other Articles and Support Equipment (7)

—Specify as appropriate: 90mm Tank Ammo All Types
105mm Tank Ammo
Artillery Ammo by Specific Types

Identify by type/model, as appropriate, for Electro/optical, Laser guided, Iron Bombs, etc.

Identify training devices—estimate requirements for simulators, mobile training sets, instrument training sets, etc., by type/model/quantity.

—Training (8)

—For air force systems, estimate CONUS pilot, navigator, technical/depot training associated with new system purchase. Estimate CONUS UPT, UNT advanced flying training, technical/depot training and professional training by course, number of students and planned start date.

—Estimate MTT man-years by service, by system, by category (officer/enlisted/civilian).

—Estimate TAFT man-years by service, by system, by category (officer/enlisted/civilian).

—Improved Hawk training base is completely committed until FY 79. No additional sale of new IH or conversion of Basic Hawk should be programmed until FY 80, i.e., one year after acceptability of training capability.

—Additional Overall Guidance

—Request footnotes to indicate MAAG estimates that could be revised downward radically by anticipated financial restraints.

—All requirements should be anticipated from normal procurement within normal lead times on a first-in/first-out concept.

—Where possible, indicate planned inventory retention time to permit anticipation of term or supportability.

TABLE D-2
ECONOMIC INDICATORS

(Country)

FY..... FY..... FY..... FY..... FY..... FY..... FY..... FY..... FY.....

(9-year period of time: 5-year planning period plus 4 preceding years.)

(Use constant dollars)

POPULATION

Total (Millions)

Male Labor Force in Armed Forces (%)

GROSS NATIONAL PRODUCT (GNP)

GNP (\$ Billions)

Annual change (%)

Per Capita GNP (\$)

Annual change (%)

DEFENSE EFFORT (\$ MILLIONS)

Self-financed

US MAP (Grant Aid and EDA)

US Financed Defense Budget Support

Assistance from other Countries

Total Defense Effort

DEFENSE EFFORT INDICATORS

Self-financed Defense Expenditures as
percentage of GNP

Annual change (%)

FOREIGN PURCHASE OF DEFENSE ITEMS (\$ MILLIONS)

U.S. GOVERNMENT-to-GOVERNMENT

U.S. Commercial

Other Countries (non-U.S.)

TABLE D-3

RESOURCE UTILIZATION PROJECTION

(Country)

(Quantity/\$ in Millions)

FY-..... FY-..... FY-..... FY-..... FY-.....
(Planning Period)

INVESTMENT

- In Country Sources
- Third Country Grants
- Purchases from Third Countries*
- Purchases from U.S.
 - Commercial*
 - FMS Cash*
 - FMS Credit
- U.S. Grant Aid
 - Funded
 - EDA
- Total Investment

OPERATIONS AND MAINTENANCE

- In Country Sources
- Third Country Grants
- Purchases from Third Countries*
- Purchases from U.S.
 - Commercial*
 - FMS Cash*
 - FMS Credit
- U.S. Grant Aid
 - Funded
 - EDA
- Total O&M

TOTAL INVESTMENT AND O&M

* Identify significant projected purchases in military capabilities portion of country narrative.

CHAPTER E

SHIP TRANSFERS

1. Purpose

This chapter sets forth special policies and procedures governing the planning and execution of programs for the transfer of U.S. Navy ships to foreign governments. (See Chapter C, Part II for programming Instructions).

2. General Policy

a. Ships may be transferred to foreign governments by sale under the provisions of the Arms Export Control Act, by loan or grant under authority of the Foreign Assistance Act, or by lease under authority of Section 2667, Title 10, USC. Transfer normally will be by sale, however, regardless of whether the recipient foreign country is currently eligible for materiel programming under MAP.

b. When the foreign government is currently eligible for materiel programming under MAP, and it has been determined that sale is not feasible, transfer will be by loan under Section 503 of the FAA rather than lease under 10 USC 2667. (See Chapter C, Part II)

c. Regardless of the method of transfer (i.e., sale, loan, or lease) the foreign government normally will pay all costs incidental to transfer. In exceptional cases, however, these cost may be paid by MAP if the ship is sold or loaned under the FAA. There is no legal basis for MAP paying these costs if the ship is leased under 10 USC 2667.

3. Sale

a. Where ships are stricken from the Naval Vessel Register, they may be sold to

foreign governments under provision of the Arms Export Control Act.

b. If the purchasing country currently is eligible for materiel programming under MAP, and subject to prior approval of DSAA on a case-by-case basis, transfer costs may be charged to MAP. There is no legal basis, however, for MAP paying the transfer costs for ships authorized for sale by separate Congressional legislation.

4. Loan

a. Loan of major combatant ships (SS, DE or above) requires specific Congressional authorization and, in addition, certification by the CNO that the ship is not essential to the defense of the United States.

b. Loan under the FAA of ships other than those classified as major combatant does not require Congressional authorization but does require the CNO's certification described above.

c. If the foreign country currently is eligible for materiel programming under MAP, and subject to prior approval of DSAA on a case-by-case basis, transfer costs may be charged to MAP.

5. Lease

Leasing of ships under 10 USC 2667 is reserved for those exceptional cases where sale is not feasible and the foreign country is not eligible for materiel programming under MAP. Transfer costs may not be charged to MAP.

6. Transfer Plan Development

a. The initial impetus for ship transfers

normally is provided by the projected ship availabilities submitted by CNO in November of each year and submitted to the Secretary of Defense (ASD/ISA), through the Joint Chiefs of Staff (JCS), for use in preparation of a Ship Transfer Plan. Additional initiatives for ship transfers will be generated from a variety of sources and will require handling on a case-by-case basis in accordance with the paragraph below.

b. The Ship Transfer Plan encompasses a three-year projection which identifies requirements and projects availabilities of ships (by type) for transfer. The Ship Transfer Plan will be provided to the MAAGs and Commanders of Unified Commands concerned as Security Assistance Program guidance. The MAAGs will program ship transfers in conjunction with other elements of the Security Assistance Program. This results in inputs to the JCS for use in the preparation of the Support to Other Nations Annex of the Joint Forces Memorandum. The JCS, in turn, will consolidate the submissions from the Unified Commands and MAAGs and, considering worldwide requirements and priorities, reflect necessary adjustments in the Joint Forces Memorandum. The ASD/ISA will finalize the program, using the Ship Transfer Plan and the Joint Forces Memorandum as the basis for the preparation of the Naval modernization portion of the Security Assistance Program Objectives Memorandum (POM).

7. Approval Procedures

a. CNO will submit a letter request to the Director, DSAA, for each ship transfer at an appropriate time prior to making the offer to the receiving country. Each request will contain the proposed method of transfer, and a statement of concurrence by SecNav with respect to striking the ship from the Naval Register, if appropriate. The request also will identify the ship to be transferred and indicate whether it implements a programmed transfer. Requests to effect unprogrammed transfers will, in addition to the aforementioned information, contain complete military or other justification for the transfer and, where appropriate, significant political and economic considerations known to CNO.

b. The Director, DSAA, will coordinate all requests with OSD, with the Joint Staff and the Department of State, and other agencies as required, and will advise the CNO of approval (or disapproval) of the transfer. Specific approval of the Secretary of Defense on a case-by-case basis will be obtained by DSAA prior to authorizing any transfer to Latin American countries.

c. The CNO will upon receipt of approval, offer the ship to the country concerned and take all other necessary actions to implement the transfer.

CHAPTER F

AUDITS AND INSPECTIONS

1. Purpose

This chapter prescribes the action to be taken by MAAG's, MILGP's, Unified Commands and other activities having responsibilities for the Military Assistance Program (MAP), International Military Education and Training Program (IMETP), Foreign Military Sales (FMS) and Military Assistance Service Funded (MASF) programs on audits, inspections and reports by the General Accounting Office (GAO); the Office of the Deputy Assistant Secretary of Defense (Audit), OASD(C); Military Department Audit Agencies; and the Inspector General of Foreign Assistance (IGA), Department of State.

2. Types of Audits/Inspections**a. GAO Audits**

GAO audits are designed to provide a comprehensive review of U.S. Government agencies and their activities. In order to evaluate management controls, GAO examines the history, purpose, authority, organization, activities, policies and procedures of the agency, then reviews its operating results. In evaluating an agency's management control, GAO representatives perform various audit functions such as review, analysis and test of accounting and operating data, property records, supporting data for budgetary statements, and other evidence of the agencies activities. The results of comprehensive audits are set forth in reports made available to the head of the agency concerned, the Office of Management and Budget and the Congress.

b. DOD Internal Audits

The Military Department Audit Agencies are responsible for continuing audit coverage of activities in the United States performing functions under MAP, IMETP, FMS, and MASF programs. The DASD (Audit), OASD (C) is responsible for continuing audit coverage of activities overseas performing such functions. Reports of audits are addressed through channels (beginning with the audited activity) to the Secretary of Defense.

c. IGA Inspections

The IGA is responsible as a matter of law for conducting reviews, inspections and audits to assure that Security Assistance Programs are in consonance with the foreign policy of the United States. IGA reports are made to the Secretary of State and to the Congress. Reports dealing with Military Assistance are directed to the Secretary of Defense.

3. Notification of Audits and Inspections

Normally, the GAO, IGA and the DASD (Audit) notify agencies to be audited of proposed audits/inspections, their scope, and the time of audit. Upon receipt of notification of audits/inspections relating to MAP, IMETP, FMS or MASF activities, DSAA will advise the Unified Command and MAAG.

4. Policy Concerning Releasability to GAO of DOD Records Relating to MAP, MASF and FMS

a. DOD records relating to MAP, IMETP, MASF and FMS are available to the GAO,

subject to the following specific limitations:

(1) Documents related to Tactical Operational Planning, Conduct of Military Operations, War Plans, Force Deployments, Force Goals, Intelligence Collection and Analysis are not releasable.

(2) Documents originated by non-DOD Agencies are released only with consent of the originating agency.

(3) Reports of Military Inspectors General and Criminal Investigations Organizations are released only on approval of appropriate departmental secretary.

(4) Budget program data for fiscal years not yet presented to the Congress (including planning documents) are not releasable.

(5) Specific authority of ASD(ISA) is required for access to:

(a) Confidential correspondence exchanged between heads of State.

(b) Presidential Memoranda

(c) Performance evaluation reports

(d) Internal Executive Branch working papers and memoranda

(e) Documents revealing sensitive information about the conduct of U.S. negotiations with foreign countries.

(f) Other DOD material which the Ambassador or major military component commanders consider may be sensitive and could, if revealed, have a serious adverse effect on the conduct of USG foreign relations or otherwise prejudice the national interests of the U.S.

b. Whenever access to certain documents is denied, efforts will be made to modify, extract or summarize the information in order to facilitate the GAO review, if this can be done with propriety and the GAO is informed that the document has been so modified, extracted or summarized.

5. Relationship with Audit/Inspection Agency

Audits of MAP, IMETP, FMS and MASF will be conducted in accordance with instructions of the Military Departments and Unified Commands relating to audits and inspections generally.

6. Exit Conference

a. A letter report on the exit conference or its equivalent conducted by the GAO or the Defense Audit Service (DA) will be forwarded within 30 days to the Assistant for Audits and Inspections, Operations Directorate, DSAA. A message report is required for exit conferences with the IGA and is to be dispatched within 15 days.

b. When appropriate, DSAA will be represented during GAO, IGA, and DAS exit conferences.

7. Action on GAO Draft Reports

a. The GAO transmits draft reports of review of Unified Command, MAAG, ODC (Office of Defense Cooperation), and MILGP security assistance activities to the Assistant Secretary of Defense (Comptroller), concurrently. GAO is to forward information copies to the concerned field organizations.

b. Upon receipt of the draft report, the MAAG, ODC, or MILGP will:

(1) Verify the accuracy and validity of each pertinent finding, conclusion, and recommendation.

(2) Take suitable corrective action.

(3) Submit to the Unified Command within 15 days a statement with respect to each finding, conclusion, and recommendation, giving:

(a) additional facts

(b) acceptance or refutation

(c) corrective action taken and anticipated completion date.

c. The Unified Command will forward a message report with the above information along with its comments to DSAA (Attn: Assistant for Audits and Inspection) within 25 days from the date of the GAO draft report.

8. Action on GAO Final Reports

a. The GAO transmits final reports to the Congress and the Office of Management and Budget with information copies to the Secretary of Defense, the Unified Command, and the MAAG, ODC, or MILGP.

b. Action required on final reports is the same as that for draft reports. Comments should not be repetitive but merely update the statement on the draft report.

9. Action on DAS Reports

a. The DAS normally provides a copy of the draft report along with a request for appropriate comments to the field organizations reviewed. The Unified Command will simultaneously forward to the Assistant for Audits and Inspections, Operations Directorate, DSAA, a copy of the reply being furnished DAS.

b. Upon receipt of the final report, the MAAG, ODC, or MILPG will:

(1) Verify the accuracy and validity of each finding, conclusion, and recommendation.

(2) Take suitable corrective action.

(3) Submit to the Unified Command a statement with respect to each finding, conclusion, and recommendation, giving:

(a) additional facts

(b) acceptance or refutation

(c) corrective action taken and anticipated completion date.

c. The Unified Command will forward a reply incorporating the above information and its comments to the Assistant for Audits and Inspections, Operations Directorate, DSAA, within 60 days from the date of the report.

10. Action on IGA Reports

a. The IGA transmits draft reports on its inspections of Security Assistance activities to the Director, DSAA, for review and comments. The importance of the exit conference message report required in paragraph 6 cannot be overemphasized since DSAA is only provided 7 days in which to reply to the draft report.

b. The IGA transmits final Security Assistance inspection reports to the Secretary of Defense and simultaneously distributes copies to the JCS, DSAA, Unified Command, and concerned activity.

c. Upon receipt of the Final Report, the concerned activity will:

(1) Verify the accuracy and validity of each finding, conclusion, and recommendation.

(2) Take suitable corrective action.

(3) Submit to the Unified Command a statement with respect to each finding, conclusion, and recommendation, giving:

(a) additional facts

(b) acceptance or refutation

(c) corrective action taken and anticipated completion date.

d. The Unified Command will forward a reply incorporating the above information and its comments to the Assistant for Audits and Inspections, Operations Directorate, DSAA, within 60 days from the date of the report.

11. Corrective Action Follow-Up

a. MAAGs, ODCs, MILGPs, and Unified Commands should provide for positive follow-up corrective action responses to GAO, IGA, and DAS findings and recommendations. In some instances, special reports on status of corrective action may be required by DSAA. In all cases, the adequacy of corrective action on audits and inspections may be raised during DSAA staff visits.

b. Annually, Unified Commands will submit a report to the Assistant for Audits and Inspections, Operations Directorate, DSAA which reflects, as of 31 December, the status of incomplete corrective actions for each applicable GAO, IGA, and DAS report. The report is due 1 February and negative reports are required.

CHAPTER G

SECURITY CLASSIFICATION AND RELEASE OF INFORMATION

1. Purpose and Scope

The only basis for classifying selected Security Assistance information is to protect the national security, that is, the national defense and foreign relations of the United States. This chapter contains specific criteria, based on Executive Order 11652 (Classification and Declassification of National Security Information and Material), and provided by the Department of State, for classification and release of Security Assistance information for the purpose of protecting the United States foreign relations. Security Assistance information will be classified for national security purposes in accordance with the criteria of this chapter and of DOD 5200.1-R (Information Security Program Regulation) and corresponding Military Department regulations. The Department of State, the Assistant Secretary of Defense for International Security Affairs (ASD/ISA), and the Director, Defense Security Assistance Agency (DSAA) may issue special instructions which modify or supplement this chapter in particular situations.

2. Security Classification Guidelines**a. General Guidelines**

(1) All Security Assistance information not specifically designated as classified under paragraph b. below is unclassified unless the Department of State, ASD/ISA, or Director, DSAA directs classification in a particular situation, or unless the national security classification criteria of DOD 5200.1-R and corresponding Military Department regulations warrant classification for national defense purposes.

(2) All Security Assistance information designated as classified under paragraph b.

below is CONFIDENTIAL unless the Department of State, ASD/ISA, or Director, DSAA directs a higher level of classification in a particular instance, or unless the national security classification criteria of DOD 5200.1-R and corresponding Military Department regulations warrant a higher level of classification for national defense purposes.

(3) All classified Security Assistance information will be declassified in accordance with the schedules in paragraph b. below unless a longer period of classification is either directed in a particular situation by the Department of State, ASD/ISA, or Director, DSAA, or is warranted by the national security classification criteria of DOD 5200.1-R and corresponding Military Department regulations for national defense purposes.

(4) The Department of State has approved the exemptions from the General Declassification Schedule of DOD 5200.1-R which are specified in paragraph b. below.

b. Specific Guidelines

(1) Military Assistance Program (MAP) and International Military Education and Training Program (IMETP)

Dollar levels and content of a program for the budget or a subsequent fiscal year are classified for each individual country and international organization. Budget year data falls within the Advanced Declassification Schedule of DOD 5200.1-R, paragraph 3-101, and will be declassified upon delivery to Congress of the Congressional Presentation Document for the program. Budget year dollar levels and content will be marked:

"CLASSIFIED BY MASM (DOD 5105.38-M), DECLASSIFY ON DELIVERY OF CONGRESSIONAL PRESENTATION DOCUMENT TO CONGRESS."

MILITARY ASSISTANCE AND SALES MANUAL—PART I

(2) Foreign Military Sales (FMS)

(a) The primary factors considered by the Department of State and OASD/ISA in requiring classification of FMS information under paragraphs (b) and (c) below are: the extent to which disclosure of the information would reveal the purchaser's order of battle, taking into consideration the nature and quantity of defense articles being sold and the degree to which the purchaser relies on the United States as a source of military supply; and, the extent to which disclosure of the information could be expected to stimulate demands by third countries upon the United States or upon other supplying nations for defense articles, thus encouraging global or regional instability or fostering an arms race. Classification of FMS information under paragraphs (b) and (c) below, in the interests of U.S. foreign relations, is to prevent unauthorized disclosure of the fact that a specific defense article (e.g., F-4 aircraft) is or may be sold to a particular foreign government.

(b) Planning and/or Budgetary (P&B) Data; Price and Availability (P&A) Data; Letters of Request; Advance Section 36(b) Notifications

P&B and P&A data which identify a requesting foreign government and specific items of major defense equipment (e.g., M-48 tanks) in which that government has expressed an interest are classified. Such classified data will be declassified when the related Letter of Offer is unclassified. In accordance with paragraph 11-100 of DOD 5200.1-R, Department of Defense elements will respect the security classification of documents originated by foreign governments, including Letters of Request. However, Letters of Offer will not be classified unless authorized under paragraph 2.a.(1) above or paragraph (c) below. Implementing agencies will so inform concerned governments. Implementing agencies will classify data for advance notifications to Congress under Section 36(b) of the Arms Export Control Act as specified in Part III, Appendix B, paragraph (1).

(c) Letters of Offer

The Department of State will determine, for foreign relations purposes, the classification of each Letter of Offer for an FMS case which is formally notified to Congress under Section 36(b) of the Arms Export Control Act. Letters of Offer for FMS cases which are not formally notified to Congress under Section 36(b) are unclassified except as otherwise provided by paragraph 2.a.(1) above. FMS implementation records as specified in paragraph (e) below are unclassified, regardless of whether information in the Letters of Offer to which they correspond is classified.

(d) Declassification

Subject to paragraph 2.a.(3) above, classified information in a Letter of Offer and related documents falls within the Advanced Declassification Schedule of DOD 5200.1-R, paragraph 3-101, and will be declassified when the FMS case is closed. The Letter of Offer and related documents will be marked:

**"CLASSIFIED BY MASM (DOD 5105.38-M),
DECLASSIFY ON CASE CLOSURE."**

(e) FMS implementation records, such as case directives, production or repair schedules, International Logistics Supply Delivery Plans, requisitions, shipping documents, bills of lading, work orders, contract documents, billing and accounting documents, work sheets, and related feeder information are unclassified.

(f) Projections of dollar levels or content of FMS agreements, and of dollar levels of FMS credit extensions, for the budget year or a subsequent fiscal year are classified for each individual country and international organization. Such projections are subject to the Advanced Declassification Schedule of DOD 5200.1-R, paragraph 3-101. Such projections will be declassified upon delivery to Congress of the Congressional Presentation Document for the fiscal year to which the projections apply. Such projections will be marked:

**"CLASSIFIED BY MASM (DOD 5105.38-M), DECLASSIFY ON
DELIVERY TO CONGRESS OF CONGRESSIONAL PRESENTATION
DOCUMENT FOR FISCAL YEAR (insert fiscal year)."**

(g) Reports from the RCS: DSAA (AR)1100 FMS reporting system which contain classified information are exempted from the General Declassification Schedule of DOD 5200.1-R and will be marked:

"CLASSIFIED BY MASM (DOD 5105.38-M), EXEMPT FROM GENERAL DECLASSIFICATION SCHEDULE OF EXECUTIVE ORDER 11652, EXEMPTION CATEGORY 5B(3), DECLASSIFY UPON NOTIFICATION BY THE ORIGINATOR."

(3) Co-production

For all countries and international organizations, information which indicates by specific type any item of major defense equipment (e.g., F-16 aircraft) is classified in co-production proposals only. Such information falls within the Advanced Declassification Schedule of DOD 5200.1-R, paragraph 3-101, and will be declassified upon termination of negotiations. Such information will be marked:

"CLASSIFIED BY MASM (DOD 5105.38-M), DECLASSIFY ON TERMINATION OF NEGOTIATIONS."

3. RCS: DSAA(AR)1100 FMS Report Submissions

a. Entry of Data

Each entry into the RCS 1100 system of data pertaining to a new FMS case will indicate whether that data is classified under the criteria of paragraph 2.b.(2)(c) or 2.a. (1) above. The security classification, for foreign relations purposes, of an FMS case in the 1100 system is based on the identification in that system of the fact that a specific defense article (e.g., Hawk missile) is or may be sold to a particular foreign government. The existence of classified technical data concerning defense articles which are or may be sold under an FMS case does not warrant classification of that FMS case in the 1100 system, since such technical data are not entered into the 1100 system.

b. Declassification

No later than 20 working days prior to case closure, the implementing agency must notify in writing the Director, DSAA of any FMS agreement which will remain classified after case closure under the national defense classification criteria of DOD 5200.1-R and

corresponding Military Department regulations. This notification will identify the case designator and the duration of classification of the agreement. The Director, DSAA will ensure that the 1100 system properly reflects continued classification of such agreements. The Director, DSAA will also ensure that declassification of any data in the 1100 system is reflected in that system within 15 working days after it occurs.

c. Codes; Card Columns

Machine readable code "U" will designate unclassified FMS cases; code "C" will designate CONFIDENTIAL cases. The proper code for classification or declassification will be entered in column 19 of the "2" or "B" card as appropriate, and in column 35 of the "Q" card.

4. Release of Information to Foreign Governments, International Organizations, and the Public

a. Unclassified

(1) Public

In accordance with Section 21(f) of the Arms Export Control Act, it is the policy of the Department of Defense to maximize to the fullest extent consistent with national security the amount of information available to the public. Further, it is the policy of the Department of Defense to comply fully with both the specific provisions and the general intent of the Freedom of Information Act, as amended. Release of information will be in accordance with procedures established by DOD Directives 5400.7 and 5400.10.

(2) Foreign Governments and International Organizations

Unclassified information may be released to the concerned country or international organization as appropriate for purposes related to Security Assistance. Price data may be released to MAP and IMET recipient countries and international organizations, subject to recipients' understanding that prices are provided for procurement planning and related purposes only, and that prices quoted are estimates and are not necessarily those which have been or will be applied to

MILITARY ASSISTANCE AND SALES MANUAL—PART I

articles delivered or services rendered to the country or organization as Grant Aid.

b. Classified

(1) Tentative Security Assistance Plans and Programs

Classified information as to tentative plans and programs for the budget and future years may be released to an involved foreign government or international organization to the extent necessary for its effective participation in the Security Assistance planning process or its effective development of related defense plans, and to the extent that it can be relied upon to maintain adequate security precautions and to use the information only for the purposes for which provided. Classified dollar levels of tentative country or organization programs may be released only with the specific permission of the Deputy Assistant Secretary of Defense for Security Assistance, OASD/ISA, with the concurrence of the Department of State. U.S. officials who release information under this paragraph will, in accordance with Part I, Chapter D, paragraph 2.c. of this Manual ensure that the recipient government or international organization clearly understands that such release does not constitute a commitment by the United States.

(2) FMS Agreements

Classified information as to the quantity and projected delivery schedules for articles and services in FMS agreements may be released to the concerned country or international organization to facilitate appropriate planning by the recipient, subject to assurance by the recipient that it will maintain adequate security precautions and will use the information only for the purposes for which provided.

(3) Procedures for Release

Release of classified information under paragraphs (1) and (2) above is subject to the provisions of DOD Directive 5230.11 (Disclosure of Classified Military Information to Foreign Governments and International Organizations), and DOD 5200.1-R, paragraph 8-104. Release will be made only to officials of the country or international organization involved who require the information in their official capacity.

c. Approval of Chief of Diplomatic Mission

Release of all Security Assistance information to a foreign government or international organization will be made through or with the approval of the Chief of the U.S. Diplomatic Mission to the government or organization involved.

CHAPTER H

MILITARY ARTICLES AND SERVICES LIST (MASL) GUIDANCE

1. General

a. The MASL provides availability information for planning and programming resources (materiel, services, and training) under the Military Assistance Program (MAP) and International Military Education and Training Program (IMETP) and the structure for ADP accounting and reporting for MAP, IMETP and the Foreign Military Sales (FMS) program. It is oriented toward the needs of program originators and contains information provided to DSAA by supplying agencies on identification and availability of defense articles and services, along with limited data processing codes and instructions. For IMET and Foreign Military Sales Training (FMST), it also provides unit price and duration of training courses.

b. The MASL is maintained by DSAA as a portion of the Agency's automated data bases. It is updated weekly based on Military Department input and changes are distributed via AUTODIN to the military departments. The MASL is published quarterly and distributed to the Unified Commands, MAAGs/MilGps/ODCs, Military Department Headquarters, and numerous other activities including schools and component commands of the Military Departments. Copies of the MASL, in punch card, magnetic tape or printed form, may be obtained by submitting a request to the Data Management Division, Office of the Comptroller, DSAA.

2. MASL Content

a. Materiel

(1) The MASL is arranged in budget activity (see Generic Code in Appendix A, Part I) sequence. The materiel (budget ac-

tivity A through K) portion of the MASL is oriented toward the national supply classification system. This orientation permits the program originator, with few exceptions, to identify an item in a supply catalog and then relate the item to the MASL.

(2) Major items of materiel (except ammunition) listed in the MASL are identified by specific National Stock Number (NSN), where one has been assigned by the Defense Logistic Service Center (DLSC). Where an NSN has not been assigned by DLSC, as is the case with ships and most aircraft, major items are assigned the proper Federal Stock Group (FSG) and Federal Stock Class (FSC) followed by an appropriate pseudo National Item Identification Number (NIIN) assigned by the responsible Military Department. Following is an example of a pseudo-NSN identifying a UH-34D Helicopter:

15	-----	1520 00 00UH34D
		FSG 15 (Aircraft; and Air-
		frame Structural Components)
20	-----	FSC 20 (Aircraft, Rotary
		Wing)
00	-----	National Codification Bureau
		(NCB) Code
00 UH34D	-----	Pseudo NIIN (Helicopter,
		UH34D)

(3) Major items of ammunition listed in the MASL normally are identified by FSG, FSC, and DOD ammunition code. The DOD ammunition code has been utilized as a substitute for NIIN identification, with few exceptions, because of the great volume of national stock numbers in the ammunition category related to different types of packaging. (See para 8.b.(1), columns 8-20.)

(4) The dollar value lines (see definition of term, Pt. 1) in the MASL also are oriented toward the national supply classi-

fication. Each dollar value line is delineated by specific federal stock groups and classes and generally represents a high density of specific individual items or spare parts with relatively low unit prices. As in the case of major items, identification of an individual item in a supply catalog permits a direct correlation with an appropriate dollar value line. An example in the MASL is item identification number 9K2A00DRGSDSG (generic Code K2A) drugs, biologicals and surgical dressing, which states that the line includes all articles in FSC 6505 and 6510.

(5) Where the federal supply classification is known, the selection of an appropriate MASL line for programming can be made with ease. For this reason, a knowledge of the proper federal supply classification is a prerequisite to the accurate selection of MASL lines. In questionable cases, Cataloging Handbooks H2-1, H2-2, H2-3, and H-3, published by the Defense Logistics Service Center, 50 North Washington Street, Battle Creek, Michigan, provide valuable supplementary references.

b. Training

(1) The training (budget activity N) portion of the MASL utilizes a unique item identification number identifying each line item of training available for IMET and FMS planning and programming. Specific training item identification is obtained by assigning a seven digit identification number. The first digit identifies the Military Department responsible for the training by utilizing the program originator code; the next three are prescribed by DSAA as listed in Chapter E, Table E-5; the next three are assigned by the Military Departments to identify a specific course of instruction.

(2) Separate MASLs are maintained for IMET and FMS training. However, basic guidelines for submission of data are applicable to both programs.

(3) FMS training is reported in the 1100 System by utilizing the Generic Code N00 record in the Materiel MASL.

c. Services

(1) The services (budget activities L,

M and P-T) portions of the MASL utilize non-existent FSGs. FSGs 01-02 and 06-09 and nonsignificant FSCs have been assigned to these budget activities. Distinctive pseudo-NIINs or item identification numbers have been assigned for various types of services to provide positive identification.

3. Definitization Policy

a. Materiel items will be included in the MASL as major items (unit of issue other than XX) only when they meet the following definitization criteria:

(1) Control over programming of specific items is desired by DSAA; e.g., aircraft, missiles, ships, combat and support vehicles.

(2) The Military Department responsible for supply must have advance information on requirements for supply planning purposes.

b. Figure H-2, Definitization Guide, provides additional guidance for making the determinations as to whether a requirement should be programmed as a major item or included in a dollar value line.

c. Responsibility for application of definitization policy and submission of MASL data for items supplied by the Defense Logistics Agency will be the responsibility of the Department of the Army.

d. DSAA will review MASL input from the Military Departments to insure compliance with definitization standards. Input which does not meet the required criteria will be returned.

4. DSAA MASL Files

a. The MASL files maintained by DSAA are subdivided as follows for reasons indicated:

(1) Current Materiel MASL. The current materiel MASL (control code K) is comprised of all items of materiel and services which may be included in prior, current, and future year MAP and FMS Programs, subject to special conditions explained by footnote code assignments. The current materiel MASL consists of lines having footnote codes other than PP.

(2) **Summary MASL.** The summary MASL (control code L) is comprised of generically described items. They are used in preparation of congressional reports and summarized data. Items contained in this MASL are identified by the assignment of footnote code "PP". These lines are maintained by DSAA rather than the Military Departments.

(3) **Current Year Training MASL.** The current year training MASL contains line item data for training which is currently available for programming.

(4) **Budget Year Training MASL.** The budget year training MASL contains line item data for training which is planned to be available for programming in the budget year and later IMET Programs.

(5) **Prior Year Training MASL.** The prior year training MASL contains line item data for training which has been programmed in those program years preceding the current year. This MASL is retained for historical purposes only as training for each FY is rolled up to seven dollar lines (N10-N90 per country/per service approximately six months after it becomes a prior year program.

b. The materiel MASL is updated on a continuing basis as the result of changes and additions submitted by the Military Departments.

c. The current year training MASL is updated during the applicable fiscal year to add new courses which become available for programming and to incorporate significant changes in course costs and duration. During the second quarter of each fiscal year the new budget year training MASL is developed by DSAA based upon Military Department input. During the fourth quarter this new budget year MASL is updated to insure the currency of item content. On 1 October the budget year MASL becomes the new current year MASL.

5. Assignment of Footnote Codes

a. General

Military departments are responsible for

the assignment of footnote codes where applicable to all lines under their cognizance. Appendix A, Part I, defines these codes.

b. Footnote Code "NN"

This code as defined in Appendix A, Part I, is assigned to valid and correctly identified items which are not available for supply, under normal circumstances, to meet requirements. If a replacement item is known, a conversion card may be submitted. Dollar value lines will not be assigned this code.

6. MASL Relationship to DSAA Program Data Files

MAP/IMETP

a. All program data cards which constitute the addition of items or services (card formats 3 and 4) to the MAP/IMETP, regardless of program year, and those program change cards (card format P and Q) which contain data punches in card columns 8 through 21 are matched against one of the DSAA MASLs during the master file update process. This MASL match accomplishes the following:

(1) Determines that the program requirement is a valid line in the MASL.

(2) Provides a description and unit of issue for the items being added to the program file, verifies MILSTRIP routing identifier and execution agency identifier codes, and assigns implementing agency code consistent with the MRI and EXA.

(3) Provides a feedback error list for data cards which failed to match the MASL.

(4) Assures the issuance of MAP orders to the correct implementing or execution agency.

b. An additional step accomplished during the program data/MASL match is the application of MASL conversion card data, which has been provided by the Military Department when submitting MASL change data. The conversion card is used to provide programming data to be used in lieu of a MASL item which is no longer available or which has been deleted from the MASL. DSAA requires conversion card data in the following instances:

(1) When footnote code "NN" is assigned to an item no longer available for normal military assistance programming and a replacement or substitute item is known.

(2) When a line is deleted from the MASL and a replacement or substitute item is known.

FMS

c. The MASL is used by DSAA during the weekly FMS update as follows:

(1) To screen incoming detail (card formats 4 and D) to ensure correct National Stock Number and Generic Codes. Detail cards which do not match the MASL are rejected and Security Assistance Accounting Center notified. The defined generic code and national stock number as stated in the DD Form 1513, Letter of Offer and Acceptance (LOA) must be reflected in the MASL before the letter of offer is prepared.

(2) Provides a description of the item for use in subsequent updating.

MAP/IMETP/FMS

d. Assigns a selected item description number (see Appendix A, Part I) to facilitate subsequent preparation of summary reports.

7. Maintenance of the MASL

a. Changes

Changes to MASL data should be submitted to DSAA as they develop, as follows:

(1) Materiel and Services (other than training).

(a) Major Items—Changes to major items of materiel will be submitted by the Military Department having single-service wholesale inventory management responsibility. When the change being submitted is to transfer the wholesale inventory management responsibility to another Military Department, such changes will be initiated by the Military Department acquiring the responsibility and will be coordinated with the Military Department relinquishing responsibility, prior to submission to DSAA.

(b) Dollar Lines—Additions of and changes to dollar lines of materiel items will be initiated only by DSAA. Recommendations concerning dollar line item changes

may be made by the Military Departments when deemed appropriate.

(2) Training. Changes to items in the training MASL, major item and dollar lines, will be submitted by the Military Department offering the training.

b. Inquiries

Inquiries regarding MASL data should be directed as follows:

(1) Materiel and Services (other than training). Requests for information in clarification of data in the DSAA MASL should be forwarded to DSAA, with the following exceptions:

(a) Requests for MAP Unit Price, LT, S/S and availability of items should be forwarded to the Military Department indicated by the MRI code of the item as having inventory management responsibility.

(b) Requests for addition of major items to the MASL will be forwarded to the Military Department to which single-service wholesale inventory management responsibility has been assigned. When the assignment is not known, request should be directed to the Military Department indicated in the MASL as having responsibility for similar type equipment.

(2) Training. All inquiries regarding training MASL data should be directed to the appropriate Military Department.

8. Submission of MASL Data

Military Departments will submit additions and changes to and deletions from the MASL on one of the appropriate card formats illustrated in Figure H-1 (Materiel, Training and MASL Conversion). Instructions for preparation of MASL data follow:

a. General

(1) MASL data in card 1 (materiel), card 2 (training) and card E (conversion) format may be transmitted to DSAA via AUTODIN using routing indicator RUEWEDA. Submit as changes occur.

(2) Worksheets (printed legibly in pencil) may be submitted in single copy to Comptroller, DSAA, Washington, D.C. 20301, Attention: Data Management Division.

(3) Machine listings for mark-up will

be provided by DSAA upon request, where the volume of changes warrants.

columns in accordance with the following instructions.

b. Additions

For new items recommended for addition to the MASL, complete all appropriate card

(1) Card 1—Materiel and Services other than Training (all generic codes except generic code N).

Card Column	Data	Explanation										
1	Card Code -----	The card code is used to signify the type of card being processed. A "1" in this column signifies that the card is a MASL card (materiel and services other than training). Codes G through O in this column identify "trailer cards" used to amplify the description of the item. (Trailer cards contain only NSN and Generic Code, and a continuation of the description.)										
2-3	Footnote Code -----	This column provides footnote code used in the MASL to provide significant information on availability of military articles and services. See Appendix A, Part I, for explanation of footnote codes.										
4-6	MILSTRIP Routing Identifier -----	MILSTRIP routing identifier is the abbreviation for military standard requisitioning and issue procedures routing identifier, commonly referred to as the "MRI". The MRI identifies the headquarters within the Military Departments which has provided the MASL data. A complete listing of MRI's (except FAØ which is used for US Air Force MASL lines and identifies Headquarters US Air Force) is contained in the Military Department implementation of Department of Defense Manual, Military Standard Requisitioning and Issue Procedures (MILSTRIP) as follows: <div style="text-align: center; font-size: small;"> Army—Army Regulation AR 725-50 Navy—NAVSANDA Publication 437 Air Force—AFM 67-1, Vol. 1 </div> For most dollar value lines, the MRI entry is blank and the MASL line has a "K" in the footnote code column. See footnote code K, Appendix A, for explanation of how to determine the correct MRI.										
7	Action Code -----	Leave blank.										
8-20	National Stock Number -----	GP CL NCB ITEM-ID is the abbreviation for federal stock group (FSG), class (FSC), National Codification Bureau Code (NCB) and item identification number (NIIN). Where cards are submitted ensure that O's are punched as numeric zeroes and I's are punched as numeric ones. In generic code G where the DOD ammunition code is used in lieu of NIIN, right justify and punch zeros in unused columns.										
21-23	Generic Code -----	A description of each generic code is contained in Appendix A, Part I.										
24	Classification -----	The code appearing in this column indicates the security classification of the item for guidance in complying with national disclosure policy and Military Department security regulations. <div style="text-align: center; font-size: small;"> <table border="0"> <tr> <td>Code</td> <td>Classification</td> </tr> <tr> <td>T</td> <td>Top Secret</td> </tr> <tr> <td>S</td> <td>Secret</td> </tr> <tr> <td>C</td> <td>Confidential</td> </tr> <tr> <td>U</td> <td>Unclassified</td> </tr> </table> </div>	Code	Classification	T	Top Secret	S	Secret	C	Confidential	U	Unclassified
Code	Classification											
T	Top Secret											
S	Secret											
C	Confidential											
U	Unclassified											
25-26	Unit of Issue -----	The abbreviation in this column represents the standard unit of issue to be used for programming the related MASL item. Appendix A, Part I, contains the abbreviations appearing in the unit of issue column of the MASL.										
27-52	Description -----	The entry in this column is the description of the item. It is necessary for mechanical reasons, that the description be 26 characters or less. For this reason, numerous abbreviations and mnemonic words have been used. Where an item in the MASL is described by a National Stock Number (NSN), reference to the appropriate catalog will provide a more detailed description.										

MILITARY ASSISTANCE AND SALES MANUAL—PART I

		Where more than 26 characters are required, trailer cards may be submitted (see entry in column 1).
53	Control Code -----	Enter K.
54-58	Blank -----	Leave blank.
59	Quantity Control -----	Leave blank. The code in this column will be entered by DSAA to determine quantity count for summarizing data. See Appendix A, Part I, for explanation of codes.
60-61	Blank -----	Leave blank.
62-64	SIDN -----	Leave blank. The Selected Item Description Number (SIDN) will be entered by DSAA to provide a means for identification and rollup of detail records into standard groups or categories for the preparation of summary documents and Congressional data. See Appendix A, Part I.
65-80	Blank -----	Leave blank.

(2) Card 2—Training (Generic Code N)

<i>Card Column</i>	<i>Data</i>	<i>Explanation</i>
1	Card Code -----	The Card Code is used to signify the type of card being processed. A "2" in this column signifies that the card is a MASL card (training).
2-3	Duration -----	Enter duration of course, expressed in number of weeks. Leave blank for all categories of training except individual courses. Precede significant digits with a zero, e.g. 09. For courses in excess of 99 weeks, see Appendix A, Part I. Where duration is variable because the training line has a non-specific variable duration which should be determined separately, enter the code VA.
4-6	Execution Agency Identifier --	Enter the execution agency identifier code as described in Appendix A, Part I, and Chapter E, Part II.
7	Action Code -----	Leave blank.
8-13	Blank -----	Leave blank.
14-20	Item Identification Number ---	A seven-digit number used to identify each specific training item available for military assistance. The first four digits are prescribed by DSAA and are listed in Chapter E, Table E-5. These four digits will be used as a "root" by the Military Department who adds the last three digits to complete the seven digit identification number.
21-23	Generic Code -----	Enter the appropriate generic code prescribed in Appendix A, Part I.
24	Classification -----	Enter the appropriate classification code prescribed in Appendix A, Part I. Classified training requires security clearance prior to execution.
25-26	Unit of Issue -----	Enter "EA" (each) for student training (formal training, mobile training teams—detachments and field training services). Enter "XX" (dollars) for training support, personnel training and extraordinary expenses.
27-52	Description -----	Enter the description in 26 spaces or less. Insure that descriptions are as uniform as possible.
53	Control Code -----	The control code is used to designate the program year to which the MASL entry applies. DSAA will specify this code annually.
54-60	Prerequisite English Comprehension Level (ECL) -----	Assigned by the Military Department based on pertinent regulations. Leave blank if prerequisite ECL is not required.
61-72	Services Identification Number	Assigned by the Military Department to identify the item for its own internal processing.
73-80	Unit Price -----	An amount entered in this field represents the unit or contract cost for an individual course to be charged by the Military Department. "N/C" entered in this column signifies that no charge is made by the Military Department. "EST" entered in this field signifies that unit price must be estimated. The basis for estimat-

ing the unit price is contained in Military Department publications.

c. Changes

(1) To submit changes to existing MASL lines, the following fields must be completed:

<i>Column</i>	
1	Card Code
2-7	Action Code "S"
8-20	National Stock Number (Materiel Only)
14-20	Item Identification (Training Only)
21-23	Generic Code
53	Control Code

Entries in data fields other than the above are required only where a change in data is intended, e.g. unit price, duration, etc. Where a change is made, enter the new data.

(2) When changing a MASL line you may desire to blank certain fields. The fields listed below may be blanked by entering an asterisk(*) in the right most column of the fields.

(a) Materiel MASL Lines

<i>Column</i>	
2-3	Footnote Code

(b) Training MASL Lines

<i>Column</i>	
2-3	Duration
54-60	Prerequisite course number
61-72	Service Identification Number

d. Deletions

To delete an existing line from the MASL, the following fields must be completed:

<i>Column</i>	
1	Card Code
7	Action Code "D"
14-20	Item identification Number (Training)
8-20	Item Identification Number (Materiel)
21-23	Generic Code
53	Control Code (Training only)

Leave all other columns blank. Submit a conversion card where a substitute or replacement item is known.

e. MASL Conversion (Card E)

Paragraph 6.b. explains the use of MASL conversion data in the DSAA program/MASL Match procedures. Following is an explanation of card layout and instructions for submitting conversion data:

<i>Card Column</i>	<i>Data</i>	<i>Explanation</i>
1	Card Code -----	An "E" is used to indicate a conversion card for materiel, services and training.
2-7	Blank -----	Leave blank.
8-20	National Stock Number -----	Punch the group, class, NCB code (materiel and services only) and item identification number of the new program line as it appears in the MASL.
21-23	Generic Code -----	Punch the generic code of the new program line as it appears in the MASL.
24-27	Blank -----	Leave blank.
28-40	National Stock Number -----	Punch the group, class, NCB code (material and services only) and item identification number of the old program line being converted, as it appears in the MASL.
41-43	Generic Code -----	Punch the generic code of the old program line as it appears in the MASL.
44-52	Blank -----	Leave blank.
53	Control Code -----	Identifies the MASL file of the program line being converted (reference para 4).
54-80	Blank -----	Leave blank.

CARD FORMATS
MILITARY ARTICLES AND SERVICES (MASL)

CARD 1			CARD 2			
CARD CODE		1	CARD CODE		1	
FOOTNOTE		2	DURATION (WEEKS)		2	
MILSTRIP ROUTING IDENTIFIER		3	EXECUTION AGENCY IDENTIFIER		3	
ACTION CODE		4	ACTION CODE		4	
GROUP	NATIONAL STOCK NUMBER	5	BLANK		5	
CLASS		6	ITEM IDENT. NUMBER		6	
NCB CODE		7	GENERIC CODE		7	
ITEM IDENT. NUMBER		8	CLASSIFICATION		8	
GENERIC CODE		9	UNIT OF ISSUE		9	
CLASSIFICATION		10	DESCRIPTION		10	
UNIT OF ISSUE		11				11
DESCRIPTION		12				12
		13				13
		14				14
		15				15
		16				16
		17				17
		18				18
		19				19
		20			20	
		21			21	
CONTROL CODE		22	CONTROL CODE		22	
BLANK		23	PREREQUISITE COURSE NUMBER (ITEM IDENT. NUMBER)		23	
QUANTITY CONTROL CODE		24	SERVICE IDENTIFICATION NUMBER		24	
BLANK		25				25
SELECTED ITEM DESCRIPTION NUMBER		26	UNIT PRICE		26	
BLANK		27				27
		28			28	
		29			29	
		30			30	
		31			31	
		32			32	
		33			33	
		34			34	
		35			35	
		36			36	
		37			37	
		38			38	
		39			39	
		40			40	
		41			41	
		42			42	
		43			43	
		44			44	
		45			45	
		46			46	
		47			47	
		48			48	
		49			49	
		50			50	
		51			51	
		52			52	
		53			53	
		54			54	
		55			55	
		56			56	
		57			57	
		58			58	
		59			59	
		60			60	
		61			61	
		62			62	
		63			63	
		64			64	
		65			65	
		66			66	
		67			67	
		68			68	
		69			69	
		70			70	
		71			71	
		72			72	
		73			73	
		74			74	
		75			75	
		76			76	
		77			77	
		78			78	
		79			79	
		80			80	

MATERIEL AND SERVICES
 (Other than training)

TRAINING

Figure H-1

CARD FORMATS
MILITARY ARTICLES AND SERVICES MASL

CARD E

CARD CODE		1	NEW DATA	
		2		
MATERIAL ONLY	GROUP	NATIONAL STOCK NUMBER		
	CLASS			
	NCB CODE			
ITEM IDENTIFICATION NUMBER		20		
GENERIC CODE		21		
BLANK		23 24		
MATERIAL ONLY	GROUP	NATIONAL STOCK NUMBER		OLD DATA
	CLASS			
	NCB CODE			
	ITEM IDENTIFICATION NUMBER			
GENERIC CODE		40 41		
BLANK		43 44		
CONTROL CODE		52		
		53		
BLANK		54		
		80		

MASL CONVERSION

Figure H-1
(continued)

Figure H-2

DEFINITION GUIDE—MATERIEL
(Generic Codes A through K)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
A	AIRCRAFT				
1	<i>Combat Aircraft</i>				
A	Attack -----	FSC 1510 -----	X		
B	Bomber -----	FSC 1510 -----	X		
F	Fighter -----	FSC 1510 -----	X		
S	Anti-Submarine -----	FSC 1510 -----	X		
V	VTOL & VSTOL -----	FSC 1510 -----	X		
2	<i>Airlift Aircraft</i>				
C	Cargo Transport -----	FSC 1510 -----	X		
3	<i>Trainer Aircraft</i>				
T	Trainer -----	FSC 1510 -----	X		
4	<i>Helicopters</i>				
C	Cargo Transport -----	FSC 1520 -----	X		
H	General Purpose -----	FSC 1520 -----	X		
L	Observation -----	FSC 1520 -----	X		
S	Anti-Submarine -----	FSC 1520 -----	X		
T	Trainer -----	FSC 1520 -----	X		
U	Utility -----	FSC 1520 -----	X		
5	<i>Other Aircraft</i>				
E	Special Electronic Installation -----	FSC 1515 -----	X		
G	Glider -----	FSC 1540 -----	X		
K	Tanker -----	FSC 1510 -----	X		
L	Observation -----	FSC 1510 -----	X		
P	Patrol -----	FSC 1510 -----	X		
U	Utility -----	FSC 1510 -----	X		
X	Research -----	FSC 1510 -----	X		
Z	Airship -----	FSC 1530 -----	X		
6	<i>Modification of Aircraft</i>				
A	Class IV -----		X		
B	Class V -----		X		

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
A					
7	<i>Aircraft Support Equipment</i>				
A*	Ground handling equipment -----	FSC 1730, 4920 -----		X	
B*	Arresting, barrier and barricade equipment ---	FSC 1710 -----		X	
C*	Launching equipment -----	FSC 1720 -----	X		
D*	Specialized Trucks and Trailers -----	FSC 1740 -----		X	
* One dollar line provided for initial stockage, one for follow on.					
9	<i>Aircraft Spares and Spare Parts</i>				
A	Gasoline Reciprocating Engines, Complete ----	FSC 2810 -----		X	
B	Gas Turbines & Jet Engines, Complete -----	FSC 2840 -----		X	
C	Aircraft Components, Parts & Accessories ----	FSG 16 (except 1670) and FSC 1270, 1280, 1290, 1377, 1560 2620, 2810 (Components), 2840 (Components), 2915, 2925, 2935, 2945, 2950, 2995, 6340, 6605, 6610, 6615 and 6620		X	May include other FSG when supplied for aircraft.
B					
MISSILES					
1	<i>Ground Launched Missiles</i>				
	Missiles, Major Components, Class V Mods -----		X		See list below for specific missiles.
	Missile Shop Sets, test equipment, trailers, vans, mod kits, other components and support equipment -----			X	See list below for specific missiles.
2	<i>Air Launched Missiles</i>				
	Missiles, Major Components, Class V Mods -----		X		See list below for specific missiles.
	Missiles Shop Sets, test equipment, trailers, vans, mod kits, other components and support equipment -----			X	See list below for specific missiles.
3	<i>Sea Launched Missiles</i>				
	Missiles, Major Components, Class V Mods -----		X		See list below for specific missiles.

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
B					
3	Missile Shop Sets, test equipment, trailers, vans, mod kits, other components and support equipment -----			X	See list below for specific missiles.
The following codes will be used by the Military Departments when submitting MASL data for ground launched missiles or associated dollar lines:					
A.	Nike	G.	Pershing	N.	Lance
B.	Redeye	H.	Entac	P.	Stinger
C.	Hawk	J.	Tow	R.	Chaparral
D.	Mauler	K.	Dragon	S.	Shillelagh
E.	Jupiter	L.	Lacrosse	V.	Viper
F.	Sergeant	M.	Thor		
The following codes will be used by the Military Departments when submitting MASL data for air launched missiles or associated dollar lines:					
A.	Shrike	S.	Bullpup		
D.	Standard	T.	Phoenix		
F.	Aerial Target Missile	V.	Corporal		
N.	Falcon	W.	Sparrow		
R.	Sidewinder	Y.	Matador		
The following codes will be used by the Military Departments when submitting MASL data for sea launched missiles or associated dollar lines:					
K.	Polaris				
P.	Terrier				
Q.	Tartar				
R.	Harpoon				
W.	Seasparrow				
4	Q Drones -----	FSC 1520 & 1550 -----		X	
8	<i>Multipurpose Missile Equipment</i>				
A	Multipurpose Missile Equipment (includes FAAR) -----			X	X
B	Multipurpose Missile Equipment Parts (includes FAAR) -----				X
9	<i>Missile Spares and Spare Parts</i>				
A	Guided missile parts -----	FSG 14 & FSC 1190, 1195, 4935 -----			X
B	Guided missile warhead components -----	FSC 1336, 1337, 1338 -----			X
C	Free missile parts -----	FSC 1055, 1190, 1195, 1340 -----			X

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
C SHIPS					
1	<i>Warships</i>				
A	Destroyer (DD) -----	FSC 1905 -----		X	
B	Submarine (SS) -----	FSC 1905 -----		X	
C	Ocean Escort (DE) -----	FSC 1905 -----		X	
D	Light Aircraft Carrier (CVL) -----	FSC 1905 -----		X	
E	Light Cruiser (CL) -----	FSC 1905 -----		X	
F	Guided Missile Frigate -----	FSC 1905 -----		X	
2	<i>Amphibious Ships</i>				
A	Tank landing ship (LST) -----	FSC 1905 -----		X	
B	Medium landing ship (LSM/LSSL) -----	FSC 1905 -----		X	
C	Medium landing ship, rocket (LSMR) -----	FSC 1905 -----		X	
D	Utility landing craft (LCU) -----	FSC 1905 -----		X	
E	Transport (AKA/AP/APA/APC/APD) -----	FSC 1910 -----		X	
3	<i>Mine Warfare Ships</i>				
A	Coastal minelayer (MMC) -----	FSC 1905 -----		X	
B	Ocean minesweeper (MSO) -----	FSC 1905 -----		X	
C	Coastal minesweeper (MCS) -----	FSC 1905 -----		X	
D	Inshore minesweeper (MSI/MSB) -----	FSC 1905 -----		X	
E	Fleet minesweeper (MSF) -----	FSC 1905 -----		X	
G	Mine countermeasure support (MCS) -----	FSC 1905 -----		X	
H	Auxiliary mineplanter (YMP) -----	FSC 1905 -----		X	
4	<i>Patrol Ships</i>				
A	Patrol frigate (PF) -----	FSC 1905 -----		X	
B	Patrol craft (PC) -----	FSC 1905 -----		X	
C	Patrol craft escort (PCE) -----	FSC 1905 -----		X	
D	Patrol gunboat (PGM) -----	FSC 1905 -----		X	
E	Seaward defense craft (SDC) -----	FSC 1905 -----		X	
F	Fast patrol boat (FPB) -----	FSC 1905 -----		X	
G	Patrol torpedo boat (PT) -----	FSC 1905 -----		X	

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
D	COMBAT VEHICLES				
1	<i>Armored Carriers</i>				
A	Personnel carriers, full track -----	FSC 2320, 2350 -----	X		
B	Personnel carriers, half track -----	FSC 2320 -----	X		
C	Armored cars -----	FSC 2320 -----	X		
D	Cargo carriers -----	FSC 2320, 2350 -----	X		
E	Weapons carriers -----	FSC 2320, 2350 -----	X		
2	<i>Self-Propelled Artillery</i>				
A	Anti-aircraft -----	FSC 2350 -----	X		
B	Anti-tank -----	FSC 2350 -----	X		
C	105mm howitzer -----	FSC 2350 -----	X		
D	155mm howitzer -----	FSC 2350 -----	X		
E	4.2 inch mortar -----	FSC 2350 -----	X		
F	8 inch howitzer -----	FSC 2350 -----	X		
G	175mm gun -----	FSC 2350 -----	X		
Z	Other self propelled artillery -----	FSC 2350 -----	X		
3	<i>Tanks</i>				
A	Light tank -----	FSC 2350 -----	X		
B	Medium tank -----	FSC 2350 -----	X		
4	<i>Tank Recovery Vehicles</i>				
A	Tank recovery vehicles -----	FSC 2320, 2350 -----	X		
5	<i>Other Combat Vehicles</i>				
A	High speed tractors -----	FSC 2430 -----	X		
B	Amphibious landing vehicles -----	FSC 2320, 2350 -----	X		
C	Tank mounted bulldozers -----	FSC 2590 -----	X		
E	TACTICAL AND SUPPORT VEHICLES				
1	<i>Semi-Trailers</i>				
A	Tank -----	FSC 2330 -----	X		
B	Stake -----	FSC 2330 -----	X		
C	Van -----	FSC 2330 -----	X		
D	Low bed -----	FSC 2330 -----	X		
E	Transporter -----	FSC 2330 -----	X		
Z	Other semi-trailers -----	FSC 2330 -----	X		

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
E					
2	<i>Trailers</i>				
A	Cargo -----	FSC 2330 -----	X		
B	Tank -----	FSC 2330 -----	X		
C	Ammunition -----	FSC 2330 -----	X		
D	Fuel service -----	FSC 2330 -----	X		
E	Low bed -----	FSC 2330 -----	X		
F	Flat bed -----	FSC 2330 -----	X		
G	Bolster -----	FSC 2330 -----	X		
H	Dolly -----	FSC 2330 -----	X		
Z	Other trailers -----	FSC 2330 -----	X		
3	<i>Trucks</i>				
A	¼ ton cargo -----	FSC 2320 -----	X		
B	¼ ton ambulance -----	FSC 2310 -----	X		
D	¾ ton cargo -----	FSC 2320 -----	X		
E	¾ ton ambulance -----	FSC 2310 -----	X		
G	1 ton cargo -----	FSC 2320 -----	X		
K	2½ ton cargo -----	FSC 2320 -----	X		
L	2½ ton dump -----	FSC 2320 -----	X		
M	2½ ton special purpose -----	FSC 2320 -----	X		
N	2½ ton tank -----	FSC 2320 -----	X		
Q	2½ ton truck-tractor -----	FSC 2320 -----	X		
R	2½ ton wrecker -----	FSC 2320 -----	X		
T	5-ton cargo -----	FSC 2320 -----	X		
U	5-ton dump -----	FSC 2320 -----	X		
W	5-ton truck-tractor -----	FSC 2320 -----	X		
X	5-ton wrecker -----	FSC 2320 -----	X		
Z	Other trucks -----	FSC 2320 -----	X		
4	<i>Support vehicles</i>				
A	Station wagon -----	FSC 2310 -----	X		
B	Sedans -----	FSC 2310 -----	X		
C	Buses -----	FSC 2310 -----	X		
D	Motorcycles and motor scooters -----	FSC 2340 -----	X		
E	Ambulances -----	FSC 2310 -----	X		
F	Commercial Trucks -----	FSC 2320 -----	X		
Z	Other support vehicles -----	FSC 2310, 2320 -----	X		

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
F	WEAPONS				
1	Weapons, up to 75mm				
A	Pistols -----	FSC 1005 -----	X		
B	Carbines -----	FSC 1005 -----	X		
C	Rifles -----	FSC 1005 -----	X		
E	Sub-Machine Guns -----	FSC 1005 -----	X		
F	Machine Guns -----	FSC 1005 -----	X		
G	Mounts -----	FSC 1005, 1015, 1090 -----	X		
H	Shotguns -----	FSC 1005 -----	X		
J	Sub-caliber weapons -----	FSC 1005, 1010 -----	X		
K	Anti-aircraft guns -----	FSC 1005, 1010 -----	X		
L	Launchers -----	FSC 1005, 1010, 1055 -----	X		
M	Mortars -----	FSC 1010 -----	X		
Z	Other weapons, up to 75mm -----	FSC 1005, 1010, 1090 -----	X		
2	Artillery, 75mm and over				
A	75mm guns -----	FSC 1015 -----	X		
B	76mm guns -----	FSC 1015 -----	X		
C	90mm guns -----	FSC 1015 -----	X		
D	105mm guns -----	FSC 1015 -----	X		
E	155mm guns -----	FSC 1025 -----	X		
F	175mm guns -----	FSC 1025 -----	X		
G	75mm howitzer -----	FSC 1015 -----	X		
H	105mm howitzer -----	FSC 1015 -----	X		
J	155mm howitzer -----	FSC 1025 -----	X		
K	8-inch howitzer -----	FSC 1030 -----	X		
L	75mm recoilless rifles -----	FSC 1015 -----	X		
M	90mm recoilless rifles -----	FSC 1015 -----	X		
N	105mm recoilless rifles -----	FSC 1015 -----	X		
P	106mm recoilless rifles -----	FSC 1015 -----	X		
Q	120mm recoilless rifles -----	FSC 1015 -----	X		
R	155mm recoilless rifles -----	FSC 1025 -----	X		
S	81mm mortar -----	FSC 1015 -----	X		
T	107mm/4.2 inch mortar -----	FSC 1015 -----	X		
U	120mm mortar -----	FSC 1015 -----	X		
Z	Other weapons, 75mm and over -----	FSC 1015, 1025, 1030, 1035 -----	X		

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
F					
3	<i>Naval Ordnance Weapons</i>				
A	20mm mounts -----	FSC 1005 -----	X		
B	40mm mounts -----	FSC 1010 -----	X		
C	3-inch/50 mounts -----	FSC 1015 -----	X		
D	5-inch/25 mounts -----	FSC 1020 -----	X		
E	5-inch/38 mounts -----	FSC 1020 -----	X		
F	5-inch/54 mounts -----	FSC 1020 -----	X		
G	Loading machines, all calibers -----	FSC 1010, 1015, 1020 -----	X		
H	Torpedo launchers -----	FSC 1045 -----	X		
J	Depth charge launchers -----	FSC 1045 -----	X		
K	ASW rocket launchers -----	FSC 1055 -----	X		
L	Harbor Nets, booms and buoys -----	FSC 1070, 2050 -----		X	
M	Degaussing and minesweeping equipment -----	FSC 1075 -----		X	
N	Naval fire control directors -----	FSC 1210 -----	X		
P	Naval fire control computing sights -----	FSC 1220 -----	X		
Q	ASW fire control systems -----	FSC 1230 -----	X		
R	Gunfire control systems -----	FSC 1230 -----	X		
S	Torpedo fire control systems -----	FSC 1210, 1220, 1230 -----	X		
T	Submarine fire control systems -----	FSC 1230 -----	X		
U	Target designating systems -----	FSC 1260, 1265 -----	X		
V	Fire control radar -----	FSC 1285 -----	X		
Z	Other naval ordnance weapons -----	FSC 1005, 1010, 1015, 1020, 1025, 1030, 1035, 1040, 1045, 1055, 1080, 1090, 1095, 1240, 1250, 1260, 1265, 1270, 1280, 1287, 1290 -----	X	X	(1)
4	<i>Other Weapons</i>				
A	Chemical weapons and equipment -----	FSC 1040 -----	X	X	(1)
B	Camouflage and deception equipment -----	FSC 1080 -----		X	
D	Fire control equipment other than aircraft and naval ordnance. -----	FSG 12 -----	X	X	(1)
Z	Miscellaneous other weapons and Interchangeable Assemblies. -----	FSC 1020, 1055, 1090, 1095 -----	X	X	(1)

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
F					
9	<i>Weapon Spare Parts, Components and Accessories</i>				
A	Weapons -----	FSG, 11, 12 & FSC 1005, 1010, 1015, 1020, 1025, 1030, 1035, 1055, 1090, 1095, 2845 (other than Naval Ord).	-----	X	
B	Naval ordnance weapons -----	FSG 10, 12 & FSC 2845 -----		X	
G	AMMUNITION				
1	<i>Ammunition up to 75mm & grenades</i>				
A	22 caliber -----	FSC 1305 -----		X	
B	30 caliber -----	FSC 1305 -----		X	
C	7.62mm -----	FSC 1305 -----		X	
D	38 caliber -----	FSC 1305 -----		X	
E	45 caliber -----	FSC 1305 -----		X	
F	50 caliber -----	FSC 1305 -----		X	
G	60 caliber -----	FSC 1305 -----		X	
H	20mm -----	FSC 1305 -----		X	
J	37mm -----	FSC 1310 -----		X	
K	40mm -----	FSC 1310 -----		X	
L	57mm -----	FSC 1310 -----		X	
M	60mm mortar -----	FSC 1310 -----		X	
N	Shotguns -----	FSC 1305 -----		X	
P	Grenades -----	FSC 1330 -----		X	
Z	Other ammunition, up to 75mm -----	FSC 1305, 1310, 1330 -----		X	(1)
2	<i>Ammunition, 75mm and over</i>				
A	75mm -----	FSC 1315 -----		X	
B	76mm -----	FSC 1315 -----		X	
C	81mm mortar -----	FSC 1315 -----		X	
D	90mm -----	FSC 1315 -----		X	
E	105mm -----	FSC 1315 -----		X	
F	106mm -----	FSC 1315 -----		X	
G	4.2 inch mortar -----	FSC 1315 -----		X	
H	3 inch 50 -----	FSC 1315 -----		X	
J	5 inch 25 -----	FSC 1320 -----		X	

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
G					
2	K 5 inch 38 -----	FSC 1320 -----	X		
	L 5 inch/54 -----	FSC 1320 -----	X		
	M 155mm -----	FSC 1320 -----	X		
	N 8 inch -----	FSC 1320 -----	X		
	P 175mm -----	FSC 1320 -----	X		
	Z Other ammunition, 75mm and over -----	FSC 1315, 1320 -----	X	X	(1)
3	<i>Land Mines and Explosives</i>				
	A Anti-personnel mines -----	FSC 1345 -----	X		
	B Anti-tank mines -----	FSC 1345 -----	X		
	C Demolition kits -----	FSC 1375 -----	X		
	D Charges -----	FSC 1375 -----	X		
	Z Other explosives and land mine components -----	FSC 1345, 1375, 1376, 1377 -----	X	X	
4	<i>Naval Ordnance Ammunition</i>				
	A Service mines, complete -----	FSC 1361 -----	X		
	B Drill mines, complete -----	FSC 1350, 1351 -----	X		
	C Mine components -----	FSC 1350, 1351 -----	X	X	(1)
	D Torpedo exercise heads -----	FSC 1355, 1356 -----	X		
	E Anti-surface torpedoes -----	FSC 1356 -----	X		
	F ASW torpedos -----	FSC 1356 -----	X		
	G Torpedo components -----	FSC 1355, 1356 -----		X	
	H Depth charges -----	FSC 1361 -----	X		
	J Depth charge components -----	FSC 1360, 1361 -----		X	
5	<i>Bombs and Rockets</i>				
	A Practice bombs and shapes -----	FSC 1325 -----	X		
	B Armor piercing bombs -----	FSC 1325 -----	X		
	C Depth bombs -----	FSC 1325 -----	X		
	D Fire and incendiary bombs -----	FSC 1325 -----	X		
	E Fragmentation bombs -----	FSC 1325 -----	X		
	F General purpose bombs -----	FSC 1325 -----	X		
	G Electronic Operated Guided Bombs -----	FSG 13 -----	X		
	M Bomb components -----	FSC 1325 -----		X	
	N Other bombs -----	FSC 1325 -----	X		
	P 2.25 inch rockets -----	FSC 1340 -----	X		

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
G					
Q	2.36 inch rockets	FSC 1340	X		
R	2.75 inch rockets	FSC 1340	X		
S	3.5 inch rockets	FSC 1340	X		
T	5 inch rockets	FSC 1340	X		
U	7.2 inch rockets	FSC 1340	X		
V	Asroc rockets	FSG 1356	X		
W	Honest John rockets	FSG, 10, 11 & 13	X	X	
Y	Rocket components	FSC 1340	X	X	(1)
Z	Other rockets	FSC 1340	X		
6	<i>Pyrotechnic and Chemical Munitions</i>				
A	Chemical munitions	FSC 1365	X		Agents
				X	Articles other than agents in FSC 1365.
B	Pyrotechnics	FSC 1370	X	X	(1)
7	<i>Other Ammunition</i>				
A	Ammunition raw materials	FSC 9999		X	
B	Fuzes and primers	FSC 1390	X	X	(1)
C	Ammunition containers	FSC 8140		X	
D	Miscellaneous ammunition tools, and specialized equipment	FSC 1385, 1386, 1395, 1398		X	
H	COMMUNICATIONS EQUIPMENT				
1*	<i>Telephone and Telegraph Equipment</i>	FSC 5805	X	X	(1)
2*	<i>Radio and Television Communications Equipment</i>	FSC 5820, 5821, 5985	X	X	(1) Installation units will be programmed under dollar lines provided by DSAA.
3*	<i>Radio Navigation Equipment</i>	FSC 5825, 5826	X	X	(1)
4*	<i>Radar Equipment</i>	FSC 5840, 5841	X	X	(1)
5*	<i>Underwater Sound Equipment</i>	FSC 5845	X	X	(1)
6*	<i>Other Communications Equipment</i>	FSC 5810, 5815, 5830, 5831, 5835, 5850, 5855, 5895	X	X	(1), (2) Installation units for equipment in FSG 58 (other than 5820 & 5821) will be programmed under appropriate dollar line provided by DSAA.

MILITARY ASSISTANCE AND SALES MANUAL-PART I

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
H					
* The following alphabets will be used by the Military Departments as the third character of the Generic Code to identify the type of installation:					
	A Airborne		P Pack or portable		
	F Fixed		V Ground, vehicular		
	G Ground, general ground use		W Water, surface and underwater		
	K Amphibious		Z Other communications equipment		
9	<i>Communications Equipment Spare Parts and Electronic Supplies</i>				
A	Communications equipment spare parts and electronic supplies -----	FSG 58, 59 -----		X	
J SUPPORT EQUIPMENT					
1	<i>Chemical Equipment</i>				
A	Decontaminating and impregnating equipment -----	FSC 4230 -----		X	
2	<i>Construction Equipment</i>				
A	Full track tractors -----	FSC 2410 -----		X	
B	Wheeled tractors -----	FSC 2420 -----		X	
C	Earthmoving and excavating equipment -----	FSC 3805 -----		X	
D	Cranes and crane-shovels -----	FSC 3810 -----		X	
E	Road clearing equipment -----	FSC 3825 -----		X	
F	Military bridging -----	FSC 5420 -----		X	
Z	Miscellaneous construction equipment -----	FSC 3815, 3830, 3895 -----		X	
3	<i>Materials Handling Equipment</i>				
A	Conveyors, cranes and derricks -----	FSC 3910, 3950 -----		X	
Z	Other materials handling equipment -----	FSG 39 (except 3910 and 3950) -----		X	
4	<i>Photographic Equipment</i>				
A	Cameras -----	FSC 6720 -----		X	
B	Projection equipment -----	FSC 6730 -----		X	
C	Developing and finishing equipment -----	FSC 6740 -----		X	
Z	Other photographic equipment, supplies and spare parts.	FSG 67 (except 6720, 6730 and 6740)		X	

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
J					
5	<i>Training Aids and Devices (FMS use only)</i>				
A	Training aids -----	FSC 6910 -----		X	
B	Armament training devices -----	FSC 6920 -----		X	
C	Operational training devices -----	FSC 6930 -----		X	
D	Communication training devices -----	FSC 6940 -----		X	
V	Books, Maps, and Publications -----	FSG 76 -----		X	
Z	Other training aids and devices and spare parts -----	FSG 69 -----		X	
6	<i>Other Equipment</i>				
A	Parachutes and aerial delivery equipment ----	FSC 1670 -----		X	
D	Other Power Transmission equipment -----	FSG 30 -----		X	
E	Woodworking machinery and equipment -----	FSG 32 -----		X	
F	Metal working machinery -----	FSG 34 -----		X	
G	Special Industrial machines -----	FSG 36 -----		X	
N	Safety and rescue equipment -----	FSC 4220 & 4240 -----		X	
P	Steam plant and drying equipment -----	FSG 44 -----		X	
Q	Maintenance and repair shop equipment -----	FSC 4910, 4925, 4930, 4931, ----- 4933, 4940		X	
R	Power and distribution equipment -----	FSG 61 & 62 -----		X	
T	Instruments and laboratory equipment -----	FSG 66 (except 6610, 6630, & ----- 6640)		X	
Z	Other support equipment -----	FSG 22, 3835, 6310, 6330, 6350 -----		X	
7	<i>Other Support Equipment</i>				
A	Medical Surgical equipment -----	FSC 6515 -----		X	
B	Dental equipment -----	FSC 6520 -----		X	
C	X-Ray equipment -----	FSC 6525 -----		X	
D	Hospital equipment -----	FSC 6530 -----		X	
E	Chemistry/Laboratory equipment -----	FSC 6630, 6640 -----		X	
F	Laundry & Dry Cleaning equipment -----	FSC 3510 -----		X	
G	Shoe Repair equipment -----	FSC 3520 -----		X	
H	Service & trade equipment -----	FSG 35 (except 3510 & 3520) -----		X	
K	Office machines -----	FSG 74 -----		X	
L	Pumps & compressors -----	FSG 43 -----		X	
M	Plumbing & heating equipment -----	FSG 45 -----		X	

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
J					
7					
N	Engines -----	FSG 28 -----		X	
P	Prefab & portable structures -----	FSG 54 (except 5240) -----		X	
Q	Mine drilling equipment -----	FSC 3820 -----		X	
R	Refrigeration & Airconditioning equipment -----	FSG 41 -----		X	
S	Firefighting equipment -----	FSC 4210 -----	X	X	
Z	Other support equipment -----	FSG 37, 46, 47, 48, 71, 72, 73 -----		X	
K SUPPLIES					
1	<i>Clothing and Textile Supplies</i>				
A	Clothing Textiles and Individual Equipment --	FSG 83 & 84 -----		X	
2	<i>Medical Supplies</i>				
A	Drugs, biologicals and surgical dressings -----	FSC 6505, 6510 -----		X	
Z	Other dental & medical supplies -----	Supplies in FSG 65, (except ----- FSC 6505 & 6510)		X	
3	<i>Subsistence</i>				
A	Human subsistence -----	FSG 89 -----		X	
4	<i>General Supplies</i>				
A	Hand and measuring tools -----	FSG 51, 52 -----		X	
Z	Other general supplies -----	FSG 40, 75, 78, 79, 80, 81 ----- (except 8140), 85, 93 and FSC 8710, 8820, 9905, 9925, 9930 and 9999		X	
5	<i>Industrial Supplies</i>				
A	Industrial supplies -----	FSG 31, 94 & 95 -----		X	
6	<i>Fuels, Oils and Chemicals</i>				
A	Jet fuel -----	FSC 9130 -----		X	
B	Aviation gasoline -----	FSC 9130 -----		X	
C	Automotive gasoline -----	FSC 9130 -----		X	

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
K					
D	Diesel fuel -----	FSC 9140 -----		X	
E	Navy special fuel oil -----	FSC 9140 -----		X	
F	Chemicals -----	FSG 68 -----		X	
G	Solid fuel -----	FSC 9110 -----		X	
Z	Other petroleum, oil and lubricants -----	FSG 91 (except 9910, 9130, 9140) -----		X	
7	<i>Construction Supplies</i>				
Z	Construction supplies -----	FSG 55& 56 -----		X	
8	<i>Automotive Supplies</i>				
A	Automotive supplies and equipment parts ----	FSG 25, 26, 28, 53 (except 2630, 2810, 2840 & 2845), FSC 2910, 2920, 2930, 2940, 2990 and other spare parts -----		X	Automotive supplies and spare parts for equipment in Generics D, E, J & K.

FOOTNOTES: (1) In those generics where both major item and dollar lines may be added to the MASL, the Military Departments must limit major item lines to those pieces of equipment for which visibility is considered absolutely essential to good program control and supply management.

**MASM
PART II**

GRANT AID

CHAPTER A

ELIGIBILITY

1. General Authority

No country may be provided any defense article or defense service (by loan or grant) until the President finds, in accordance with Section 503(a) of the Foreign Assistance Act of 1961 (hereinafter referred to as "the Act"), that the provision of assistance will "strengthen the security of the United States and promote world peace." When a favorable Section 503(a) finding has been made, countries qualifying under this requirement may receive Military Assistance defense services (including training) without any further Presidential action.

2. Conditions of Eligibility

a. Should MAP defense articles be involved, however, a further condition must be fulfilled. Under Section 505(a) of the Act, the country must agree that it will not, without the consent of the President: permit any use of such articles by anyone not an officer, employee, or agent of that country; transfer, or permit any officer, employee, or agent of that country to transfer such articles by gift, sale, or otherwise; or use or permit the use of such articles for purposes other than those for which furnished. Moreover, under this same Section, the country must further agree: that it will maintain the security of such articles, and will provide substantially the same degree of security protection afforded to such articles by the United States government; that it will permit continuous observation and review by, and furnish necessary information to, representatives of the United States government, with regard to the use of such articles; and that it will either return to the United States

government those articles no longer needed for the purposes for which furnished or dispose of them in such a manner as the President shall consider acceptable. In addition, effective 1 July 1974, under Section 505(f) of the Act the country must agree that "the net proceeds of sale" which it receives in disposing of MAP-furnished defense articles "will be paid to the U.S. Government." Thus, countries that have signed bilateral agreements which include the above-mentioned qualifications, and for which Section 620(b), 620(f)—if required—and Section 503 determinations have been made, are eligible to receive materiel assistance having a value of no more than \$3.0 million in a given fiscal year.

b. Should it be desirable to furnish MAP defense articles in excess of the \$3.0 million limitation, the President must make a further determination, under Section 505(b) of the Act, to the effect: that such country conforms to the purposes and principles of the Charter of the United Nations; that such defense articles will be utilized by such country for the maintenance of its own defensive strength, or the defensive strength of the free world; that such country is taking all reasonable measures, consistent with its political and economic stability, which may be needed to develop its defense capacities; and that the increased ability of such country to defend itself is important to the security of the United States.

c. In the event that any of the conditions set forth in Section 503(a) or 505(b) of the Act, are not complied with, and, pursuant to the purposes of the Act, the President still desires to furnish assistance to a given coun-

MILITARY ASSISTANCE AND SALES MANUAL—PART II

try, he may authorize, under Section 614(a) of the Act, the use of funds under the Act without regard to the requirements thereof upon a determination that such assistance is important to the security of the United States—waivers of 620(f) must be made under Section 614(a).

3. General Limitations

a. Foreign Military Training. Section 510 of the Act restricts the number of foreign military students to be trained in the United States in any fiscal year out of funds appropriated pursuant to Part II of the Act to a number equal to the number of foreign civilians brought to the United States under the Mutual Educational and Cultural Exchange Act of 1961 in the immediately preceding fiscal year.

b. Change in Allocation of Foreign Assistance. Section 653(a) of the Act, provides that not later than thirty days after an appropriation of funds to carry out the provisions of the Act, the President must notify the Congress of each foreign country and international organization to which the U.S. Government intends to provide funds. Thereafter the amount provided may not be increased by more than 10% unless the President determines that it is in the security interests of the United States and so reports to the Congress.

4. Prohibitions Against Furnishing Assistance

a. Before a country may receive any economic or military assistance, the President must make a determination under Section 620(b) of the Act that such country is not dominated or controlled by the international Communist movement. With regard to assistance to the Communist countries, aid can be provided only if the President exercises his waiver authority under Section 614(a) and concomitantly finds and reports to Congress under Section 620(f) that: such assistance is vital to the security of the United States; the recipient country is not controlled by the international Communist con-

spiracy; and, such assistance will further promote the independence of the recipient country from international Communism.

b. Section 620(a) and Section 620(n) provide that no assistance, either economic or military, shall be furnished to any country which fails to take appropriate steps to prevent ships or aircraft under its registry from transferring to or from Cuba or North Vietnam any equipment, materiel or commodities.

c. Section 620(e)(1) of the Act suspends assistance under the Foreign Assistance Act for countries that have nationalized, expropriated, or seized U.S. property, or have imposed discriminatory taxes having the same effect without having made reasonable and prompt compensation of equivalent value. It is also applicable to assistance provided under any other Acts. (The only exceptions permitted are recipients of assistance under the following Acts: the Peace Corps Act, as amended; the Mutual Educational and Cultural Exchange Act of 1961, as amended; the Export-Import Bank of 1945, as amended; or famine or disaster relief through voluntary agencies under Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended.) Assistance is also to be suspended if a country has initiated steps to repudiate or nullify existing agreements with U.S. citizens or entities without taking proper compensatory action. Provision is made for the referral of such cases to the Foreign Claims Settlement Commission of the United States, with the stipulation that assistance will be suspended twenty days after the report of the Commission is received, unless the compensation required by international law is made to the U.S. citizen or entity.

d. Additional limitations imposed under Section 620 provide that: No assistance shall be provided to any country which the President determines is engaging in or preparing for aggressive military efforts directed against the United States, an aid recipient country, or any country to which PL 480 sales are made, unless the President deter-

mines that such military efforts or preparations have ceased (this restriction may not be waived under Section 614(a) of the Act, and what constitutes engaging in, or preparing for, aggressive military efforts will be determined on a case-by-case basis by the legal offices of DOD, AID, and the Department of State). No assistance shall be furnished to Egypt unless the President determines that the furnishing of such assistance is "essential to the national interest of the United States" (it should be noted that this determination is more difficult to make than the Presidential finding under Section 503(a), which permits assistance to friendly foreign countries, "the assisting of which the President finds will strengthen the security of the United States and promote world peace"). The President can deny assistance under the Act to the government of any less developed country which has failed to enter into an agreement with the U.S. to institute an investment guaranty program providing protection against inconvertibility, expropriation or confiscation. No assistance shall be provided to any country (unless the President finds such action contrary to national security) which is indebted to any U.S. citizen for goods or services furnished where such citizen has exhausted available legal remedies or the debt is not denied or contested by such government. Finally, assistance may be excluded from any country which seizes or imposes any penalty or sanction against a U.S. fishing vessel on account of its fishing activities in international waters.

e. Section 505(d) makes any country which uses assistance provided under the Foreign Assistance Act of 1961, as amended, or any predecessor Act, ineligible for further assistance whenever the prior assistance was used in violation of provisions of applicable U.S. legislation or any agreement entered into with that government.

f. Section 505(f) of the Act specifies that: "Effective July 1, 1974, no defense article shall be furnished to any country on a grant basis unless such country shall have agreed

that the proceeds of sale received by such country in disposing of any weapon, weapons system, munition, aircraft, military boat, military vessel, or other implement of war received under this chapter will be paid to the United States Government and shall be available to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961."

g. Section 481(a) of the Act provides for the suspension of economic and military assistance furnished under this act or any other act with respect to any country when the President determines that the government of such country has failed to take adequate steps to prevent narcotic drugs and other controlled substances produced or processed in such country or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents or from entering the United States unlawfully.

h. Sec. 644(m) of Foreign Assistance Act (FAA), as amended on 17 December 1973, defines value of Excess Defense Articles (EDA) as actual value plus cost of repair and rehabilitation (R&R).

Sec. 31(d), AECA, as amended on 30 June 1976, placed a limit of \$100 million on the aggregate acquisition cost of excess defense articles that may be issued under MAP and FMS in any fiscal year after FY 1976.

i. Foreign excess property may be donated under Title 40, USC, Sec. 512(a). Under this authority only that property may be transferred which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds of its sale. Foreign excess property of DOD which does not fall into this category must be reported under provisions of Sec. 8 of P.L. 91-

MILITARY ASSISTANCE AND SALES MANUAL—PART II

672 as amended 17 December 1973, unless such property is transferred in exchange for

substantial benefits or is sold at property disposal sale.

CHAPTER B

UTILIZATION, REDISTRIBUTION AND DISPOSAL
OF MAP MATERIEL**1. General****a. Applicability**

The following provisions and procedures apply to all material furnished to foreign countries by the U. S. as grant aid, regardless of whether the transfer was made under the Foreign Assistance Act of 1961, as amended, predecessor or successor legislation, or other statutory authority. MASF-origin property declared excess by the recipient country after date of reversion to MAP funding is also subject to MAP policy and guidance. These provisions also apply to MAP material in possession of a country although the country is no longer eligible for grant aid under the MAP program. The procedures in this Chapter apply only to MAP material, and do not apply to redistribution of EDA (excess defense articles). See subparagraph C, below.

b. Section 502 of the Foreign Assistance Act, as amended, stipulates that defense articles and services will be provided as grant aid solely for internal security, for legitimate self-defense, or to permit the recipient country to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations. This section also permits the recipient country to participate in collective measures requested by the United Nations for the purpose of assisting foreign military forces in less developed friendly countries (or the voluntary efforts of personnel of the Armed Forces of the United States in such countries) to construct public works and to engage in other activities helpful to the economic and social development of such friendly countries.

c. The fact that an item of MAP redistributable property survives utilization screening, including screening against Military Department's needs and is declared eligible for disposal ("disposal MAP proper-

ty"), does not make the item EDA in the sense of Section 644(g) of FAA of 1961, as amended by P.L. 93-189, 17 December 1973, the "FAA of 1973", since the term "EDA" applies only to DOD assets, and not to MAP assets. Refer to Part II, Chapter F, paragraph 5.a.

d. Waivers

The following procedures and provisions may be considered for waiver by the Director, DSAA, on a case-by-case basis when such action is legally permissible and is determined to be in the best overall interest of the United States. Request for waiver should be directed to DSAA giving full details as to the identification and quantities of materiel involved, their acquisition and disposal values, the specific provision(s) to be waived, and full justification. An information copy of each request for waiver will be provided to the Unified Command for regional evaluation and comment as deemed appropriate within five working days. No comment will be construed as no objection.

2. Supervision of End-Item Use

a. Section 623(a)(3) of the Act assigns primary responsibility for the supervision of end-item use by the recipient countries to the Secretary of Defense. Within their areas of responsibilities, this function is assigned to Unified Commands and, where appropriate, assigned further to MAAGs or other DOD elements responsible for MAP activities in foreign countries.

b. DOD Directive 5132.3, paragraph IV. J.(5), specified further that in carrying out the above responsibility the Chief of MAAG under the direction of the appropriate Unified Command, is responsible for supervising utilization by the foreign government of all defense articles and services furnished by the U.S. as grant aid. This responsibility

MILITARY ASSISTANCE AND SALES MANUAL—PART II

includes proper utilization of material other than end-items and of personnel trained by the U.S., particularly in the case of countries receiving substantial MAP support for operations and maintenance of its Armed Forces.

c. Except where specified otherwise by DSAA, periodic submission by the recipient country of reports, as may be prescribed as to form and frequency by the MAAG consistent with available resources, satisfies the intent and purpose of the law. MAAGs will establish operating procedures for supplemental supervision of end-item use and verification of country reports. However, it is incumbent upon all DOD elements, to supplement and verify such reports by physical inspection, observation, and such other means as may be practicable. Time consuming, repetitive checks of low-cost, non-critical items shall be avoided.

d. Reports Submitted by Foreign Country

(1) As a minimum, the reports submitted by the foreign country will consist of an annual inventory of major items on hand of MAP origin as of 30 September each year. The report will include:

- (a) Item identification
- (b) Quantity on hand

(2) Wherever practical, the report will be expanded to include other than major items, acquisition values, and projections of when materiel will become excess to the foreign country's requirements.

(3) Requirements for this report may be modified by the appropriate Unified Command to include limited major items such as aircraft, ships, missiles, armored carriers, self-propelled artillery, tanks, vehicles and weapons in order that administration of the equipment is consistent with the situation in the country and with availability of resources. Delegation of this authority includes selection and designation by the Unified Command of specific defense articles and services to be reported.

e. The extent and nature of supplemental supervision and verification will vary by country dependent upon such factors as availability of personnel, the extent to which physical inspection is practical, and the de-

gree to which the recipient country can be relied upon to manage its resources effectively and render timely and accurate reports. Consistent with these factors, full use should be made of temporary duty personnel and teams, including those engaged in other primary missions, in carrying out end-use supervision responsibilities.

f. Appropriate country representatives will be advised of the minimum acceptable standards which are required for continued MAP support. This may not be, in all cases, rigorous U.S. equipment standards. In some countries it may be considered desirable and appropriate to provide country representatives with a MAAG prepared draft directive (for country implementation) which sets forth the minimum standards acceptable for continued MAP support.

g. MAAG surveillance of end-item use will include noting whether defense articles are excess to approved allowances and/or are no longer being utilized for the purpose for which provided. When the MAAG determines that such conditions exist, the following actions will be taken on a case-by-case basis:

(1) Notify the country in writing, providing complete details to support the MAAG determination. Notifications will make specific reference to the terms of applicable bilateral agreements with the country and the provisions of the Foreign Assistance Act.

(2) Report to DSAA, with info copy to Unified Command, those instances of country and MAAG disagreement over justification for retention, and resultant nondeclaration of excess. The report shall include country team recommendations for further action.

3. Reporting and Screening MAP Material Declared Excess

a. Action by Chief of MAAG

(1) When MAP materiel is declared excess to the needs of its Armed Forces by the holding foreign country, the MAAG or other DOD element responsible for MAP administration in the country will determine its condition. To the extent practicable, the deter-

mination will be based on physical inspection by qualified U.S. personnel. In the case of lack of resources, however, classification by the foreign government authorities may be accepted.

(a) Economic repairability will be determined in accordance with DOD Instruction 7220.21.

(b) Standard condition codes as set forth in the Defense Disposal Manual (DOD 4160.21M) will be used.

(2) If materiel declared excess by the foreign country is determined to be unserviceable and not economically repairable by overseas standards, it will be treated as disposable MAP property and processed in accordance with paragraph 6, below.

(3) MAAGs will screen reported excess MAP materiel against other MAP user requirements within the recipient country. (Non-MAP supported forces and requirements in countries where grant materiel assistance has been terminated are excluded). Where such requirements exist and where the MAP property would continue to serve a MAP purpose, the MAAG Chief may authorize continued use within the country. The MAAG will maintain local records of internal transfers made under the authority of this paragraph identifying the item, quantity, materiel condition, and the loaning and gaining MAP elements.

(4) If excess MAP materiel is not redistributed within the holding country, the Chief of MAAG will report major items (programmed as "each" items listed in the MASL with unit of issue other than "XX") and secondary items to the designated agency in the format specified by Military Department directives with information copy to the Unified Command. Excess reports will include recommendations for disposition by the Chief of MAAG as appropriate.

b. Action by Military Department

(1) The Military Departments will provide detailed procedures for reporting and screening MAP excess major and secondary items (including standard and non-standard materiel) under their cognizance. Procedures shall include identification of reporting

channels, screening agencies, and reporting formats.

(2) Major and secondary MAP excess materiel will be screened by the Military Department against world-wide approved and funded MAP. Should such requirements not exist however, the following actions will be taken:

(a) Major items will be offered under the MIMEX system.

(b) Secondary items will be screened for not more than 30 days against other MAP requirements within the reporting theater.

(3) Upon conclusion of screening, all requirements received from the MAAGs will be reviewed. Appropriate transfer actions will be initiated by the Military Departments pursuant to allocations of major items by DSAA. Redistribution actions for secondary items will be initiated by the cognizant Military Department in accordance with established procedures and MAP priorities. Comments on an exception basis from the Unified Command shall be considered in making redistribution decisions.

(4) Major items not allocated under MIMEX, and all secondary items not required for MAP will be utilized by the Military Departments to meet other than MAP requirements as appropriate. Any materiel not so utilized will be reported to Defense Property Disposal Service.

4. Transfer of MAP Excess Material

a. Submission of Requirements

(1) MAAGs shall screen program requirements against MIMEX offers and secondary item screening lists and advise DSAA/Military Departments, with information copy to Unified Command, requirements for acceptable MAP excess materiel. The Unified Command is allowed five days to comment on the country's requirements. No comment will be construed as no objection.

(2) A MAAG holding MAP excess materiel, previously reported for screening, will accomplish transfer of the MAP materiel in accordance with redistribution or disposal instructions received from the cog-

MILITARY ASSISTANCE AND SALES MANUAL—PART II

nizant Military Department or agency.

(3) MAAGs receiving redistributable MAP property will:

(a) Advise the appropriate Military Department or agency on a case-by-case basis when transfer of the last article has been completed.

(b) Ensure that all due-ins or outstanding requisitions for items received are cancelled.

(c) Submit appropriate program change data to DSAA.

(4) Reimbursable Transfers

MAP property used for any purpose other than to meet approved MAP (grant aid) or other DOD requirements, including transfer for disposal, will be transferred on a reimbursable basis. Proceeds of the transfer will be reimbursed to MAP accounts in U.S. dollars, except where special government-to-government arrangements specify otherwise.

b. Assessorial Charges and Rehabilitation Costs

(1) MAP property, other than MIMEX Offer allocations, ships and aircraft, will be delivered by the releasing country.

(a) Free along side vessel for redistributable MAP items. MAP will pay for unloading from carrier and loading items aboard ship for redistributed items.

(b) Free along side vessel for items being returned for U.S. Military Department stock or disposal. U.S. Military Department will pay for unloading from carrier and loading items aboard ship for such items.

(c) To the releasing country border at its expense when MAP property is shipped via rail or highway. MAP will pay costs from the country border to the MAP country receiving redistributable MAP property. U.S. Military Departments will pay costs from the country border to designated overseas storage location.

(2) Redistributable MAP property sold under Foreign Military Sales (FMS): the purchasing country will pay all inland carrier, loading, unloading and ocean costs. Redistributable MAP property allocated under MIMEX offers: the receiving country will

pay all inland carrier, loading, unloading and ocean costs.

(3) Ships and aircraft will be delivered in accordance with arrangements made between the USG and the releasing country.

(4) Packing, crating and handling costs will be borne by the releasing country for:

(a) Redistributable MAP property, and

(b) Items being returned for U.S. Military Departments stock or disposal.

(5) Packing, crating and handling costs will be borne by the purchasing country for redistributable MAP property sold under FMS.

(6) Rehabilitation costs will be borne:

(a) By the receiving country current year MAP program for redistributable MAP property.

(b) By the U.S. Military Department for property being returned to Military Department stock.

(c) By the country purchasing the redistributable MAP property under FMS.

(7) Assessorial charges will be applied in accordance with DOD Instruction 7510.4.

5. Cannibalization and Retention

Requests for cannibalization and retention of MAP Grant property will be addressed jointly to Department of State and Secretary of Defense. DSAA will provide response which will be cleared in the Department of State. The Department of State will transmit the response to the U.S. mission in the country concerned.

6. Disposal of MAP Property

a. Methods of Disposal

(1) Assuming an item has survived screening for further utilization and has been determined to be disposable MAP property, it may be disposed of in one of two ways:

(a) In accordance with the provisions of the Defense Disposal Manual (DOD 4160.21M) through the DPDO's, in which case net funds generated thereby are deposited in the parent MAP account. Section 605(d) of the FAA of 1961 provides: "Funds

realized by the U.S. Government from the sale, transfer, or disposal of defense articles returned to the U.S. Government by a recipient country or international organization as no longer needed for the purpose for which furnished shall be credited to the respective appropriation, fund or account used to procure such defense articles or to the appropriation, fund, or account currently available for the same general purposes.”

(b) In accordance with the provisions of special country-to-country disposal arrangements under which the MAP recipient country disposes of disposable MAP property.

(2) It is preferable from the DOD standpoint to use the DPDS for disposal of disposable MAP property. However, in many cases it is not practical to exercise this option, either because there is no DPDO in-country or for practical reasons it may be more desirable to have the country dispose of the item. In some cases, agreements with the country require disposal by the country if no USG utilization is found.

b. Demilitarization of Disposable MAP Property

Where munitions list materiel is involved, regardless of its economical recoverability, if the MAAG is unable to ensure by physical inspection that appropriate demilitarization has been accomplished in accordance with the criteria specified in DOD Directive 4160.21, the materiel will be recovered by the U.S. and disposed of through the U.S. Property Disposal System.

c. FAA Regarding Disposal

(1) As regards para (1) (b) method of disposal, the 1973 legislation amended the FAA of 1961 with Section 505 (f), which provides: “Effective July 1, 1974, no defense article shall be furnished to any country on a grant basis unless such country shall have agreed that the net proceeds of sale received by such country in disposing of any weapon, weapons system, munition, aircraft, military boat, military vessel, or other implement of war received under this chapter will be paid to the U.S. Government and shall be available to pay all official costs of the U.S.

Government payable in the currency of that country, including all costs relating to the financing of international, educational, and cultural exchange activities in which the country participates under the programs authorized by the Mutual Educational Cultural Exchange Act of 1961.”

(2) Section 505(f), FAA does not legally affect paragraph (1) (a) method of disposal or alter the requirements of Section 605(d), FAA with regard to disposition of sale proceeds exclusively to the parent MAP account.

(3) Section 505(f), FAA extends to disposals by the recipient countries of MAP origin defense articles if such countries are the recipient of grant aid material after 1 July 1975 whenever the articles were originally granted to any such country, even if granted prior to date of agreement required under Section 505 (f). “Net proceeds of sale” means the balance of the gross proceeds of sale to be paid to the USG after reasonable administrative costs of the sale of MAP origin equipment are deducted by the foreign government.

(4) Section 505(f), FAA constitutes a condition of eligibility for recipients of grant defense articles programmed in FY 1975 and subsequently. A mandatory agreement pursuant to Section 505(f), FAA must be concluded with the countries which are programmed to receive grant aid defense articles after 30 June 1974, even though disposals may be made by DPDS in most, if not all instances.

(5) For countries other than those in (4) above no agreement pursuant to Section 505(f), FAA is legally required so long as no grant defense articles are programmed for them after 30 June 1974. Nevertheless, defense policy with regards to such other countries is to require (unless an agreement with a particular country in force on 30 June 1974 provides to the contrary) a recipient country commitment to return to USG (for deposit in Treasury miscellaneous receipts, along with funds received by USG under Section 505(f), FAA) the net proceeds of sale whenever such country requests release

MILITARY ASSISTANCE AND SALES MANUAL—PART III

unless the President in his notification to Congress states that an emergency exists which requires such sale in the national security interests of the United States (Sec.

36(b)(1)). See Chapter C, paragraph 16 for processing LOAs in the amount of \$25 million or more or for LOAs in the amount of \$7 million for major defense equipment.

CHAPTER C

ARTICLES AND SERVICES

1. Purpose

This chapter provides guidance and instructions for providing defense articles and services (other than training) to foreign countries as Grant Aid in a manner that will insure greatest benefit to both the foreign country and U.S. interests.

2. Master Program File

a. Program data are maintained by DSAA in an automated data base titled the "master program file". Each program line in this file represents a requirement for defense articles or defense services. The file comprises an integrated statement of all MAP requirements for prior, current, and budget years. All changes to a program line are recorded in the master program file which is updated at regular intervals to reflect the current status of each program line. In order to maintain the integrity of the file as a complete and integrated statement of all MAP requirements, it is essential that the effects of each change be reflected simultaneously throughout all fiscal year segments. The results of these updates are provided by DSAA to the MAAG's biweekly for one year, the current year, and the budget year. DSAA also prepares listings and summaries from the updated file in a variety of formats and at different levels of detail for use by interested agencies (see Chapter J). The master program file is the basic data source used for program review, approval, budget presentation, MAP Order funding and program execution.

b. A record control number (RCN) is assigned to each program line by the MAAG upon initial submission of program data

cards for new program lines. DSAA will assign the RCN if the MAAG so desires. This record control number, along with the country/activity code and program year, provides a unique and positive identification of each program line which also is carried over to the associated MILSTRIP documentation used in supply execution. The reason for each change to a program line is documented in the master file by an appropriate change reason code.

3. MAP Element Descriptive Data**a. MAP Element Structure**

The MAP major program and program element structure prescribed herein is patterned after the major program and program element structure prescribed for U.S. forces in the DOD Five Year Force Structure and Financial Program. The MAP major programs are:

<i>Program Number</i>	<i>MAP Major Program</i>
2	Air and Missile Defense Forces
3	General Purpose Forces
4	Airlift and Sealift Forces
5	Reserve Forces
6	Research and Development
7	General Support

Each MAP major program is further broken down into MAP Elements (see Appendix A, Part I) which identify the forces or support activities for which requirements are programmed.

b. MAP Element Code

(1) The MAP Element Code (see Appendix A, Part I) is a four digit code that defines intermediate levels of forces, activities or support requirements in descending order of detail. The first digit is a numeral

MILITARY ASSISTANCE AND SALES MANUAL—PART II

that identifies the MAP major program (see paragraph 3a, above). The second and third digits are alphabetic that further define subdivisions of forces or activities within the MAP major program. The fourth digit normally will be the numeral 0 (not the letter O). Examples:

<i>Code</i>	<i>MAP Element Title</i>
2AF0	F-5 Fighter Interceptor Squadrons
2BA0	NIKE Battalions
3AA0	Combat Infantry Divisions
3GC0	Destroyer Squadrons (or Des Ron One 3DD)
3JA0	Combat Marine Divisions

An alphabetic may be substituted for the zero (0) in the fourth digit when it is necessary to relate programmed requirements to specific force units or when specific unit identification is of particular importance to decision-making and control over program execution. Examples:

<i>Code</i>	<i>MAP Element Title</i>
3ABA	1 Armored Brigade
3ABB	2 Tank Battalions

MAAGs must recognize that excessive use of an alphabetic in the fourth digit can result in multiple requirements with the same stock number within the same country and program year. This in turn may delay program execution and the preparation of supply performance data by the implementing agencies.

(2) A separate MAP Element Code will be assigned to special projects in the following categories:

- Fixed Communications Systems
- AC&W Systems
- Special Activities (Generic Code R90)
- Manufacturing, Rebuild or Maintenance Facilities
- Production, Coproduction or Assembly Projects

(3) The numeral 0 will be entered in any unused digit of the MAP Element Code, e.g. Code 3F00 would permit the consolidation and programming of requirements for all General Purpose Amphibious Forces under a single MAP Element.

c. MAP Element Coding Instructions

(1) Operating Costs (Cost Code O). For the most part, operating cost require-

ments are related to forces at the Military Service level, utilizing the appropriate support elements under the major aggregations entitled "Logistical and Operating Support". Third level codes T, U, and V are used to group certain requirements having common characteristics or a common basis for program decision making. For expendable material (e.g., follow-on spares) a fourth level alphabetic may be utilized to identify the country supply management activity responsible for inventory control and preparation of requisitions to be submitted to U.S. supply activities.

(2) The following is provided in identifying the data to be included in each MAP Element:

(a) Support Elements

1. The elements in MAP major program 7, General Support, are used primarily for general MAP overhead costs such as MAP supply operations, for activities and operating support requirements applicable to two or more Military Services, and for communications facilities which serve both a military and a civil function.

2. The Elements Supporting Bases and Activities in MAP major program 3 include training installations, hospitals, supply and maintenance facilities, general command and administrative headquarters, command communications and terminal facilities not allocable to other elements, and other activities in general support of the operating forces. Requirements allocated to these elements should not include consumable materiel or replacement equipment which ultimately will be distributed by these activities to the operating forces.

3. The Elements Operating Support (Attrition and Ammunition/Training Missiles) in MAP major programs 2 and 3 include all requirements for replacement of attrition losses (even though cost coded I) and all requirements for ammunition including war reserve ammunition. Also included are technical assistance (M10) and repair

and rehabilitation (R&R) of MAP materiel (M20) when these services are cost coded O. Do not include dollar value materiel lines for requirements other than ammunition in these elements.

4. The Elements Operating Support (FOS and Secondary Items) in major programs 2 and 3 include all dollar value lines of materiel cost coded O. Cost requirements are not included in these elements.

(b) Air and Missile Defense Forces

1. Aircraft Forces. Include technical assistance (Cost Code I), and Class V mods in appropriate aircraft mission elements. Include Class IV mods only if they are to be installed prior to delivery of the aircraft; otherwise, program in 3MV0. Any given unit or aggregation of units converting from one aircraft to another may be assigned a single MAP Element Code, preferably that of the more modern aircraft. In cases where the conversion is programmed on an incremental basis, the MAP Element Code for the existing unit may be used until conversion to the more modern aircraft is completed.

2. Surface-to-Air Missile Forces. Include basic load of missiles, and missile technical assistance (Cost Code I) in mission elements (2BA0 and 2BC0); include missiles to replace those consumed or to be consumed in training in 2BU0.

3. Communications-Electronics — Metrological Facilities/Systems. Include all radar and related equipment provided for the primary military assistance objective of air and missile defense.

(c) General Purpose Forces

1. Army Combatant Forces

a. Cavalry Units—Includes animal mounted units only.

b. Other Combat Units—Includes those separate combat units for which a specific third level code has not been assigned.

c. Other Combat Support Units

—Includes those separate combat support units for which a specific third level code has not been assigned.

2. Naval Forces. Include ship overhauls in mission elements.

3. Paramilitary Forces. Include training, replacements of attrition losses, and ammunition in mission elements.

(d) Reserve Forces. Includes all costs of reserve forces, organized units and individual training.

(e) Research and Development. Includes the direct and indirect costs of research and development, items for testing and development, and related expenses.

(f) General Support

1. Intelligence and Security

a. Mapping and Charting—Includes military assistance in support of units or activities primarily engaged in mapping and charting, oceanographic survey and geodetic activities.

b. Other Intelligence Activities—Include military assistance associated with the collection, analysis, estimation, targeting, dissemination and overall operation of intelligence and counterintelligence at the country military headquarters level.

2. Communications. Includes air traffic control and landing facilities and long line, point-to-point wire, cable and radio communications facilities (including communications terminal and switching equipment) not allocable to other MAP major programs. Always include the requirement in MAP major program 7 when such facilities form a part of a civil communication system, or are to be used for both military and civil purposes.

3. Logistical Support

a. Supporting Bases and Activities—Includes activities of the type described in para 3.e.(2)(a)2. above when the activities are in support of more than one Military Service.

b. Multi-Service Operating Support (FOS and Secondary Items)—This element may be used where a designated

MILITARY ASSISTANCE AND SALES MANUAL—PART II

Military Service or a supply service has multi-service programming, storage and issue responsibility for items common to all Services. In such cases, the designated service/supply manager will program the total requirement for all Services under a single program line. Such multi-service program lines may be included in the 7DVØ series for Follow-On Spares (FOS) and secondary items. If one Military Service is the predominant user of the supplies involved, it is preferable that the total requirement for all Services be programmed as a single program line under the V-series element of the predominant user Service.

4. Command and General Support

a. Command and Direction—Includes country level military headquarters and related supporting activities not identified elsewhere.

b. Construction Support Activities—Includes construction units and activities which cannot be associated with other MAP major programs. Specifically includes generics Q1A and Q2D.

c. Other Support Activities and programs which are not allocable to other elements. Specifically includes generic RØØ.

4. General Programming Guidelines

a. General Principles

(1) All recipient countries are expected to allocate a reasonable share of their national resources to defense requirements. To the extent consistent with the achievement of over-all U.S. objectives, Unified Commands and MAAGs will seek to persuade countries to concentrate their resources on projects considered desirable in support of U.S. strategic concepts. Items, which are normally available for purchase in the country with local currency, whether produced locally or externally, will not be provided through grant aid. Where items can be produced locally on acceptable technical and economic bases, such production will be planned to foster self-sufficiency of the local economy.

(2) Assistance will not be provided

earlier than needed to accomplish approved objectives nor before the recipient is able to provide the trained or trainable manpower, funds, facilities, materials, services and other support necessary to insure effective utilization of the assistance rendered.

(3) Articles and services will be provided directly to the foreign forces or their agents (including civilian contractors to the force) for the use of such forces.

(4) In all cost-sharing agreements and in all offers or agreements which commit the U.S. to furnish a specific weapon or weapons system as grant aid there will be language that clearly states the basis on which any additional or recurring material and training costs will be borne by the U.S. and the participating nation or nations.

(5) "Internal Security Forces" supported by the Military Assistance Program should be limited to the regular military forces plus appropriate para-military organizations which are responsible for the security of the State and which are under Ministry of Defense direction as distinguished from local police organizations.

(6) For Military Security Assistance projects which require fixed communications facilities, the Military Department or other DOD element concerned will ensure that such projects are fully coordinated with the Defense Communications Agency (DCA). DCA should be notified at the earliest stages of planning and kept informed during all phases of implementation. This coordination specifically includes providing DCA with the results of initial surveys as well as subsequent detailed engineering plans and significant changes thereto. Projects requiring coordination with DCA are not limited to those pertaining exclusively to fixed communications, and also include those projects which contain fixed communications elements only as a portion of the overall project. The purpose of this coordination is to determine the extent to which the communications systems involved are compatible with the Defense Communications System (DCS) and if use of the systems by the DCS would be beneficial to the United States. The

results of DCA review of these projects will be submitted to Defense Security Assistance Agency (DSAA) through the Joint Chiefs of Staff (JCS). Further distribution of review results will be accomplished as appropriate.

(7) In addition to the above procedures, Military Departments or other DOD elements which are aware of foreign commercial communications projects under the sponsorship of U.S. industry should bring them to the attention of DCA in order that such plans can be obtained and reviewed for compatibility with DOD communications systems.

b. Materiel

(1) In order that maximum benefit is realized from U.S. Military Assistance, Unified Commands and MAAGs will insure that:

(a) Equipment and supplies provided as grant aid are properly distributed, maintained and used.

(b) Forces being assisted are receiving an equitable distribution of material on hand and anticipated from sources other than grant aid.

(c) Items for which attrition replacement is provided are removed from inventory by actual loss, cannibalization, scrapping or destruction.

(d) Obsolete items for which replacement is provided are disposed of promptly in accordance with applicable regulations.

(2) Authorized allowances and Military Assistance requirements will be determined on the basis of the minimum necessary to accomplish the military task and not on the basis of U.S. allowances or standards. Full consideration will be given to local conditions and standards including such factors as whether the mission is limited or static, the terrain, probable opposing forces, proximity to sources of supply, actual and anticipated existence of civilian facilities and assets, and limitations on manpower, skills and other supporting requirements.

(3) Items that are obsolete by U.S. standards will be provided only if they meet

the operational requirement and are acceptable to the recipient, and if necessary support can be assured by either the U.S. recipient country.

(4) Wherever practicable, requirements will be met with more economical, i. standard, or commercial type items.

(5) In calculating deficiencies satisfied by provision of Military Assistance excess on hand in a country military service will be applied to the requirements of remaining country military services prior to programming additional quantities of the item. MAAGs will make every effort to have excesses declared by the holding country. Such excess redistributable material will be reported for screening in accordance with provisions of Chapter B.

(6) Commercial type items are not authorized for MAP programming without prior approval of DASD(SA)/DSAA as appropriate. Requests for approval will be submitted as prescribed in Paragraph 5.d.(9) of this chapter.

(7) Maintenance floats may be programmed for grant aid recipients. Such items if required must be programmed within the country authorized program level. MAAGs will coordinate with the Military Departments to determine the quantity of an item recommended for maintenance float. Unified Commands and MAAG/MILGPs will insure through inspection that maintenance floats, if programmed, are required to maintain combat readiness and are not excessive.

(8) Provision under MAP of defense articles and services for the purpose of establishing in-country production or increasing existing production capabilities is not authorized without prior approval of the DASD(SA)/DSAA on a case-by-case basis. Requests for approval will contain complete details and justification, and will include comments and recommendations of the Chief of the U.S. Diplomatic Mission.

c. Loan of Equipment

(1) Equipment may not be loaned to foreign governments under authority of the Foreign Assistance Act without prior ap-

MILITARY ASSISTANCE AND SALES MANUAL—PART II

proval of DSAA. Requests or recommendations for such loans will be favorably considered only in those exceptional cases where, for cogent reasons, it is determined that transfer of title as grant aid would not serve the best interests of the U.S. As used in this context, the term "equipment" includes ammunition but excludes Production Plant Equipment which may not be loaned under these provisions.

(2) In addition to such other terms and conditions as the President may determine pursuant to Sec. 503(a), FAA, defense articles may be loaned thereunder only if—

(a) there is a bona fide reason, other than the shortage of funds, for providing such articles on a loan basis rather than on a grant basis;

(b) there is a reasonable expectation that such articles will be returned to the agency making the loan at the end of the loan period, unless the loan is then renewed;

(c) the loan period is of fixed duration not exceeding five years, during which such article may be recalled for any reason by the United States;

(d) the agency making the loan is reimbursed for the loan based on the amount charged to the appropriation for military assistance under Sec. 503(c); and

(e) arrangements are made with the agency making the loan to be reimbursed in the event such article is lost or destroyed while on loan, such reimbursement being made first out of any funds available to carry out this chapter and based on the depreciated value of the article at the time of loss or destruction.

(3) Under Sec. 503(c)—

(a) In the case of any loan of a defense article made under this section, there shall be a charge to the appropriation for military assistance for any fiscal year while the article is on loan in an amount based on—

1. the out-of-pocket expenses authorized to be incurred in connection with such loan during such fiscal year; and

2. the depreciation which occurs during such year while such article is on loan.

(b) The provisions of this subsection shall not apply—

1. to any particular defense article which the United States Government agreed, prior to the date of enactment (17 December 1973) to lend; and

2. to any defense article, or portion thereof, acquired with funds appropriated for Military Assistance under this Act.

(4) Recommendations to loan equipment in lieu of transferring its title will be considered on a case-by-case basis and will be submitted to the Defense Security Assistance Agency (DSAA) for approval, with an information copy to the appropriate Unified Command. Loan agreements will (1) be of specified duration with an option for renewal on a mutually agreed basis, (2) provide for return of the equipment on short notice in event of an unanticipated U.S. need, and (3) contain a requirement that the equipment be maintained in a fully serviceable condition in accordance with U.S. standards. Loans under the authority of Section 503 FAA shall be implemented only by: (1) a Memorandum of Understanding between the Director, DSAA and an appropriate authorized official of the lending agency, setting forth the terms and conditions under which the loan is authorized to be made and all charges, including depreciation, to MAP funds during specified fiscal years; and (2) a written loan agreement is concluded prior to the commencement of the loan on behalf of the lending agency and the borrowing government.

(5) For loans of ships, the special provisions of Part I, Chapter E of this Manual also apply.

d. Construction

(1) Military Departments will curtail maintenance and repair of real property projects under Operation and Maintenance of MAP Installations (generic code L3G) to

the maximum extent. Only those projects urgently required for support of the Military Assistance mission should be considered for funding.

(2) Special instructions governing the planning, programming, and execution of construction (generic code Q2) are set forth in Chapter D.

e. Technical Assistance

General policies governing the planning, programming and execution of grant aid technical assistance (generic code M) are as follows:

(1) Contract technician services performed in support of Military Assistance will be funded by Military Assistance Program funds to defray cost of salaries, travel and per diem.

(2) Technical assistance provided by DOD personnel will be funded by Military Assistance Program funds to cover cost of travel, per diem, and, in the case of DOD civilian personnel, salaries.

(3) Deployment of DOD personnel and teams, military or civilian, on PCS under MAP or FMS for the purpose of providing technical assistance or training to foreign countries, will require approval of the Director, DSAA, on a case-by-case basis, prior to making any offer or commitment to the foreign government concerned.

f. Police Training and Related Programs

(1) No funds made available to carry out the Foreign Assistance Act of 1961, as amended, shall be used to conduct any police training or related program in a foreign country or in the United States. Related programs include MAP materiel programs.

(2) All Military Assistance, including excess defense articles, is subject to this prohibition. (Cash sales, credits, or guaranties made or issued under the Foreign Military Sales Act are not affected by this prohibition.)

(3) No funds made available to carry out the Foreign Assistance Act of 1961, as amended, shall be used in any program of

internal intelligence or surveillance on behalf of any foreign government within the United States or abroad.

(4) "Police" as used in this prohibition includes military police as well as civilian police if the military police perform civilian law enforcement functions. Neither the name given to a unit of the foreign government nor the ministerial authority under which it operates is sufficient, in and by itself, to determine whether a particular force is a "police unit." The determining factor is the nature of the function performed.

(5) All assistance to police in foreign countries, including the provision of defense articles and services and not just training assistance, is prohibited.

(6) Assistance in foreign countries for all phases of civilian law enforcement (other than narcotics control) is prohibited. "Law enforcement" includes apprehension and control of political offenders and opponents of the government in power (other than prisoners of war) as well as persons suspected of so-called common crimes. The prohibition does not apply to units whose sole function is that aspect of internal security which may involve combat operations against insurgents or legitimate self-defense of national territory against foreign invasion, whether or not such units are called "police." Assistance is, however, prohibited to units which have an on-going civilian law enforcement as well as a combat function. Consequently, this criterion may require termination of all MAP support to particular units of foreign forces in some countries. If any number of personnel from a smaller unit within a larger MAP supported unit are detailed to civilian law enforcement function, then only the smaller unit is prohibited from receiving MAP support.

5. Programming Guidance and Procedures

a. Procedures

(1) The MAAGs submit initial detailed budget year program data annually to

MILITARY ASSISTANCE AND SALES MANUAL—PART II

DSAA, with an information copy to the Unified Command, not later than January 15 (21 months prior to the beginning of that fiscal year) for use in updating the Military Security Assistance Projection (MSAP) (see paragraph 7.h., Chapter D, Part I of this Manual). Based upon Congressional Presentation Document (CPD) baseline guidance provided by DASD/ISA(SA), the MAAGs submit *adjusted* budget year program data to DSAA, with an information copy to the Unified Command, not later than January 1 (9 months prior to the beginning of that fiscal year), for use in preparation of the CPD (see paragraph 7.f. and 7.q., Chapter D, Part I of this Manual). These data are incorporated, with modifications, of which the MAAGs and Unified Commands are advised, into the DSAA master program file. Changes to the unfunded portion of the master program file (the unfunded portion of the current year and the entire budget year) will be processed in accordance with the procedures prescribed in this chapter and Chapter F.

(2) Except as otherwise specifically authorized in Chapter F, additions and increases recommended for approval and funding in the current fiscal year will be processed as changes to the unfunded program file.

(3) Submissions of data will be by punch cards, on transcript sheets or by message or letter communication. If transcript sheets are used, they must be filled accurately, double-spaced, and characters entered with sufficient precision that key punch operators will have no difficulty in understanding what is to be punched in each position. The formats for submission of changes are prescribed in paragraph 2., Chapter F for unfunded programs and are also applicable to the processing of changes to the funded program (i.e., changes to program lines for which MAP Orders have been issued). See Chapter F for additional instructions for processing changes to the funded program file.

(4) Development of Requirements. The program authorization constitutes that por-

tion of total requirements for which MAP support is authorized in each year of the program. The program requirement for which funding is to be requested will be based on DASD/ISA(SA) guidelines as reflected in the MSAP (see Chapter D, Part I), the capability of the country to utilize effectively the articles and services to be furnished in a particular fiscal year, and the manning level of units in relation to authorized equipment levels. For example: the MAAG may determine that an approved unit, not otherwise restricted in programming, is capable of utilizing only a portion of the total unit equipment authorization. In such cases the program authorization would be established at an appropriately *lower* level. This action would, in turn, reduce the program requirement in the applicable fiscal year.

(5) Program Originators and Implementing Agencies. MAP requirements will be programmed on a using Service basis. Approved program lines will normally be funded to and supplied by the U.S. Service indicated in the MASL as having supply cognizance over the programmed item. Where it is desirable in the case of programming for a system, or based on unit packaging and Service support responsibility, the indicated Milstrip Routing Identifier (MRI) in the MASL can be overridden. Justification for this action will be included with program data submissions.

b. New Program Recipients

The procedures prescribed in this chapter will also be followed for country and/or activity data being submitted for the first time. Program change reason code A1 will be entered in card columns 23-24 (reason code).

c. Administration and Support Costs

DSAA is responsible for the budget projects listed below. Actions requiring changes relating to the current and budget year programs for these budget projects will be resolved on the basis of appropriate narrative

budget submission changes (submitted by the administrative agencies) (see Chapter G). Required Cards 3, P, or R will be prepared by DSAA. The following budget projects are involved:

<i>Budget Project</i>	<i>Description</i>
L1	Transportation Costs
L2	Packing, Crating, Handling, Port Loading and Unloading Costs
L3	Operations and Maintenance of MAP Installations
L4	Storage and Maintenance of MAP Stockpiles
L5	Offshore Procurement Expenses
L6	Logistic Management Expenses
P1	Development of Advanced Design Weapons
P2	Other Development Costs
Q1	Infrastructure
R1	International Military Headquarters
R3	Inspector General, Foreign Assistance, State
R6	Extraordinary Expenses
T1	Administrative Expenses, Departmental and Headquarters
T2	Military Mission Expenses

d. Programming Instructions

(1) Spare Parts—Spare parts will be programmed, using the MASL, based on the nature of the requirement (initial stockage or follow-on), the type of equipment for which intended, the availability of catalog and supply data in the country and the characteristics of the parts (military specification or commercial).

(a) Initial Stockage—The requirement to establish an initial stockage to support an item first being introduced into country will be programmed in accordance with one of the following procedures:

1. Where the program originator can determine initial stockage requirements for individual spare parts items, from publications or supply experience, the requirement will be programmed and requisitioned in the same manner as follow-on spare parts requirements, except that cost code "I" will be punched in column 44.

2. Where the program originator desires the supplying (implementing) agency to initiate action to establish the composition of the initial spares package for shipment concurrent with the end item (concurrent spare parts (CSP)), the CSP will be pro-

grammed as indicated below. In each such case use the MRI and source of supply code of the related end item; use cost code "I" and punch an "N" in column 52 of card 3.

a. Aircraft—Program CSP's for aircraft in Generic Codes A1A through A5Z, and for AGE major items in A7A, by utilizing the group, class and item identification of the major item and 1st position of Generic Code A. Punch "A" in column 52 of card 3 for AGE.

b. Missiles—Program CSP's for missiles and missile support equipment in Generic Codes B1A through B3Q by utilizing the group, class and item identification of the major item and 1st position of Generic Code B.

c. Ships—Program CSP's for ships in Generic Codes C1A through C5Z by utilizing the group, class and item identification of the major item and 1st position of Generic Code C.

d. Weapons—Program CSP's for weapons in Generic Codes F1A through F4Z by utilizing the group, class and item identification of the major item and 1st position of Generic Code F.

e. Communications Equipment—Program CSP's for communications equipment in Generic Codes H1A through H6Z by utilizing the group, class and item identification of the major item and 1st position of Generic Code H.

f. Other Major Items—Program CSP's for all other major items by utilizing the group, class and item identification of the major item and 1st position of Generic Code K.

3. Where the program originator desires the supplying agency to initiate action to establish the composition of the initial spares package, but the end item involved is a secondary item included in a dollar value line, the CSP requirement will be programmed by increasing the amount in the dollar value line which contains the secondary item. In such cases, separate communication with the supplying (implementing) agency will be necessary to identify the

MILITARY ASSISTANCE AND SALES MANUAL—PART II

item(s) for which the CSP package is required.

(b) CSP Cost Factors—Where more accurate cost data is not available the dollar amounts to be programmed for CSP requirements should be determined by applying the following percentage factors to the acquisition value or the MAP unit price (whichever is the larger) of the related end item in the MASL. Factors listed below do not include spare engines.

Category	Factor
Ships	10.0%*
ASW Aircraft	15.0%
Missile Systems	15.0%
Helicopters	15.0%
Cargo Aircraft	10.0%
Fighter Aircraft	12.5%
Trainer Aircraft	10.0%
Other Aircraft	10.0%
Other Equipment	10.0%

* For ships furnished by DN, use cost factor provided by CNO.

(c) Follow-on Spare Parts (FOS)—Follow-on spare parts will be programmed under the appropriate dollar line in the MASL according to the federal supply classification of the part.

(2) Aerospace Ground Equipment (AGE)—Criteria for the programming of AGE for aircraft are as follows:

(a) Where the program originator can predetermine requirements for the individual items, from publications or supply experience, AGE requirements will be programmed in the dollar value MASL line in Generic Code A7A, and the items requisitioned in accordance with prescribed procedures.

(b) Where a major item is programmed for introduction into country and the program originator desires the supplying (implementing) agency to initiate action to establish the composition of the AGE package, the AGE will be programmed by utilizing the group, class and item identification of the major item and 1st position of Generic Code A. Use the MRI and source of supply code of the related end item, and punch an "A" in column 52 of card 3.

(c) Where more accurate cost data is not available, the dollar amounts to be programmed for AGE requirements should be determined by applying a 10 percent factor to the acquisition value or MAP unit price (whichever is the larger) of the related aircraft.

(3) Equipment Attachments—Equipment attachments in FSC 3810 (crane and crane shovel) and FSC 3830 (truck and tractor) will be programmed as follows:

(a) Punch the group, class, and item identification number of the corresponding major item in columns 8–18 and 1st position of Generic Code K of card 3.

(b) Punch E in column 52.

(c) Punch source of supply code of the corresponding major item in column 65.

(d) Punch MILSTRIP routing identifier of corresponding major item in columns 66–68.

(e) Punch total cost in columns 73–80. Consult the catalogs, if obtainable, of the responsible service to determine total cost; otherwise, apply a percentage factor of 5 percent to the acquisition value or MAP unit price (whichever is larger) of the related end item.

(4) Assemblages and Sets of Equipment—AR 725–1, Chapter 12 establishes the practice of excluding major components from certain sets, and requires separate requisitions for these major components. For those sets which fall within the purview of AR 725–1, a special MAP procedure has been established which permits MAAGs to program, if desired, the complete set as one program line item. Programming should be as follows:

(a) Complete Assemblages or Set of Equipment—When a complete assemblage or set of equipment is required, it can be programmed as a major item utilizing the data contained in the MASL. When such sets are programmed as major items, Department of the Army will prepare all necessary MILSTRIP requisitions to effect supply of the complete assemblage or set of equipment.

(b) Components of Assemblages or Sets of Equipment—When what is required is something less than the complete assemblage or set of equipment, the required components will be programmed under the MASL major item line (if there is one), or the appropriate dollar value line. Components programmed under dollar value lines will be requisitioned by the MAAG in accordance with established procedures.

(5) Aircraft Repair or Modification—The following policy will be applicable for the utilization of MASL lines providing for aircraft repair, rehabilitation or modification:

(a) When the requirements are for such repair or modification to be applied to a MAP-owned aircraft, the repair or modification will be programmed as such.

(b) When the requirements are for supply of an aircraft to a MAP recipient and:

1. The MASL lists an aircraft in the desired model or configuration, the program will be in terms of the desired end item, without separate program lines for repair or modification.

2. The desired aircraft listed in the MASL may require modification, and such modification does not convert the aircraft to another model listed in the MASL, the program will include lines both for the aircraft and for the repairs or modifications necessary to bring the aircraft to the desired configuration at time of delivery.

(6) Construction Services—See Chapter D.

(7) Ship Transfers and Overhauls—Policies and procedures governing Ship Transfers are contained in Chapter E, Part I. The initial transfer of all U.S. Navy ships that are loaned or granted to eligible MAP recipients under the authority of Section 503, Foreign Assistance Act (FAA) or separate Congressional authorization in the case of Major Combatant Ships, will be reflected in the Military Assistance Program. The initial transfer of ships sold under the Arms Export Control Act will be recorded in the

FMS case (DD Form 1513) covering the sale.

(a) The procedure for programming ship transfers and ship overhauls under MAP is as follows:

1. MAAGs will furnish DSAA the name of the ship and method of transfer upon submission of programming data.

2. Loans or grants under the Foreign Assistance Act:

a. Preparation for Initial Transfer—The initial transfer will be programmed under Generic Codes C1A through C5Z, as appropriate, irrespective of whether a MAP cost is involved. A separate program line will be used for each ship. A new MASL line will be added when necessary in order to distinguish new construction ships from those being transferred from U.S. Navy assets. The unit of issue will be “each” and the quantity must be shown. Supply code L will be entered in column 65. Normally, the MAP unit price will be left blank since, as indicated in Chapter E, Part I, the recipient country is expected to pay all costs incidental to the transfer. In those exceptional cases, however, where DSAA specifically approves MAP funding of the cost of any activation, repair, overhaul, modernization, conversion or equipment installation required to be performed prior to transfer under the terms of the loan agreement, the total cost of these services will be entered as the MAP unit price.

b. Actual Transfer—After the ship has been readied for transfer, and subject to specific approval by DSAA, those costs related to the actual transfer may be programmed at MAP expense under Generic Code R7A, using a separate program line for each ship, to include the following:

1 Prior to Transfer: The transportation of foreign crews to the pick-up point, per diem up to the date of transfer, on-board familiarization of foreign crews, and USN transfer/activation team if required.

2 After Transfer: Repair parts, consumable supplies and repairs

needed during underway training and in preparation for the homeward voyage (provisions are not authorized); ammunition, fuel, lubricants, water, tug and pilot services, and wharfage and dockside services in U.S. ports prior to commencement of the homeward voyage; and USN mobile training team and shakedown training.

3 May not include any repairs, materials or services after homeward voyage commences even though subsequent stops are made in U.S. ports (see paragraph *c* below).

4 Formalized training ashore of foreign crew members, where applicable, will be programmed under budget project N10 (training) in accordance with Chapter E, Part II.

c. Repairs Prior to Arrival in Country—In the event it is determined during the homeward voyage that additional ship repairs must be performed in order to assure safe arrival of the ship in country, and subject to DSAA approval, the MAP unit price of the applicable program line established pursuant to paragraph (a)2.a. above may be increased to cover the cost of such repairs.

d. Repair Overhaul After Arrival in Country (see Part I, Chapter C, para. 4.e):

1 In-County Ship Repairs/Overhauls—When ship repair, overhaul, modernization, or conversion is to be performed in-country at MAP expense, with the MAP contribution limited to technical assistance and some of all of the materials and components required, the MAP requirement will be programmed under Generic Code C6A using the dollar value line contained in the MASL. A separate program line will be used for each ship. If NAVSEA management and coordination is necessary in order to satisfactorily complete the project, MRI code N23 (NAVSEASYSOMHQ) should be used. Where only material requirements are needed to complete the project, MRI code N65 (NAVILCO) should be used, and the required items requisitioned in accordance with existing procedures. Indigenous labor

costs will be paid by the recipient country. MAP funds will not be used for this purpose.

2 Out-of-Country Ship Repairs/Overhauls—When repair, overhaul, modernization, or conversion is authorized to be performed at MAP expense in a third country or in a U.S. facility, the requirement will be programmed under Generic Code M2B. A separate program line will be used for each ship. In the event offshore procurement (OSP) of articles and services is involved, the MAAG will submit to DSAA the information required by DOD Directive 2125.1 for issuance of a MAP/OSP Certificate.

e. MAP costs programmed under Generic Codes C10 through C90 are classified as defense articles and those programmed under Generic Code R7A and M2B are classified defense services as defined in Section 644 of the Foreign Assistance Act.

(8) Loan of Equipment—Recommendations to loan equipment in lieu of transferring its title to eligible grant aid recipients will be submitted to DSAA in accordance with paragraph 4.c. above. The following procedures will govern the programming of costs associated with the loan of equipment which has been approved by DSAA and for which the required loan agreement has been accomplished:

(a) Loans will be restricted to non-excess equipment, in serviceable condition, for not more than five years duration, where there is every expectation that the equipment will be returned to U.S. custody.

(b) Generic Code R9E, loan fees, MASL line 0795 LONFEES, will be used to program depreciation charges, as determined by the Military Department, for the loaned equipment. Upon return of the loaned equipment, this loan fee will be retained as a charge to the country program in order to reimburse the Military Department for its depreciation charges for the duration of the loan.

(c) The amount of the loan fee mentioned above should not exceed the actual net value loss incurred by the U.S. during the loan period as a consequence of the

transfer of custody of the equipment by the Military Department to the foreign government. Several factors, which reduce the actual net loss to the U.S., should be considered by the Military Departments in determining the amount of the depreciation charge. Among these factors are:

1. The foreign country's obligation to maintain the loaned equipment in a fully serviceable condition at U.S. standards; hence, deterioration in the hands of the foreign country should be no greater than if retained by the U.S.

2. The fact that equipment is not normally loaned unless it is "not now needed" by the Military Department; hence, the basis for calculating depreciation should be less than the original acquisition cost.

3. The reduction in operating and maintenance costs otherwise chargeable to Military Department funds if the equipment were not on loan is an out-of-pocket savings which should be offset against the depreciation computation.

(d) Generic Code M2C, R&R of MAP loaned materiel, MASL line 0230 RRLOANS, will be used to program the cost of maintaining the loaned equipment in a fully serviceable condition, in accordance with U.S. standards, in those cases where the foreign government is unable to defray such costs from its own resources. This cost remains charged to the country program upon return of the loaned equipment to U.S. custody.

(e) In the event the equipment is lost or destroyed while on loan, the item will be programmed for transfer on a reimbursable basis to the country concerned. The program cost of the lost or destroyed item will be reduced by the amount of the loan fee charged for that item in paragraph (b) above.

(9) Commercial Type Items

(a) Commercial type items, are not authorized for grant aid programming without prior approval of DSAA. The following specific groups and classes of commercial type items are excluded from programming:

Group	Class	Description
26	10	Tires and Tubes Pneumatic
26	30	Tires Solid and Cushioned
26	40	Tire Rebuild and Tire and Tube Repair Material
31	10	Bearings Anti-Friction Unmounted
31	20	Bearings, Plain Unmounted
31	30	Bearings Mounted
34	39	Misc Welding, Soldering and Brazing Supplies and Accessories
35	50	Vending and Coin Operated Machines
35	90	Misc Service and Trade Equipment
37	ALL	Agricultural Machinery and Equipment
39	90	Misc Materiels Handling Equip
40	10	Chain and Wire Rope
40	20	Fiber Rope, Cordage and Twine
40	30	Fittings for Rope, Cable and Chain
41	20	Air Conditioning Equipment
41	41	Fans Air Circulators and Blower Equipment
45	ALL	Plumbing, Heating and Sanitary Equipment
47	10	Pipe and Tube
47	20	Hose and Tube Flexible
47	30	Fittings and Specialities: Hose/Pipe/Tube
51	10	Hand Tools, Edged, Nonpowered
51	10	Hand Tools, Nonedged, Nonpowered
51	30	Hand Tools, Power Driven
51	33	Drill Bits, Counterbores, and Counter Sinks: Hand and Machine
51	36	Taps, Dies, and Collets: Hand and Machine
51	40	Tool and Hardware Boxes
51	80	Sets, Kits and Outfits of Hand Tools
53	05	Screws
53	06	Bolts
53	07	Studs
53	10	Nuts and Washers
53	15	Nails, Keys and Pins
53	20	Rivets
53	25	Fastening Devices
53	30	Packing and Gasket Material
53	35	Metal Screening
53	40	Misc Hardware
53	45	Disk and Stones, Abrasives
53	50	Abrasive Materials
55	ALL	Lumber, Millwork, Plywood and Veneer
56	ALL	Construction and Building Materials
59	25	Circuit Breakers
59	30	Switches
59	35	Connectors, Electrical
59	40	Lugs, Terminals and Terminal Strips
59	70	Electrical Insulators and Insulation Materials
59	75	Electrical Hardware and Supplies

MILITARY ASSISTANCE AND SALES MANUAL—PART II

Group	Class	Description	Group	Class	Description
61	35	Batteries, Primary	83	ALL	Textiles Only
61	40	Batteries, Secondary	84	ALL	Clothing Only
61	45	Wire and Cable, Electrical	85	ALL	Toiletries
62	10	Indoor and Outdoor Electrical Lighting Fixtures	87	ALL	Agricultural Supplies
62	30	Electric Hand and Portable Lighting Equipment	88	ALL	Live Animals
62	40	Electric Lamps	89	ALL	Subsistence
62	50	Ballasts, Lampholders and Starters	Except 8970		Composite Food Packages
62	60	Nonelectric Lighting Fixtures	91*	ALL	Fuels, Lubricants, Oils
65	05	Drugs, Biologicals and Official Reagents	93	10	Paper and Paperboard
65	08	Medicated Cosmetics and Toiletries	93	20	Rubber Fabricated Materials
65	10	Surgical Dressing Materials	93	30	Plastic Fabricated Materials
65	15	Medical and Surgical Instruments	93	40	Glass Fabricated Materials
65	20	Dental Instruments, Equipment, and Supplies	93	50	Refractories and Fire Surfacing Materials
65	25	X-Ray Equipment and Supplies, Medical, Dental and Veterinary	93	90	Misc Fabricated Non-Metallic Materials
65	30	Hospital Furniture, Equipment, Utensils and Supplies	94	ALL	Non-Metallic Crude Materials
65	32	Hospital and Surgical Clothing and Textile Special Purpose Items	95	05	Wire, Non-Electrical, Iron and Steel
65	40	Opticians' Instruments, Equipment and Supplies	95	10	Bars and Rods, Iron and Steel
65	45	Medical Sets, Kits and Outfits	95	15	Plate, Sheet and Strip, Iron and Steel
66	40	Laboratory Equipment and Supplies	95	20	Structural Shapes, Iron and Steel
66	45	Time Measuring Instruments	95	25	Wire, Non-Electrical, Non-Ferrous Base Metal
66	50	Optical Instruments	95	30	Bars and Rods, Non-Ferrous Base Metal
67	10	Cameras, Motion Picture	95	35	Plate, Sheet, Strip, and Foil: Non-Ferrous Base Metal
67	20	Cameras, Still Picture	95	40	Structural Shapes, Non-Ferrous Base Metal
67	30	Photographic Projection Equipment	95	45	Plate, Sheet, Strip, Foil and Wire: Precious Metal
67	40	Photo Developing and Finishing Equipment	96	ALL	Ores, Minerals and Their Primary Products
67	50	Photographic Supplies	99	ALL	Miscellaneous
68	ALL	Chemicals and Chemical Products	Except 9930		Materials; Cemeterial and Mortuary Equipment and Supplies
71	ALL	Furniture			
72	ALL	Household, Commercial Furnishings and Appliances			
74	ALL	Office Machines, Visible Record Equipment and Data Processing Equipment			
75	ALL	Office Supplies and Devices			
Except 7540		Standard Forms			
77	ALL	Musical Instruments, Phonographs and Home-type Radios			
78	ALL	Recreational and Athletic Equipment			
79	ALL	Cleaning Equipment and Supplies			
Except 7930		Cleaning and Polishing Compounds and Preparations			
80	ALL	Brushes, Paints, Sealers and Adhesives			
Except 8030		Preservatives and Sealing Compounds			
Except 8040		Adhesives			
81	05	Bags and Sacks			
81	15	Boxes, Cartons and Crates			
81	35	Packaging and Packing Bulk Material			

* Note: Exclusions do not apply to foreign sales made for drop-in support at airbases and naval installations, or to international agreements for use of POL facilities.

(b) Unified Commands and MAAGs will designate articles and services that, in addition to those groups and classes listed in (a) above, fall under the definition of "commercial type items" in their particular area country and should be excluded from programming.

(c) Requests for exception to these instructions will be directed to DSAA and will include:

1. Identification of specific items to be excepted.
2. Justification for exception, to include a statement as to availability of the

item or a reasonable substitute on the local market.

3. Specific time period for which the exception is requested and at the end of which the foreign country will assume responsibility for supplying the item from sources other than MAP.

4. Concurrence of the Director of the AID Mission in-country and of the U.S. Ambassador.

(d) Punch commercial type item code "1" in column 53 to indicate prior approval has been obtained (see Appendix A, Part I).

(10) Ammunition—

(a) Ammunition for operational requirements and training will be programmed by the supply manager under attrition/ammunition MAPELs as an operating (O) cost.

(b) War reserve ammunition, when authorized, will be programmed under attrition/ammunition MAPELs as an investment (I) cost. (Costs for maintaining war reserve stocks will be programmed as an O cost).

(11) Training—See Chapter E.

6. Execution Procedures

After approval and funding, the MAP will be executed according to instructions contained in this paragraph as supplemented by the Military Department concerned.

a. Maintenance of Records

(1) The Record Control Number is the keystone to continuous identification (or audit trail) through all phases of MAP programming action—from program submission through approval, change, implementation, execution, and performance reporting. The Record Control Number, along with the Country/Activity Code and program year, provides a positive and specific identification of a MAP line when carried over to associated documentation used in MAP execution (e.g., MILSTRIP cards and hard copy forms).

(2) DSAA will utilize the MAP Order, containing the assigned Record Control Number for each line, to authorize and direct shipment of materiel to or performance of services for MAP recipients. Only in emergency circumstances will supply of new program items be directed by any other form of document. When messages or other document forms are used under emergency condition, the instruction will contain the Record Control Number to be used for each line. When emergency instruction procedures are used, confirming MAP Orders will be issued as soon as possible thereafter, with the same Record Control Number for each program line as that in the emergency shipment instruction.

b. Requisitioning Control

(1) Materiel programmed as a dollar value line is supplied to MAP recipients on the basis of requisitions submitted by the recipient, except in those cases where the implementing agency determines that internal preparation of requisitions is the most practical and expeditious way to initiate supply action. This latter procedure is used mainly for shipments of initial issue spares, impact shipments, and special weapons systems where major and secondary items are assembled and shipped as a consolidated package. Therefore, it is essential that the customer within country code (CU) be accurately reflected in submission of program data to ensure that the materiel is shipped to the correct in-country user. Military Departments will issue procedural instructions prescribing circumstances where requisitions will be initiated internally.

(2) MAAGs, or recipient countries subject to approval and control, of the MAAG, will submit requisitions for materiel items where the implementing agency does not prescribe internal requisition preparation. Requisitions submitted by recipient countries, MAAGs, or other agencies must indicate the Record Control Number of the MAP Order program line authorizing supply. This program identification will be accomplished by completing the Supplementary Address

MILITARY ASSISTANCE AND SALES MANUAL—PART II

Field of the MILSTRIP requisition form as follows:

<i>Card Column</i>	<i>Complete as follows:</i>
45	Enter Y
46	Enter program year
47-50	Enter Record Control Number as indicated on MAP Order

(3) Each implementing agency will establish control procedures to insure that recipient country, MAAG, or other agency requisitions accepted by the implementing agency against dollar value lines do not exceed, in cumulative value, the dollar amount authorized by the MAP Order line against which they apply. Requisition control will also be exercised to restrict requisitions to the type of materiel (Federal Supply Groups and Classes) as shown in the MASL for the program lines to which they apply.

7. Implementing Procedures

a. Reporting to Congress those MAP Items Costing \$25 Million or More to be Provided From Inventories of Active U.S. Forces

(1) The FY 1976 DOD Appropriation Authorization Act requires DSAA to report to the Congress any proposed transfer to a foreign country of defense articles from the inventories of active U.S. forces which cost \$25 million or more. Therefore, when a new line item (RCN) for defense articles totaling \$25 million or more, or an increase to an existing line item bringing its total to \$25 million or more, is issued to a military department on a MAP Order, that department must determine the source of supply. Specifically, if the item is to be provided from U.S. active forces' inventories, the military department must immediately advise the Comptroller, DSAA, and provide data concerning (a) the impact of such transfer on the current readiness of U.S. forces, (b) the adequacy of reimbursements to cover, at the time of replenishment to United States inventories, the full replacement costs of those items transferred, and (c) the impact, if reimbursements are not adequate and the justification for such dis-

parity. A sample format of the memorandum to be used for reporting this data to DSAA is provided in Figure C-1. This action will enable the Comptroller, DSAA to comply with the Congressional reporting requirement.

(2) DSAA will notify the military department concerned when the required report has been submitted to the Congress. Supply action normally taken pursuant to receipt of a MAP Order will be suspended for a period of 15 days following the submission of the report to the Congress. Upon expiration of the waiting period, supply action will resume unless advised otherwise by the Comptroller, DSAA.

b. Review of Major Items in Undelivered Programs

(1) In the implementation of the Military Assistance Program, coordination between supplier/user is required to establish controls which minimize costs associated with procurement, repair or rehabilitation as well as those involved in making shipments to recipient countries for items which may no longer be needed or for which changes in requirements may be anticipated.

(2) Military Departments and MAAGs will continuously review undelivered articles in funded programs and submit program deviations and other change data as prescribed to insure that undelivered programs are revised as necessary to reflect changes in conditions under which they were originally approved and funded.

(3) For major items (with "each" unit of issue) Military Departments and MAAGs will:

(a) Promptly communicate by message actions regarding cancellations, substitutions, or pending changes of requirements in undelivered programs.

(b) Promptly process EAM data cards reflecting quantitative increases/decreases in undelivered programs through appropriate channels as prescribed.

(c) Coordinate required availability dates and promptly communicate circum-

stances which could affect planned supply actions.

(d) Insure certification is submitted as prescribed by para 7.h. below.

c. Management of Dollar Program Lines Funded Under Annual MAP Appropriation

(1) Materiel and services programmed in dollar lines to operate and maintain Grant Aid supported country forces is programmed on an annual basis to cover a year's requirements. To insure maximum utilization of these annual dollar program lines, MAAGs and country forces should have specific requirements in mind before receipt of funded MAP Orders. This will insure that requisitions can be submitted and funds obligated without undue delay. Work schedules, work or project orders, and commercial contracts may be used as a basis to obligate funds for services (as apposed to materiel).

(2) Dollar lines in the current fiscal year shall be available for requisitioning until the end of the fiscal year.

(3) Unobligated balances remaining in dollar program lines at the end of the fiscal year will be withdrawn. If the next year's MAP appropriation bill provides authority to carry-over unobligated funds, those amounts will be reissued and will be available for obligation against the prior year dollar lines from which they were withdrawn. If such authority is not provided, the prior year dollar lines will be closed out at the value of obligations recorded during the fiscal year in which the funds became available.

(4) All approved dollar program lines must be reviewed periodically during the fiscal year to assure obligation before the end of the fiscal year. DSAA will conduct an obligations review of all dollar lines in the third quarter of each fiscal year, and at other times as deemed necessary.

d. MILSTRIP Backorder Reconciliation

Semi-annual validation of materiel requisitioned under grant aid will be accomplished by the Military Departments and MAAG/recipient countries in accordance with instructions contained in MILSTRIP,

Chapter 10. Military Departments are responsible to notify MAAGs/Missions of cut-off dates and schedules for accomplishing each reconciliation cycle. The MAAGs/recipient countries will validate the requisitions for continued need or appropriate cancellation actions.

e. Responsibility for Delivery and Forecast Information

(1) Within 120 days after issuance of a MAP Order, Military Departments will advise MAAGs of the forecast delivery date of each major item. No less frequently than quarterly thereafter, until deliveries are complete, the MAAGs will be advised by the Military Departments of any change in these forecasts.

(2) MAAGs are responsible for review of delivery forecasts and for advising the Military Departments of any cases where forecasted deliveries will cause significant problems, giving full particulars as to the nature of the problem and recommended solutions. Problems unresolved between MAAGs and the Military Departments should be referred to DSAA.

(3) Delivery and forecast cards will be transmitted to DSAA by the Military Departments not later than thirty days after the close of each fiscal quarter, by a card 8 as portrayed in subparagraph (9) below. Delivery cards will be submitted only for those lines in which a change in deliveries or forecast data (initial entry, improvement, or slippage) has occurred during the previous fiscal quarter (i.e., cards submitted 30 October pertain to deliveries during the July-Sept. quarter).

(4) The Military Departments must submit delivery cards for the following program lines:

(a) All program lines in budget activity A through K, with any method of funding code.

(b) All program lines in budget activities L through T with method of funding code 0, 2 or 5.

MILITARY ASSISTANCE AND SALES MANUAL—PART II

(5) All program lines in budget activities L through T with method of funding codes 1, 3, 4 or 6 will be considered delivered when funded (status F). For these lines, the delivered quantities and cost will be obtained from the master file at the time of the quarterly delivery update. No Military Department input is required.

(6) When the Military Departments have submitted card 8's for a quarterly update and later find a discrepancy, they should submit additional card 8's to correct the erroneous data. These corrections will be submitted en masse 30 days after the initial quarterly update. The reporting period shown in these cards must be the most recent fiscal quarter and year.

(7) All delivery cards will be transmitted to DSAA separately from program data (P, Q, and R cards). DSAA will accept cards, tape, or AUTODIN from the Military

Departments as long as the input is in card 8 format described in subparagraph (9).

(8) In the DSAA data base, delivery data is maintained by current quarter, current year and total deliveries to date. These fields are updated each quarter as described in subparagraph (4) and (5). The current quarter deliveries are computed by subtracting the total deliveries already in the data base from the total deliveries reflected in the card 8 being processed. If this computation results in negative current quarter deliveries, the current quarter deliveries are considered zero; no negative values are recorded in the data base. The current quarter deliveries are then added to the current year deliveries. As in the case of the current quarter deliveries, the current year deliveries are never allowed to be negative.

(9) Instructions for preparing card 8 are as follows:

<i>Column</i>	<i>Date</i>	<i>Footnote</i>	<i>Instruction</i>
1	Card Code	1	Always an 8
2- 5	Record Control Number	1	See Appendix A, Part I
6-24			Leave Blank
25-29	Quantity Delivered	2	Represents the total quantity delivered to date; not the incremental plus or minus change during the reporting period.
30			Leave Blank
31-32	Country Code	1	See Appendix A, Part I
33-35			Leave Blank
36-43	Acquisition Value Delivered	2	Represents the total dollar value of excess materiel delivered at no MAP cost against dollar lines having source of supply K, L, E or R. For all major items, regardless of source of supply, and dollar lines with no excess deliveries this field will be blank.
44			Leave Blank
45-46	Program Year	1	See Appendix A, Part I
47-57			Leave Blank

Column	Date	Footnote	Instruction
58	Progress Payment		An alpha "P" indicates a progress payment has been made to a vendor prior to delivery of the major item. Unless this field is punched, delivery cards for major items may not show a MAP cost while the quantity field is blank.
59	Delivery Completed		For dollar lines, an alpha "C" indicates that all deliveries, both excess and funded items, have been completed. This field is not used for major items.
60-61			Leave Blank
62-64	Forecast Final Delivery Date		Show firm constructive delivery date in terms of fiscal year and quarter. Example: Third Quarter of Fiscal Year 74 would be 743. (See paragraph e., below.)
65			Leave Blank
66-68	Reporting Period	1	Place fiscal year and quarter of reporting period. For example, fourth quarter deliveries of FY 73 would be 734. For any given delivery update, all card 8's must contain the same Reporting Period.
69	Change Originator	1	See Appendix A, Part I
70-72			Leave Blank
73-80	Dollar Value (MAP/MASF Cost) Delivered	2	Represents the total MAP/MASF value delivered to date; not the incremental plus or minus change during the reporting period. (Does not include excess deliveries against dollar lines which are reported in Col. 36-43.)

Footnotes

1—indicates that the field must always be filled in.

2—indicates that the field must be either numeric right-justified or blank.

f. Development of Delivery Forecasts for MAP/MASF Program Lines:

(1) Materiel and service lines requiring delivery forecasts (Card cols. 62-64 of the card 8).

(a) All major item lines (see definition in Glossary of Terms, Part I).

(b) Initial CSPs, AGE and equipment attachments (same forecast as related end items).

(2) Criteria for forecasting deliveries.

(a) A four month administrative lead time will be allowed for determining the forecast delivery date. Thus, 120 days after receipt of MAP Orders by the Military Departments, delivery forecasts will be made. Additional administrative lead time can be anticipated when exceptional circumstances arise. Examples are: (1) resolution of a spe-

cific requirement with the country, (2) development of specifications for competitive procurement, and (3) review and correction of specifications prior to procurement.

(b) Forecast data will be entered into columns 62-64 of the card 8 as prescribed in paragraph d., above, and included as part of the quarterly delivery updates.

(3) From time to time, DSAA, in collaboration with the Military Departments, will conduct line item reviews of undelivered balances to revalidate requirements and determine when special management action is needed to close out the program.

(4) The instructions in this paragraph are for forecasting deliveries under the usual and normal situation and are not applicable to conditions when specific delivery dates are directed by separate action.

g. Diversions

Materiel being procured or stocked for MAP will not normally be diverted to meet other requirements. Occasionally, however, competing demands for available materiel assets make it necessary to divert temporarily from Military Assistance programs to meet unforeseen U.S. requirements. The following guidelines apply:

(1) To the maximum extent possible allocations of materiel will be made within the priorities structure of the Uniform Military Materiel Issue and Priority Systems (UMMIPS).

(2) Presidentially-directed or Secretary of Defense-initiated materiel allocations will be accorded sufficient priority through diversion of assets from other programs to assure accomplishment of the directed allocation within the time period specified.

(3) High priority international requirements may be met by diverting or withdrawing equipment from U.S. active forces, provided, the operational readiness posture of these forces is not significantly lowered and payback can be accomplished in a reasonable period of time. Such determination may be made by the military services.

(4) Materiel being procured or stocked specifically for MAP may be diverted to meet higher priority foreign requirements or urgent needs of U.S. Forces with the prior concurrence of the Director, Defense Security Assistance Agency. MASF program materiel will be diverted only with the concurrence of the ASD(ISA).

(5) Materiel may be withdrawn/diverted from Reserve Forces by the ASD (M&RA) as provided in DOD Directive 1225.6, as amended.

(6) In those instances where, in the judgment of the military services, withdrawals/diversions would significantly impair the operational readiness of active forces, or agreement cannot be reached concerning the use of foreign program assets or Reserve Force resources the matter will be referred to the ASD(MRA&L), who will review available options and recommend

courses of action for decision by the Secretary of Defense.

h. Certification of Recipient's Capability

(1) Legal Requirement

Numerous instances have been reported where sophisticated and costly equipment was incapable of use either because related and necessary component parts were not provided, requirements had changed in the interval between approval of the program and the delivery date, or the recipient country itself lacked the skill or organization to use the equipment. The FAA of 1973 (P.L. 93-189, dated 17 Dec. 1973) repealed the legal requirement for certification as to country capability to utilize effectively the equipment programmed. Notwithstanding this change, however, effective management of U.S. resources and available MAP funds requires that MAAGs/MILGPs continue their frequent periodic reviews of programmed requirements and initiate action where appropriate to prevent the delivery of military equipment that cannot be used effectively by the intended recipient. In this connection, certification of recipient's capability may be requested for specific equipment on an as-needed basis.

i. Suspension or Cancellation of Programs

(1) When a determination is made that programs will be suspended or cancelled, DSAA will advise the Military Departments by the most expeditious means. The following actions or combination thereof will be directed:

(a) Frustrate all shipments (air and surface) enroute to country, including shipments enroute to ports of embarkation, at the ports of embarkation, enroute to country from ports of embarkation, and shipments in country ports where offloading has not commenced and shipments offloaded for which title has not passed.

(b) The original suspension or cancellation notification provided by DSAA will indicate whether frustrated materiel is to be temporarily held (at least cost to U.S. Gov-

ernment while awaiting further instructions) for the country concerned or that authority is granted to take disposition action as follows:

1. Reallocate and divert such materiel that has been frustrated to fill other MAP-funded programs with initial priority being given to other countries in the same Unified Command area.

2. Return to Military Department stock and/or divert to U.S. forces requirements those common items of materiel which cannot be reallocated to meet other funded MAP requirements.

3. Place in MAPOM materiel which cannot be disposed of under 1. and 2. above, as prescribed in Chapter F.

4. Cancel all unfilled requisitions on hand in Military Department supply systems and return cancelled requisitions to the country and/or the originating CONUS agency.

5. Notify all NICP's and commercial contractors of the suspension and/or cancellation instructions to preclude further releases of materiel for shipment. Special attention should be given to frustration of the parcel post channel.

(2) DSAA will instruct MTMTS, MSC, the carriers and/or the ports of embarkation concerning the frustration of materiel and request that carriers of materiel already out-lifted CONUS (surface or air) take appropriate measures to order that such materiel will not be discharged at any ports of the country concerned. Further, the Military Departments will provide appropriate disposition instructions, alternate ports of discharge and other details as applicable.

(3) MAAGs will, upon receipt of suspension and/or cancellation directive, notify DSAA immediately concerning:

(a) Shipments of MAP grant aid cargo listed on bills of lading received by the MAAGs for ships: still in port but MAP cargo discharge completed; currently off-loading in-country; waiting to be offloaded; and enroute to country. Indicate separately for each ship:

1. Name of ship and whether U.S. or foreign flag.

2. Date of arrival, or ETA if enroute.

3. Description of cargo.

(b) Description of materiel known to be aboard military and commercial aircraft scheduled to arrive in country.

(c) Schedule of any MAP grant aid ships and all aircraft enroute to recipient country. Indicate whether manned by USG or foreign crew.

(4) Where residual suspended programs for countries are to be cancelled, Military Departments will be instructed to submit appropriate card data.

j. Delivery and Transfer of Title

(1) DOD Instruction 2110.12 prescribes policies and procedures under which grant aid materiel is delivered to recipient countries. Guidance on grant aid materiel utilization and disposition is contained in Chapter B, Part II.

k. Required Availability Dates

Required Availability Date procedures are included in current MILSTRIP instructions.

l. Logistic Support of Equipment

(1) Follow-on Spares

(a) Follow-on spare parts (FOS) may be provided to support authorized levels of supply for eligible recipient countries as prescribed in para n., below. MAAGs are responsible for developing annual follow-on spare parts requirement utilizing experience factors, equipment densities, approved maintenance programs, and any other factors that may contribute to an accurate forecast of minimum country requirements. When experience factors are not available, country programs will be developed from data furnished by the implementing agency upon the request of the MAAG.

(b) MAAGs are responsible that country requisitions for FOS are submitted in accordance with MILSTRIP and other instructions of the Military Departments. MAAGs are further responsible to monitor

MILITARY ASSISTANCE AND SALES MANUAL—PART II

country requisitions to assure that items requisitioned are proper and quantities are based on realistic criteria and supply factors. Military Departments are responsible for assuring that requisitions for FOS are promptly processed and deliveries do not exceed the program authority established by each individual record control number.

(2) Concurrent Spare Parts

When MAP Orders are issued for concurrent spare parts (CSP) for any specified end item, the Military Department, in coordination with the MAAG, will accomplish supply of the required parts. CSP will be provided only when programmed against items being introduced in the country for the first time. Military Departments will provide the MAAGs with CSP listings and/or determine CSP requirements in conjunction with the MAAGs, taking into consideration stocks on hand in-country and stocks that can be provided by the country, and items peculiar to the end items being furnished before CSP packages are shipped. Military Departments will insure that essential CSP are supplied prior to or concurrent with the delivery of initial item to a recipient country.

(3) Support for Grant Aid Furnished Equipments

DOD policy provides that when U.S. defense articles are made available to foreign governments under Grant Aid, plans have been made by the Military Department concerned to assure logistics support for the normal expected life of the item based on the planned use of the item (Program Life Cycle) as related to the recipient country's utilization program.

m. Retention and Transfer Policy

DOD Directive 4100.37 provides uniform policy guidance for retention and transfer of DOD assets in support of the Military Assistance Program and contains provisions under which transfer of assets is made to MAP. Actual delivery will be made only on the basis of MAP Orders issued by DSAA.

n. In-Country Stockage Objectives

(1) In-country stock levels for spares and consumables provided and maintained through the Military Assistance Program will be based on peacetime operations. Exceptions are consumables such as ammunition, droppable fuel tanks and POL when war reserve levels are authorized to grant aid recipients. Optimum stock level guidance has been developed by DSAA and the Military Departments. This guidance is described in succeeding paragraphs.

(2) MAAGs are responsible for insuring that actual in-country stockage objectives are established and maintained consistent with the desired maximum levels. Requisitioning Objectives (RO) will equal the Stockage Objective (SO) to include both operating and safety levels at all echelons, plus Order and Ship Time (OST).

(a) For follow-on spares (FOS) and consumables supplied by the Departments of the Army and Navy:

1. Establish a maximum stockage objective (SO) in-country of 180 days for items supplied direct from CONUS. For those countries which have intermediate distribution points and operating units, the 180-day stockage objective will not be additive to, but will be a part of, the specified maximum in-country stockage objective.

2. A stockage objective of considerably less than 180 days (e.g., 90-120) should be adequate for most small countries because of the usual absence of in-country intermediate distribution points.

3. Low cost items (items with a unit cost of five dollars or less and an annual demand of \$100 or less) are subject to economic order considerations and should be exempt from the maximum stockage objectives stated above. MAAGs, in coordination with the Departments of the Army and Navy, will develop and promulgate guidance for the establishment of stockage objectives based on economic order considerations.

4. Separate consideration should be given to special categories or commodities such as dry batteries, NIKE, HAWK, ships

and other items for which special instructions will be prescribed by the Military Departments.

(b) Stockage objective guidance for FOS and other consumables supplied by the Department of the Air Force is prescribed in U.S. Air Force Materiel Guidance. The Department of the Air Force, in coordination with MAAGs, will develop and promulgate guidance for the establishment of stockage objectives based on economic order considerations.

(c) MAAGs will require that Order and Ship Time (OST) data utilized by MAP countries in establishing item requisitioning objectives (RO) and reorder point are periodically reviewed to insure that they are consistent with the most current information available on actual OST experience for the individual commodity area, country concerned, etc.

(3) Spare parts retention levels will be established and excesses reported in accordance with the following procedures:

(a) Stocks in excess of ROs may be retained if required for consumption during the currently approved program. This is not to be interpreted as authority for requisitioning stocks above the RO.

(b) Retention of life of type stocks in excess of the above criteria must be approved by MAAGs on a case-by-case basis.

(c) Except as noted above, excess stocks will not be retained unless specifically justified and approved by MAAGs. MAAGs will forcefully encourage country officials to report for redistribution all excesses not recommended for retention. Reporting will be accomplished in accordance with Chapter B.

(d) MAP-provided stocks and requisitions will be screened and reduced by quantities of dated and perishable items which cannot be utilized prior to expiration dates. Excesses on hand under this criterion will be promptly reported for disposition in order that such items may be redistributed and used during the serviceable life of the item.

(e) Items for which the cost to MAP of providing adequate storage and maintenance is estimated to exceed its replacement cost up to time of consumption should be reported promptly as redistributable property, with an explanation of the situation.

(f) High and medium dollar value items excess to RO and appearing on critical items lists will be considered for excess action regardless of continuing requirement. The decision to supply or deny will be made by the MAAG on a case-by-case basis.

o. MAP Repairable Returns

The following policy governs the management of repairable returns:

(1) For repair of "each" items listed in the MASL, the country must establish a program line under Budget Project M2 for overhaul and return of the item. The item returned by the country for overhaul will be the identical item which goes back to the country since title remains with the MAP recipient during the entire process.

(2) For repair of MASL dollar line items the country must establish a program line under Generic Code M2C to process and record the repair and rehabilitation of MAP equipment. For MAP "dollar line" items the returned item may be replaced on an item-for-like-item basis from new or reconditioned assets in inventory. The cost to MAP of the new or reconditioned item will be limited to the actual cost to repair/overhaul the repairable returned item.

(3) Accumulation of a "line of credit" by a customer against future use is not authorized. Further, only repairable dollar line items that are required for stockage level objectives after overhaul will be accepted by Military Departments for repair.

(4) The foregoing applies also to weapon system items which are removed and returned to stock during up-grading modification program performed by CONUS prior to return of the weapon system to the foreign grant aid recipient. The up-grading cost to MAP will take into account the value of the item returned to stock.

MILITARY ASSISTANCE AND SALES MANUAL—PART II

(5) Repairable items not required for support of the country's mission will be reported as country excess materiel to the Military Department having management responsibility for disposition.

8. NATO Standardization Agreement on Supply Forms

NATO Standardization Agreement (STANAG #3226) ratified by NATO nations

effective 31 July 1971 provides that supply forms of the supplying NATO nation will be used by the requesting nation for request, issue and receipt of materiel. This means that MILSTRIP procedures will be followed by NATO countries and organizations in obtaining materiel support from the United States. Conversely, when U.S. forces request supply support from other NATO countries, request, issue and receipt forms of the supplying nation will be used.

MEMORANDUM FOR THE COMPTROLLER, DEFENSE SECURITY ASSISTANCE AGENCY

SUBJECT: MAP Items Costing \$25 Million or More to be Provided From U.S. Active Forces' Inventories

The following information is provided in accordance with the reporting requirements of the FY 1976 DOD Appropriation Authorization Act:

- a. Country:
- b. Military Department:
- c. Generic Code—RCN:
- d. Total Value of RCN:
- e. Type and Quantity of Equipment:
- f. Impact of transfer of article(s) to MAP on current readiness of U.S. forces:
- g. Adequacy of reimbursements to cover, at the time of replenishment to U.S. inventories, the full replacement costs of items to be transferred:
- h. If reimbursements are inadequate, explain impact and justification for such disparity:

Classification

MAP ELEMENT DESCRIPTION

<u>MAPEL</u> <u>Code</u>	<u>(Elem Title)*</u> <u>Unit/Activity</u>	<u>Location</u>	<u>Country</u>	<u>Prog</u> <u>Orig</u>	
		<u>Begin</u>	<u>Current</u> <u>FY ()</u>	<u>Budget</u> <u>FY ()</u>	<u>Plan</u> <u>FY ()</u>

Manpower Authorization:

Unit/Activity Mission. This paragraph is a statement of the mission which should be concise and avoid stereotyped phrases, but should include special tasks and unit employment. Pertinent remarks concerning the composition of the element may be included.

Program Justification. Justification should be related to mission and unit capabilities. Identify *major* mission items (i.e., type/types of aircraft and UE, type/types of ships, type/types of tanks, etc.). The impact of programmed items on the unit's capabilities and its ability to accomplish its mission will be explained. Broad statements of justification, such as "Present equipment deficiencies limit the capability of the unit to perform its primary mission," will not be used without accompanying explanation of how the programmed items will overcome the deficiencies. Any planned force structure increase during the plan period will be reflected together with comments on related manpower, equipment and cost impacts.

Unit/Activity Capabilities. A brief statement projecting the combat readiness status for the current year will be made for units. Ratings of "Combat Ready", "Marginally Ready", or "Not Combat Ready" will be given as determined by the MAAG. If a unit is rated "Marginally Ready" or "Not Combat Ready", a brief explanation will be provided; e.g., training, materiel, mission change, manpower, etc. Forecast changes in combat readiness status during the current year will include the projected date of change, the new readiness status, and the reason for the change.

(Date of Preparation)

Classification

* When there is only one unit/activity in the element, the unit designation may serve as the title.

Classification

EXAMPLE

MAP ELEMENT DESCRIPTION

<u>MAPEL</u>	<u>(Elem Title)* Unit/Activity</u>	<u>Location</u>	<u>Country</u>	<u>Prog Orig</u>
2ADØ	(Ftr-Int Sqdn) 1st Ftr-Int Sqdn	Senath	Pretoria	D
			<u>Current FY (77)</u>	<u>Budget FY (78)</u>
			240	240
				<u>Plan FY (79)</u>
				240

Manpower Authorization:

Unit/Activity Mission. This MAP Element consists of two Fighter-Interceptor Squadrons, one of which is not activated. The 1st Fighter-Interceptor Squadron was activated in April 1973 and has the mission of air defense, counter air operations, close air support, and armed reconnaissance.

Program Justification. The 1st Fighter-Interceptor Squadron is currently equipped with 12 F-104G aircraft and related support equipment are required to bring the 1st Fighter-Interceptor Squadron to a combat ready status. Fourteen F-104G aircraft and full support equipment are required to activate the second squadron and attain operational readiness in the first quarter FY 78.

Unit/Activity Capabilities. The 1st Fighter-Interceptor Squadron is rates "Marginally Ready" due to the shortage of two F-104G aircraft and support equipment, and a shortage of trained pilots. This rating is expected to change to "Combat Ready" in March 1978 with receipt of aircraft (RDD Feb 78) and completion of the current pilot training program (Feb 78).

15 Feb 1978

Classification

Figure C-3

CHAPTER D

CONSTRUCTION

1. General

a. This chapter prescribes the procedures and formats to be used for planning, programming, executing and reporting MAP construction. MAP construction encompasses architect-engineer (A-E) and construction contract services and the administration and supervision of these services by a construction agent. MAP construction is further defined to include engineering design or construction services provided by the construction agent by its own forces, and construction and related services by elements of the U.S. Armed Forces under the administration of the construction agent. As used herein, MAP construction includes only budget activity/project account classification Q2 requirements financed wholly or in part with MAP grant aid funds. Construction financed wholly from other fund sources, e.g., U.S. economic aid, U.S. military department funds, or country resources, is not included, nor is equipment and materials (even though financed from MAP grant aid funds) provided for construction that is accomplished through means other than the U.S. construction agent.

b. MAP construction includes the following generic codes (see Appendix A, Part I):

- (1) Q2A—Contract Construction. This pertains to the erection, installation, or assembly of a new facility; the repair, addition, expansion, extension, alteration, conversion, or replacement of an existing facility; or the relocation of a facility from

one installation to another. It includes equipment and materials installed and made a part of such facilities, related site preparation, excavation, filling, and landscaping or other land improvements, and utilities. It also includes payments for claims (and associated expenses) successfully prosecuted by the construction contractor in connection with the above work where timely notice of the existence of grounds for, or of the original presentation of, such claims by the contractor is provided the Comptroller, DSAA, for his determination of the action to be taken with respect to such claims. Generic code Q2A does not include equipment and materials provided through MAP grant aid for incorporation into a facility for which the construction is administered and otherwise financed from country resources.

- (2) Q2B—A-E Services. This includes design and preparation of drawings and specifications; engineering services for special studies, reports, tests, and technical investigation; feasibility studies; master planning; preliminary engineering and other engineering services. A-E services may be provided by contract with an A-E firm or by the staff of the U.S. construction agent.

- (3) Q2C—U.S. Government Costs. These are costs incurred by the U.S. construction agent for administering contract construction (generic code Q2A) and A-E services (generic code Q2B). They include personal services and all related expenses (such as travel, transportation, rents and utilities, and supplies and materials) for the performance of such functions as project and contract management and administration, inspection and supervision of construction (when not performed under contract), review of engineering data, cost estimating, and direct administrative support for the performance of these functions.
- (4) Q2D—Construction, A-E Services and Administrative Costs—MAAG Facilities. This is the acquisition, construction and repair of essential living quarters, office spaces, schools, hospitals, and necessary supporting facilities for MAAG activities; it includes all related A-E and administrative costs to support the construction.

c. MAP contract construction and A-E services are administered by the construction agent and his field offices. The "construction agent" is either the Chief of Engineers, Department of the Army or the Commander, Naval Facilities Engineering Command of the Department of the Navy, who are assigned single service responsibility for administering contracts involving engineering and construction in specified geographical areas. (See paragraph 2d below for geographical areas of responsibility.) The definition does not include joint construction agencies, international organizations, or construction agencies operating within the framework of foreign country governments.

- (1) The geographical area representative of the construction agent, usually located near the Unified Command, is the "area construction

agent." His geographical area of cognizance and responsibility is broad, normally including a number of countries. The area construction agent is responsible to the construction agent for accomplishment of construction authorized in the Military Assistance Program. Usually field representatives will be located in countries where construction is being accomplished. Names and locations of area construction agents normally involved in MAP construction are as follows:

ARMY

U.S. Army Engineer Division
South Atlantic
510 Title Bldg., 30 Pryor St., S.W.
Atlanta, Georgia 30303
U.S. Army Engineer Division,
Mediterranean
APO N.Y. 09019
U.S. Army Engineer Division
Pacific Ocean
Bldg. 36, Fort Armstrong
Honolulu, Hawaii 96813

NAVY

Commander, Atlantic Division
Naval Facilities Engineering Command
Norfolk, Virginia 23511
Commander, Pacific Division
Naval Facilities Engineering Command
Fleet Post Office,
San Francisco 96610

- (2) The field representative of the construction agent, usually located in the country where construction is executed, is the "field construction agent." He is responsible to the area construction agent for accomplishment of contract construction authorized in the Military Assistance Program. He may have one or more offices or representatives located within the country.

2. Responsibilities

a. Unified Command and MAAG Responsibility

- (1) Continuously evaluate, and revise as necessary, all MAP construction program lines to assure that ex-

penditures for such construction are justified in terms of strict military necessity and are consistent with:

- (a) the recipient country's capability and willingness to maintain and use effectively the facilities after completion, and
 - (b) U.S. objectives in the recipient country.
- (2) Take immediate action to change programs in accordance with changing international and internal political and military situations.
 - (3) Review the requirements for U.S. owned foreign currency with the Chief of Diplomatic Mission and AID Mission Director in terms of currency availability.
 - (4) Review MAP construction plans and programs to insure that international balance of payments (IBOP) construction procedures are planned and used to the maximum extent feasible. Specifically, these procedures are:
 - (a) use of U.S. contractors,
 - (b) use of U.S. produced materials and end products, (sand, gravel and the like are exempted),
 - (c) use of U.S. Government furnished material and equipment,
 - (d) use of U.S. flag ocean, surface, and air carriers,
 - (e) use of U.S. manufactured pre-fabricated installations and structures, and
 - (f) use of competent available troop labor. Increased budgetary costs are acceptable provided the cost over normal construction methods does not exceed fifty per cent of the amount of reduction achieved in IBOP costs. Increased costs also may be acceptable on a case-by-case basis even though such premium costs exceed 50 per cent. Country-to-country agreements should be revised, if feasible, to permit maximum use

of IBOP construction procedures. Where agreements do not permit full use of these procedures, the MAAG and field construction agent will make a determination on what portion of the procedures can be implemented that are consistent with the agreement; for example, (1) limit bidding to U.S. firms and/or (2) use contract provisions that require procurement of specific items of material from the U.S.

b. Construction Agents and Field Office Responsibility

- (1) Assist Unified Commands and MAAG's in planning and programming MAP construction, including preparation of cost estimates.
- (2) Review construction proposals for feasibility and technical adequacy.
- (3) Insure that MAP construction programs are planned and constructed under the minimum standards necessary to accomplish the U.S. objective, giving full consideration to local conditions and standards. Space allowances and standards applicable to construction for United States forces will not be used unless fully justified in each specific case.
- (4) Use IBOP construction procedures within the parameters permitted by country-to-country agreements.
- (5) Employ third country nationals in accordance with AID Regulation 7 (29 Fed. Reg. 5826, 2 May 1964).

c. Procedural Responsibilities (See Construction Flow diagram, Figure D-1)

- (1) Planning and programming of MAP construction is a coordinated effort on the part of (1) the MAAG and the field construction agent, (2) the Unified Command and the area construction agent, and (3) DSAA and the construction agent.
 - (a) MAAG and field construction agent.

1. The MAAG will provide the field construction agent with all plans and requirements that relate to construction. These plans and requirements will be in sufficient detail, and will be provided sufficiently in advance, to allow completion of preliminary engineering for the current and budget years, and cost estimates for future years, prior to submitting plans and programs to the Unified Command. The MAAG will keep the field construction agent advised of all changes in plans and requirements that affect construction.
2. The field construction agent, upon receipt of plans and requirements, will execute construction planning, including the preparation of feasibility studies and preliminary engineering reports that may be required to develop realistic cost estimates and support the construction proposal from an engineering standpoint. The field construction agent will provide cost estimates and other engineering information to the MAAG, and will keep the MAAG informed on the status of construction planning and funding requirements.

(b) Unified Command and Area Construction Agent.

1. The Unified Command, upon receipt of construction plans and programs, will validate requirements and forward them to the area construction agent for review, engineering analysis and comment. The Unified Command will include recommended construction requirements in the annual budget

year program submitted to DSAA. The Unified Command will keep the area construction agent informed of construction plans and programs, and changes thereto, that have been forwarded to DSAA for review and approval.

2. The area construction agent will keep the Unified Command informed on construction review progress and funding requirements.

(c) The construction agent will assist DSAA, as requested, in engineering analysis and review of MAP construction.

(d) DSAA will keep the construction agent informed on any item that may have an impact on the MAP construction program.

- (2) Execution and Reporting. Upon approval and funding, MAP Orders covering construction program lines are forwarded to the construction agent (via the implementing agency) for execution. The construction agent identifies the line items and assigns the program to the field construction agent, through the area construction agent, for accomplishment. Through existing systems established by the construction agent, status reporting is provided on a monthly recurring basis.

d. Administration of MAP

Contract Construction

The Chief of Engineers and the Commander, Naval Facilities Engineering Command are designated as construction agents for administering MAP contract construction (including projects accomplished by U.S. troop labor) and A-E services. Their areas of responsibility are listed in the following table. For countries and/or areas not listed, assignment of responsibility will be handled on a case-by-case basis.

Command	Chief of Engineers	Naval Facilities Engineering Command																
(1) Southern Command.....		Bermuda & Caribbean Area, including: Dominican Republic Haiti Jamaica Puerto Rico Atlantic down-range stations																
(2) European Command. All countries and areas in Europe including the Azores, except for France, Germany, Iceland, Spain and the United Kingdom.	<table border="0"> <tr><td>Algeria</td><td>Morocco</td></tr> <tr><td>Egypt</td><td>Somali Rep.</td></tr> <tr><td>Ethiopia</td><td>Sudan</td></tr> <tr><td>Libya</td><td>Tunisia</td></tr> <tr><td>Iran</td><td>Lebanon</td></tr> <tr><td>Iraq</td><td>Saudi Arabia</td></tr> <tr><td>Israel</td><td>Syria</td></tr> <tr><td>Jordan</td><td>Yemen</td></tr> </table>	Algeria	Morocco	Egypt	Somali Rep.	Ethiopia	Sudan	Libya	Tunisia	Iran	Lebanon	Iraq	Saudi Arabia	Israel	Syria	Jordan	Yemen	Iceland Spain United Kingdom (for Admiralty controlled areas) Indian Ocean Area
Algeria	Morocco																	
Egypt	Somali Rep.																	
Ethiopia	Sudan																	
Libya	Tunisia																	
Iran	Lebanon																	
Iraq	Saudi Arabia																	
Israel	Syria																	
Jordan	Yemen																	
(3) Pacific Command	<table border="0"> <tr><td>Burma</td><td>Korea</td></tr> <tr><td>China Rep. of</td><td>Ryukyu Islands</td></tr> <tr><td>Japan</td><td>Marshall Islands</td></tr> <tr><td>Afghanistan</td><td>Nepal</td></tr> <tr><td>India</td><td>Pakistan</td></tr> <tr><td>Sri Lanka (Ceylon)</td><td></td></tr> </table>	Burma	Korea	China Rep. of	Ryukyu Islands	Japan	Marshall Islands	Afghanistan	Nepal	India	Pakistan	Sri Lanka (Ceylon)		Australia, including island complex north of Australia Cambodia Indonesia Laos New Zealand Philippines Thailand Vietnam Mariana, Johnson and Midway Islands and all other Pacific Islands not specifically assigned				
Burma	Korea																	
China Rep. of	Ryukyu Islands																	
Japan	Marshall Islands																	
Afghanistan	Nepal																	
India	Pakistan																	
Sri Lanka (Ceylon)																		
(4) Nonregional	Canada, Goose Bay and Greenland	Newfoundland (except Goose Bay)																

3. Planning and Programming

a. General Rules

(1) As a minimum requirement, preliminary engineering will be completed prior to programming any contract construction line for financing under MAP grant aid in the current year or budget year. A "contract construction line" identifies a construction undertaking for one or more complete and usable facilities which will serve one or more functional purposes; it involves funding in one fiscal year only, although it may be a part of a larger undertaking (project) which involves incremental fund-

ing over several fiscal years. In this latter case, each annual funding increment must include the total estimated cost for a complete and usable facility that serves no less than a single functional purpose. For example, a specific fiscal year funding program may include a single line encompassing a (1) runway, (2) parking apron, (3) one or more barracks buildings or warehouse structures, (4) one or more ammunition magazines, and a (5) POL storage and distribution system, all for an airfield; or it may include only one of the above items if the item represents a com-

MILITARY ASSISTANCE AND SALES MANUAL—PART II

- plete and usable facility that serves no less than a single functional purpose. A contract construction line will include auxiliary facilities (e.g., utility lines and roadways) as may be required to result in a usable facility.
- (2) When a facility or group of facilities is planned for incremental construction, or for incremental funding by fiscal year, a master plan will be prepared to allow for orderly development.
 - (3) To insure that established MAP systems for implementation, financial accountability, and reporting are used, all MAP contract construction planned for accomplishment by U.S. troops will be programmed on the basis of execution by the construction agent who has been assigned single service contract administration responsibilities for that area. The field construction agent will assist the MAAG and U.S. armed forces construction units by providing A-E services and field inspection if required.
 - (4) For all construction to be administered by the construction agent, U.S. dollar amounts programmed under generic code Q2A program lines will include costs of all installed equipment and construction material to be incorporated into the construction, even though the material or equipment may be planned for procurement through military department procurement systems, and provided as government furnished items.
 - (5) U.S. dollar amounts programmed under generic code Q2A for construction to be accomplished by U.S. armed forces will include material and equipment incorporated into construction, operation in-country, equipment overhaul and repair, in-country transportation costs, and transportation costs for deployment and return of the troops along with their organic material and equipment. Pay and allowances for personnel of U.S. Armed Forces construction units will not be programmed as a part of the costs for construction.
 - (6) Equipment and supplies to be incorporated into a construction project that is to be administered by other than the construction agent will be procured or requisitioned under appropriate material line items in the MASL, and will not be reflected in any generic code Q2A line.
 - (7) Generic code Q2B program lines will be programmed as a single line item for each project involved. An exception to this may be where insignificant amounts for several projects are involved; in such cases, a single line for A-E services may be programmed under a single MAP element for each country involved.
 - (a) Funds provided under A-E services lines will be used as required for construction planning and engineering; requirements for their use will be jointly determined by the MAAG and the field construction agent. It is intended that the funds be used to complete all planning and engineering (including preparation of drawings and specifications) prior to receipt of funds for generic code Q2A lines.
 - (b) Amounts programmed for A-E services lines will be based on funds required to complete A-E services that are underway and/or A-E services that will be required in conjunction with contemplated construction.
 - (8) Generic code Q2C program lines will be programmed as a single line item for each country involved.
 - (a) The field construction agent will

justify and support his anticipated costs and will provide supporting documents and explanations as necessary to satisfy the MAAG and the area construction agent as to the soundness of his estimates.

- (b) In programming funds required under generic code Q2C, the MAAG and the field construction agent will give due consideration to such items as:
1. construction that has not been completed requires continued inspection and administrative effort.
 2. staffing of the field construction agent for contemplated construction in the current year program,
 3. prorata share of office expenses when the field construction agent is administering construction other than MAP, and
 4. inclusion of a prorata share of area construction agent and construction agent expenses.
- (9) Generic code Q2D program lines will be reviewed to insure correct programming under this generic code. Authorization for this type of construction competes with construction for the support of AID mission activities, the total of which is limited to \$3,000,000 per year under the provisions of Section 636(c) of the Foreign Assistance Act of 1961, as amended; therefore, strong justification is required.

b. Supporting Data for Plans and Programs

The MAAG and field construction agent will prepare format C-2a, (see sample Figure D-2,) along with a narrative statement of plans to support MAP construction programs. These data may be revised by the Unified Command or area construction agent.

- (1) Format C-2a reflects detailed infor-

mation for each contract construction line (generic code Q2A) proposed for funding in the current year.

- (a) Preparation of format C-2a is a joint responsibility of the MAAG and the field construction agent.
1. The MAAG will obtain the information for sections A and B (except supporting non-MAP funds) from the field construction agent. The MAAG will ascertain what U.S. owned or controlled local currencies, country defense budget resources, or other sources of non-MAP funding are or can be made available for support of the project; the field construction agent will determine, and advise the MAAG, the extent to which local currencies can be substituted for dollar costs in support of the project.
- (b) The costs shown for each item under "Primary Facility" and "Supporting Facilities" on format C-2a will include non-MAP funds; however, the "Total MAP Cost" line will show only that amount programmed for MAP grant aid support; the U.S. dollar equivalent of non-MAP funds will be shown as a lump-sum deduction under section B.
- (c) Section C of format C-2a will substantiate the following:
1. The requirement for this construction has not been invalidated by changes in the international or internal political and military situation.
 2. The recipient country is capable of and is willing to maintain and use the facilities when completed.

Although the above substantiations require an annual review coincident with program submission, the MAAG will take con-

tinuing action to modify or cancel any funded contract construction line whenever a change in circumstances so requires. (See paragraph 5 below and Chapter F for procedures for effecting type II changes to funded construction program lines.) Necessary modifications or cancellations will be initiated as soon as possible to effect maximum dollar savings; construction formats involved will be revised and resubmitted to reflect the results of type II changes.

(2) There is no requirement for submitting format C-2a for a construction project which is administered through means other than the construction agent (e.g., when the project is administered by the country concerned), even though material items to be incorporated in the project may be programmed from MAP grant aid funds. If the field construction agent provides services (A-E and/or Government costs) in conjunction with planning or executing such projects, however, the estimated cost of the services will be included in A-E services or government costs program lines, as appropriate.

(3) Format C-2a will be used as supporting data for programming of MAAG facilities (generic code Q2D). Costs for A-E services and government costs will be included in the cost of the MAAG facilities program line.

(4) **Non-MAP Funding Narrative.** There is no requirement for submitting format C-2a for construction financed with other than MAP grant aid funds. These non-MAP funds include U.S. owned local currency and counterpart funds. (which do not require purchase with U.S. dollars), country contributed local currency and any U.S. dollar funds other than MAP. The MAAG, with assistance from the field construction agent, will prepare a brief narrative for his

country, setting forth plans for use of non-MAP funds to support military construction. The narrative will be designed to serve as a coordinating document with the military departments, or with AID and/or the recipient country for commitments of contributed local currencies; it will include information as to:

- (a) sources of funds,
- (b) amount of funds available or expected to be available for each fiscal year of the planning period, and
- (c) types or general categories of facilities to be constructed through use of these funds.

c. Distribution

Upon approval for inclusion in its military assistance program submission, the MAAG will make a separate and direct distribution of construction format C-2a and non-MAP funding narratives, and changes, thereto, to DSAA (1 copy) and the cognizant construction agent (1 copy). Address Naval Facilities Engineering Command Headquarters copies attention Code 053B and Chief of Engineers copies attention DAEN-MCC-S.

4. Approval and Funding

a. Approval

Upon request, the construction agent will provide advice and recommendations to DSAA on construction matters during the review and approval phases.

b. MAP Orders and Funding

- (1) All MAP Orders for construction program lines will be issued to the Military Department (implementing agency) that has cognizance over the designated construction agent for the country or area concerned.
- (2) All construction program lines will be funded under the authority of Section 108 reservation, appro-

priation limitation symbol .002; they will be assigned by the construction agent to the field construction agent for execution on an unclassified basis unless DSAA or the Unified Command advises that they are to be treated as classified.

- (3) For all construction accomplished by U.S. Armed Forces effort, financial procedures (funds control and accountability, allotments, payments, reimbursements and reporting) will be arranged with the troop unit by the field construction agent.

c. Continuing Resolution Authority (CRA)

The field construction agent will advise the MAAG as to requirements for CRA funding pending the annual appropriation of MAP funds (see Chapter H), and the MAAG will take necessary action to accomplish CRA coding. Funding under CRA normally will be requested only for A-E services and Government costs lines, or for contract construction or MAAG facilities lines that represent a continuation of projects that have been funded in prior year programs.

d. Certification

The FAA of 1973 (P.L. 93-189) dated 17 December 1973 repealed the legal requirement for certification that the country or international organization has the capability to utilize effectively the completed facility represented by the applicable program line. Notwithstanding this change, however, effective management of available MAP funds requires that MAAGs continue their frequent periodic reviews of programmed requirements to prevent the construction of facilities that cannot be effectively used by the intended recipient. In this connection, certification of the recipient's capability may be requested for specific projects on an as needed basis.

5. Changes to Funded Construction Programs

- a. Chapter F contains the general proce-

dures for effecting changes to funded program lines, and also delegates approval authority to MAAGs and Military Departments for certain types of changes within prescribed limits. Consistent with the assigned level of responsibility for effective execution of MAP construction, it is expected that implementing agencies will redelegate to field construction agents the authority to approve changes delegated to them by Chapter F.

- b. Specific procedures for effecting changes to funded MAP construction program lines are as follows:

- (1) Type 1. These changes result from a change in cost without a significant change in scope. They arise when current cost estimates exceed or are less than the programmed amount for the applicable program lines; thus, they are in the nature of financial adjustments, rather than reprogramming actions. The field construction agent is responsible for initiating action to record the change, and the implementing agency is responsible for submitting the appropriate change card to DSAA. Procedures are as follows:

- (a) If the change involves a decrease in cost, the field construction agent will advise the implementing agency as to the amount of the decrease, with information to the MAAG, the Unified Command, the area construction agent and the construction agent. The implementing agency will prepare and submit card P to DSAA, using reason for change code P2.
- (b) If the change involves a cost increase for a contract construction or A-E services lines, DSAA approval is required before the field construction agent may proceed with execution action. In such cases, the field con-

struction agent will advise the implementing agency by message as to the amount, along with an explanation for the increase, with information to DSAA and the other agencies cited in subparagraph (a) above. The implementing agency will prepare and submit card P to DSAA, using reason for change code P1. If the amount of the increase is such as to require offsetting decreases in the country program as a condition for DSAA approval, DSAA will direct the MAAG to submit such program changes as may be necessary. Receipt of the MAP Order amendment from DSAA will advise the Unified Command, MAAG, and the implementing agency of DSAA approval, following which the field construction agent may proceed with execution action. (In urgent cases, DSAA will use message approval to authorize execution action pending formal issuance of the MAP Order amendment.)

- (2) Type II. These changes result from a significant change in scope (increase, decrease, cancellation), and are initiated by the MAAG or Unified Command. Although they normally result in a significant change in cost, the MAAG/Unified Command may decide to make simultaneous decreases and increases in the scope of various elements of the project as described in format C-2a, with a net effect of minor significance to the total cost of the program line. In any case in which a change in scope is contemplated, the MAAG will obtain an estimate of the cost effect of the change and ascertain the physical and financial status of the project from the field construction agent as a pre-

liminary to further action. Changes in scope which would result in a net increase required DSAA approval prior to execution action; all others may be executed by the field construction agent upon the advice from the MAAG that the change has been approved. The MAAG is responsible for initiating action to record the change and for submitting the appropriate change cards. Procedures are as follows:

- (a) Cancellation or Reduction in Scope. Immediately upon receipt of written notification from the MAAG that consideration is being given to cancellation or reduction in scope of a construction project, the field construction agent will stop all action to consummate non-awarded contracts or otherwise incur obligations, and stop all construction underway concerning the project in question. The field construction agent will determine obligational status, percentage of physical completion, accrued expenditures, and unexpended balances; and will provide the MAAG an analysis of the cost effect of executing the proposed change(s). The MAAG will submit the information and his recommendations to the Unified Command and area construction agent for joint review and Unified Command decision. Upon approval of a change (or a combination of changes) in scope which results in a net decrease in the cost of the program line, the MAAG will prepare and submit Card P (or Card R, for cancellation of an unobligated line) to the implementing agency, using the appropriate category D reason for change code. The implementing agency will process the card to DSAA,

retaining the reason for change code entered by the MAAG, and substituting its own change originator code for the one entered by the MAAG in column 69.

- (b) Increase in Scope. For a change (or combination of changes) in scope which results in a net increase in the cost of a program line, the MAAG and field construction agent will proceed in the same manner as for a cancellation or reduction in scope. Upon approval, the MAAG will proceed as follows:

1. If the change approved by the MAAG results in a net increase, DSAA approval is required before the field construction agent may proceed with execution action. The MAAG will submit card P to DSAA, using the appropriate category B reason for change code, and also will submit justification for the change to DSAA with information to the construction agent. DSAA approval action, and authorization to the field construction agent to proceed with execution action, will be the same as in paragraph 5.d.(1) (c) above.

c. Construction format C-2a will be revised and distributed by the MAAG to re-

flect the results of approved Type II changes as they occur.

6. Reporting

a. Construction Status Reporting

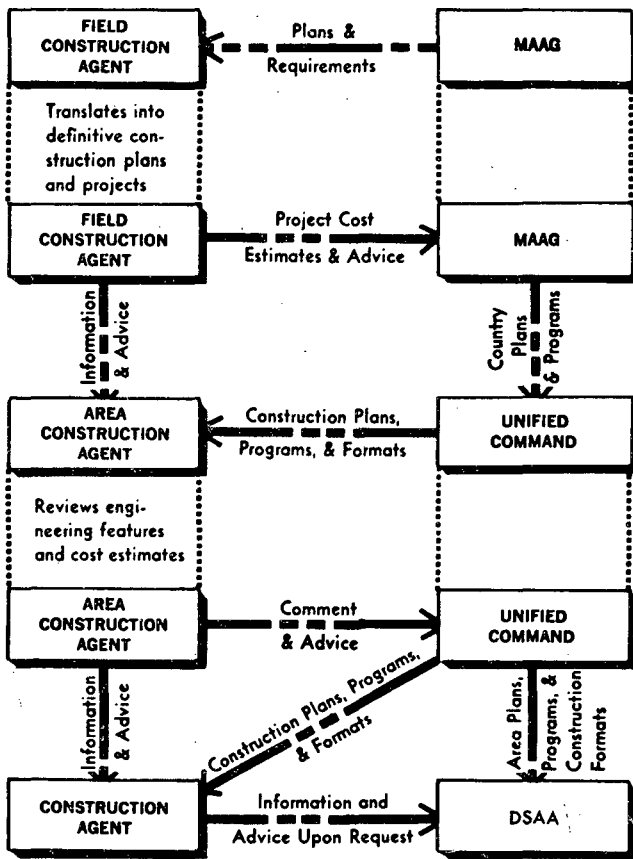
The formats and systems used by the construction agent for reporting on other construction programs will be used to report status and progress on MAP construction. This reporting normally encompasses status of project obligation, accrued costs, current working estimate (CWE), percentage of completion and estimated beneficial occupancy date (BOD—that date when facilities can be occupied for operational purposes, even though not physically and financially complete). If necessary, these reports will be modified to establish specific reference to each MAP record control number (RCN) so that the audit trail by RCN will be maintained. The construction agent and his field offices will make these reports available to the MAAG, Unified Command, and DSAA as requested. In addition, special narrative or other types of status reports may be required of the construction agent and/or his field offices if such reporting is necessary for effective management and is within the reporting agent's capability.

b. MAP Order Performance Reporting

The construction agent and his field offices will submit required data for MAP Order performance reporting through the channel and system by the implementing agency for that purpose.

Figure D-1

CONSTRUCTION FLOW DIAGRAM
PLANNING AND PROGRAMMING



EXECUTION AND REPORTING

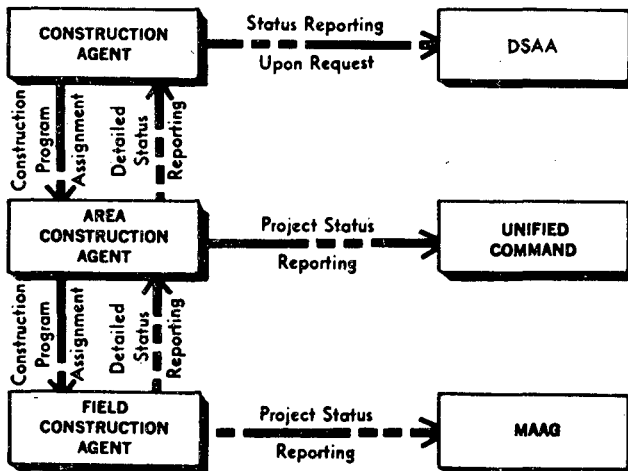


Figure D-2

(Sample)

MAP Construction Program
Format C-2a

Program Originator: Air Force
MAP Element Code: 3MPA
Item Identification: C0NP001

Installation: Triservia Air Base
Current Year Funding: \$5,000,000

Country or Area: Protonia
Item Title: Apron, T/W, Power Check and POL Facil.

Q2A, Contract Construction					
Section A—Description of Item	Section B—Cost Estimates				
	Primary Facility	U/M	Quantity	Unit Cost	Cost (\$000)
Concrete jet parking apron	Parking Apron.....	SY	168,500	\$21.61	3,642
Parallel bituminous taxiway					
Warm-up aprons					
Aircraft power check facility					
POL facilities consisting of:	POL Facilities.....	LS			1,560
40,000 barrels of JP-4 storage					
10,000 barrels of AVGAS storage					
Off-shore fueling station (5-leg moorings)					
Truck fill stands and piping for tactical airfield fuel dispensing system					
Section C—Basis of Requirement					
<p>This program provides additional minimum facilities to handle one squadron of F-5's scheduled for delivery in FY 68. Existing facilities at the air base cannot accommodate the squadron which must be at this location to support Protonia's defense plan. Protonia does not have available funds nor technical skill to accomplish construction; however, some non-MAP funds are being made available to support this item. Completion of this construction will further U.S. objectives in the country by increasing the capability of the country to combat enemy aggression on its northern border.</p> <p>The requirement for this construction has not been invalidated by changes in the international, internal and military situation. The recipient country is capable of and is willing to maintain and use the facilities when completed.</p>					
	Supporting Facilities				
	Access Road.....	LS			10
	Utilities.....	LS			5
	Total.....				6,415
	Less: Supporting Non-MAP Funds..				(1,415)
	Total MAP Cost.....				\$5.000

Figure D-3

MILITARY ASSISTANCE PROGRAM ENGINEERING AND ARCHITECTURAL CONTRACTS* RCS - DSAA (SA) 1001			DATE OF REPORT	MILITARY DEPARTMENT	
RECIPIENT COUNTRY	PROGRAM YEAR	RECORD CONTROL NUMBER	NAME AND ADDRESS OF FIRM	DESCRIPTION OF SERVICES TO BE PERFORMED	CONTRACT AWARD (IN DOLLARS)

*Report contracts aggregating \$25,000 or more executed with an individual or group of engineering or architectural firms on any one project

CHAPTER E

MILITARY EDUCATION AND TRAINING

1. Purpose

This chapter provides guidance and instructions for providing military training and training aids to foreign countries as grant aid in a manner that will insure greatest benefit to both the foreign country and U.S. interests.

As used in this chapter, the term "Continental United States," or CONUS, excludes Alaska and Hawaii.

2. Objectives

Objectives of providing grant aid training to foreign countries are:

- a. To create skills needed for effective operation and maintenance of equipment acquired from the U.S.
- b. To assist the foreign country in developing expertise and systems needed for effective management of its defense establishment.
- c. To foster development by the foreign country of its own indigenous training capability.
- d. To promote U.S. military rapport with the armed forces of the foreign country.
- e. To promote better understanding of the United States, including its people, political system, and other institutions.

Initially, all of the objectives stated above should be pursued simultaneously with emphasis shifting progressively from operations and maintenance to management of in-country capabilities, and finally to maintenance of military rapport. The ultimate objective is to limit programs to the latter

and should be pursued as rapidly as possible consistent with the achievement of overall objectives.

3. Areas of Emphasis

To the extent consistent with the military requirement and the achievement of more immediate objectives, emphasis will be placed on:

- a. The training of individuals who are likely in the future to occupy key positions of responsibility within the foreign country's armed forces.
- b. Training that encourages military professionalism and the interchange of military doctrine, particularly by attendance at U.S. service schools at the advanced career and command and staff levels, and
- c. Training related to the management of resources at all levels within the defense establishment.

4. Resources Management

In developing programs for training in the field of resources management, care must be exercised to avoid "mirror imaging" of U.S. concepts, systems, and procedures that exceed the real needs or capabilities of the foreign country.

There is no precise definition of what constitutes resources management or the skills associated with it. The following listing, therefore, is intended only as a guide to subjects generally in this field of activity.

- a. Planning—Defining defense objectives and making decisions among alternative courses of action to achieve these objectives.

MILITARY ASSISTANCE AND SALES MANUAL—PART II

b. Programming—Establishing schedules for achieving objectives, collecting functions and activities sharing the same objective into families (programs) and estimating resource requirements for each.

c. Budgeting—Formulating detailed yearly projections of resource requirements for the programs, obtaining and allocating associated funds and balancing priorities in the competition for limited resources.

d. Management of Capital Assets—Acquisition and disposition of goods and services. Management systems relating directly to tactical use of weapon and support systems normally are excluded.

e. Management of Resources of Operating Activities, including employment of manpower resources—Administering the acquisition of consumable resources and their consumption in the execution of assigned missions.

f. Accounting—Measuring results and status, usually in financial terms, for both organizational units and functional areas.

g. Reporting—Transmitting financial and non-financial information on status and results of operations and investment to appropriate levels of management.

h. Evaluating—Analyzing defense activity performance and test results to determine the merit or degree of effectiveness of the activity or resources concerned.

i. Auditing—Reviewing the accuracy of reported results and judging the adequacy of and compliance with established policies and procedures.

j. Financial—Budget submissions; status reports on obligations and allotments; general ledger accounting; working capital fund reports.

k. Manpower—Military and civilian authorization procedures; manpower status reports; management engineering methods.

l. Supply—Item and weapon system supply management; inventory accounting; property disposal.

m. Maintenance—Field maintenance management procedures; depot maintenance industrial fund; standard cost accounting and workloading.

n. Facilities—Management reports; contract construction procedures.

o. Acquisition—Contractual procedures; cost information reports.

p. Research and Development Test and Evaluation—R&D concept papers; project control documents, test design; analysis; reliability.

Since titles of courses selected for resources management training will not necessarily conform to the topics listed above, such training is identified for record purposes by entering the alphabetic "R" in card column 59 when programming data is submitted.

5. English Language Training

a. Language training to the comprehension level required for attendance at the particular course of instruction, regardless of how and where conducted, is a responsibility of the foreign country. Thus, except as may be elsewhere authorized specifically in this manual, English language training at the Defense Language Institute (DLI) will be authorized only as follows: Minimum English language comprehension level (ECL) cut off scores for entry into English language courses conducted by the DLI, other than English language instructor or refresher, will be progressively increased as follows: FY 74—ECL of 55; FY 75—ECL of 62; FY 76—ECL of 70. Exceptions to these requirements require prior approval of DSAA and will be granted only where clearly justified by unusual circumstances.

b. With but few exceptions, all foreign countries are considered to possess the resources (e.g., public and private schools, commercial institutions) needed to provide necessary English language training to meet ECL's set forth in paragraph 5a, above,

without external assistance. These countries will be expected to increase their English language training capability to meet the minimum ECL requirements outlined in paragraph 5a, above. Where this is shown not to be the case, assistance may be provided under this program by training of instructors at the Defense Language Institute (DLI), by providing English Language Mobile Training Teams (MTTs) or Field Training Services (FTS), and by providing appropriate training aids. Information on MTTs and FTS is contained in DLI Pamphlet 350.1.

c. MAAGs are responsible for insuring that trainees meet the minimum English Language Comprehension Level (ECL) prescribed by the Military Department for each course of instruction or for entry into DLI as outlined in paragraph 5a, above. Tests to determine the ECL of foreign selectees are provided by DLI. Instruction for the administration of ECL tests is provided in DLI Pamphlet 350.3.

6. Selection and Utilization of Trainees

a. To the extent practicable, personnel trained under auspices of this program, and particularly those attending CONUS schools, will be selected from career personnel likely in the future to occupy key positions in the foreign country's defense establishment. Except as may be authorized specifically by DSAA, the requirement for selection of career personnel is mandatory for attendance at professional level (e.g., command and staff or equivalent and higher, college level) schools.

b. Under the direction and supervision of Commanders of Unified Commands, MAAGs are responsible for obtaining appropriate assurances that personnel trained under the auspices of this program are properly and effectively utilized. Such utilization is defined as prompt employment of the individual in the skill for which trained for a period of time sufficient to warrant the expense to the U.S.

A system of periodic review of trainee assignments should be incorporated into MAAG

operating procedures. As a guide, optimum assignment periods are considered to be three years for flight instruction and highly technical training such as missile training, and not less than two years for other training, particularly instructor training.

c. To the extent consistent with available resources, MAAGs are expected to maintain surveillance over utilization of U.S. trained personnel with emphasis on the more critical and higher level skills and personnel attending CONUS schools. Periodic reports rendered by appropriate foreign authorities normally will satisfy this requirement.

d. Chapter C, paragraph 4.f, provides guidance pertaining to the prohibition on the use of Foreign Assistance funds for assistance for police. In this regard, where training furnished on an individual rather than a unit basis, no training of any kind will be provided to any individual unless it is reasonably assured that the individual will not be assigned to a unit performing on-going civilian law enforcement functions for a reasonable period subsequent to the completion of his training. Paragraph 6.b. and c., above, applies to determine reasonable period of time.

7. Constraints

a. The following categories of training will not be programmed without prior approval of DSAA on a case-by-case basis:

(1) Training essentially for the purpose of obtaining a degree, or for accumulating credits toward a degree.

(2) Any training not clearly related to achievement of the objectives set forth above.

Requests for exceptions to above constraints will be forwarded to the Director, DSAA, who will coordinate such requests with other agencies, as appropriate.

b. The following categories of training will not be programmed without prior approval of the appropriate Unified Commander:

(1) Training in basic skills normally utilized by both the military and civil sectors.

(2) Professional training offered by in-country military or civil educational and

MILITARY ASSISTANCE AND SALES MANUAL—PART II

training facilities.

(3) Any training for which the foreign country possesses the technical competence and economic capability for establishing in-country training facilities.

(4) Training already provided in a quantity that, taking into account reasonable attrition, is sufficient to meet minimum military requirements.

(5) Orientation tours except for officers of general or flag rank holding influential positions in the foreign country's defense establishment, in small groups (ten or fewer), and where the tour will be of clearly identifiable benefit to career(s) of the individual(s).

(6) Except as specifically authorized elsewhere in this Manual, English language training other than provision of articles and services in support of such training conducted in the foreign country.

(7) Training that, even though uniquely military in nature, is primarily for the purposes of civic action or nation building programs.

(8) Training of other than uniformed military personnel (e.g., civilians), regardless of their relationship to the foreign country's defense establishment.

(9) Training in CONUS for other than career military personnel.

(10) Any training where, on the basis of experience, it appears unlikely that the skills produced will be utilized properly.

(11) Repeat participation by foreign individuals in (a) orientation tours, or (b) the same formal training course.

c. DSAA will be immediately notified of all waivers granted by Unified Commands in connection with the above constraints. Notification will include a detailed rationale and, in the case of orientation tours, a description of the proposed itinerary.

d. Training program lines resulting from waived constraints will be identified by placing an "A" in column 58 of "4" and "Q" cards.

e. Deployment of DOD personnel and teams, military or civilian, on PCS under MAP or FMS for the purpose of providing technical assistance or training to foreign

countries, will require approval of the Director, DSAA, on a case-by-case basis, prior to making any offer or commitment to the foreign government concerned.

8. Program Development and Execution

a. Guidance. In addition to guidance and instructions contained in this manual, the following documents provide information for the development of training programs:

(1) The Military Articles and Services List (MASL). See Chapter H, Part I.

(2) AR 5550-50 (Army), OPNAVINST 4950.1E (Navy), and AFM 50-29 (Air Force).

b. Submission

(1) Prior to 1 April of each year, or as may be directed otherwise, Unified Commands submit to DSAA detailed training programs for the first planning year (i.e., data submitted April 1973 addresses FY 75). Instructions for preparation of data are contained in Chapter F, Part II.

(2) Budget year program data are recorded in the DSAA Master ADP file together with data for the current year and all prior years.

(3) Data in the DSAA master file are maintained current through the submission of program changes as such changes occur. A general updating and refinement of the budget year program should take place prior to 1 April. To accomplish this, Unified Commands are authorized to conduct Training Workshops, with participation by the Military Departments, for the purpose of confirming availability of training and providing technical advice.

(4) Technical programming instructions are provided in sections of this chapter that follow discussing various types of training and in Chapter F, Part II (Program Submission and Management).

c. Execution

(1) Program implementation by the Military Departments, and the movement of trainees to training facilities and activities, is authorized only after MAP orders, Program Directives, or other specific approvals are issued by DSAA. Such orders, directives, or approvals are required prior to the issu-

ance of Invitational Travel Orders or the obligation of funds for programmed training. When necessary in cases of emergency, request for approval to issue Invitational Travel Orders prior to receipt of MAP Order will be submitted direct to DSAA.

(2) The cut-off date for receipt by DSAA of proposed additions to the training program is six weeks prior to the close of the fiscal year. Urgent requirements received after the cut-off date, if sufficiently justified, will be considered only if there appears to be sufficient time to complete administrative work and obligate funds prior to the end of the fiscal year.

9. Student Training

a. Scope

Under Budget Project N10, individuals are trained at U.S. military facilities and civilian institutions in the U.S. or abroad. Included are formal courses of instruction, observed training, on the job training, orientation tours, and training of ship crews. For accounting purposes, costs of the Informational Program also are charged to this account.

b. U.S. Military Service Schools.

For attendance at U.S. military service schools, foreign military trainees (FMTS) must meet the same qualifications as U.S. personnel. These are set forth in applicable school catalogs, DOD Instruction 5010.16-C (Defense Management Education and Training) and other media. Questions concerning entrance requirements should be addressed to the Military Departments having cognizance over the particular training facility.

c. U.S. Civilian Schools

Training at non-military institutions is authorized only if equivalent training is not available from U.S. military facilities. DSAA approval is required prior to programming.

d. Specialized English Language Training.

Provided the general ECL requirements have been met, specialized English training

may be provided in those cases where the Military Department concerned determines that exceptional fluency or specialized vocabularies are essential to safety and/or effective participation in the course of instruction.

e. Orientation Training

This category includes Orientation Tours and Observer Training and for programming and accounting purposes. Informational Program requirements.

(1) Orientation Tours

(a) Guidelines

1. The objective of orientation tours is to provide selected students an opportunity to become acquainted with U.S. military doctrine, techniques, procedures, facilities, equipment, organization management practices and operations through short term orientation as opposed to attending longer term formal courses.

2. The basic premise under which orientation tours are offered is that only students holding important positions, or those with the possibility of holding such positions shall be selected. In the majority of cases the students should be general or flag rank officers. Visits by foreign military cadets to U.S. service academies are not authorized under IMET.

3. In addition to the purely military objectives to be achieved through orientation training, it is intended that orientation tours serve to enhance mutual understanding, cooperation, and friendship between U.S. forces and participating nations.

(b) General Policy

1. Orientation tours for IMET funding should be programmed only after the Ambassador attests to their importance to the country's efforts and adequate supporting rationale is provided by country representative for DSAA approval.

2. Participation in orientation tours should be limited to students occupying important positions but below the U.S. equivalent of Chief of Staff or Chief of Naval Operations. Visit of foreign officers equivalent to a Chief of Staff or Chief of Naval

MILITARY ASSISTANCE AND SALES MANUAL—PART II

Operations are conducted at the invitation and expense of U.S. Military Department concerned. IMET funds may be considered on a case-by-case basis based on DSAA approval, to finance portions thereof after such visits have been approved by the appropriate service chiefs.

3. As an exception, orientation tours (3 weeks) to the U.S. for Chiefs of Staff, Minister of Defense or their equivalent from certain African countries may be provided as a special activity. Tours are restricted to not more than three participants per country.

4. Selection of students for orientation training and the design of itineraries should be made on the basis of maximum accomplishment of orientation training objectives as outlined above. Where tour objectives are specific in terms of students exposure to specialized techniques, procedures, and facility operation, the itinerary should be designed accordingly as opposed to tours in which the objective is intended to be broad exposure to concepts, higher level decision making, management and staff operation. In no instance should tour itineraries reflect a tourist orientation itinerary in which the tour objectives are obscure. Visits to large metropolitan centers which do not directly relate to orientation training objectives should be avoided. DSAA approval of orientation tour itinerary and areas of interest is required prior to implementation.

5. When special conditions exist wherein it is in the best interest of the U.S. to provide orientation tours which do not meet the objectives contained herein, proposals which describe these conditions and circumstances will be forwarded to DSAA for approval on an exception basis prior to any proposal to country officials which could be construed as an agreement to provide a tour.

6. Official entertainment in connection with orientation tours (luncheons, dinners, receptions) should be arranged in good taste and in keeping with the grade and position of the tour participants. Protocol activities of this nature should be arranged on an

austere basis. Activities which could be interpreted as being lavish are to be avoided.

7. Experience indicates that orientation tours for large groups usually result in a bland experience for the majority of participants, with some interest for a few, at disproportionate costs and result in criticism by some participants. Therefore, large group orientation tours should be discouraged.

8. An executive agency is assigned to conduct and provide escort officers for orientation tours in the CONUS. The executive agency is the Military Department having primary interest in the tour, or the Military Department selected by DSAA as executive agency to implement a specific tour. Every effort will be made to provide escort officers fluent in the language of the tour participants when lack of English fluency of the participants makes a language qualified escort essential to tour objectives. Normally, a MAAG/MILGP/ODC representative should not be used as escort officer. However, in exceptional cases, the executive agency may consider a MAAG/MILGP/ODC representative to serve as an escort officer when fully justified, e.g., special qualifications, workload, usual rapport with key host country personnel, and associated projects/contacts that might be beneficially exploited to the U.S. advantage. The MAAG/MILGP/ODC representative selected as an escort officer will be under the complete jurisdiction of the executive agency and will remain with tour at all times until tour returns to host country. Travel and per diem costs for the escort officer for the period on TDY for purposes of the tour are chargeable to IMET funds, and will be programmed as a separate program line in the country program under Budget Project N70. U.S. personnel other than *bona fide* escort officers designated or agreed to by the executive agency for the tour implementation are not authorized to accompany tour groups.

9. Leave may be taken by tour participants at the conclusion of an orientation tour at no additional expense to IMET, when authorized in student Invitational Travel Order (ITO). When authorized, the ITO will

include the specific statement "leave authorized at no additional expense to the U.S. Government."

(c) Types of Tours

The following types of tours are authorized for IMET programming. When submitting orientation tour requirements, the positions held by the visiting officers will be indicated for the appropriate type of tour selected.

1. **Orientation Tours for Distinguished Visitors (DV).** Orientation tours/DV are authorized for the purpose of providing an orientation tour for senior country officials below the equivalent U.S. position of Chief of Staff or Chief of Naval Operations, holding positions of major importance and higher authority. DV tours are restricted to not more than one per service per year subject to U.S. Military Department capability to implement the tour. DV tours are normally for a period not to exceed 15 days plus overseas travel time and to not more than five visitors per tour. Travel arrangements, mode of transportation for transocean and domestic travel and accommodations should be comparable to those provided U.S. personnel under similar circumstances. Instructions contained in paragraphs e.(1)(a) and (b) above, apply.

2. **Orientation Training Tours.** Orientation training tours are authorized for the purpose of providing an orientation tour for selected students who may become future leaders and policy makers, but do not presently qualify as a DV. Tours should be restricted in number to the extent possible and limited primarily to foreign military students. Overall target should be to reduce cost of tour in maintaining number of participants involved. Instructions contained in paragraphs e.(1)(a) and (b) above, apply.

3. **Cadet Orientation Tours (COTs).** Cadet Orientation Tours for active members of country military academies may be programmed as officer training, except that tour itineraries will be restricted to visits to U.S. service department academies, subject to Military Department concurrence. A visit to

Washington, D.C. not to exceed three days is authorized and encouraged.

(2) Observer Training

(a) **Observer Training** is training during which the student observes methods of operation, techniques, and procedures as a medium of instruction. Observer training is not related to a formal course of instruction.

(b) Observer training will be authorized only when no course covering the desired training is available. This includes specialist-type training.

(c) Observer training or on-the-job training (OJT) in overseas schools and installations will be provided in accordance with the policies established by the Commander of the Unified Command concerned.

(3) DOD Informational Program

(a) In accordance with DOD Directive 5410.17, each trainee attending course in the CONUS is given the opportunity to participate in the DOD Informational Program (IP). The objective of the program is to assist trainees in acquiring a balanced understanding of U.S. society, institutions, and goals, in addition to his military experience while in the CONUS. Such activities as visits to private homes, local industries, industrial and cultural exhibits, farms, schools, historical points of interest, sports events, and civic activities are to be encouraged. Frank explanation and free discussion of our governmental structure, our judicial system the two party system, the role of a free press, and other communication media, minority problems, the purpose and scope of labor unions, our economic system, and our educational institutions will foster understanding and good will with the trainees.

(b) Military Departments are responsible for implementation of the IP. Unified Commands are authorized to submit NIH dollar requirements for IP activities for MAP funded students as a regional requirement. Requirements will be calculated on the basis of \$250.00 for each MAP funded officer student programmed to receive training in the CONUS. MAP funding of IP activities for sales students is not authorized.

MILITARY ASSISTANCE AND SALES MANUAL—PART II

Financial support for IP activities for DAV students is the responsibility of the appropriate Military Department and will be programmed in country program.

(c) Extraordinary expense funds (N60) are also authorized for use in conducting certain IP activities.

(d) In arranging IP activities maximum use will be made of local civic groups, organizations, agencies, facilities and historical attractions. Of particular interest is the development of a student sponsorship program to include both U.S. military and civilian participants. Emphasis should also be placed on activities in the civilian sector of the community in which the trainee is training as a means of providing the best possible exposure to the civil aspects of the program. When local possibilities are unable to satisfactorily meet program objectives, visits to other communities are authorized.

(e) Informational Program activities include transportation, meals, lodging, admissions, programs and incidental costs thereof. The student will be required to assume personal costs for laundry, cleaning, telephone services and all other costs not directly associated with the programmed tour.

(f) A major goal of the IP is to enable each officer student undergoing training in the CONUS to visit Washington, D.C. A maximum of four days for this aspect of the tour is authorized, not to include travel time. Training schedules, weather and other variables may preclude achievement of this goal. In this regard, priority attention is to be given to fulfillment of the primary training objective for which the student was sent to the CONUS with the IP assuming a subordinate role.

(g) Entertainment and social aspects should not be a predominant element of the program. Social activities arranged for foreign trainees should include proportional number of U.S. military, civilian guests and trainees whenever possible.

(h) Trainees participating in IP tours are considered to be in a duty status. The living allowances authorized the trainees at

their training centers in accordance with Table E-1 will be continued throughout the duration of the tour.

(i) Dependents who have accompanied FMTs to the CONUS will be encouraged to participate in IP activities including trips to Washington, but at no additional cost to the program.

(j) IP funds (NIH) may be used to finance the cost of distinctive medallions, plaques, ornaments or mementos that serve to commemorate the student's experience in participating in a particular IP activity. They should be distinctive in design and nominal in cost so as to eliminate the thoughts of reciprocation.

f. On the Job Training

(1) On the Job Training (OJT) is training conducted on a planned program of supervised instruction devoted to practical application of a previously achieved skill usually related to a formal course of instruction.

(2) Programmed on-the-job training will normally supplement formal technical training received at a school. This training will be planned in advance in the country's training program and will include detailed requirements for training in specific areas of interest and on types of materiel used by the country concerned. On-the-job training conducted independently and not in conjunction with formal courses of instruction will be authorized in CONUS only when no course covering the desired training is available.

g. Minimum Duration Limits for CONUS Student Training

Student training in CONUS of a duration of less than eight weeks will not be programmed unless approved for cogent reasons on an exceptional basis by the Unified Commander involved. Mandatory CONUS personnel processing or English Language training will not be considered as part of the 8 week requirement. This limitation does not apply to grant aid training for countries which bear the cost of transporting their trainees, or to orientation training.

h. Instructor Training

(1) Training of country personnel designated for instructor assignments should be given priority consideration for CONUS training. As a basic objective, development of country self-sufficiency depends largely upon the quantity and quality of instructors available to operate in-country training establishments. If Military Departments offer specialized instruction for the development of instructor personnel, these courses should be used to the fullest extent in developing and maintaining an effective recipient country instructor force.

(2) In addition to specialized training for country personnel, mobile training teams or survey teams can be made available to eligible countries to assist in determining deficiencies, recommending corrective action and providing instruction toward the objective of improving country training capability through instructor development.

i. Country Liaison Personnel

Use of foreign personnel as liaison officers and NCOs to assist U.S. training activities with foreign students administration is authorized. Such personnel are authorized only after the Military Department concerned has acknowledged the need for assistance and has the capability to provide logistic support. Liaison personnel are only authorized to assist with students from countries they represent and who are being trained under this program. Liaison personnel are normally authorized only in those instances in which a country is scheduled to train a large number of students or where student background warrants assistance from the resident country liaison personnel. Programming procedures for travel and living allowance are the same as for FMTs. Liaison personnel will be programmed under generic code N10 (See Table E-5). Liaison officers will not be authorized to pursue a course of instruction concurrently with liaison duties.

j. Fifth Quarter Training

(1) Funds are made available for training under fiscal limitation .001 which identi-

fies funds requiring obligation within the fiscal year for which appropriated. As a means of increasing course scheduling flexibility, training commencing between 1 July and 30 September may be programmed in either the preceding or current fiscal year program, thus providing a "fifth quarter" in which to implement training in a given fiscal year.

(2) When fifth quarter training, is programmed in the preceding year, funds must be obligated by June 30 of that year. Training in courses commencing between October 1 and June 30 must be included in the program of the fiscal year in which it commences. Fifth quarter programming does not apply to orientation training.

k. Student Security Screening

(1) A security screening of trainees will be accomplished by U.S. officials in country (normally Defense Attache) prior to issuance of ITO. The screening will include obtaining a statement in writing from the foreign government that the government concerned sponsors the trainee, that the trainee has been subjected to a security screening and the level of security clearance granted by his government does not constitute a security risk to the United States that the information to be obtained during training will not be released to another nation without the specific authority of the United States Government, that classified information will be provided the same degree of security afforded it by the United States Government, and that any proprietary rights involved (patented/copy-righted or not) will be respected and protected. When obtained, the following statement will be included in the ITO: "U.S. security requirements have been complied with."

(2) The security screening described in paragraph (1) above does not necessarily constitute a U.S. clearance as the basis upon which to release classified material to the trainee. When classified instruction is required, action will be taken with the Military Department concerned to establish the authority and determine the classification of material to be released during training.

MILITARY ASSISTANCE AND SALES MANUAL—PART II

When authorized, the ITO will contain the statement, "U.S. security requirements have been complied with. Trainees are authorized access to classified material up to and including, during authorized training, by authority of" The authority quoted will be service department communication authorizing release of classified material for the course.

l. Visits to Canada and Mexico

Foreign trainees attending instruction in the CONUS may be authorized visits of not over 72 hours to Canada and Mexico. They must conform to all immigration and customs regulations. Such visits will not affect the trainee living allowances.

m. Dependents of Trainees

Dependents' accompanying or joining trainees will be discouraged, except in those cases where the Military Department concerned determines for specific trainees and courses that housing and other amenities are available and presence of dependents will make an important contribution to the student's learning experience. Where dependents are authorized, a living allowance may be paid in accordance with rates established in Table E-1 of this Chapter. In no case, however, will transportation of dependents be at U.S. expense.

n. Uniforms and Personal Clothing

Except for charges for uniforms required for students in the Inter-American Air Force Academy, furnishing of uniforms or any items of personal clothing, other than special items of training clothing or equipment, is not authorized.

o. Disposition in Event of an Emergency

In the event of a national emergency, procedures and policy for the disposition of trainees and other foreign military visitors in the U.S. and at U.S. installations abroad will be promulgated by DSAA.

p. Transportation and Accommodations for FMTs

E-10

(1) General.

(a) MAAG chiefs assigned to countries which have flag carriers, with routes to or part way to the U.S., whenever possible will obtain agreement from the host countries to transport their respective trainees on such carriers at no cost to the U.S.

(b) Travel between home country and the training center for those FMTs provided transportation by the U.S. Government will be by the most direct route except as specified below.

(2) Modes of Transportation Furnished by U.S.

(a) Foreign Military Trainees are authorized to travel by Military Airlift Command (MAC) aircraft. Transportation of FMTs including those whose country elects to pay the cost of the transportation, will be at common user rates.

(b) Travel to and from the U.S. to the fullest extent feasible will be via U.S. Government transportation (MAC). When the use of U.S. Government transportation for the entire trip would not permit the trainee to meet course or class convening dates, combinations of U.S. commercial air to surface (tourist class) and government transport will be used. Where this combination has been used, U.S. Government transportation for the return travel to the home country will be utilized to the fullest extent possible.

(c) Transportation to and from training installations within the U.S. generally will be by surface common carrier or commercial aircraft. Travel by privately owned vehicle may be authorized except in those instances in which it would be prejudicial to the best interests of the U.S. Government or when prohibited by the home government of the trainee. Reimbursement for travel by privately owned conveyance will be as specified in JTR.

(3) Funded Travel

(a) Transportation may be funded except for those from countries with whom the U.S. has reached agreement for such countries to pay transportation expenses.

(b) Transportation for dependents of trainees will not be provided. If the trainee elects to bring his dependents to the U.S. (or to an overseas training installation) he may be allowed the cost of the transportation to which he is entitled as prescribed in his invitational travel orders in order that he may travel with his dependents. When this election is made the student will be encouraged to utilize U.S. flag carriers to the maximum degree possible.

(c) Round trip transportation costs for a trainee returning to his homeland on emergency leave will be paid by the trainee or his government if he is to return to the U.S. for continuation of training.

(d) When a trainee is permitted by his government to deviate from the most direct route for the purpose of visiting other countries, sponsorship will terminate at the point and time of such deviation. Further, should a trainee elect to remain at a point enroute to his homeland beyond the time normally required to make travel connections, funding of allowances during that excess time is not authorized.

(4) Accommodations

Accommodations on U.S. installations provided to foreign students enroute will be commensurate with those provided U.S. personnel of equivalent grade.

q. Living Allowances for FMTs

(1) Trainees from countries for whom the U.S. pays transocean travel are entitled to living allowances in a travel status to include the day of departure from home country through the day of arrival at their first training location. Living allowance in training status will commence the day after arrival at training location. Living allowance in a travel status will resume the day of departure from the last training location and terminate the day of arrival in home country, excluding leave period authorized by trainees government following termination of training.

(2) Trainees whose trans-ocean travel costs are paid by their own governments are entitled to living allowances in a travel status to include the day of departure from the

U.S. entry port enroute to the training location, through the day of arrival at the training location. Living allowance in a travel status will resume the day of departure from the last training location and include the day of arrival at the U.S. departure point.

(3) Living allowances are not authorized for:

(a) Periods of unauthorized absence from duty.

(b) Excess travel time when proceeding by other than government transportation when not authorized by the administrative authority of the Military Department concerned.

(c) Periods of delay not in connection with training, except for hospitalization or outpatient care.

(d) Trainees whose country assumes the payment of all living costs.

(e) Periods of training conducted in the home country of the trainees.

(f) Periods of leave for individuals on orientation tours.

(g) Period of leave authorized by trainee's government following termination of all training courses.

(4) Leave with living allowances may be granted within CONUS as specified below:

(a) During authorized holidays.

(b) Period between consecutive courses. It is not the intent of this provision that leave be given or used indiscriminately to occupy the trainees during period between courses of instruction when appropriate on-the-job training is feasible.

(c) Period of delay while awaiting transportation at port for departure to home country.

(5) Living allowance rates for FMTs are set forth in Table E-1. Living allowance rates for FMTs accompanied by dependents will not be increased over those authorized by Table E-1.

(6) Advance payment of living allow-

MILITARY ASSISTANCE AND SALES MANUAL—PART II

ances not to exceed \$50 may be made to trainees at the port of entry or first training location for U.S. trainees and at the first training activity for overseas trainees. Military Departments may authorize advance payment of allowances to accrue during leave following the termination of training.

(7) No attempts will be made to collect overpayments from trainees after they have departed from the U.S. or overseas training activity.

r. Baggage Weight Allowance for FMTs

(1) Authorized Baggage Weight Allowance.

A baggage weight allowance of 100 pounds is authorized for FMTs when travel costs are paid from U.S. funds. When duration of training is 270 days or longer a baggage allowance of 150 pounds is authorized. Baggage will accompany FMTs. In addition to the baggage allowance, instructional course material not to exceed 50 pounds may be shipped in the case of students attending language training with the exception of instructor-students. For the latter, and for all other students, when the total training time exceeds 26 weeks, the shipping weight allowance for instructional material will be 100 pounds. This material will be packaged and appropriately labeled at the training activity and shipped normally via the most expeditious means to the MAAG for delivery to the trainee.

(2) Unauthorized Baggage

Shipment of baggage in excess of the weight allowance contained in (1) above is not authorized. Disposition of unauthorized baggage will be made at the expense of the trainee or his government. Commanding officers of the training or administrative installation should insure that unauthorized baggage is shipped at the trainee's expense prior to his departure from the installation. Trainees reporting to ports of departure with unauthorized baggage will be requested to forward the unauthorized baggage by commercial means at their expense. If lack of time prohibits this, unauthorized baggage will be taken into custody by the traffic representative, and the trainee will be given a

receipt for the baggage. The trainee will remain on the flight or carrier. After departure of the carrier, the traffic representative will deliver the unauthorized baggage to the nearest appropriate foreign consulate.

(3) Guest Instructors at U.S. Schools in the Panama Canal Zone.

Shipment of household goods from the Canal Zone to their home country is authorized for Latin American guest instructors who have completed a tour of duty at U.S. service schools in the Panama Canal Zone. The weight allowance for married and single guest instructors is 2,000 and 200 pounds respectively. Shipment will be by surface common carrier. Air freight may be used only when surface common carrier is not available. Household goods in excess of the weight authorized will be at the expense of the guest instructor or his government.

(4) Country Liaison Personnel

Foreign personnel on duty at U.S. training installations as liaison officers are authorized a baggage allowance of 150 pounds.

10. Mobile Training Teams (MTT)

a. See para. 7.b, above.

b. MTTs provided under budget project N20 are composed of Military Department personnel on temporary duty for the purpose of training foreign personnel.

(1) MTTs are authorized for (1) a specific training requirement incountry which is beyond the capability of the MAAG and for which it is more expeditious, practical, and economical to bring the training to the country; (2) training associated with equipment transfers wherein the recipient country may be assuming ownership of MAP furnished equipment at other than a U.S. facility and (3) the purpose of conducting incountry training surveys to determine specific country training needs, determine capability and quantity requirements which are beyond the country capability to assess, and are associated with equipment deliveries or assistance leading to self-sufficiency.

(2) MTTs may also be programmed for the purpose of providing training to foreign personnel at U.S. installations and facilities in those instances when the equipment used

for training is either owned or allocated for delivery to the foreign recipient.

(3) MTTs are implemented by the Military Department concerned and may be drawn from service resources in the U.S. or overseas.

(4) Grant aid MTTs are authorized on a temporary duty basis for a period not to exceed six months. MTT assistance required for a period in excess of six months or identical follow-up teams are not authorized. Requirements for long term assistance exceeding six months should be met by training country personnel in the skills required, re-arrangement of skills represented on the MAAG JTD and/or programming of engineering and technical services specialists.

(5) Subsistence expenses, or per diem allowance in lieu thereof, obligated in a current fiscal year for MTTs cannot be extended into the succeeding fiscal year. Therefore, personnel on MTT duty must terminate their TDY and return to home station prior to 30 June unless action has been taken to reprogram the team in the new fiscal year subject to the six month restriction contained in paragraph (4) above. Transportation costs for round trip team travel programmed in one year may be carried over to the next fiscal year.

(a) Use of MTTs requires special coordination and preparation with country personnel prior to team arrival. Establishment of team mission in precise terms to include availability of training equipment by type, student availability, capability, ECL, training facilities, transportation, communications and team living arrangements should be the subject of country-MAAG discussions prior to programming and finalized prior to team's arrival.

(b) MTTs are not authorized for the purpose of providing "technical assistance" except as provided in paragraph 11a.(4) for those countries designated as "training only." Technical assistance teams are normally included in the country materiel programs under budget project M10.

(c) MTT's are not authorized for those countries designated as "U.S. training only countries".

11. Field Training Services

Budget project N30 provides funds for services specified below.

a. DOD Engineering and Technical Services Specialists (ETSS)

ETSS are DOD military and civilian personnel technically qualified to provide advice, instruction, and training in the installation, operation, and maintenance of weapons, equipment, and systems.

(1) ETSS will be attached to the MAAG rather than assigned and carried on the Joint Table of Distribution (JTD). They will not be provided as an augmentation to the MAAG staff for assistance normally the responsibility of that staff. They will not be used for follow-in retraining or in advisory roles, except in rare instances when the recipient country is not capable of providing qualified personnel from its own resources or of hiring qualified personnel from non-indigenous sources and the MAAG recommends it in the interest of the U.S.

(2) ETSS may be provided for periods up to but not exceeding one year unless specifically approved by DSAA. In those few cases where the technical services are required for periods in excess of one year, these personnel will be attached to the MAAG for operational control and administrative and logistical support.

(3) ETSS provided as English language instructors, supervisors or advisors on detached duty status from the Defense Language Institute (DLI), will be attached to the MAAG as specified for ETSS paragraph 11a.(1) and (2) above.

(4) ETSS may be programmed for the purpose of providing technical assistance to countries designated as "Training Only" recipients. Technical assistance in any form will not be provided to those countries authorized "U.S. Training Only."

b. Contract Field Services Personnel (CFS)

(1) CFS are furnished under contract with private industry. They provide advice, instruction, and training in the installation, operation, and maintenance of weapons,

equipment, and systems. CFS will be utilized only when necessary for accomplishment of a military mission, provided that it can be clearly shown that personnel of the required skill are not available from DOD resources and the Military Department involved determines that satisfactory provision of services by DOD personnel is not practicable.

12. Extraordinary Expenses

a. For purposes of this chapter, Extraordinary Expenses (budget project N60) are defined as those expenses incident to representation activities for FMTs. They include costs of commandant's-welcome, receptions, civilian-military sponsor banquets, class/seminar dining-ins, faculty-student luncheons, graduations and other similar activities which bridge cultural differences and enhance the relationship between school officials, local community supporting participants and foreign students while attending courses of instruction in U.S. and overseas facilities.

b. Extraordinary Expense funds may also be used for activities described in paragraph 12a above in connection with IP and Orientation Tours. Conditions contained Paragraph 9e.(1)(b)(5) and 9e.(3)(g) will guide such arrangements. The expenditures of N60 funds for other than students sponsored by this program is not authorized.

c. In determining the amount of N60 funds intended to be used for representation type activities, the following guidelines pertain:

(1) Basic Allowance. An amount of \$1.00 for each officer and .50 cents for each enlisted trainee per course/week is allowed.

(2) Senior Officers (Lt Colonel-Commanders and above). When Senior and non-distinguished visitors are on an orientation tour or IP activity, the allowable N60 expenditure will not exceed \$9.00 per individual per installation per activity not to exceed \$18.00 per day per individual.

(3) For each foreign individual member of an Orientation Tour/DV, as described in Paragraph 9e(1)(c)(1) the expenditure of representation funds is authorized at a rate not to exceed \$18 per individual per installa-

tion per activity visited and not to exceed \$36 per day per individual.

(4) N60 funds may also be used to finance the cost of certain contingency expenditures when they clearly support overall training objectives and are within the legislative constraints contained in the Foreign Assistance Act. Disbursement of funds under these circumstances is authorized only after approval of DSAA.

d. Programming of dollar requirements will be accomplished by Military Departments as prescribed in paragraph 16h. Legislative restriction of \$300,000 on extraordinary expense funds requires that ceilings for representation expenses be provided to military departments by DSAA once worldwide requirements are measured against the legislative limitation.

13. Other Training Support

a. Budget project N70 provides funds for costs of training exercises, U.S. military guest lecturers at foreign military schools, escort officers, supplies and materials used exclusively for MAP training (excluding training aids), and student support costs. (See paragraph 15i.)

b. Costs related to constructing, extending, refurbishing or maintaining of U.S. training facilities used for both MAP and FMS training will be shared between the MAP (Grant Aid) and FMS customer countries on a pro rata basis. Such costs should be financed initially by the appropriate military department and the course costs charged for training at these facilities will be adjusted to provide reimbursement to the military department appropriation.

14. Training Aids

a. Training aids and publications may be programmed in budget project J5 to support MAP training regardless of whether the countries are authorized to receive defense articles as grant aid. Training aids and publications are not authorized for those countries designated as "U.S. Training Only" countries. The dollar value of items pro-

grammed in generic code J5 will be applied against the country's training dollar ceiling. articles as grant aid. The dollar value of items programmed in generic code J5 will be applied against the country's training dollar ceiling.

b. Before requesting training aids and equipment through MAP, indigenous sources for purchase or fabrication at country expense should be investigated. Purchase or fabrication of training aids from indigenous sources at MAP expense is not authorized.

c. Except for translation of publications for instruction in Spanish at U.S. military schools in the Canal Zone, translation of English publications at MAP expense is not authorized.

15. Programming

a. General

(1) In addition to individual courses of instruction available from Military Departments for foreign students, other categories of training assistance which may be required in developing the program are contained in the MASL in line-item detail. A summary of all categories of training N10 through N70 is shown in Table E-5. This summary provides a reference for identifying specific training contained in the MASL.

(2) Detail identification and explanation of the requirement(s) involved will be provided for each of the following line items when submitted for programming under MAP. When support is associated with type aircraft, specific support details included in these items must be identified.

(a) Observer Training.

(b) On-the-job training not in con-

junction with formal course of instruction.

(c) MTTs—where description does not adequately identify team as to specific type (e.g. MTT—other).

(d) Services.

(e) Other Training Support/Costs

(f) Supplies/Materials

(g) Field Training Services

(h) Training Exercises

b. Requirements

For use in submitting requirements Table E-6 prescribes the execution agency (EXA) identifier codes to be used to identify the agency responsible for providing the service, the funded command or agency and the school or training activity at which services are expected to be performed.

c. Formal Training, United States (U.S.) (Generic Codes N1A-N1J)

Two elements of cost are involved in determining the Total Cost entry to be entered in columns 73-80 of cards 4 or Q for students who will train at U.S. schools and facilities. These cost elements are the Unit Price and Travel and Living Allowance (TLA). Each of these two cost elements is computed on a "per personnel space" basis. The Total Cost entry columns 73-80 of cards 4 or Q is obtained by multiplying the sum of Unit Price in columns 36-43 and the TLA in columns 51-56 by the quantity (number of personnel spaces) in columns 26-29, i.e., ((Unit Price + TLA) × Quantity = Total Cost.) Following is cost factor guidance in deriving the two elements of cost involved in the Total Cost:

MILITARY ASSISTANCE AND SALES MANUAL—PART II

(1) Unit Price (columns 36-43).

(a) The unit price, where listed in the Military Articles and Services List (MASL), will be entered in columns 36-43.

(b) Where the MASL indicates "N/C" (no charge), no charge is made by the Military Department for the course. Leave columns 36-43 blank for these courses.

(c) Where the MASL indicates "EST" (Estimate), a unit price estimate is to be made by the program originator, and entered in columns 36-43. A number of variables normally are related to unit price determination such as the number of personnel spaces or the length of on-the-job training (OJT). The basis for estimating the unit price will be provided in supplementary guidance furnished by the Military Departments.

(2) Travel and Living Allowance (columns 51-56)

The unit (per personnel space) TLA cost is comprised of three cost elements—travel, living allowance while in a training status and special factors. These are computed as follows:

(a) Travel

1. In no case will the program pay travel costs of trainees traveling within their own country.

2. Where the first training destination in United States is known at the time of programming or can be provided by the Military Department at or prior to the annual training workshop, travel costs will be calculated in accordance with para 3, a and b, below; otherwise, a composite travel cost factor provided by the Military Departments in their supplementary guidance may be used.

3. Travel includes the cost of transportation to and from United States, within United States, excess baggage and living allowances during travel. Transportation by military or commercial aircraft, (when authorized), ship, bus, rail or other conveyance will be paid when the United States provides the transportation as indicated in paragraph 9p(2). The following specific guidance is pro-

vided for calculating travel costs to and from United States and within United States.

a. To and From United States.

Round trip travel between the embarkation point in the recipient country and the gateway terminus (point of debarkation) in the United States will be programmed for all trainees, unless otherwise directed. Table E-2 will be used to determine the amount to be programmed for round trip transportation, excess baggage and living allowance while in a travel status.

b. Within CONUS. Round trip travel between the gateway terminus and city nearest the training facility at which the initial training is to be conducted will be programmed for all trainees unless otherwise directed. Table E-3 will be used to determine the amount to be programmed for round trip travel, excess baggage and living allowance while in a travel status from gateway terminus to first training facility and return. When the first destination is not known, a program factor of \$130.00 per trainee will be added to cover the round trip travel, excess baggage and living allowance while in a travel status. See paragraph (c)1 below for additional cost to be programmed where cross training is involved.

SPECIAL NOTE: Tables E-2 and E-3 contain programming factors only. In all cases students are required to travel over the least cost route regardless of the routing indicated in the tables.

(b) Living Allowances While in a Training Status

A living allowance will be programmed for all trainees in a training status, unless otherwise directed, as indicated in paragraph 9g.

1. For programming purposes, a standard factor of \$70.00 per week for officers and \$39.00 per week for enlisted personnel will be used on the assumption that quarters are available, mess not available for officers; quarters and mess available for enlisted personnel. All of the \$39.00 per week for enlisted personnel is not paid to the trainee. Enlisted personnel are paid \$28.00 per week (\$4.00 per day) for the purchase of personal items of health and comfort; the

balance is programmed for reimbursement to the appropriate Military Department for laundry and subsistence. Where it is known in advance that quarters or mess or neither are not available, the appropriate factors in Table E-1 will be used for programming. Where it is determined that dependents are authorized to accompany trainees, the factor of \$140.00 will be used.

2. Where the training is conducted under contract, civilian institutions or industry, it will be assumed that Government quarters and messing facilities are not available. A programming factor of \$140.00 per week will be applied under these circumstances.

(c) Special Instructions

1. Cross-Training, Sequence Training, Prerequisite Training, is training following an initial course of instruction or preceding a course of instruction (prerequisite), without the trainee returning to home country between courses. When programming of this type is required column 65 of cards 4 or Q is to be used by program originators to indicate whether the training is a single line item or whether cross training is involved. If cross training is programmed, the letter "A" will be entered in column 65 for the initial course, the letter "B" will be entered in column 65 for the second course, the letter "C" for the third course and so on in alphabetic sequence. When English language is programmed as a prerequisite course, the work sheet control number suffix (column 65) will be the letter "L" and the courses following will have work sheet control number suffixes A, B, C, etc. Each course will be costed separately.

Course "A" will be charged with the round trip transocean travel costs (Table E-2) and the round trip CONUS costs (Table E-3). When English language training is required as a prerequisite, cost of round trip will be included in the "A" line computed on the basis of the location of the "L" line. The living allowance while in a training status will be costed separately for each course in accordance with paragraph c.(2)(b) above.

A factor of \$130.00 per trainee will be added for transportation, excess baggage and living allowance while in a travel status for sequence courses other than Course "A". The \$130.00 factor will not be included where the sequence training is conducted at the same location. Where the prior course is a civilian institution, industry or contract training, a new location will be assumed and the \$130.00 factor added. The sum of the living allowance, and the cost estimates from Tables E-2 and E-3, or the \$130.00 factor where applicable, will be entered in columns 51-56 of cards 4 or Q.

2. Cross Service Training. Cross-service training will be programmed as follows:

a. When a trainee from one military service is selected for training exclusively within schools of another military service, such training will be requested in the program of, and administered by, the military service providing the training. Requirements for the DAV programs will be provided on the program originator basis.

b. When a trainee is selected for training involving courses of more than one military service, the training will be programmed in the program of the service providing the majority of the training (excluding English language training).

c. The MAAG is responsible for amendments to original travel orders and arrangements for course quotas when subsequent cross-service training is required.

d. Orientation tours to U.S. military installations of more than one military service will be programmed and administered by the MAAG section corresponding to the trainee's service branch; or when identifiable with a military service, by the service having predominant interest.

e. Costs of training courses conducted by the Unified Commands will be distributed insofar as possible to country programs.

f. Joint courses will be included in

MILITARY ASSISTANCE AND SALES MANUAL—PART II

the program of the service having administrative agency responsibility for the course.

3. Orientation Tours

a. The TLA entry for columns 51-56 should be computed as the composite cost of living allowances, transportation (Tables E-2 and E-3), based on itinerary, and excess baggage. A total of 100 pounds is authorized.

b. An escort officer may be programmed for orientation tours. A factor of \$400.00 per man week will be used and entered under TLA in columns 51-56.

c. The procedures in paragraph a and b above, do not apply to observer training. Observer training will be costed in the normal manner described in paragraph c(2)(b) above.

4. Temporary Duty Cost. The following factors per personnel space may be added to cover the cost of temporary duty travel for training item indicated:

<i>Item</i>	<i>Factor (Per Space)</i>
Country	
Liaison Officer	\$1,000.00

5. Informational Program (IP). Unified Commands will roll-up country IP costs by service and program requirements under generic code NIH in their regional program. DAV IP costs will continue to be programmed as a separate line item in country program by Military Departments. Whenever an IP requirement is programmed, an alpha "X" suffix will be used in the work sheet control number (column 65) to preclude duplication in student count.

d. Formal Training Overseas (O/S) (Generic Codes N1N-N1W)

The same two cost elements (unit price and TLA) described in para a., are involved in determining the total cost entry in columns 73-80 for students who will train at overseas schools and facilities. The course cost shown in the MASL will be entered in

columns 36-43 of cards 4 or Q. The TLA factors for overseas training also differ from United States training and are described below, by command:

(1) U.S. European and Pacific Commands

(a) Travel Costs

1. Each country will pay its own transportation for those trainees training in their home country.

2. Table E-4 will be used to determine the amount to be programmed for round trip travel, excess baggage and living allowance while in a travel status from the MAP recipient country to the overseas training area and return.

3. Travel costs for personnel spaces cross-training from the original course will not be included; however, \$50.00 per trainee will be added for travel (including living allowance during travel) for courses which follow the initial course and are conducted at a different location.

(b) Living Allowances While in a Training Status

1. Each country will pay its own living allowance rates for trainees training in their home country.

2. If training is conducted at a location other than within home country, the programming factor for living allowance while in training status will be computed at \$70.00 per week for officers and \$39.00 per week for enlisted men. When TLA rates established above are considered inappropriate due to local conditions, prior approval by DSAA will be required before making any commitment to the host country.

3. Students who cross-train have, in some cases, a waiting period before entering the second course. The living allowance is authorized for the waiting period (except for Panama) and will be included in the TLA for the second course.

(c) Orientation Tours

A factor of \$100.00 per man week will be used to cover travel and living allowance in the overseas area where the tour is being conducted. The \$100.00 factor will be added

to the cost of the round trip travel and the total amount per personnel space will be entered in columns 51-56 of cards 4 or Q.

(2) U.S. Southern Command

(a) Travel Costs

Table E-4 will be used to determine the amount to be programmed for round trip travel, excess baggage and living allowance while in a travel status to and from the Panama Canal Zone.

(b) Living Allowances While in a Training Status

(1) The programming factor for student living allowance for students while in training status at U.S. service schools in the Canal Zone, (Army School of the Americas, Navy Small Craft Inspection and Training Team (SCIATT), Air Force Inter-American Air Force Academy) will be computed at the rate of: \$63.00 per week for officers and \$30.00 per week for enlisted personnel.

(2) All of the \$30.00 per week programmed for enlisted personnel is not paid to the student. The rate of daily living allowance payment is shown in Table E-1, "Table of Living Allowances for Grant-Aid Foreign Military Trainees", the balance is reimbursed to the appropriate Military Department for student laundry and subsistence.

(c) Special Instructions

(1) Foreign Guest Instructors (Canal Zone Schools Only). Costs incidental to the use of foreign guest instructors are to be included in the operating costs of activities utilizing guest instructors and included in course tuition costs.

(2) OJT/Observer Courses. A living allowance while in a training status will be paid by MAP. Living allowances will be programmed in accordance with paragraph (2)(b) above.

(3) Third Country Training

(a) Third country training should be encouraged, with the two participating countries making their own arrangements for the training and associated costs.

(b) When it is considered necessary that tuition costs be funded by the U.S., the MAAG Chief, in coordination with the Chief of Diplomatic Mission, should submit a re-

quest for offshore procurement certification, in accordance with DOD Directive 2125.1, to the Director, DSAA, with information copies to the appropriate Military Department, Unified Commander, and Component Commander.

(c) The request for offshore procurement certification should include a detailed description of tuition costs and training services to be provided. In no case will costs include items previously furnished under the Military Assistance Program.

(d) No commitment to the third country offering the training will be made until the request for offshore procurement certification is approved. MAAGs will use the fund citation contained in the student invitational travel order to provide reimbursement of tuition costs to the country furnishing the training.

e. Mobile Training Teams (Generic Codes N2A-N2V)

(1) Mobile training teams (MTT) will be programmed to indicate duration in weeks and number of team members. The cost of teams will include:

- Transocean Travel (round trip)
- Station and Travel Per Diem Allowance
- CONUS Travel and Team Orientation
- In-Country Travel
- Excess Official Baggage, if justified
- Salaries of DOD civilians

(2) Transocean travel costs will be programmed according to Table E-2.

(3) Per diem allowance costs during TDY travel outside CONUS will be computed according to rates shown in current Joint Travel Regulations for military personnel and according to rates shown in current Standard Regulations, Government Civilians, Foreign Areas (published by the Department of State) for U.S. Government civilians.

(4) Cost of CONUS travel of team members will be programmed at the rate of \$320.00 per man. This factor includes cost of commercial air transportation, excess baggage (not to exceed 150 pounds), and per diem.

MILITARY ASSISTANCE AND SALES MANUAL—PART II

(5) Cost of teams furnished from overseas will be computed using commercial air (tourist rate), per diem as per paragraph (3) above, and excess baggage.

(6) In addition to the factors indicated above, \$15.00 per man per week is authorized for program purposes to cover overseas in-country travel.

(7) When the nature of a team requires official baggage not to exceed 150 pounds per man (84 pounds excess), \$150.00 overseas round trip per man is authorized for programming purposes. Cost estimates for mobile team baggage which exceed 150 pounds per man will be obtained from the Military Department concerned prior to programming.

(8) A joint MTT will be programmed using the appropriate MASL line of the Military Department having the predominant number of members. In the event of a balanced team, use the MASL line of the Military Department counterpart to the requesting foreign country service.

(9) Mobile Training Sets (MTS). MTS programmed for delivery to a recipient country will be included in generic code J5C. Costs of transporting a MTS owned by the Military Departments and to be used by a MTT will be included in the training program carrying the same MASL item identification number designation as the accompanying MTT. The transportation cost will be shown as a work sheet control number sequence, with a letter "T" in the student code column (column 25). Programming cost guidance in the student code column (column for round trip movement of a MTS will be prescribed in Military Departments supplementary guidance.

f. Field Training Services (Generic Codes N3A-N3J)

(1) Contract Field Services

(a) Contract Field Services (CFS) requirements will be programmed on the basis of man month requirements. The program cost will include:

Transocean Travel (round trip)
Contract Cost (per month)
Living Allowance
Excess Baggage, if justified

(b) Transocean travel costs will be programmed according to Table E-2.

(c) Contract cost will be based on a per month rate and will include cost of transportation from home office to the U.S. port of embarkation, less the living allowance payment (in local currency described below).

(d) As a means of utilizing local currency, a daily living allowance (payable in local currency) is authorized for Contract Field Services Personnel.

(e) For programming purposes, a factor of \$210.00 per man per month is authorized (payable in local currency) to support the living allowance payment. The \$210.00 factor will be programmed as a dollar requirement.

(f) Unless other and more accurate cost requirements are known program \$150.00 round trip per man for excess baggage (150 pounds total, 84 pounds excess). CFS may be programmed on a one-year basis in fiscal year program for total man-month cost regardless of whether the duration (man-month service) extends into succeeding fiscal year.

(2) DOD Engineering and Technical Service Specialist (ETSS)

(a) DOD military and civilian personnel Field Technical Training Services (FTTS) will be programmed on the basis of man-month requirements. The program cost will include:

CONUS Travel
Transocean Travel (round trip)
In-Country Travel
Station Allowance (military or civilian)
Overseas Allowance (military or civilian)
Excess Official Baggage, if justified
Salaries of DOD civilians

(b) Transocean travel costs will be programmed according to Table E-2.

(c) A factor of \$40.00 per man per month is authorized for programming purposes to cover the cost of in-country travel.

(d) A factor of \$320.00 is authorized for programming CONUS travel.

(e) For programming purposes, a factor of \$210.00 per man per month is authorized to support the station overseas area living allowance payment.

(f) For programming purposes, \$150.00 round trip per man is authorized for excess baggage (150 pounds total, 84 pounds excess).

g. Extraordinary Expenses (Generic Code N6A)

(1) The Military Department will compute extraordinary expenses on a world-wide basis. Extraordinary expense requirement for the DAV program will be carried in country program. The following cost factors are applicable to the computation of extraordinary expenses related to representation activities of MAP trainees undergoing training in the United States and overseas:

- Senior Officer—\$60.00 each
- Officers and Civilians—\$10.00 each
- Enlisted—\$5.00 each

(2) These factors are for programming purposes only and are not intended as operating guidelines as contained in paragraph 12c.

h. Other Training Support (Generic Codes N7A–N7F)

For the costs authorized in accordance with paragraph 13. As appropriate the following programming factors will be used:

(1) Escort Officers—A factor of \$400.00 per man week is authorized for programming (N7B) when escort officer services are required in connection with orientation tours. Dollar value of escort officers is programmed in cols. 51–56 of cards 4 or Q as applicable.

(2) Student Support-CONUS—For the purpose of providing medical and burial expenses of foreign military trainees (grant aid) attending CONUS training, a factor of \$10.00 per student training course (exclusive of orientation) is authorized for programming purposes. This factor will be used in calculating the dollar value of student support. The dollar requirement is included in country programs by program originator

under generic code N7F.

(3) Supplies and Training Materials—Costs of supplies and training materials (N7C) (excluding training aids) may be financed when authorized by DSAA. When requirements in these areas exist, supporting documentation will be provided by the appropriate Unified Command to DSAA for approval prior to programming. When third country training requirements exist for supplies and training materials (N7C), and services (N7E), MAAGs will submit a request for offshore procurement certification, in accordance with DOD Directive 2125.1, to Director, DSAA, with information copies to the appropriate Military Department and Unified Command.

(4) Guest U.S. Lecturer (CINCSO only)—Guest U.S. lecturers normally visit two Western Hemisphere countries for one week each during a single tour. The factor for TLA to be programmed by each country visited will be \$620.00 or less and programmed under generic code N7F.

(5) Guest Training Lecturer (EUCOM only)—Guest training lecturers from USEUCOM normally visit EUCOM countries for one week during a fiscal year. A dollar factor to finance TLA costs will be furnished by EUCOM when guest lecturer services are required for each country visited and programmed under generic code N7F.

16. Annual Training Report

To facilitate decisions as to allocation of resources under the International Military Education and Training Program (IMETP), and to evaluate effectiveness, the following information will be submitted annually direct to DSAA, with information copies to JCS, MilDeps, and ISA/SA, during the first week of December for each participating foreign country:

(1) Of the objectives delineated in paragraph 2, above, which two are the most applicable to your country (if none of these are principal objectives, specify others)?

(2) In order of priority, what does the MAAG/Country Team see as the training needs, by Service, of the host country? What

MILITARY ASSISTANCE AND SALES MANUAL—PART II

is the country's assessment of same?

(3) In what training areas has the country achieved self-sufficiency during the past year?

(4) In what training areas has the country demonstrated significant progress short of self-sufficiency? (Elaborate)

(5) In what areas does it appear that the country cannot achieve self-sufficiency in the next 5 years?

(6) To what extent does the MAAG

influence or dictate content of the training program?

(7) To what extent does the foreign government participate in discussions which determine what training will be requested under the U.S. Security Assistance Program?

(8) In those countries which have both FMS and MAP programs, how is it decided which requirements should be grant aid funded?

TABLE E-1
TABLE OF LIVING ALLOWANCES FOR
GRANT-AID FOREIGN MILITARY TRAINEES

	DAILY RATES			
	U.S. (10) Off (11)	EM	Overseas (1) Off (11)	EM
In travel status, including unscheduled delays: (2)	Various	Various	Various	Various
In training status:				
Neither qtrs nor mess available (3)	\$25.00	\$25.00	Various	Various
Qtrs available, mess not (4)	15.00	13.00	\$13.00	\$11.00
Mess available, qtrs not (5)	19.00	17.00	19.00	17.00
Both qtrs, mess available (6)	11.00	5.00	8.00	3.00
Both qtrs, mess available free of charge, (aboard ship)	5.00	5.00	5.00	5.00
Both qtrs, mess available, officers charged for mess (aboard ship)	8.00	N/A	8.00	N/A
Dependents authorized (7)	25.00	N/A	25.00	N/A
On leave (8)	N/A	N/A	N/A	N/A
In military hospital (9)	5.00	5.00	5.00	5.00
Orientation tour participants	18.00	N/A	18.00	N/A
BOQ/BEQ charge (13)	6.00	3.00	6.00	3.00

- (1) Not applicable to enlisted students attending U.S. Canal Zone training at School of the Americas, Small Craft Inspection and Training Team (SCIATT) facility and Inter-American Air Forces Academy. The daily living allowance rate authorized for enlisted personnel is \$1.50 per day.
- (2) Travel allowance rate is authorized to include the day of arrival at, and day of departure from, training installation. Rates on Travel status, including unscheduled delays, are based on rates equal to those in the Joint Travel Regulations for U.S. personnel.
- (3) In overseas areas, where government quarters and mess are not available, the rates authorized are equal to those authorized for U.S. personnel in the JTR.
- (4) "Quarters available" means that government quarters were furnished or were made available to FMTs and shall be considered as furnished to officer personnel who defray personally the BOQ charge. Enlisted FMTs will be subject to service charge of \$2.00 per day when occupying USAF Quarters for durations less than 20 consecutive weeks, and \$1.00 to \$2.00 per day for U.S. Army NCO occupancy of Senior Enlisted Bachelor Quarters (SEBQ). Programming of this additional charge is authorized when payment is required by military service concerned.
- (5) "Mess available" means three meals per day were available in a U.S. Government Mess, whether or not actually consumed (Government Mess, equivalent to Field Ration Mess, excludes

Open Mess). Military Departments will be reimbursed from IMETP funds for costs of meals furnished free of charge to eligible enlisted FMTs. All officer FMTs and enlisted FMTs not authorized a U.S. living allowance will pay for their meals from personal funds.

- (6) Rate of \$11.00 will apply for officers when government mess is furnished in connection with maneuvers, field exercises, and training in the field.
- (7) This rate authorized for students attending certain courses designated by the Military Departments (including authorized leave periods).
- (8) Leave with living allowances may be granted within CONUS as specified in Para 9Q(4) at the rate that is appropriate to training status. Living allowance for leave period following determination of training is not authorized.
- (9) In those cases where the FMT is authorized increased living allowance for accompanied dependents and is subsequently hospitalized, the increased living allowance shall apply during the period of hospitalization rather than the reduced rate specified herein.
- (10) "U.S." includes Hawaii and Alaska.
- (11) Includes Civilians
- (12) MAP sponsored students attending Inter-American Geodetic School (Panama) authorized \$11.00 per day, when government mess not available.
- (13) Use one-half this rate where facilities do not meet established standards.

TABLE E-2

MAP TRAINING COST ESTIMATES FOR TRANSPORTATION, EXCESS BAGGAGE AND LIVING ALLOWANCES FROM COUNTRY TO U.S. GATEWAY TERMINI

(U.S. Dollars)

This table provides MAP Training Cost estimates for *round trip* air transportation, excess baggage and living allowance while in travel status for MAP trainees from Country to Gateway Termini in the United States. Where several Gateway Termini are listed, the terminus to be selected for programming will be the one that involves the least cost when the factor in the total column, Table E-2, is added to the appropriate cost estimate from Table E-3.

Estimates shown for Commercial Tourist are provided for use where Military Airlift Command (MAC) and/or Category Z services do not exist. Category Z refers to reduced fares offered to the Department of Defense by American Flag Carriers and is applicable to foreign students when under the sponsorship of MAP and when fare is paid from DOD appropriated funds in U.S. dollars.

Cost Estimates in this Table apply only when cost of travel is the responsibility of the United States.

Area/Country	Via	Com- mercial Tourist	Gateway Termini	MAC	Cat. Z	Sub Total Transpor- tation	Excess Baggage and Living Allowance	Total
EAST ASIA								
CHINA (TAIPEI) (1)								
Taipei	—	1200	Seattle	—	—	—	130	1330
INDONESIA (1)								
Djakarta	—	1580	San Francisco	—	—	—	130	1710
KOREA (1)								
Seoul	—	—	McChord	430	—	—	130	560
MALAYSIA (1)								
Kuala Lumpur	—	1140	San Francisco	—	—	—	130	1270
PHILIPPINES (1)								
Manila	—	—	Travis	650	—	—	130	780
THAILAND (1)								
Bangkok	—	1480	San Francisco	—	—	—	130	1610
NEAR EAST AND SOUTH ASIA								
AFGHANISTAN								
Kabul	—	1650	Kennedy	—	—	—	180	1830
GREECE								
Athens	—	980	Kennedy	—	—	—	130	1110
INDIA								
New Delhi	—	2150	Kennedy	—	—	—	180	2330

TABLE E-2 (Continued)

Area/Country	Via	Com- mercial Tourist	Gateway Termini	MAC	Cat. Z	Sub Total Transpor- tation	Excess Baggage and Living Allowance	Total
JORDAN Amman	—	1190	Kennedy	—	—	—	180	1370
LEBANON Beirut	—	1190	Kennedy	—	—	—	180	1370
NEPAL Katmandu	—	2330	Kennedy	—	—	—	180	2510
PAKISTAN Karachi	—	2250	Kennedy	—	—	—	180	2430
SRI LANKA Colombo	—	2110	Kennedy	—	—	—	180	2290
TURKEY Istanbul	—	1010	Kennedy	—	—	—	180	1190
EUROPE								
AUSTRIA Vienna	Frankfurt	170	McGuire	350	—	520	60	580
PORTUGAL Lisbon	—	170	Charleston	350	—	520	60	580
SPAIN Madrid	Torrejon	630	Kennedy	—	—	—	60	690
		—	McGuire	310	—	310	60	370
AFRICA								
CAMEROON Douala	—	1310	Kennedy	—	—	—	200	1510
ZAIRE Kenshasa	—	1380	Kennedy	—	—	—	200	1580
DAHOMEY Cotonou	—	1210	Kennedy	—	—	—	200	1410
ETHIOPIA Addis Ababa	—	1480	Kennedy	—	—	—	180	1660
GHANA Accra	—	1210	Kennedy	—	—	—	200	1410
IVORY COAST Abidjan	—	1190	Kennedy	—	—	—	200	1390
LIBERIA Monrovia	—	1330	Kennedy	—	—	—	200	1530

Area/Country	Via	Com- mercial Tourist	Gateway Termini	MAC	Cat. Z	Sub Total Transpor- tation	Excess Baggage and Living Allowance	Total
MALI								
Bamako		1240	Kennedy	—	—		200	1440
MOROCCO								
Rabat	—	790	Kennedy	—	—		180	970
SENEGAL								
Dakar	—	1020	Kennedy	—	—		200	1220
TUNISIA								
Tunis	—	830	Kennedy	—	—		180	1010
UPPER VOLTA								
Ouagadougou		1320	Kennedy	—	—		200	1520
AMERICAN REPUBLICS								
ARGENTINA								
Buenos Aires	—	1020	Kennedy	—	—		200	1220
		910	Miami	—	—		200	1110
		1050	Houston	—	—		200	1250
BOLIVIA								
La Paz	—	720	Miami	—	—		200	920
BRAZIL								
Rio de Janeiro	—	980	Kennedy	—	—		200	1180
		870	Miami	—	—		200	1070
		1030	Houston	—	—		200	1230
CHILE								
Santiago	—	820	Miami	—	—		200	1020
COLOMBIA								
Bogota	—	360	Miami	—	—		200	560
DOMINICAN REPUBLIC								
Santo Domingo	—	210	Miami	—	—		60	270
		300	Kennedy	—	—		60	360
ECUADOR								
Quito	—	410	Miami	—	—		200	610
Guayaquil	—	440	Miami	—	—		200	640
EL SALVADOR								
San Salvador	—	290	Miami	—	—		60	350
		370	Houston	—	—		60	430
GUATEMALA								
Guatemala City	—	290	Miami	—	—		60	350
		480	Kennedy	—	—		60	540
		360	Houston	—	—		60	420

TABLE E-2 (Continued)

Area/Country	Via	Com- mercial Tourist	Gateway Termini	MAC	Cat. Z	Sub Total Transpor- tation	Excess Baggage and Living Allowance	Total
HONDURAS Tegucigalpa	—	220	Miami	—	—	II	60	280
MEXICO Mexico City	—	130	Houston	—	—	II	60	190
NICARAGUA Managua	—	290	Miami	—	—	IIII	60	350
		400	Houston	—	—	IIII	60	460
PANAMA Panama City	—	—	Charleston	160	—	II	60	220
PARAGUAY Asuncion	—	1000	Kennedy	—	—	IIII	200	1200
		890	Miami	—	—	IIII	200	1090
		1030	Houston	—	—	IIII	200	1230
PERU Lima	—	580	Miami	—	—	II	200	780
URUGUAY Montevideo	Buenos Aires	1020	Kennedy	—	—	IIII	200	1220
		910	Miami	—	—	IIII	200	1110
		1050	Houston	—	—	IIII	200	1250
VENEZUELA Caracas	—	420	Miami	—	—	II	200	620
		510	Kennedy	—	—	II	200	710

(1) MAP training cost estimated for round trip air transportation (based on MAC scheduled flights—where available and/or commercial air), excess baggage (based on a maximum of 100 pounds—including excess) and living allowance while in travel status for MAP trainees from country of origin to Hawaii are as follows: China (Taipei)—\$460; Indonesia—\$990; Korea—\$550; Malaysia—\$750; Philippines—\$460; and Thailand—\$550.

TABLE E-3

MAP TRAINING COST ESTIMATES FOR TRANSPORTATION, EXCESS BAGGAGE AND LIVING ALLOWANCE CONUS GATEWAY
TERMINI-TRAINING LOCATION

(U.S. Dollars)

This table provides MAP training cost estimates for *round trip* commercial air transportation, excess baggage and living allowance while in travel status for MAP trainees from Gateway Termini to Training Locations.

TO City/State	Charleston AFB South Carolina	Houston Texas	Kennedy New York	FROM McGuire AFB New Jersey	Miami Florida	Travis AFB California
Alameda, California	390	290	400	400	420	
Alamogordo, New Mexico	400	240	390	380	380	260
Amarillo, Texas	330	130	280	270	260	210
Anniston, Alabama	140	210	220	210	200	410
Astoria, Oregon	450	360	450	450	490	170
Athens, Georgia	130	200	210	200	190	400
Augusta, Georgia	140	210	220	210	200	410
Bainbridge, Maryland	120	230	70	50	190	380
Baltimore, Maryland	120	230	70	50	190	380
Berkeley, California	390	290	400	400	420	
Bethesda, Maryland	120	230	70	50	190	380
Big Springs, Texas	280	160	330	320	290	340
Biloxi, Mississippi	210	100	210	190	150	320
Boston, Massachusetts	170	280	70	90	230	420
Bremerton, Washington	430	350	430	430	470	170
Bridgeport, California	450	260	390	380	420	50
Bridgeport, Connecticut	220	330	120	140	280	470
Brunswick, Georgia	70	170	170	160	100	390
Bryan, Texas	190	—	260	240	190	260
Cambridge, Massachusetts	340	280	70	90	230	420
Camp Lejeune, North Carolina	70	170	170	160	100	390
Camp Pendleton, California	360	240	400	400	380	60
Champaign, Illinois	240	260	240	210	300	380
Charleston, South Carolina	—	190	150	130	120	470
Charlottesville, Virginia	180	290	130	120	240	440
Chicago, Illinois	160	190	160	160	220	380
Columbia, South Carolina	50	180	140	130	140	380
Columbus, Georgia	90	150	170	160	140	300
Corpus Christi, Texas	300	70	280	270	220	290
Dam Neck, Virginia	120	230	70	50	190	380

TABLE E-3 (Continued)

TO City/State	Charleston AFB South Carolina	Houston Texas	Kennedy New York	FROM McGuire AFB New Jersey	Miami Florida	Travis AFB California
Dayton, Ohio	130	190	130	120	200	340
Denver, Colorado	270	180	290	280	300	190
Dothan, Alabama	170	240	250	240	230	440
Dover, Delaware	130	240	50	—	200	400
Eglin AFB, Florida	190	140	200	170	130	350
El Paso, Texas	340	150	320	310	290	190
Enid, Oklahoma	400	170	310	290	290	310
Fayetteville, North Carolina	190	290	140	110	170	370
Fort Worth, Texas	240	80	250	240	210	260
Fullerton, California	390	280	430	420	200	80
Glynco, Georgia	80	150	160	150	140	350
Great Lakes, Illinois	160	190	160	150	220	380
Harlingen, Texas	250	100	310	300	250	290
Harrisburg, Pennsylvania	130	240	70	50	200	380
Huntsville, Alabama	160	200	170	160	160	340
Indianapolis, Indiana	140	180	150	140	200	330
Indianhead, Maryland	120	230	70	50	190	380
Jacksonville, Florida	70	170	170	160	100	390
Kansas City, Kansas	190	150	210	200	230	270
Key West, Florida	180	250	260	260	60	470
Lakehurst, New Jersey	130	240	50	—	200	400
Lancaster, California	380	290	400	400	420	50
Laredo, Texas	300	150	360	350	300	340
Las Vegas, Nevada	340	230	370	360	360	110
Lawton, Oklahoma	260	110	250	240	280	250
Little Creek, Virginia	120	230	60	60	190	384
Los Angeles, California	360	250	400	400	380	50
Louisville, Kentucky	120	170	150	140	184	330
Macon, Georgia	130	200	210	200	190	400
Mare Island, California	390	290	400	400	420	—
Mechanicsburg, Pennsylvania	130	210	100	80	200	360
Melbourne, Florida	190	170	190	180	60	390
Memphis, Tennessee	140	120	100	180	180	320
Minneapolis, Minnesota	210	200	200	190	270	270
Mission, Texas	320	100	340	290	270	310
Mobile, Alabama	140	110	210	100	140	300
Monterey, California	390	290	400	400	420	50
Montgomery, Alabama	100	140	180	180	140	350
Newark, New Jersey	150	260	—	50	210	400
New Bern, North Carolina	150	200	120	100	160	370
New London, Connecticut	150	260	40	90	230	420
Newport, Rhode Island	170	290	80	100	240	440
Newport News, Virginia	100	230	90	72	170	390
New York, New York	150	260	—	50	210	400
Norfolk, Virginia	100	230	90	70	170	390

TABLE E-3 (Continued)

TO City/State	Charleston AFB South Carolina	Houston Texas	Kennedy New York	FROM McGuire AFB New Jersey	Miami Florida	Travis AFB California
North Island, California	390	290	400	400	420	100
Oakland, California	390	290	400	400	420	100
Oklahoma City, Oklahoma	240	110	250	230	230	250
Oxnard, California	390	290	400	400	420	100
Panama City, Florida	110	140	200	190	120	360
Parris Island, South Carolina	50	180	160	150	120	380
Patuxent River, Maryland	120	230	70	60	190	380
Pensacola, Florida	130	120	200	190	130	340
Philadelphia, Pennsylvania	130	240	50		200	400
Phoenix, Arizona	320	200	360	350	330	150
Port Hueneme, California	360	250	400	400	380	50
Portland, Maine	240	290	90	100	250	390
Portsmouth, Virginia	100	230	90	70	170	380
Providence, Rhode Island	150	280	60	90	230	420
Quantico, Virginia	120	230	60	60	190	380
Quonset Point, Rhode Island	150	280	60	90	230	420
Reno, Nevada	410	260	390	380	420	70
Richmond, Virginia	120	230	70	60	190	380
Rome, New York	210	330	70	110	280	390
St. Albans, New York	150	260	40	50	210	400
St. Louis, Missouri	160	220	180	170	210	300
Sacramento, California	470	300	400	400	420	50
Salt Lake City, Utah	400	230	330	330	370	130
San Antonio, Texas	220	70	280	270	220	260
San Diego, California	360	240	400	400	380	50
San Francisco, California	360	240	400	400	380	—
Santa Maria, California	360	240	400	400	380	80
Seattle, Washington	400	320	400	400	380	140
Selma, Alabama	140	130	180	170	440	350
Sherman, Texas	200	80	250	240	140	230
Springfield, Massachusetts	230	280	70	90	200	420
Suitland, Maryland	120	230	60	90	230	420
Treasure Island, California	120	300	60	60	190	390
Troy, New York	470	260	400	400	420	—
Tucson, Arizona	150	260	40	50	210	400
Tucson, Arizona	370	190	350	340	320	160
Valdosta, Georgia	170	240	250	230	220	440
Waco, Texas	260	150	320	310	280	330
Washington, D.C.	120	230	70	60	190	380
Whedbey Island, Washington	400	320	400	400	440	140
Wichita Falls, Texas	260	140	310	300	270	320
Yorktown, Virginia	100	230	90	70	170	390

TABLE E-4

MAP TRAINING COST ESTIMATES FOR TRANSPORTATION, EXCESS BAGGAGE AND LIVING ALLOWANCE FROM COUNTRY TO OVERSEAS TRAINING AREA

(U.S. Dollars)

This table provides MAP training cost estimates for *round trip* air transportation, excess baggage and living allowance while in travel status for MAP trainees from country to overseas training areas. Cost factors are based on use of MAC scheduled flights (where available) and commercial air or combination of both; and baggage allowance not to exceed 100 pounds including excess.

FROM: Area/Country EAST ASIA	TO: Korea	China	Philippines	Japan	Thailand
China (Taipei)	310	—	210	310	460
Indonesia	920	760	550	890	460
Korea	—	310	460	220	740
Malaysia	800	600	350	770	220
Philippines	460	210	—	500	420
Thailand	740	460	420	710	—

FROM:	TO: Frankfurt, Germany	FROM: AMERICAN REPUBLICS	TO: Canal Zone
NESA			
Greece	410	Argentina	720
Jordan	590	Bolivia	470
Turkey	420	Brazil	710
EUROPE		Chile	600
Spain	260	Colombia	130
Portugal	320	Dominican Republic	350
AFRICA		Ecuador	240
Congo	1060	El Salvador	230
Ethiopia	940	Guatemala	260
Liberia	310	Honduras	210
Morocco	350	Mexico	360
Tunisia	280	Nicaragua	170
		Panama	—
		Paraguay	680
		Peru	350
		Uruguay	720
		Venezuela	260

TABLE E-5
DEFINITION GUIDE AND TRAINING MASL SUMMARY—N00

Generic Code	Gp	Item Identification		Description/Category	Program as:		Remarks
		Class	Item Ident. No.		Major Item	Dollar Line	
N				TRAINING			
N1			STUDENT TRAINING	FORMAL TRAINING/UNITED STATES (U.S.)			
N1A	04	01	0110000	Flying Training, U.S.			
N1A	04	01	0111000	Pilot, Jet, Fixed Wing	x		
			0112000	Pilot, Convent, Fixed Wing	x		
			0113000	Pilot, Helicopter	x		
			0114000	Non-Pilot	x		
			0115000	Instructor	x		
			0116000	Special Techniques	x		
			0117000	Crew/Transition	x		
			0118000	Flight Test	x		
			0119000	Other	x		
N1B	04	02	0120000	Operations Training, U.S.			
N1B	04	02	0121000	Combat Operations	x		
			0122000	Weapons/Tactics/FAM	x		
			0123000	Minewarfare/ASW	x		
			0124000	Amphibious Operations	x		
			0125000	Recce, Mapping/Photo	x		
			0126000	Counterinsurgency/Psy War	x		
			0127000	C B R	x		
			0128000	Training Devices/Simulators	x		
			0129000	Other	x		
N1C	04	03	0130000	Comm/Elect Training, U.S.			
N1C	04	03	0131000	Electronic Fundamentals	x		
			0132000	Ground Comm/Signal	x		
			0133000	Air Comm/Signal	x		
			0134000	Fire Control Sys/Sur-Air	x		
			0135000	ASW Systems/Sur-Air	x		

TABLE E-5 (Continued)

Generic Code	Gp	Item Identification		Description/Category	Program as:		Remarks
		Class	Item Ident. No.		Major Item	Dollar Line	
N1D	04	04	0136000	ECM Systems/Sur-Air	x		
			0137000	Other Radar Sys/Sur-Air	x		
			0138000	(Unassigned)	x		
			0139000	Other	x		
N1D	04	04	0140000	Maintenance Training, U.S.			
N1D	04	04	0141000	Aviation	x		
			0142000	Armament/Ammunition	x		
			0143000	Auto/Ground Support	x		
			0144000	Combat/Special Vehicle	x		
			0145000	Ships/Boats	x		
			0146000	Weather/Meteorology	x		
			0147000	Training Equip/Devices	x		
			0148000	Support Tech Skills	x		
0149000	Other	x					
N1E	04	05	0150000	Logistics Training, U.S.			
N1E	04	05	0151000	Logistics Management	x		
			0152000	Supply/Warehousing	x		
			0153000	Transport/Distribution	x		
			0154000	Procurement	x		
			0155000	Comptroller/Stat/ADPS	x		
			0156000	Finance	x		
			0157000	(Unassigned)	x		
			0158000	(Unassigned)	x		
0159000	Other	x					
N1F	04	06	0160000	Administrative Training, U.S.			
N1F	04	06	0161000	Personnel	x		
			0162000	Manpower/Management	x		
			0163000	Food Handling/Admin	x		
			0164000	Info/Education	x		
			0165000	Clerical	x		
			0166000	Instructor/Supervisor	x		
			0167000	(Unassigned)	x		
			0168000	Women's Military	x		
0169000	Other	x					

TABLE E-5 (Continued)

Generic Code	Gp	Item Identification		Description/Category	Program as:		Remarks
		Class	Item Ident. No.		Major Item	Dollar Line	
N1G	04	07	Ø17Ø ØØØ	Professional/Special Training, U.S.			
N1G	04	07	Ø171 ØØØ	Command/Staff	x		
			Ø172 ØØØ	Intelligence	x		
			Ø173 ØØØ	Mil Police/Civil Affairs	x		
			Ø174 ØØØ	Engineering/Construction	x		
			Ø175 ØØØ	Medical/Health/Hygiene	x		
			Ø176 ØØØ	Legal	x		
			Ø177 ØØØ	English Language	x		
			Ø178 ØØØ	Civilian Institution	x		
			Ø179 ØØØ	Other	x		
N1H	04	08	Ø18Ø ØØØ	Orientation Training, U.S.			
N1H	04	08	Ø181 ØØØ	Orientation Tours/DV	x		
			Ø182 ØØØ	Orientation Tours/Non DV	x		
			Ø183 ØØØ	Observer	x		
			Ø184 ØØØ	Exchange Student	x		
			Ø185 ØØØ	Informational Program	x		
			Ø186 ØØØ	(Unassigned)	x		
			Ø187 ØØØ	(Unassigned)	x		
			Ø188 ØØØ	(Unassigned)	x		
			Ø189 ØØØ	Other	x		
N1J	04	09	Ø19Ø ØØØ	Missile Training, U.S.			
N1J	04	09	Ø191 ØØØ	I R B M	x		
			Ø192 ØØØ	N I K E	x		
			Ø193 ØØØ	H A W K	x		
			Ø194 ØØØ	Other/Surface to Surface	x		
			Ø195 ØØØ	Other/Surface to Air	x		
			Ø196 ØØØ	Air to Air	x		
			Ø197 ØØØ	Air to Surface	x		
			Ø198 ØØØ	Target Drone	x		
			Ø199 ØØØ	Other	x		

TABLE E-5 (Continued)

Generic Code	Gp	Item Identification		Description/Category	Program as:		Remarks
		Class	Item Ident. No.		Major Item	Dollar Line	
			STUDENT TRAINING	FORMAL TRAINING/OVERSEAS (O/S)			
N1N	04	10	0210 000	Flying Training, O/S			
N1N	04	10	0211 000	Pilot, Jet, Fixed Wing	x		
			0212 000	Pilot, Convent, Fixed Wing	x		
			0213 000	Pilot, Helicopter	x		
			0214 000	Non-Pilot	x		
			0215 000	Instructor	x		
			0216 000	Special Techniques	x		
			0217 000	Crew Transition	x		
			0218 000	(Unassigned)	x		
			0219 000	Other	x		
N1P	04	11	0220 000	Operations Training, O/S			
N1P	04	11	0221 000	Combat Operations	x		
			0222 000	Weapons/Tactics/FAM	x		
			0223 000	Minewarfare/ASW	x		
			0224 000	Survival/Jungle/Arctic	x		
			0225 000	Recce, Mapping/Photo	x		
			0226 000	Counterinsurgency/Psy War	x		
			0227 000	C B R	x		
			0228 000	Training Devices/Simulators	x		
			0229 000	Other	x		
N1Q	04	12	0230 000	Comm/Elect Training, O/S			
N1Q	04	12	0231 000	Electronic Fundamentals	x		
			0232 000	Ground/Comm/Signal	x		
			0233 000	Air/Comm/Signal	x		
			0234 000	Fire Control Sys/Sur Air	x		
			0235 000	ASW Systems/Sur-Air	x		
			0236 000	ECM Systems/Sur-Air	x		
			0237 000	Other Radar Sys/Sur-Air	x		
			0238 000	(Unassigned)	x		
			0239 000	Other	x		

TABLE E-5 (Continued)

Generic Code	Gp	Item Identification		Description/Category	Program as:		Remarks
		Class	Item Ident. No.		Major Item	Dollar Line	
N1R	04	13	Ø240ØØØ	Maintenance Training, O/S			
N1R	04	13	Ø241ØØØ	Aviation	x		
			Ø242ØØØ	Armament/Ammunitions	x		
			Ø243ØØØ	Auto/Ground Support	x		
			Ø244ØØØ	Combat/Special Vehicles	x		
			Ø245ØØØ	Ships/Boats	x		
			Ø246ØØØ	Other Support Equip	x		
			Ø247ØØØ	Training Aids/Devices	x		
			Ø248ØØØ	Support Technical Skills	x		
			Ø249ØØØ	Other	x		
N1S	04	14	Ø250ØØØ	Logistics Training, O/S			
N1S	04	14	Ø251ØØØ	Logistics Management	x		
			Ø252ØØØ	Supply/Warehousing	x		
			Ø253ØØØ	Transport/Distribution	x		
			Ø254ØØØ	Procurement	x		
			Ø255ØØØ	Comptroller/Stat /ADPS	x		
			Ø256ØØØ	Finance	x		
			Ø257ØØØ	(Unassigned)	x		
			Ø258ØØØ	(Unassigned)	x		
			Ø259ØØØ	Other	x		
N1T	04	15	Ø260ØØØ	Administrative Training, O/S			
N1T	04	15	Ø261ØØØ	Personnel	x		
			Ø262ØØØ	Manpower/Management	x		
			Ø263ØØØ	Food Handling/Admin	x		
			Ø264ØØØ	Info/Education	x		
			Ø265ØØØ	Clerical	x		
			Ø266ØØØ	(Unassigned)	x		
			Ø267ØØØ	(Unassigned)	x		
			Ø268ØØØ	(Unassigned)	x		
			Ø269ØØØ	Other	x		
N1U	04	16	Ø270ØØØ	Professional/Special Training, O/S			

TABLE E-5 (Continued)

Generic Code	Gp	Item Identification		Description/Category	Program as:		Remarks
		Class	Item Ident. No.		Major Item	Dollar Line	
N1U	04	16	0271000	Command/Staff	x		
			0272000	Intelligence/Counter-Intel	x		
			0273000	Mil Police/Civil Affairs	x		
			0274000	Engineering/Construction	x		
			0275000	Medical/Health/Hygiene	x		
			0276000	Cadet	x		
			0277000	English Language	x		
			0278000	(Unassigned)	x		
		0279000	Other	x			
N1V	04	17	0280000	Orientation Training, O/S			
N1V	04	17	0281000	Orientation Visits/DV	x		
			0282000	Orientation Tours/Non-DV	x		
			0283000	Observer	x		
			0284000	Exchange Student	x		
			0285000	(Unassigned)	x		
			0286000	(Unassigned)	x		
			0287000	(Unassigned)	x		
			0288000	(Unassigned)	x		
		0289000	Other	x			
N1W	04	18	0290000	Missile Training, O/S			
N1W	04	18	0291000	(Unassigned)	x		
			0292000	(Unassigned)	x		
			0293000	(Unassigned)	x		
			0294000	(Unassigned)	x		
			0295000	(Unassigned)	x		
			0296000	(Unassigned)	x		
			0297000	(Unassigned)	x		
			0298000	(Unassigned)	x		
		0299000	Other	x			
N2				MOBILE TRAINING TEAMS/DETACHMENTS			
N2	04	19	0300000	Mobile Training Teams, Detachments, CONUS			

TABLE E-5 (Continued)

Generic Code	Gp	Item Identification		Description/Category	Program as:		Remarks
		Class	Item Ident. No.		Major Item	Dollar Line	
N2A	04	19	0301000	Aviation	x		
N2B	04	19	0302000	Combat Operations/Intel	x		
N2C	04	19	0303000	Communications/Electronics	x		
N2D	04	19	0304000	Supply/Maintenance	x		
N2E	04	19	0305000	Personnel/Administration	x		
N2F	04	19	0306000	Counterinsurgency	x		
N2G	04	19	0307000	English Language	x		
N2H	04	19	0308000	Missiles	x		
N2J	04	19	0309000	Other	x		
N2	04	20	0310000	Mobile Training Teams, Detachments, O/S			
N2M	04	20	0311000	Aviation	x		
N2N	04	20	0312000	Combat Operations/Intel	x		
N2P	04	20	0313000	Communications/Electronics	x		
N2Q	04	20	0314000	Supply/Maintenance	x		
N2R	04	20	0315000	Personnel/Administration	x		
N2S	04	20	0316000	Counterinsurgency	x		
N2T	04	20	0317000	English Language	x		
N2U	04	20	0318000	Missiles	x		
N2V	04	20	0319000	Other	x		
N3				FIELD TRAINING SERVICES			
N3A	04	21	0321000	Aircraft Engine/Airframe	x		
N3B	04	21	0322000	Communications/Electronics	x		
N3C	04	21	0323000	Radar Systems	x		
N3D	04	21	0324000	Armament	x		
N3E	04	21	0325000	Maintenance	x		
N3F	04	21	0326000	Training Aids/Devices	x		
N3G	04	21	0327000	English Language	x		
N3H	04	21	0328000	Missiles	x		
N3J	04	21	0329000	Other	x		

TABLE E-5 (Continued)

Generic Code	Gp	Item Identification		Description/Category	Program as:		Remarks
		Class	Item Ident. No.		Major Item	Dollar Line	
N5				TRAINING of U.S. MAP PERSONNEL			
N5A	04	27	0381000	Contract Cost			
N5B	04	27	0382000	Tng of U.S. MAP Personnel		x	Phase I and Phase II. Not included as part of unified command ceiling but programmed worldwide by military departments.
N5C	04	27	0383000	Language		x	Not included in unified command ceiling. Worldwide program prepared by DSAA.
N5E	04	27	0385000	Other Training Costs		x	Not included in unified command ceiling. Worldwide program budgeted for by military departments for training of U.S. personnel in skill peculiar to MAP assignments. Requirements associated with MASF programs will be carried in country programs.
N6				EXTRAORDINARY EXPENSES			
N6A	04	28	0390000	Extraordinary Expenses		x	Not included in unified command ceiling. Worldwide program budgeted for by military departments. Requirements associated with MASF programs will be carried in country programs.
N7				OTHER TRAINING SUPPORT			
N7A	04	25	0361000	Training Exercises		x	
N7B	04	25	0362000	Escort Officers	x		
N7C	04	25	0363000	Supplies and Materials		x	
N7D	04	25	0364000	Facilities/Rehabilitation		x	
N7E	04	25	0365000	Services	x	x	
N7F	04	25	0366000	Other	x	x	
N7Z	04	26	0399000	Abbr Tng Plan Reqmt		x	To be used only when training items are unknown at time of programming.

TABLE E-6

MILITARY DEPARTMENT EXECUTION AGENCY IDENTIFIER CODES

Codes shown below are for the purpose of identifying the Military Department execution agency which provides the service, the funding agency, and the training agency.

ARMY

The EXA code used by the Army is a three digit alpha numeric wherein the first alpha represents the Army (B), the second alpha or numeric the funding agency and the third alpha the training agency. The following codes are to be used for Department of the Army MAP-T programming.

- B. Department of the Army
- A. Headquarters, U.S. Army Materiel Command (600) USAMC
 - A. Army Logistics Management Center, Ft. Lee, Virginia
 - B. Army Management Engineer Training Agency, Rock Island, Illinois
 - C. USASMC Ammunition School, Savanna, Illinois
 - D. Joint Military Package Training Center, Aberdeen Proving Ground, Maryland
 - E. Army Tank/Automotive Command Detroit, Michigan
 - H. Letterkenny Army Depot, Chambersburg, Pennsylvania
 - J. Lexington Blue Grass Army Depot, Lexington, Kentucky
 - K. Lone Star Army Ammunition Plant, Texarkana, Texas
 - M. New Cumberland Army Depot, New Cumberland, Pennsylvania
 - N. Mobility Equipment Command, St. Louis, Missouri
 - P. Picatinny Arsenal, Dover, New Jersey
 - Q. Pueblo Army Depot, Pueblo, Colorado
 - R. Army Natick Laboratories, Natick, Massachusetts
 - S. Radford Army Ammunition Plant, Radford, Virginia
 - T. Raritan Arsenal, Metuchen, New Jersey
 - U. Red River Army Depot, Texarkana, Texas
 - V. Army Aviation Systems Command, St. Louis, Missouri
 - W. Tobyhanna Army Depot, Tobyhanna, Pennsylvania
 - X. Tooele Army Depot, Tooele, Utah
 - Y. Yuma Proving Ground, Yuma, Arizona
 - 1. Detroit Arsenal, Detroit, Michigan
 - 3. Anniston Army Depot, Anniston, Alabama
 - 4. Dugway Proving Ground, Dugway, Utah
 - 5. Frankford Arsenal, Philadelphia, Pennsylvania
 - 6. Army Aeronautic Depot Maintenance Center, Corpus Christi, Texas
 - ∅ Unidentified USAMC Location
 - B. Office, Chief of Staff, U.S. Army (13) Applicable School/Training Activity code will be entered in accordance with current Department of the Army directives.
 - N. The Judge Advocate General's School, U.S. Army, Charlottesville, Virginia
 - ∅ (For Escort Officers—B362000)
 - C. Headquarters, U.S. Continental Army Command (200) (USCONARC)
 - A. U.S. Army Aviation School, Ft. Rucker, Alabama
 - B. Defense Language Institute, Lackland AFB, Texas

TABLE E-6 (Continued)

- | | |
|---|---|
| <p>C. Defense Language Institute—East Coast, Washington, D.C.</p> <p>D. Defense Language Institute—West Coast, Monterrey, CA</p> <p>E. U.S. Army Engineer School, Ft. Belvoir, Virginia</p> <p>F. U.S. Army Artillery and Missile School, Ft. Sill, Oklahoma</p> <p>G. U.S. Army Infantry School, Ft. Benning, Georgia</p> <p>H. U.S. Army Ordnance Center and School, Aberdeen Proving Ground, Maryland</p> <p>J. U.S. Army Quartermaster School, Ft. Lee, Virginia</p> <p>K. U.S. Army Signal Center and School, Ft. Monmouth, New Jersey</p> <p>L. U.S. Army Finance School, Ft. Benjamin Harrison, Indiana</p> <p>M. U.S. Army Chaplain School, Ft. Hamilton, New York</p> <p>P. U.S. Army Military Police School, Ft. Gordon, Georgia</p> <p>P. U.S. Army Southeastern Signal School, Ft. Gordon, Georgia</p> <p>R. U.S. Army Air Defense School, Ft. Bliss, Texas</p> <p>S. U.S. Army Transportation School, Ft. Eustis, Virginia</p> <p>T. U.S. Army Command and General Staff College, Ft. Leavenworth, Kansas</p> <p>U. U.S. Army Combat Surveillance School, Ft. Huachuca, Arizona</p> <p>U. U.S. Army/Intelligence School, Ft. Huachuca, Arizona</p> <p>V. U.S. Army Adjutant General's School, Ft. Benjamin Harrison, Indiana</p> | <p>W. U.S. Army Civil Affairs School, Ft. Bragg, North Carolina</p> <p>W. U.S. Army Institute for Military Assistance, Ft. Bragg, North Carolina</p> <p>X. U.S. Army Missile and Munitions School, Huntsville, Alabama</p> <p>Y. U.S. Army Armor School, Ft. Knox, Kentucky</p> <p>1. Ft. Dix, New Jersey</p> <p>2. Ft. Leonard Wood, Missouri</p> <p>3. Ft. Jackson, South Carolina</p> <p>4. Ft. Ord., California</p> <p>5. Ft. Campbell, Kentucky</p> <p>6. Ft. Carson, Colorado</p> <p>8. Ft. Hood, Texas</p> <p>Ø (Unidentified CONARC Location)</p> <p>Z. Defense Information School, Ft. Benjamin Harrison, Indiana</p> <p>D. U.S. Security Agency (25)</p> <p>Ø (Unidentified USASA Location)</p> <p>E. Office of the Chief of Engineers (OS)</p> <p>Ø (Unidentified OCE Location)</p> <p>F. Office Chief of Finance (32)</p> <p>A. AID Training, All Areas</p> <p>C. Coast Guard Training, All Areas</p> <p>M. Marine Training, All Areas</p> <p>N. Navy Training, All Areas</p> <p>T. Defense MAP School, Ft. Belvoir, Virginia</p> <p>X. Air Force Training, All Areas</p> <p>Ø Training U.S. MAP Personnel (EC N5B)</p> <p>Ø Extraordinary Expenses (GC N6A)</p> <p>Ø Informational Program (GC N1H)</p> <p>G. Office of the Surgeon General (06)</p> <p>B. Beaumont General Hospital, El Paso, Texas</p> |
|---|---|

TABLE E-6 (Continued)

- F. Fitzsimmons General Hospital, Denver, Colorado
- L. Letterman General Hospital, San Francisco, California
- M. Madigan General Hospital, Tacoma, Washington
- S. The Medical Field Service School, Ft. Sam Houston, Texas
- V. U.S. Army Medical Service Veterinary School, Chicago, Illinois
- W. Walter Reed General Hospital, Washington, D.C.
- X. U.S. Army Health Services Command (USAHSC), Ft. Sam Houston, Texas
 - Ø Other TSG Locations
 - Ø Other USAHSC Regulations
- H. Headquarters, U.S. Army Hawaii (84) (USARHAW)
 - H. All Training in USARPAC Schools or Areas
- M. Headquarters, U.S. Army, Europe
 - M. All Training in USAREUR Schools or Units
- S. Headquarters, U.S. Army Forces Southern Command (92) (COMUSARSO)
 - A. U.S. Army School of the Americas, Ft. Gulick, Canal Zone
 - B. IAGS Cartographic School, Ft. Calyton, Canal Zone
 - S. Other Training in USARSO Area
- X. Ø Student Support CONUS (GC N7F)
- Z. Unidentified Location, World-wide (used only for initial programmed until correct execution agency is identified)
- Z. Orientation Tours CONUS

NAVY

The EXA code used by the Navy is a three digit alpha code wherein the first alpha represents the Navy (P), and the second and third represent either the major claimant responsible for funding the particular training activity or a category of training such as OJT. The following EXA codes are to be

used for Department of the Navy MAP-T programming.

- P—Department of the Navy
- PBM—Bureau of Medicine and Surgery (BUMED)
- PCG—U.S. Coast Guard (COGARD)
- PCI—DOD Computer Institute (DODCI)
- PCL—Commander in Chief, Atlantic Fleet (CINCLANTFLT)
- PCP—Commander in Chief, Pacific Fleet (CINCPACFLT)
- PCT—Chief of Naval Education and Training (CNET)
- PMC—U.S. Marine Corps (COMDT MARCORPS)
- PNA—Naval Air Systems Command (NAVAIRSYSCOM)
- PNE—Naval Electronics Systems Command (NAVELECSYSCOM)
- PNF—Naval Facilities Engineering Command (NAVFACENCOM)
- PNM—Chief of Naval Material (CHNAVMAT)
- PNØ—Naval Oceanographic Office (NAVOCEANO)
- PNR—Chief of Naval Reserve (CHNAVRES)
- PNS—Naval Sea Systems Command (NAVSEASYSYSCOM)
- PSØ—Commander Naval Forces, U.S. Southern Command (COMUSNAVSO)
- PSU—Naval Supply Systems Command (NAVSUPSYSCOM)
- PBØ—U.S. Army courses
- PDØ—U.S. Air Force courses
- PØØ—Miscellaneous

AIR FORCE

The EXA code used by the Air Force is a three digit alpha code wherein the first alpha represents the Air Force (D), the second the funding agency and the third the training agency. The following codes are to be used for Department of the Air Force MAP-T programming.

- D. United States Air Force¹

TABLE E-6 (Continued)

- D. (USAFE)
 - Ø United States Air Force Europe (USAFE)
- F. (AFLC)
 - Ø Air Force Logistic Command (AFLC)
- J. (ATC)
 - Ø Air Training Command (ATC)
- L. (USAFSO)
 - A. United States Air Force Southern Command/IAAFA
 - Ø United States Air Force Southern Command/Other
- N. (Hq USAF)
 - Ø Hq United States Air Force (ACBIS)

- R. (PACAF)
 - C. Pacific Air Forces/Clark AFB
 - G. Pacific Air Forces/Guam (Anderson AFB)
 - H. Pacific Air Forces/Hickam AFB
 - J. Pacific Air Forces/Japan
 - Ø Pacific Air Forces/In-Country
 - T. Pacific Air Forces/Thailand
 - V. Pacific Air Forces/Vietnam
 - X. Pacific Air Forces/In-Country/Contract
 - Z. Pacific Air Forces/Special

¹ Where "DZZ" appears in the MASL for EXA, it is an indication that the command to be funded for the program line may apply to more than one command. Unified commands submitting program entries utilizing these "DZZ" designated MASL lines will enter the appropriate command code from the above series of Execution Agency (EXA) identifiers (DDO through DRO).

Appendix 1
(CHAPTER E)

FORMAT FOR INVITATIONAL TRAVEL ORDERS (ITO)
FOR FORMAL SCHOOLING, OJT, FAMILIARIZATION/QUALIFICATION
AND OBSERVER TRAINING

IMET _____

FMS _____

(DOD Security Assistance Organization) (Country) _____

DATE _____

File Number _____ (As Appropriate)

SUBJECT: ITO NUMBER _____

TO: (Grade, full name, service number and branch) (Surname
ALL CAPS) (Comparable US grade)

WCN

RCN (IMET)
Case No. (FMS)

GC/PROJECT
(Note 1)

MASL ID

1. (As Applicable):

a. Trainee completed DLI English Language Proficiency Examination _____
on _____ (Date) and has an English Comprehension Level (ECL) of _____ (Score)

b. Trainee successfully completed _____ Special English Terminology
(SET) Test on _____ (Date).

c. Trainee is exempt from ECL Testing pursuant to DOD directive, and is language qual-
ified to pursue courses indicated below.

2. The Trainee(s) listed above, members of the (country) (service), is/are authorized
and invited by authority of Secretary of _____ (appropriate Military Department) _____ to
proceed on or about (date) from (actual debarkation point in-country to _____
(appropriate aerial/water POE listed Note 2 or other appropriate location) for the purpose
of attending the course(s) indicated below:

a. Course, School and Location: (in order of attendance as listed by WCN)

b. Reporting Date: (Required for each course)

c. Class Starting Date: (Required for each course in Air Force Program only)

d. Ending Date: (Required for each course)

e. If feasible, request the following training be provided during periods *between* formal
courses where other training has not been scheduled. This does not apply to periods *during*
formal courses where trainees cannot attend portions of classes owing to disclosure or other
limitations. Following training may be provided only if permitted from a disclosure stand-
point: (Excludes USAF-sponsored trainees.)

MILITARY ASSISTANCE AND SALES MANUAL—PART II

- (1) Skill to be developed (detailed information required).
- (2) Knowledge to be acquired (detailed information required).
- (3) Type of equipment on which to be trained.
- (4) Reporting Date(s).
- (5) Ending Date(s).

3. (Use one of the following for applicable travel):

a. The Trainee(s) listed herein will report upon arrival in the United States to the commander (appropriate aerial/water POE as listed Note 2) who will issue a transportation request for travel to (location of school). Upon completion of training, the above-named Trainee(s) will return to (appropriate location) for return to (actual point of embarkation in-country).

b. The Trainee(s) listed herein will report upon arrival in the United States to (appropriate office/aerial/water POE as listed Note 2) who will assist in the arrangement of onward transportation if required.

c. The Trainee(s) listed herein have been provided (round trip tickets to appropriate school/installation and return to homeland) or (tickets to appropriate school/installation). Assistance will be provided by (appropriate officer/aerial/water POE—Note 2) if required.

d. All travel is the responsibility of the government of _____.

4. (As Applicable):

a. Upon completion of training, Trainee(s)(is/are)not authorized leave, and will proceed immediately as directed to home country.

b. Upon completion of training, Trainee(s)(is/are)authorized _____ days leave in CONUS. Trainee(s)(is/are)not authorized grant aid living allowance while in leave status, other than constructive travel time to the port of debarkation. Upon completion of leave, Trainee will proceed immediately to home country or as directed by competent authority.

c. Request for leave during training period or subsequent to course completion will be submitted direct by the trainee to his embassy in Washington or appropriate CONUS based home country representative. Written approval in English from the appropriate authority to the trainee will constitute approval for the leave and must be obtained prior to course completion. Trainee(s) is/are not authorized grant aid living allowance while in leave status, other than constructive travel time to the port of debarkation. Upon completion of leave, if approved, trainee will proceed to next training installation or homeland, as appropriate.

5. Special instructions 12 and 13 apply. Travel and living allowance expenses authorized (see special instructions) are chargeable to: (appropriation). The finance officer effecting disbursement of funds under this authority will forward one copy of the executed voucher to the accounting station cited in the appropriation and other activities as required by appropriate service regulation.

6. (Enter appropriate statement from Note 4a, or b).

7. (Enter *one* statement from Note 5).

8. Compliance with paragraphs (enter appropriate paragraph numbers) of attached special instructions is directed.

9. Authority (both must be indicated):

a. _____
(MAP Order Number or FMS Case Designator)

b. _____
(Service document which allocates spaces/authorizes issuance of ITO)

COMMAND LINE

SIGNATURE

DISTR: (Per Service Directives)

MILITARY ASSISTANCE AND SALES MANUAL—PART II

NOTES:

1. For Air Force, enter Project No.; for Army and Navy, enter GC.

2.

EAST COAST

<i>Port of Entry/ Departure</i>	<i>Office</i>	<i>Telephone</i>	<i>Applicable</i>
John F. Kennedy Airport	Between 1500-2200 hrs	212-632-4534	Commercial
	Between 0800-1500 hrs Protocol Bureau Ft Hamilton, NY	212-836-4100 (Ext. 2124, 4244)	
	Between 2200-0800 hrs Staff Duty Officer Ft Hamilton, NY	212-836-4100 (Ext. 3165)	
McGuire AFB Wrightstown, NJ	Special Passenger Lounge	609-724-2100 (Ext. 2749)	MAC trans- ocean travel
Charleston AFB Charleston, S.C.	Protocol Section	803-747-4111 (Ext. 2347)	MAC Trans- ocean travel

WEST COAST

Travis AFB, CA	Military Personnel and Transportation Assistance Office	707-438-3164	MAC trans- ocean travel
----------------	---	--------------	----------------------------

NOTE: Only above listed ports of entry or exit have U.S. military facilities available to aid students. Students arriving or departing such terminals as Boston, Miami, Washington, Los Angeles, and New Orleans must be prepared to make own travel arrangements. There are no billeting or dining facilities at Ft Hamilton; students must use commercial facilities in vicinity of JFK Airport and must have sufficient dollars to defray costs.

3. Modify ITO as appropriate for observer training (except USAF). Number of weeks of English language training in CONUS will be specified as well as reports and dates of language training.

4. a. U.S. security screening has been accomplished (for all training allocated on an unclassified basis).

b. U.S. security screening has been accomplished. Trainee(s) is/are authorized access to classified material up to and including _____ during authorized training. (Use only if classified training has been authorized and insert degree of authorized disclosure).

5. a. Trainee is authorized medical services on same basis as U.S. military/dependent personnel. (For use by NATO countries.)

b. Trainee/authorized dependent medical services are authorized by and will be reimbursed under provisions of (para 4-27 AR 40-3) (BUMEDINSTR 6320-31) (AFM 50-29) (Use one, as appropriate.) Authorized dependent medical services are authorized and will be reimbursed by (trainee concerned) (Embassy) (use one). (For use by non-NATO countries under IMET).

c. Trainee/authorized dependent medical services to be reimbursed by (FMS Case) (Embassy) (Trainee concerned) (Use one). Authorized dependent medical services will be furnished on a space available, reimbursable basis. (For use by non-NATO countries under FMS).

SPECIAL INSTRUCTIONS

1. No training other than that specified in ITO, paragraph 2, will be conducted on the basis of these orders.
2. Trainee (s) is/are authorized to participate in flights of U.S. military aircraft as required in connection with scheduled course(s) of instruction or as specified in Service regulations. Travel by US military aircraft on a space available basis for personal convenience is not authorized.
3. The United States will relieve from attendance at school and request the return to the country of origin, trainee(s) who violate regulations or who otherwise are a detriment to the class as a whole. The (appropriate service department) will be informed when such action is contemplated in accordance with applicable service regulations.
4. The Government of the United States absolves itself from any blame or financial responsibility for injuries received by the Trainee (s) listed herein while in transit, while undergoing training or while in leave status, and any responsibility for and personal or property damage claim resulting from his (their) action(s).
5. Prior to departure from home country Trainee (s) listed herein will be required to be medically examined and found physically acceptable in accordance with the health provisions of the Immigration and Nationality Act (8 U.S.C. 1182(a)(1)-(7): Foreign Quarantine Regulations of Public Health Service, Department of Health, Education and Welfare, 42 CFR, Part 71; (McCarran Act Sec. 212A, 1-7, Public Law 414, 82d Cong.): and paragraph 2-2, AR 550-50; paragraphs 2-26 and 4-1 AFM 50-29; OPNAVINST 4950.1F.
6. The country concerned will provide the Trainee (s) concerned with sufficient funds in American dollar instruments to meet all expenses while enroute to, and for the first 20 days at the school.
7. Adequate uniforms as well as appropriate civilian clothing for off-duty wear should be taken. Appropriate country work uniforms for field duty or technical work must be furnished, or U.S. fatigue uniform must be purchased by Trainee (s). When USAF flying training is involved, special flight clothing/individual equipment required by AFM 50-5 must accompany Trainee(s), or provisions made to obtain the use of all necessary equipment prior to commencement of training.
8. The mailing address of the Trainee (s) indicated herein will be in care of the U.S. service installation to which the trainee(s) (is/are) attached.
9. Trainee will be responsible for reimbursement of any custodial fees required.

(Select applicable following instructions)

10. a. Trainee is not permitted by his government to purchase a power-driven vehicle in CONUS.
- b. Trainee is permitted by home government to purchase a power-driven vehicle after

MILITARY ASSISTANCE AND SALES MANUAL—PART II

arrival at training installation. Trainee must comply with local military installation and state regulations for registration of power-driven vehicles and will be required to purchase public liability and property damage insurance in the amount required by law of the state in which the vehicle is registered.

11. a. Trainee is authorized by home government to travel by POV between stations while in the United States.

b. Trainee is not authorized by home government to travel by POV between stations while in the United States.

12. a. No dependents are authorized to accompany or join student.

b. Dependents are authorized by the trainee's home country and the DOD Security Assistance organization in-country to accompany trainee or join trainee while in training, but will not be transported nor subsisted at U.S. Government expense.

13. a. Unless otherwise stated, grant aid living allowance is authorized during period covered by these orders and will be in accordance with Table E-1, MASM II, Chapter E, and chargeable to fund cite indicated basic order.

b. Living allowance is authorized while in CONUS only, chargeable to fund cite indicated basic order.

c. Living allowance is authorized while in training status only, chargeable to fund cite indicated basic order.

d. Living allowance is responsibility of trainee's home country.

14. a. Unless otherwise stated, all travel is chargeable to fund cite indicated basic order.

b. CONUS travel only is authorized chargeable to fund cite indicated basic order.

c. All travel is responsibility of trainee's home government.

15. a. Trainee (s) named on basic order is/are authorized to transport at IMET expense 100 pounds gross weight of personal baggage to the U.S. and return. Baggage will accompany the trainee. (If USAF flying training is involved and does not exceed 270 days, an additional 30 pounds is authorized if baggage includes flying training equipment.)

b. Trainee (s) named on basic order is/are authorized to transport at IMET expense 150 pounds gross weight of personnel baggage to the U.S. and return. Baggage will accompany the trainee. (Use if programmed training duration exceeds 270 days).

c. Trainee(s) named on basic order is/are authorized to transport within CONUS at IMET expense 100 pounds gross weight of personal baggage. Baggage will accompany the trainee. Personal baggage from trainee's home country to CONUS and return is responsibility of trainee's government. (Additional 30 pounds authorized if USAF flying training of less than 270 days is involved and baggage includes flying training equipment.)

d. Trainee(s) named on basic order is/are authorized to transport within CONUS at IMET expense 150 pounds gross weight of personal baggage. Baggage will accompany the trainee. Personal baggage from trainee's home country to CONUS and return is responsibility of trainee's government.

e. No baggage will be transported at U.S. Government expense.

16. a. Retainable instructional material may be shipped to trainee's home country in accordance with applicable Departmental regulations, chargeable to fund cite in basic order. No personal effects will be shipped with instructional material.

b. Retainable instructional material will not be shipped at IMET expense.

c. Retainable instructional materiel for foreign military sales (FMS) students will not be shipped to trainee's home country at U.S. Government expense.

17. Student is parachute qualified and authorized to participate in jumps from U.S. aircraft.

18. When qualified flying Trainees desire to participate in flights under AFR 60-1, include statement: "_____ Government certifies that Trainee is physically, professionally, and administratively qualified to participate in flights in his country air force aircraft as pilot (or as applicable)." (These Trainees must meet medical clearance requirements as specified in AFR 160-39.)

Of the foregoing special instructions, the following are mandatory and must be identified in the basic ITO for all services: 1, 2, 3, 4, 5, 6, 7, 8, and 9.

Of the foregoing special instructions, one of the optional statements must be identified in the basic ITO:

Army—10a or b; 11a or b; 12a or b; 13a, b, c or d; 14a, b or c; 15a, b, c, d, or e; 16a or b; 17 (if applicable).

Navy—Same as Army (less 17).

Air Force—Same as Army (less 17 and plus 18).

CHAPTER F PROGRAM SUBMISSION AND MANAGEMENT

1. Purpose

The purpose of this Chapter is to provide guidance and instructions governing the preparation and submission of detailed program data, including changes thereto, and the conversion of these data into approved and funded programs authorized for implementation by the Military Departments. These instructions apply to programs for articles and services and for training; they do not apply to programs categorized as "general costs" (e. g., supply operations, administrative support).

2. Submission of Data

a. Method of Submission

MAAGs will submit program data by punch card, transcript sheet, message or letter communication in the ADP card format portrayed in Figure F-1. This includes

changes submitted through Military Departments to reduce or delete items from the funded program. Submission of final current year program changes for MAP requirements must arrive in DSAA not later than September 15 in order to be considered during the end-of-year closeout of that program on September 30. The cut-off date for receipt of training increases and/or additions to the IMET program is August 15 (see Chapter E). Changes justified only on the basis of urgent military necessity, will be considered after these cut-off dates provided there is sufficient time to process the change and obligate the funds by the end of the fiscal year. Following are detailed preparation instructions for each type of transaction and medium of submission.

(1) Additions

(a) Card 3 (MAP—Materiel and Services Other Than Training)

<i>Card Column</i>	<i>Data</i>	<i>Instruction</i>
1	Card Code -----	Punch "3".
2-5	RCN -----	Punch Record Control Number.
6	Method of Funding Code -----	Leave blank.
7	Action Code -----	Leave blank.
8-20	National Stock Number -----	Punch the group, class, NCB Code Materiel and Services only) and item ident numbers as they appear in the MASL.
21	Generic Code -----	Punch, 1st position only, the generic code exactly as it appears in the MASL.
22	Commitment -----	Punch appropriate Commitment Code. See Commitment Code in Appendix A, Part I.
23-24	Reason Code -----	Punch appropriate Program Change Reason Code. See Program Change Reason Code in Appendix A, Part I.
25-29	Quantity -----	Dollar Lines—Leave blank. Excess defense articles actual value card—Leave quantity field blank. Major Item—Punch total quantity. Right justify (units position in Column 29, ten position in Column 28, etc.).
30	Program Originator -----	Punch Program Originator Code. See Program Originator Code in Appendix A, Part I.

MILITARY ASSISTANCE AND SALES MANUAL—PART II

Card Column	Data	Instruction
31-32	Country/Activity Code -----	Punch Country/Activity Code. See Country/Activity Code in Appendix A, Part I.
33	Customer -----	Dollar Lines—Leave blank. Major Items—Punch Customer Within Country Code required for entry in Column 33 of MILSTRIP requisitions. Refer to Customer Within Country Code in Appendix A, Part I, for explanation and Military Department directive containing the codes.
34	Special Supply Procedure -----	Punch appropriate code. See Special Supply Procedure Code in Appendix A, Part I. See paragraph 5 below for Excess Defense Articles.
35	Type of Assistance -----	Punch Type of Assistance code. See Type of Assistance/Financing Code in Appendix A, Part I.
36-43	MAP Unit Price -----	Obtain from the Military Department. Must reflect Repair & Rehabilitation codes (as applicable) for Excess Defense Articles. Punch actual value of excess defense articles in EDA actual value card.
44	Cost Code -----	Punch Cost Code. See Cost Code in Appendix A, Part I.
45-46	Program Year -----	Punch last two digits of fiscal year in which the item is programmed or to be programmed.
47-50	MAP Element -----	Punch MAP Element Code. See MAP Element Code in Appendix A, Part I.
51	Lead Time -----	Major Items—Obtain Lead Time Code from the Military Department. Dollar Value Line Items—Leave blank.
52	Spare Parts -----	Punch "N" for concurrent spare parts (CSP). Punch "A" for initial aerospace ground equipment (AGE). Punch "E" for concurrent equipment attachments in FSC 3810 and 3830 (item identification number 383ZATCHMNT).
53	Condition Code/Commercial Item Code ---	Punch Condition Code for Excess Defense Articles. See Condition Code in Appendix A, Part I. Punch numeric "1" for Commercial Items.
54	Communications/Ancillary Code -----	Punch Communications/Ancillary Code. See Communications/Ancillary Item Code in Appendix A, Part I.
55	Implementing Agency -----	Leave blank. Implementing Agency Code to be assigned by DSAA.
56	Blank -----	Leave blank.
57	Status -----	Leave blank. Status Code to be entered by DSAA only.
58-59	Funding Priority -----	Punch funding priority code on all articles and services program lines in budget year program. See Funding Priority Code in Appendix A, Part I.
60-61	Issue Priority -----	Punch Issue Priority. Issue Priority Codes are those prescribed in MILSTRIP regulations.
62-64	Required Delivery Data -----	Punch Required Delivery Date, as appropriate. See Issue Priority/Required Delivery Date Code in Appendix A, Part I.
NOTE: Columns 60-64 may also be used to identify Military Department MIMEX offer number or DPDS listing/flyer number for Excess Defense Articles. See Excess Offer Number Code in Appendix A, Part I.		
65	Source of Supply -----	Obtain applicable Source of Supply Code in Appendix A, Part I, from the Military Department. Do not leave unpunched.
66-68	MILSTRIP Routing Identifier -----	Punch from MASL, except as follows: A change from the MASL entry may be necessary when a change in Source of Supply Code, as in the case of codes B, E, F, J, N, O, R, S, or T, is effected. Punch appropriate MRI Code in all cases as determined

MILITARY ASSISTANCE AND SALES MANUAL—PART II

Card Column	Data	Instruction
		from the MASL or Appendix A, Part I.
		MASL Footnote Code K (See Footnote Code in Appendix A, Part I) requires a determination of the appropriate MILSTRIP RI code from Appendix A, Part I.
69	Change Originator -----	Punch appropriate Program Change Originator Code. See Change Originator Code in Appendix A, Part I. Note that this code may be different from the Program Originator Code in column 30.
70	System Identifier -----	Punch System Identifier Code, if appropriate. See System Identifier Code in Appendix A, Part I.
71	Fiscal Code -----	Leave blank. Data will be entered by DSAA.
72	CRA -----	Punch appropriate CRA Code. See CRA Code in Appendix A, Part I.
73-80	Total Cost -----	Punch total cost (including cost for source codes B, F, J, S, and T) to the nearest dollar. Must include repair and rehabilitation costs, as appropriate, for source of supply E or R items. Where the MAP unit price is zero, as for selected Source of Supply Code E and R items, leave unpunched. Do not punch acquisition unit price or actual value in these columns for Code E and R items. Punch actual value total in Source of Supply E (EDA) value card. Right justify. Punch dollar position in Column 80.

(b) Card 4 (IMETP—Training)

Card Column	Data	Instruction
1	Card Code -----	Punch "4".
2-5	RCN -----	Punch Record Control Number.
6	Method of Funding -----	Leave blank.
7	Action Code -----	Leave blank.
8-13	Blank -----	Leave blank.
14-20	Item Ident Number -----	Punch data exactly as they appear in the same columns of the MASL.
21	Generic Code -----	Punch "N", 1st position only, of the generic code.
22	Commitment -----	Punch appropriate commitment code. See Commitment Code in Appendix A, Part I.
23-24	Reason Code -----	Punch appropriate Program Change Reason Code. See Program Change Reason Code in Appendix A, Part I.
25	Student Code -----	Punch appropriate Student Code. See Student Code in Appendix A, Part I.
26-29	Quantity -----	Dollar Lines—Leave blank. Major Items—Punch the number of students, or in the case of teams, the number of personnel on the team. Right justify (units position in Column 29, ten position in Column 28, etc.).
30	Program Originator -----	Punch Program Originator Code. See Program Originator Code in Appendix A, Part I.
31-32	Country/Activity Code -----	Punch Country/Activity Code. See Country/Activity Code in Appendix A, Part I.
33-34	Duration -----	Punch duration from the MASL where listed. Where duration in the MASL is VA (variable), punch duration as follows: Students—weeks. Team—man weeks. Field Training Services—man months.

MILITARY ASSISTANCE AND SALES MANUAL—PART II

<i>Card Column</i>	<i>Data</i>	<i>Instruction</i>
35	Type of Assistance -----	Right justify and punch "0" in unused columns. Punch Type of Assistance Code. See Type of Assistance/ Financing Code in Appendix A, Part I.
36-43	IMETP Unit Price -----	Dollar Value Lines—Leave blank. Defined Courses—Punch unit price per student from the MASL where listed. Where the MASL indicates "EST", enter unit price as determined by Military Department. Where an entry is required by the above, right justify.
44	Cost Code -----	Punch Cost Code. See Cost Code in Appendix A, Part I.
45-46	Program Year -----	Punch last two digits of fiscal year in which the item is programmed or to be programmed.
47-50	MAP Element -----	Punch MAP Element Code. See MAP Element Code in Appendix A, Part I.
51-56	Travel and Living Allowance Code -----	Punch travel and living allowance code for each student or team member. See Chapter E. Where cross training is programmed, punch the travel and living cost on the "A" sequence line.
57	Status -----	Leave blank. Status Code to be entered by DSAA only.
58	Waiver -----	Punch "A" for training lines for which constraints were waived by DSAA.
59	Reman Training -----	Punch "R" in Column 59 to identify resources manage- ment courses.
60	TLA Command -----	Punch command receiving funding for travel and living allowance cost based on Military Department guidance.
61-65	Worksheet Control Number -----	Punch worksheet control number (WSCN) assigned to the item in the training requirements worksheet. Leave the units position blank where no cross training is programmed. Enter cross training in alphabetical sequence in the units position. Following is an example in descending order of sequence in which the training is to be concluded: 1234A 1234B 1234C
66-68	Execution Agency Identifier -----	Punch execution agency identifier from the MASL ex- cept where cross training is involved. Where cross training is involved, punch the identifier of the Mili- tary Department who will conduct the majority of the training. The same execution agency identifier will be used for all training lines in the cross training sequence.
69	Change Originator -----	Punch appropriate Program Change Reason Code. See Program Change Reason Code in Appendix A, Part I.
70	Availability/Reporting Data -----	Punch numeric 1, 2, 3, 4 or 5 to indicate quarter in which student availability/reporting date occurs.
71	Fiscal Code -----	Leave blank. Data will be entered by DSAA.
72	Requirements Priority Code -----	Punch "A", "B", "C", or "D" as appropriate. See Chap- ter E, Part II.
73-80	Total Cost -----	Punch total code to the nearest dollar. Total code is com- puted by multiplying the sum of the entries in Columns 36-43 (MAP unit price) and 51-56 (travel and living allowance cost) times the entry in Columns 26-29 (quantity). Right justify. Punch dollar position in Column 80.

the MAAG will take necessary action to obtain the required MASL data from the Military Department or Defense Logistics Agency prior to submission of the program addition. The Military Department must submit the MASL addition to DSAA.

c. Confirmation

(1) DSAA will confirm the action taken on program changes as follows to agencies receiving AUTODIN feedback:

(a) Posted to DSAA Master Program File.

1. Additions and Deletions. Action code "A" will be punched in card Column 7, in cards 3, 4, or R, as appropriate, and cards will be returned to the program originator. (See Action Codes in Appendix A, Part I.)

2. Changes. Posting of changes will be recorded and confirmed as a two-part operation as follows:

a. The program line being changed will be identified in the DSAA file and a card R prepared to indicate deletion of this existing program line. Action code "A" will be punched in card Column 7.

b. Card 3 or 4, as appropriate, will be prepared to indicate addition of a program line revised to reflect the change desired. The changed program line will contain the same record control number as assigned prior to the change, and an action code "A" will also be punched in card Column 7 of the confirming 3 or 4 card.

3. Program Amendment.

a. The procedure outlined above provides for confirmation of additions, deletions, and changes to the unfunded MAP through return of Cards 3, 4, or R, to the program originator concerned. A listing of deletions and additions, called a "Program Amendment", similar in format and content to a MAP Order amendment, provides the basis for manual review of changes affected to the unfunded program.

b. Upon receipt of confirmation, cards R must be processed by recipients before the card 3 or 4; otherwise, duplicate items could appear and create problems in deleting the proper changed data.

(b) Disapprovals. Action code "X" will be punched in card Column 7 and the cards 3, 4, P, Q and R returned to the change originators concerned.

(c) Errors. Action code will be punched in card Column 7 and the cards 3, 4, P, Q and R returned to the change originator. See Action Code in Appendix A, Part I.

(2) DSAA will prepare and mail the following ADP reports to each MAAG:

(a) Item detail listings of the revised MAP and IMET country programs for one prior year (FY 77), the current year (FY 78) and the budget year (FY 79) on a bi-weekly basis.

(b) Copies of MAP Order Amendments after each weekly update of the DSAA Master Program File.

(c) Such other reports as may be requested.

(3) DSAA will inform MAAGs by message when program changes are disapproved and the reason therefor.

3. Changes to Funded Programs

a. Responsibilities

MAAGs and Military Departments are responsible for continuing review of undelivered articles and services in funded programs, and for the submission of program deviation and other change data as prescribed herein, to insure that undelivered programs are revised as necessary to reflect changes in the conditions under which they originally were approved and funded.

b. Method of Submission

The data card formats prescribed for submission of changes to unfunded programs (see paragraph 2, above) also apply for the submission of changes to funded programs.

c. General Procedures

This paragraph is concerned primarily with procedures for submission and approval of deviations to existing MAP Order lines. The addition of new lines to the program is not a part of the deviation procedure (see paragraph 2, above). There are frequent oc-

casions, however, when adjustment or alignment of the funded program must be effected by a combination of deviations and additions. This paragraph therefore describes the procedures for submission and approval of program additions within this combined deviation addition context, as well as those independent program additions which need immediate funding decision; otherwise, a meaningful delegation of authority to approve changes to funded programs within prescribed dollar thresholds could not be established. The general procedure for processing changes to the funded program is as follows:

(1) Deviations.

(a) A MAP deviation is that series of actions taken to make a change in the MAP Order record of a funded program line, either for the current or a prior fiscal year. The deletion of an entire line, or a change in any element of data other than the three control data fields is a deviation. The record control number for a line is never changed by deviation action, although it will disappear from the active file if the line is deleted.

(b) A deviation action is accomplished through submission to DSAA of the appropriate data card (P, Q or R) for posting to the master program file maintained by DSAA; the action is completed when the DSAA master program file has been posted and a MAP Order amendment issued confirming or approving the change to the authorizing MAP Order line.

(2) Additions.

(a) The word "addition" is used in this chapter in the sense of its meaning in relation to a data processing system, which is quite different from its meaning in the usual management sense. To the manager, "addition" connotes putting something in a program which was not there before in a substantive sense. To the data system, any new program line introduced to the master file record is an "addition", even though accompanied by deletion of a similar or substantially identical item, and producing a net effect of little or no significance to the program manager. Thus, program additions

may be submitted either as independent proposals, or as part of combination transactions which also involve deletions or other deviations.

(b) Recommended additions to the funded program are submitted to DSAA on the appropriate one of cards 3 or 4; the action is completed with the issuance of a MAP Order for those additions approved and funded, or with the notice of disapproval cards to the change originator concerned.

(3) Program change/deviation cards submitted to DSAA may be rejected either because the submission is improperly prepared and the card rejects during machine edit or processing, or because a transaction requiring prior DSAA approval has been disapproved. DSAA will attempt to correct errors rejected for technical reasons. If not possible, DSAA will notify the submitting agency of the reason for the rejection or disapproval.

d. Exchange Transactions

The procedures in this paragraph take account of three different conditions for exchange of one item for another in the funded program, and provide for different treatment based upon the degree of difference between the items.

(1) Where the difference is minor, implementing agencies are authorized to substitute and report the substitute after-the-fact. Examples are the supply of a tractor of different make and model from the one originally programmed, or substitution of a bulldozer with hydraulic-operated blade for one having a cable-operated blade. This type of substitution action is initiated by the supplying agency, usually because of the particular supply availability situation, and is processed as a deviation using card P, as appropriate.

(2) The intermediate degree of difference is that condition where the user determines that a different item is needed, or would be preferable, to perform the same function or fill the same need as the item originally programmed. An example is the exchange of a tractor-loader for a bulldozer.

(2) Changes

(a) Card P (MAP—Materiel and Services Other Than Training). Card P contains the same data element fields as Card 3. Complete card P as follows:

1. Punch the following control data element—exactly as they would appear in the card 3 received from DSAA. (NOTE: If any of these control data must be changed,

a card R and a new card 3 must be submitted).

<i>Card Column</i>	<i>Data Element</i>
2-5 -----	Record Control Number
31-32 -----	Country/Activity Code
45-46 -----	Program Year

2. Punch the following data in the card columns indicated:

<i>Card Column</i>	<i>Data</i>	<i>Instruction</i>
1	Card Code -----	Punch "P".
23-24	Reason Code -----	Punch appropriate Program Change Reason Code. See Program Change Reason Code in Appendix A, Part I.
69	Change Originator Code -----	Punch appropriate Change Originator Code. See Change Originator Code in Appendix A, Part I.

3. Punch only the changed data elements (complete field) in the remaining columns of card P. Leave unchanged data elements blank.

a. When any of the MASL data elements change—i.e., National Stock Number (columns 8-20), group (columns 8-9), class (columns 10-11), NCB Code (columns 12-13), and item ident number (columns 14-20), or generic code (1st position only, column 21)—the complete field (columns 8-21) must be filled in. Punch changed and unchanged data in columns 8-21. Leave columns 8-21 blank if there is no change in MASL data elements.

b. Changes in quantity (columns 25-29) and/or total cost (columns 73-80) will be the revised quantity and/or the revised total cost and not the amount of the change.

c. Change in MAP unit price (columns 36-43) will be the revised price and not the amount of change. Punch an asterisk in the units position (columns 43) if the unit price is to be deleted.

d. To blank out a data element, punch an asterisk in the units position. For example, punch an asterisk (*) in Column 59 to blank out a funding priority.

e. Right justify in the quantity (columns 25-29), MAP unit price (columns 36-43) and total cost (columns 73-80) fields.

(b) Card Q (IMETP—Training). Card Q contains the same data element fields as card 4. Card Q will be completed as follows:

1. Punch the following control data elements exactly as they appear in the card 4 received from DSAA. (NOTE: If any of these control data must be changed, a card R and a new card 4 must be submitted).

<i>Card Column</i>	<i>Data Element</i>
2-5 -----	Record Control Number
31-32 -----	Country/Activity Code
45-46 -----	Program Year

2. Punch the following data in the card columns indicated:

<i>Card Column</i>	<i>Data</i>	<i>Instruction</i>
1	Card Code -----	Punch "Q".
23-24	Reason Code -----	Punch appropriate Program Change Reason Code. See Program Change Reason Code in Appendix A, Part I.
69	Change Originator Code -----	Punch appropriate Change Originator Code. See Change Originator Code in Appendix A, Part I.

MILITARY ASSISTANCE AND SALES MANUAL—PART II

3. Punch only the changed data elements (complete field) in the remaining columns of card Q. Leave unchanged data elements blank.

a. When any of the MASL data elements change—i.e., item ident numbers (columns 14-20) or generic code (column 21)—the complete field (columns 14-21) must be filled in. Punch changed and unchanged data in Columns 14-21. Leave Columns 14-21 blank if there is no change in MASL data elements.

b. Changes in quantity (columns 26-29) and/or total cost (columns 73-80) will be the revised quantity and/or the revised total and not the amount of the change.

c. Changes in IMETP unit price (columns 36-43) and travel and living allowance (columns 51-56) will be the revised price and not the amount of change.

d. To blank out a data element, punch an asterisk (*) in the units position. For example, punch an asterisk (*) in column 56 to delete travel and living allowance.

e. Right justify in the following data elements when used:

Card Column	Data Element
25-29	Quantity
36-43	IMETP Unit Price
51-56	Travel and Living Allowance
73-80	Total Cost

(3) Deletions. Card R (all items).

Card Column	Data	Instruction
1	Card Code	Punch "R".
2-5	Record Control Number	Punch the RCN exactly as it appears in the card 3 or 4 received from DSAA.
6-22	Blank	Leave Blank.
23-24	Reason Code	Punch appropriate Program Change Reason Code. See Program Change Reason Code in Appendix A, Part I.
25-30	Blank	Leave blank.
31-32	Country/Activity Code	Punch code exactly as it appears in the card 3 or 4 received from DSAA.
33-44	Blank	Leave blank.
45-46	Program Year	Punch program year exactly as it appears in card 3 or 4 received from DSAA.
47-68	Blank	Leave blank.
69	Change Originator Code	Punch appropriate Change Originator Code. See Change Originator Code in Appendix A, Part I.
70-80	Blank	Leave Blank.

b. Channels of Submission

(1) MAAGs will submit initial budget year Military Assistance Program (MAP) requirements data direct to DSAA with an information copy to the Unified Command. MAAGs will assign Record Control Numbers (RCN). Changes to the unfunded program will also be submitted direct to DSAA. However, changes involving the decrease or deletion of items from the funded program will be submitted to the appropriate Military Department in accordance with paragraph 3.g. (1) (a), below.

(2) MAAGs will submit initial budget year International Military Education and Training Program (IMETP) requirements

data and all subsequent changes thereto (see Chapter E) direct to the Military Departments with information copies to DSAA and the Unified Command. MAAGs will assign Record Control Numbers (RCN). The Military Departments will review MAAG submissions for availability of the training requested and transmit accepted requirements to DSAA.

(3) Unified Commands should submit comments on MAAG MAP and IMETP submissions, where deemed appropriate, to DSAA and the Military Departments within five working days.

(4) In case of a program line being added for an item not in the current MASL,

This exchange is effected through the program deletion/addition card process (deletion card R and addition card 3 instead of change card P) with authority to approve the "addition" delegated under most circumstances to the MAAGs.

(3) The third condition is the exchange of items of such different performance characteristics as to change or augment the functions and/or capabilities of using unit; the exchange of a tractor for a truck, for example. For this type reprogramming, the deletion/addition card procedure is also used, but DSAA approval for the addition normally is required.

e. Fiscal Year Identity of Program Changes

MAP Order amendments approving or confirming program deviation will retain the fiscal year identity of the MAP Order line being changed. Since the current year program approved by the Secretary of Defense anticipates full utilization of total obligation authority (i.e., new obligations authority, plus reappropriation, reimbursements from the sale of MAP owned defense articles and anticipated recoupments from prior year programs), program additions will be submitted and processed as changes to the current year program except for the following:

(1) Additions which are one part of an offsetting transaction or an exchange of items to perform the same function or fill the same need, but which must be treated as "additions" as a matter of data processing technique.

(2) Additions submitted in connection with deletions or other program adjustments recommended within a specific commitment or Presidential Determination fixed in terms of dollar value for a designated prior year.

(3) Case-by-case authorization by the DSAA.

f. Delegation of Approval Authority

(1) Delegation of authority to approve changes to funded MAP programs reflected in this paragraph are based upon a concept of complete and continuous surveillance by MAAGs and DSAA of the effect of program

changes on total fund limitations, country ceilings, legislative constraints, Presidential Determinations, and other limitations on the Military Assistance Program. Under certain circumstances, any change which increases or adds a funded line could cause such a ceiling to be exceeded. However, program changes without policy significance are a frequent occurrence in the normal course of program implementation, and many of these have offsetting cost implications. Therefore, DSAA policy is to delegate approval authority for the low value, high volume transactions, since a procedure which required prior DSAA review and approval for every addition or upward change in a line item would be so restrictive as to severely impede orderly program execution.

(2) Except where a requirement for DSAA prior approval is specified in paragraph (3) below, or in the instructions under paragraph g below, for processing the four types of changes to funded programs described therein, authority to approve changes to funded programs is hereby specifically delegated to the Military Departments for all Type I changes, for Type II deletions/decreases and for Type III deletions/decreases resulting from program execution, and to the MAAGs for Type II additions/increases. Where approval authority is delegated to the implementing agency, it will proceed with execution action with the assurance that a confirming MAP Order will be forthcoming. Where approval authority is delegated to the MAAG, MAP Orders authorizing execution will be processed without prior DSAA formal review of item content; however, Military Departments will not proceed with execution action until the confirming MAP Order, or other evidence of DSAA approval is received. Where the requirement for DSAA prior approval is specified, the implementing agency will suspend execution action until a confirming MAP Order, or other evidence of DSAA approval is received. (See Chapter C.)

(3) DSAA prior approval is always required, regardless of the type of action or how generated, for any deviation or addition

which:

(a) Would increase the scope of a program line for defense articles or defense services financed by direct citation of MAP funds (source of supply code I, O, N, or F),

(b) Would change the type of assistance code,

(c) Would require procurement, in whole or in part, from off-shore sources, including the NATO Maintenance and Supply Organization (NAMSO),

(d) Would result in an increase of more than \$25,000 in the MAP cost for a single program line in current year only, or

(e) Would cause the value of a country program to exceed the dollar level approved for such country for a given fiscal year.

g. Types of Changes to Funded Programs

The change originator, channel of submission, and approval authority vary for differing types of program changes. For the sole purpose of describing these differences in procedures and approval authority, changes to the funded program are classified as follows:

(1) Type I. These are changes to the funded program for material and for services (other than training) which are generated through the normal processes of supply execution. All Type I changes are processed as program deviations through the submission of card P, Q, or R. Action to initiate the deviation is a responsibility of the implementing agency and is accomplished as follows:

(a) Change in unit price of a major item. It is the responsibility of the implementing agency to take specific action to deviate the program if there is a change in the unit price of an item. The implementing agency will so advise the MAAG by message, with information to DSAA, so as to afford the MAAG an opportunity to confirm the continuing need for the type and quantity of item programmed, to adjust the quantity involved, or to initiate reprogramming action, as appropriate.

Upon receipt of MAAG reply, the implementing agency will submit card P to DSAA.

(b) Substitutions.

1. Implementing agencies are authorized to substitute an equal quantity of major items for those in the authorizing MAP Order line as a normal supply action when all of the following criteria are met:

a. The substitute meets the interpretation of the definition of "substitute item" for U.S. troop support contained in paragraph 3.2, Military Standard MIL-STD-447 dated 28 May 1959, titled "Definitions of Interchangeable, Substitute and Replacement Items",

b. The substitute item is in the same generic code as the MAP Order-authorized item, and

c. The substitute is acceptable to the MAAG concerned.

2. If above criteria are met, implementing agency should submit card P to DSAA to reflect MASL data elements (group, class, item ident number and generic code, if required) of the substitute item.

(c) Definition of Initial Issue (Concurrent) Spare Parts and Support Equipment Packages.

1. Requirements for initial issue spare parts to be packaged and shipped by the implementing agency concurrent with (or sometimes in advance of) shipment of the related end items are programmed normally as dollar value lines based on an estimated cost for the "package". The same is true in some cases for some or all of the support equipment for aircraft, ships, and missile systems. When the instructions of the implementing agency do not authorize the MAAG to initiate the requisitions for initial issue spare parts, or for support equipment programmed as a dollar value line, the exact items required for concurrent shipment are determined ("defined", or the line is "definitized") jointly by the implementing agency and the MAAG in accordance with the instructions of the implementing agency concerned.

2. If the cost of a defined concurrent spare parts or support equipment package exceeds the authorizing MAP Order line this is a Type II change, and the MAAG will submit card P to initiate the deviation action.

(d) Overruns.

1. Overruns occur when the actual billing cost of items requisitioned by the MAAG against dollar value materiel lines exceeds the cost used as a basis for requisition control (see Chapter C). Overruns may occur when:

a. Unit pack considerations make necessary shipment of quantities larger than the quantities requisitioned.

b. Actual procurement or delivery prices are higher than estimated prices used by the implementing agency for requisitioned control.

c. Substitutions for items requisitioned by the MAAG result in an increase in cost.

2. As a general rule, the cost of overruns is more than offset by "underruns" on other items requisitioned against the same dollar value line, so that the net dollar effect of such variances is minor. Deviation action where necessary to increase program lines to cover overruns will be based on card P submission to DSAA.

(e) Cancellations

1. In the case of major items, if neither the programmed item nor an acceptable substitute can be provided (or if only a reduced quantity can be supplied), the implementing agency will submit card R (or card P for reduction in quantity) to DSAA to cancel (or reduce) the programmed line. The Implementing agency will also advise the MAAG by message, with information to the Unified Command and DSAA, so that prompt action can be initiated to program another item or to reprogram, as appropriate.

2. Deviation action will not be initiated if materiel requisitioned against a dollar value program line is not available. MAAGs will be notified through normal MILSTRIP procedures.

3. Cancellation of a construction contract is not a Type I change.

4. Cancellation of unrequisioned balances requested by Unified Commands is not a Type I change.

5. Cancellation of unrequisioned balances of prior year program lines in accordance with Chapter C is a Type I change.

(f) Change in Source of Supply.

1. When a major item programmed as a funded line (source of supply codes K, L, I, or O) is available from excess stocks, or from MAP-owned stocks, and can be furnished, at a reduced MAP cost or no MAP cost, the implementing agency will submit card P to reflect changes in source of supply, unit price and MAP cost.

2. When items requisitioned against a funded dollar value line can be furnished from excess or MAP-owned stocks, no change will be reported in the program line. The saving in the funded line will be returned to DSAA.

3. To change the source of supply code from excess (E) or a MAP-owned category (B, J, S, or T) to a funded category (K, L, O, I, or N), implementing agencies will use the price change procedure described in paragraph (a), above.

(g) Changes in Direct Citation Costs. Increases or decreases in cost of a direct citation materiel or logistical service line will be reported to DSAA by submission of change card P at the time of obligation.

(2) Type II. These are changes to funded materiel and logistical services program lines which result from management review by MAAGs, Unified Commands, DSAA or other reviewing agencies. Type II changes initiated by the MAAG or Unified Command are submitted to the implementing agency or to DSAA as specified below. Agencies other than Unified Commands and MAAGs should submit Type II change requests direct to DSAA by memorandum or other normal communication media. Procedures for submission and approval are as follows:

MILITARY ASSISTANCE AND SALES MANUAL—PART II

(a) Deletions and Decreases.

1. All deletions/decreases of funded program lines must be processed through the appropriate implementing agency, since the implementing agency must determine procurement, fund obligation and shipment status before any further action is taken. Accordingly, MAAGs will request deletion/decrease action by message or other communication addressed to the appropriate implementing, with information copies to the Unified Command and DSAA. MAP materiel funds and IMETP funds are non-transferable. After investigation of supply status, implementing agencies will submit change cards as appropriate to be received in DSAA within three weeks after receipt of request for deletion/decrease, and all agencies concerned will be notified of the completed action by publication of the resulting MAP Order amendment. MAAGs must consider this factor where funded deletions/decreases are submitted as offsets for recommended additions/increases. In the event the implementing agency cannot submit deletion/decrease within three weeks the Military Department must inform the requesting agency, with information to DSAA, as to when deletion/decrease can be accomplished.

2. Upon receipt of a request for deletion or for reduction in the quantity of a major item, the implementing agency will immediately take action to suspend shipment pending investigation of procurement and/or delivery status, and then proceed as follows:

a. If the requested deletion/reduction was received after constructive delivery and air or ocean shipment of the item, the implementing agency will notify DSAA and the appropriate MAAG by message or other staff communication that the requested deviation cannot be made.

b. If investigation reveals nothing to preclude deletion/reduction, the implementing agency will prepare and submit to DSAA card R or P, as appropriate.

c. If the implementing agency has incurred procurement, rebuild or other

expense which must be billed to MAP for an undelivered item being cancelled, the implementing agency will prepare and submit card P or R to DSAA to eliminate the requirement from the original recipient country program, and will also prepare and submit an addition card 3 showing MAPOM as the recipient country/activity code (see paragraph 4 below), DSAA will be advised of the circumstances by message or other staff communication so that ultimate disposition of the item can be determined. This same action will be taken for items shipped from a CONUS installation (i.e., constructively delivered) but not yet air or ocean lifted; upon receipt of deletion/reduction request, the implementing agency will frustrate such shipments and (unless diverted to meet the funded requirement of another MAP recipient) reprogram to the MAPOM recipient code pending DSAA determination of ultimate disposition.

3. When an implementing agency receives a request to delete/decrease a dollar value program line for requisitioned materiel, the requested change will be made only to the extent an unrequisitioned balance remains within the program line unless the request for deletion/decrease specified the requisitions to be cancelled or refers to separate communications cancelling requisitions.

4. MAAGs will submit requests to the implementing agency to cancel construction contracts, or to decrease the value of a construction program line because of a change in scope. The implementing agency will submit card P or R, as appropriate, to DSAA. Detailed procedures outlining the actions required to cancel or change the scope of a construction contract line are contained in Chapter D.

(b) Additions and increases.

1. Implementing agencies will submit Type II additions/increases only by specific direction to DSAA. MAAGs will submit all requests for Type II additions/increases direct to DSAA, with an information copy to the Unified Command, on card 3 or P, appropriately coded with reason code in Appendix A, Part I, and will provide narrative justification to indicate the reason for change.

2. DSAA processing of Type II additions/increases will be the same as for the normal issuance of MAP Orders from the unfunded program file (i.e., item is first entered in the unfunded file, then status is changed to funded upon issuance of MAP Orders). MAAGs will be notified of disapproval actions or rejected cards by separate message.

3. Type II additions/increases can require DSAA management attention either because the proposal may have policy or financial implications which must be considered by OSD, JCS or other agencies or because of the cumulative financial effect of less significant changes. Where DSAA prior approval is required, the recommended change will be subject to normal review and coordination within OSD and with Joint Staff and other agencies as necessary. Where DSAA prior approval is not required, the change will be processed without the normal management review, mentioned above.

4. Unless the change is contrary to announced Department of Defense policy, or to the provisions of paragraph 3.f.(s) above, or would result in exceeding the established country ceiling, DSAA prior approval is not required for any of the following Type II changes:

a. Increases in or additions of dollar value materiel lines (other than initial issue spare parts and support equipment packages) which are offset by an equal or greater dollar value of deletions and/or decreases of unrequisioned, or otherwise committed, balances of dollar value materiel lines in the same country/activity and program year.

b. In connection with paragraph a above, MAAGs and implementing agencies are authorized to submit direct to designated international logistics centers program deviations requesting the transfer of an unrequisioned or otherwise uncommitted balance from one dollar value materiel line to another within the same country and program year. If the unrequisioned or uncommitted balance is sufficient to effect the requested deviation, the logistics center is authorized to approve the deviation and notify the

MAAG that the deviation has been accomplished. Upon receipt of such notification, the MAAG may submit requisitions against the increased program line. MAAGs will exercise extreme care to assure that requisitions submitted against the decreased program line do not exceed the reduced MAP cost for that program line. The logistics center will submit card P changes for approved deviations to DSAA for issuance of a confirming MAP Order amendment. It is essential that these changes be submitted to DSAA promptly and that the P cards for both the increase and the compensating decrease arrive in DSAA at the same time. Incomplete deviations will be rejected. Application of this procedure is limited to program lines which are subject to requisitioning action by the MAAG, are assigned supply source codes of "K" or "L" and are programmed in budget activities "A" through "K" (see Generic Codes in Appendix A, Part I). Overruns will be considered by the logistics center when processing these deviations. Program additions (card 3 adds) and increases in offshore procurement requirements are not authorized under this procedure. Increases to a single line will be limited to \$25,000 or 10 percent whichever is greater. Program change reason code D8 will be assigned to these deviations. The authority contained in this paragraph does not set aside the requirement for periodic obligation review of unrequisioned balances under Chapter C.

c. Increases in or additions of ammunition lines which are offset by an equal or greater dollar value of deletions and/or decreases of ammunition lines in the same country/activity and program year.

d. Exchanges (simultaneous submissions of deletion and addition cards) of major items which perform the same function or fill the same need and which:

Do not involve items or systems upon which the forceunit(s) represented by the MAP element code is (are) primarily dependent for mission performance.

5. All Type II increases and additions other than those authorized under para-

MILITARY ASSISTANCE AND SALES MANUAL—PART II

graph 4 above required DSAA prior approval. MAAG use of multiple address message to DSAA and the implementing agency concerned will facilitate expeditious approval and supply action on those "exchange" transactions which require DSAA prior approval.

(c) Funding and DSAA audit of MAP Orders for Type II changes.

1. In allocating funds available for Type II changes, DSAA will accord first priority to those changes which do not require DSAA prior approval. Consideration of the obligational authority actually available at the time of receipt of addition/increase requests, however, may sometimes require temporary withholding of MAP Order issuance until the offsetting deletion/decrease cards have been received from implementing agencies.

2. To facilitate DSAA post-approval audit of Type II changes, MAAGs will use the same reason code for all changes involving a related combination of additions/increases and deletions/decreases.

(3) Type III. This category is restricted to changes in current and prior year program lines for training. MAAGs, and where appropriate the implementing agencies, are responsible for maintaining IMET program data in a current and accurate status. Retention of unused training as a means of reserving funds to finance future program changes is prohibited. Procedures for submission of Type III changes are as follows:

(a) Changes to Current Year Program.

1. MAAGs will submit promptly to the implementing agency, with information copy to the Unified Command:

a. Q or R card program change to reduce or delete a formal training line when it is known that a country will not utilize all or part of a training requirement, and, where appropriate, to reduce or delete program lines for other than formal training.

b. Q or 4 card program change to increase or add formal training lines when new or added training requirements are considered justified, and where appropriate, to

increase or add program lines for other than formal training. Requests for training in CONUS will be reviewed by implementing agencies to determine training capability. MAAGs will coordinate requests for training to be performed in an overseas area with the appropriate overseas agency prior to submission of program data to the implementing agency.

2. Implementing agencies will review MAAG training requests and Unified Command comments, and will submit accepted requirements to DSAA:

a. Q, 4 or R card program change to increase/add or decrease/delete training requirements programmed as "general costs" (activity code 00).

b. Q or 4 card program change to increase or add program lines for formal training requirements initiated by the MAAGs.

c. Implementing agencies may also initiate deviations to formal training lines as a result of a change in course cost, travel and living allowance (TLA) or training availability. The MAAG will be informed accordingly. A MASL change will be submitted simultaneously, when required, to reflect a revised course cost.

3. Implementing agencies will inform MAAGs and Unified Command of training changes which are not accepted and the reasons therefor.

(b) Changes to Prior Year Programs.

1. Within six months after the close of each fiscal year, all training lines in the fiscal year program which ended on the preceding 30 September will be rolled up by DSAA into budget project lines, i.e., N10, N20, . . . N70, so that there will be one program line per implementing agency for each budget project within each country program. During this six month period prior to roll-up, program changes will be limited to those required as a direct result of program execution. New requirements will not be added. All prior year changes will be submitted to DSAA by the implementing agencies. MAAGs may submit changes generated by their management reviews, e.g., unper-

formed fifth quarter training, to the implementing agencies for reviews and submission to DSAA.

2. Once the budget project lines have been created and substituted for the detailed training lines in the DSAA master program file, the detailed program lines will be retained on an ADP "save" tape for historical use only and will not be updated or modified. All subsequent changes will be submitted to DSAA by the implementing agencies against the budget project lines and will be limited to changes in total cost.

(4) Type IV. This category is restricted to changes in the funded program for administrative and operations support. Changes will be submitted to DSAA by implementing agencies through hard copy documentation, often in the form of budget justification, funding reviews, reclaims and other customary budget communications. They may also be initiated by DSAA. In all cases, cards P, R, or 3 will be prepared by DSAA, and agencies concerned notified of funding decision by MAP Order issuance.

4. Programming of MAP Owned Materiel (MAPOM)

a. Purpose and Scope

This paragraph prescribes procedures for the programming of materiel in the MAP Owned Materiel (MAPOM) account (activity code M3) and for the utilization and/or disposal of materiel in that account.

b. Programming of Materiel to MAPOM Account

Materiel may be programmed in the MAPOM account under one of the following circumstances:

(1) When MAAGs/Unified Commands request the cancellation of MAP funded materiel from recipient activity of country programs, and expenses have been incurred for the procurement or rebuild of such materiel, provided that:

(a) The materiel cannot be applied to another MAP requirement, a Foreign

Military Sales requirement, or other reimbursable order held by the Military Department.

(b) The materiel is not within the Military Department's procurement objectives (which would otherwise be purchased with Military Department funds).

(c) The procurement or rebuild cannot be terminated at a cost acceptable to DSAA.

(2) When DSAA initiates or directs the programming of materiel to the MAPOM account.

(3) When Military Departments request authority to program and deliver materiel to MAPOM (for reasons other than a requested or directed cancellation) and DSAA approved such a request.

c. Processing Requested or Directed Cancellations

(1) When MAAGs/Unified Commands request, or DSAA directs, the cancellation of MAP funded materiel items, and the Military Department has non-MAP requirements for the materiel, the Military Department will submit a program change card to DSAA to delete the funded line from the country program.

(2) When cancellation of a MAP funded materiel item is requested or directed and the materiel cannot be applied to other non-MAP requirements, Military Departments will investigate the feasibility of terminating the procurement or rebuild and will advise DSAA of the circumstances and termination costs involved. DSAA will furnish the Military Department instructions either:

(a) to terminate procurement/rebuild and to charge associated termination costs, where applicable, to the country program, or

(b) to continue procurement/rebuild and to program the materiel in the MAPOM account.

d. Records of MAPOM Assets

When materiel is approved for programming in MAPOM, Military Departments will submit the following program cards to DSAA to indicate disposition status of the

materiel involved:

(1) Card P or R to reduce or delete the quantity and cost to be cancelled from the original country program.

(2) Card 3 to add the cancelled quantity and cost to the MAPOM account (activity code M3). Source of supply code will be the same as that reflected in the original country program.

(3) In approving or directing the programming of materiel to MAPOM, DSAA may direct that this materiel be held in the MAPOM account until disposition instructions are provided by DSAA. When such "hold orders" are in force, systems identifier code "H" will be inserted in column 70 of the MAPOM program add card. This code will identify those lines for which the Military Department has no responsibility for seeking utilization of MAPOM assets.

e. Utilization of MAPOM Assets

(1) Military Departments are responsible for continuing the screening of requirements to which MAPOM assets may be applied, unless these assets are under "hold order" (see subparagraph d(3) above).

(a) When a funded undelivered MAP requirement is identified for materiel which has been programmed to MAPOM, Military Departments will:

1. Submit a program change card to change the source of supply code to "T" in the funded program line for the recipient country. Where necessary, the unit price will be revised to reflect the unit price of the MAPOM asset.

2. Submit a program change card to delete a corresponding quantity and cost from the program line in the MAPOM account and return the MAPOM funds to DSAA.

(b) When a non-MAP requirement is identified for materiel which has been programmed to MAPOM, Military Departments will submit a program change card to delete the required quantity and cost from the MAPOM account and return the MAPOM funds to DSAA.

(2) DSAA will also analyze potential requirements for utilization of MAPOM assets, and will furnish the Military Departments appropriate reprogramming instructions when such requirements can be identified. When no effective utilization can be accomplished, DSAA will direct reprogramming of the MAPOM assets to the MAP Property Sales & Disposal (MAPSAD) account (activity Code M2) for sale or disposal action by the Military Department.

(3) DSAA will furnish the Military Departments appropriate reprogramming instructions for materiel on "hold order".

(4) The Military Departments and Defense Logistics Agency are authorized to acquire materiel in the MAPSAD account, on a non-reimbursable basis, to fill deficiencies in the approved forces acquisition objective or to meet foreseeable requirements within their retention limits.

(5) Materiel in the MAPSAD account, which is excess to the needs of the Military Department having custody thereof and which meets the reporting criteria set forth in Defense Disposal Manual (DOD 4160.-21M) and related instructions will be reported for utilization screening in accordance with Defense policy governing the utilization (para (4) above) or disposal (para (5) above) or MAPSAD assets.

f. Custody of MAPOM Assets

Military Departments are responsible for retaining MAP-owned property in their custody pending shipment to MAP recipients or until other disposition is effected. MAP-owned property will be plainly identified so that it can be readily distinguished. Annual physical inventories will be conducted by implementing agencies to verify on-hand balances. Costs incident to storage and maintenance of MAP-owned property will be charged to MAP General Costs under Generic Code L4A, Storage and Maintenance of MAP Owned Materiel.

5. Programming of Transferable Assets

a. Authority

DOD Directive 4100.37 provides for non-reimbursable delivery to MAP recipients of materiel in long supply or excess to DOD requirements. All quantities of items over and above Approved Forces Acquisition Objectives in the stratification of Military Department inventories are termed "transferable assets" and are available to the Military Assistance Program at no cost; that is, no reimbursement for the procurement costs of the items themselves. However, current legislation places a limitation of \$100 million, computed on acquisition value, on the amount of excess defense articles that may be provided in any fiscal year under MAP and FMS combined irrespective of source, i.e., CONUS or overseas.

The MAP appropriation or MAP recipient country budget must finance packing, crating, handling and transportation costs, as in the case of reimburseable items, and must finance any major item reconditioning or rebuild prior to delivery.

b. Types of Procedures

(1) The procedures for programming major items to be supplied from inventories of transferable assets is described in paragraph 5d and has been given the short title "MIMEX" to facilitate identification in messages and correspondence. The procedure for programming items that become excess to MAP recipients (redistributable) is the same as for "MIMEX" (see paragraph 5d(3) below). The procedure for programming items that become excess for Southeast Asia is described in paragraph 5f below, which has been assigned for short title "MAPEX".

(2) Following procedures apply equally to MAP and MASF countries and programs. However, the acronym "MASFEX" should be used instead of "MAPEX" in release to MASF countries.

c. MIMEX Procedures

(1) Reporting of Transferable Assets.

(a) When Military Departments determine that transferable assets are available for application against funded current year and prior year undelivered balances,

program change data (card P) will be submitted to DSAA changing the source of supply code to "E" and adjusting the MAP costs as appropriate. DSAA will issue MAP Order amendments to document these program changes.

(b) Military Departments will address transferable assets to countries which are eligible to receive Grant Aid defense articles with information copy to DSAA and Unified Commands by message or memorandum. These reports will be titled "MIMEX Offers", will be serially numbered by the Military Departments and will contain item identification, quantity, supportability, condition code, rebuild or reconditioning cost, if any, and lead time required for rebuild or reconditioning. Military Departments will also propose substitutions when considered adequate to meet the purposes of MAP requirements.

(2) Acceptance, Allocation and Order.

(a) MAAGs may advise DSAA by message with information copy to United Command and appropriate Military Department of country acceptance or non-acceptance of the items or substitute items offered. Acceptance advice will be preceded, if necessary, by direct communication with the appropriate item manager regarding questions of condition, supportability, location, etc. MAAGs, by message, will indicate whether rebuild is desired.

(b) Upon receipt of country acceptance, DSAA will allocate transferrable assets to the various MAP recipients, submit program data, for the allocated items and notify Unified Command, Military Department, and MAAGs. In the event rebuild is desired, the programming data will accommodate the rebuild cost involved within the approved program level for the country concerned.

(c) DSAA will prepare and issue appropriate MAP Orders directing shipment of the allocated items.

(d) DSAA will release unallocated items to the cognizant Military Department for disposal.

(3) Redistributable MAP Property.

MILITARY ASSISTANCE AND SALES MANUAL—PART II

(a) Redistribution of end items excess to the requirements of a MAP recipient including ammunition, will be handled under the same allocation process as prescribed for MIMEX.

(b) The following procedures are established for redistribution of end items:

1. Redistribution between services in-country will continue as at present.

2. Assets reported by the MAAGs to the appropriate Military Department will contain the following information:

- a. Description of item
- b. Quantity available
- c. Location
- d. Condition
- e. Recommended disposition.

3. Military Departments will:

a. Utilize assets to the extent practical to meet current undelivered MAP requirements.

b. Report assets not utilized in accordance with paragraph a above to DSAA in accordance with MIMEX procedures, identifying them as MAP redistributable property and indicating those cases where it is recommended that the assets be allocated to meet U.S. force requirements.

4. MAAGs will advise DSAA of acceptance or non-acceptance as prescribed in paragraph (2) above. Punch source of supply code "R" in column 65 when submitting programming data to DSAA pursuant to allocation of MAP redistributable property.

5. DSAA will advise of allocation action taken and issue MAP Orders for allocated property as prescribed in paragraph (2) above.

(1) MAAGs in countries eligible for materiel grant aid desiring to obtain excess defense articles in the hands of PACOM DPDOs to meet defined, unfunded valid MAP requirements, including programmed requirements discussed para 5.c. above may submit a request for MAPEX release direct to DSAA.

(2) Procedures

(a) The MAAG identifies the requirement and locates the available item(s) re-

quests the Defense Property Disposal Office (DPDO) to hold the item(s) pending approval and, forwards a request for MAPEX release to DSAA utilizing message format containing data specified in paragraph (3) below.

(b) DSAA issues a MAPEX release order message to the pertinent DPDO, MAAG, information copy of United Command, cognizant logistics center, and the DPDO Regional Office authorizing release of shipment. DSAA submits program data (3 card) to the applicable logistics center as required.

(c) Requirements submission. Message requests for MAPEX release should reflect following:

1. Major Items:

- a. DPDO Control Number
- b. Offered NSN
- c. Nomenclature
- d. Quantity/Condition Code
- e. Acquisition Value
- f. Country Code/Program Originator
- g. Program MAPEL
- h. Program NSN
- i. Customer Code

2. Secondary Items:

- a. Program NSN
- b. Value (total value at standard stock price)
- c. Country Code/Program Originator
- d. Program MAPEL
- e. NSN/DPDO Control Number

(3) Authority to obtain non-reportable excess categories of materiel that have been reported to PACOM DPDOs under provisions of paragraph (1) above carries responsibilities for assuring:

(a) that materiel obtained is within approved policy for MAP support to the recipient country.

(b) that excessive operating and maintenance costs will not be generated as a result of acquiring this materiel.

(c) that necessary precautions will be taken to prevent unauthorized diversion of this materiel to purposes other than for

which intended at the time the release order was issued.

(d) DSAA will submit program data (3 card) to cognizant logistics center, and issue MAP Orders without funds to document the transaction.

(4) Delivery

(a) Military Departments will record delivery and maintain delivery records in customary method for MAP transactions.

(b) Materiel furnished at no cost to MAAP will be reported in terms of acquisition value.

(c) DSAA will furnish delivery data to MAAGs in the same fashion used for reporting deliveries against funded lines.

(5) Requests for authority to approve MAP/EX transactions outside the scope of the authority contained in paragraph (1) above will be submitted to DSAA for review on a case-by-case basis as an exception to policy. Such requests should indicate, in addition to basic information required paragraph (3) above, estimated proceeds from disposal sale, intended recipient and sufficient justification to support a defense decision.

6. Excess Defense Articles (EDA) General Programming Instructions

a. Major Items

(1) Major items will be programmed with the R&R cost, where applicable, in the line. If there is no R&R cost, program at zero MAP cost.

(a) If the item comes from overseas and is within the \$100 million exception, code M will be placed in Column 53. If the overseas item is not within the \$100 million exception, enter a P in Column 53.

(b) If the item comes from domestic sources, enter R in Column 53.

(2) For each major item programmed there must be a second line. The second line will be an actual value dollar line which contains the NSN and Generic Code of the major item but no quantity.

(a) These dollar lines corresponding to overseas EDA items covered by the \$100 million exception will contain code M in

Column 53 and Type of Assistance "T". Actual value funds will not be provided to the Military Departments for lines containing TA "T". When the \$100 million is totally expended we will discontinue use of TA "T" and enter P in Column 53.

(b) For domestic-generated items enter R in Column 53. Normal MAP Type of Assistance will be used.

(c) The actual value of the item(s) will be entered, both in the unit cost and total value fields.

(d) Where several items of varying value are programmed in the line, the average value may be used.

(3) Where possible, major item lines and actual value lines will be assigned consecutive RCNs.

(4) Reporting of Deliveries.

(a) Major items: When major items are delivered, 8 cards must be submitted showing the delivery against both RCNs. The actual value line should reflect a delivery of dollars equal to the actual value. The major item line should reflect the quantity delivered, acquisition value (CC 36-43) and R&R cost (CC 73-80) (this is no change from present practice). If delivery of an overseas-source item within \$100 million ceiling is made against a domestic source program, actual value funds shall be refunded to DSAA by the Military Department concerned.

(b) Secondary items:

1. If permission has been given to program a SS "E" dollar line, deliveries will be reported at standard stock price (CC 36-43) and at actual value (CC 73-80).

7. MAP Orders

a. Purpose

(1) The term "MAP Orders", is used to describe the document issued by DSAA which authorizes and directs the delivery of defense articles or the furnishing of defense services to designated MAP recipients. It also identifies the fund source for each program line. During FY 1978, a "7" will appear in column 71 to indicate funds carried over from the prior fiscal year. An "8" indicates

MILITARY ASSISTANCE AND SALES MANUAL—PART II

funding from the 1978 appropriation.

(2) MAP Order amendments are the documents used to delete, change or add new program lines to a MAP Order previously issued. Program (fiscal) year identification will be maintained throughout all phases of MAP execution. MAP Order amendments will be identified by program year with the original MAP Order being changed, and separate amendments will be issued for each program year involved. As used throughout this manual, the term "MAP Order" also refers to MAP Order amendments.

(3) MAP Orders will be issued for all items in the approved and funded MAP (i.e., materiel, training, construction, supply operations, administrative expense, etc.). All Orders will be produced from the ADPS master program file maintained by DSAA.

(4) Advice to a Unified Command or MAAG indicating that MAP Orders of MASF program directives have been issued and funded constitutes specific approval of the Director DSAA, in accordance with Para 8, Chapter C, Part I (Commitments), unless instructions to the contrary are contained in the advice or in other instructions issued by the Department of Defense or the Department of State. Such advice must not be construed, however, as a commitment to deliver the articles or services at the time indicated in the advice unless the advice specifically indicates that there is a U.S. commitment as to the delivery date.

b. MAP Order Procedure

(1) A separate MAP Order will be issued for each country or activity, and the MAP Order number will include the appropriate country/activity code (see Appendix A, Part I).

(2) The number assigned to MAP Orders and amendments thereto will be composed of:

- (a) Program Year.
 - (b) Implementing Agency.
 - (c) Country/Activity Code.
 - (d) Two-digit sequential numbers.
- (3) The initial MAP Order issued for

each country or activity for a given program (fiscal) year will be identified by sequential number 00. Subsequent MAP Orders for the program year will be issued as amendments to the initial MAP Order and will be number 01 through 99, followed by alpha-numeric numbers as necessary.

(4) EAM cards 5 or 6 for each program line will be furnished with MAP Orders issued to Military Departments. (EAM card R will be furnished also for program lines deleted by a MAP Order amendment). The format of cards 5 and 6 will be the same as that of cards 3 and 4 with the following modifications:

<i>Card Column</i>	<i>Modification</i>
1	Card Codes 5 and 6 will be substituted for Card Codes 3 and 4, respectively.
2-5	Record Control Number (RCN) will be shown.
6	Method of Funding Code will be shown in this column.
23-24	Unit of Issue.
55	Implementing Agency Code will be shown in this column on card 5 only.
58-59	MAP Order or MAP Order Amendment Number (MO) will be substituted for Unified Command Deferral Priority/Reman Training.
71	MAP appropriation used to fund transaction.

c. MAP Order Recipients

The recipient of a MAP Order and associated fund allocation is responsible for implementation of the Order, including accounting and fiscal reporting as prescribed by DOD Instruction 7290.1. The implementing agency will be identified in the MAP Order number. The implementing agency for each program line will be determined as follows:

(1) Materiel.

(a) Major Items.

1. MAP Orders for major items will be issued to the implementing agency designated by DSAA in coordination with OASD (MRA&L).

2. Subject to case-by-case exceptions to avoid jeopardizing necessary control over program exception, DSAA will apply

the following criteria in designating the implementing agency:

a. For all Investment (Cost Code I) items which are an integral part of a major weapons, electronics, or other selected system, the MAP Order will be issued to the Military Department which has been assigned DOD logistical management responsibility for the system as a whole. MAAGs will identify investment cost items programmed as integral parts of such systems by entering the appropriate systems identifier code in Column 70 of the cards 3 and P.

b. If the OSD has assigned wholesale inventory management responsibility for an item to a Military Department, the Order normally will be issued to that Department.

c. If the OSD has not assigned wholesale inventory management responsibility for an item to a Military Department the MAP Order normally will be issued to the U.S. counterpart of the recipient country using service.

(b) Dollar Value Lines.

1. Orders for dollar value lines with an assigned MILSTRIP routing identifier in the MASL will be issued in the same manner as a major item.

2. Orders for dollar value lines without an assigned MRI (i.e., footnote coded K) in the MASL will be issued to the Military Department represented by the first digit of the MILSTRIP routing identifier entered by the Unified Command in accordance with the instructions for footnote code K.

(c) Concurrent (Initial) Spare Parts (CSP).

1. MAP Orders for CSP program lines assigned the item identification number of the related major item will be issued to the same Military Department as the major item.

2. Orders for CSP program lines assigned a spare part item identification number will be issued in the same manner as other dollar value lines.

(d) Source of Supply Codes J, S, and T. Program lines identified with source of supply codes J (Logistical Center Japan), S (F104G Spares Depot), and T (Transfer) and excepted from the procedures described in paragraphs (a) and (b) above. MAP Orders will be issued as follows:

<i>Source of Supply</i>	<i>Implementing Agency</i>
J	Department of the Army.
S	Department of the Air Force.
T	Military Department holding the specified items in MAP-owned stockpiles (MAPOM account).

(2) Administration and Operational Support. MAP Orders for administration and operational support program lines will be issued to the Military Department assigned administrative agency responsibility for the area, country, or activity.

(3) Training. MAP Orders for training program lines will be issued to the Military Department providing the training except in the case of cross-service training. MAP Orders for entire cross-service training sequences will be issued to the Military Department providing the majority of the training.

(4) Construction. MAP Orders for construction program lines will be issued to the Military Department which has been designated as the construction agency for the country concerned. However, the construction agency will be responsible for coordinating country construction with the Military Department counterpart of the recipient country using service to assure that the facilities meet the operational requirements of the recipient country forces.

PROGRAM CHANGE/DEVIATION CARDS

CARD 3		CARD 4		CARD P		CARD Q		CARD R															
CARD CODE	1	CARD CODE	1	CARD CODE	1	CARD CODE	1	CARD CODE	1														
RECORD CONTROL NUMBER	2	BLANK	2	RECORD CONTROL NUMBER	2	RECORD CONTROL NUMBER	2	RECORD CONTROL NUMBER	2														
METHOD OF FUNDING	5	METHOD OF FUNDING	5	METHOD OF FUNDING	5	METHOD OF FUNDING	5	METHOD OF FUNDING	5														
ACTION CODE	6	ACTION CODE	6	ACTION CODE	6	ACTION CODE	6	ACTION CODE	6														
GROUP	7	GROUP	7	GROUP	7	GROUP	7	GROUP	7														
CLASS	8	CLASS	8	CLASS	8	CLASS	8	CLASS	8														
										NCB CODE	9	NCB CODE	9	NCB CODE	9	NCB CODE	9						
																		ITEM IDENT NUMBER	10	ITEM IDENT NUMBER	10	ITEM IDENT NUMBER	10
GENERIC CODE	20	GENERIC CODE	20	GENERIC CODE	20	GENERIC CODE	20	GENERIC CODE	20														
										COMMITMENT	21	COMMITMENT	21	COMMITMENT	21	COMMITMENT	21						
																		REASON CODE	22	REASON CODE	22	REASON CODE	22
STUDENT CODE	23	STUDENT CODE	23	STUDENT CODE	23	STUDENT CODE	23	STUDENT CODE	23														
										QUANTITY	24	QUANTITY	24	QUANTITY CHANGE	24	QUANTITY CHANGE	24						
PROGRAM ORIGINATOR	25	PROGRAM ORIGINATOR	25	PROGRAM ORIGINATOR	25	PROGRAM ORIGINATOR	25	PROGRAM ORIGINATOR	25														
										COUNTRY / ACTIVITY CODE	26	COUNTRY / ACTIVITY CODE	26	COUNTRY / ACTIVITY CODE	26	COUNTRY / ACTIVITY CODE	26						
CUSTOMER	29	DURATION	29	SPECIAL SUPPLY PROCED	29	DURATION	29	TYPE OF ASSISTANCE	29														
										SPECIAL SUPPLY PROCED	30	TYPE OF ASSISTANCE	30	TYPE OF ASSISTANCE	30								
MAP UNIT PRICE	31	MAP UNIT PRICE	31	MAP UNIT PRICE	31	MAP UNIT PRICE	31	MAP UNIT PRICE	31														
										COST CODE	32	COST CODE	32	COST CODE	32	COST CODE	32						
PROGRAM YEAR	33	PROGRAM YEAR	33	PROGRAM YEAR	33	PROGRAM YEAR	33	PROGRAM YEAR	33														
										MAP ELEMENT	34	MAP ELEMENT	34	MAP ELEMENT	34	MAP ELEMENT	34						
LEAD TIME	35	TRAVEL AND LIVING ALLOWANCE COST	35	LEAD TIME	35	TRAVEL AND LIVING ALLOWANCE COST	35	LEAD TIME	35														
										SPARE PARTS	36	STATUS	36	SPARE PARTS	36	STATUS	36						
COND/COM CONSUMABLES	43	COND/COM CONSUMABLES	43	COND/COM CONSUMABLES	43	COND/COM CONSUMABLES	43	COND/COM CONSUMABLES	43														
										COMM/ANCILLARY	44	COMM/ANCILLARY	44	COMM/ANCILLARY	44	COMM/ANCILLARY	44						
IMPLEMENTING AGENCY	45	IMPLEMENTING AGENCY	45	IMPLEMENTING AGENCY	45	IMPLEMENTING AGENCY	45	IMPLEMENTING AGENCY	45														
										BLANK	46	BLANK	46	BLANK	46	BLANK	46						
FUNDING PRIORITY	47	FUNDING PRIORITY	47	FUNDING PRIORITY	47	FUNDING PRIORITY	47	FUNDING PRIORITY	47														
										ISSUE PRIORITY	48	ISSUE PRIORITY	48	ISSUE PRIORITY	48	ISSUE PRIORITY	48						
RDD/MIMEX OFFER	49	WORKSHEET CONTROL NUMBER	49	RDD/MIMEX OFFER	49	WORKSHEET CONTROL NUMBER	49	RDD/MIMEX OFFER	49														
										SOURCE OF SUPPLY	50	SOURCE OF SUPPLY	50	SOURCE OF SUPPLY	50	SOURCE OF SUPPLY	50						
MILSTRIP ROUTING IDENTIFIER	51	EXECUTION AGENCY IDENTIFIER	51	MILSTRIP ROUTING IDENTIFIER	51	EXECUTION AGENCY IDENTIFIER	51	MILSTRIP ROUTING IDENTIFIER	51														
										CHANGE ORIGINATOR	52	CHANGE ORIGINATOR	52	CHANGE ORIGINATOR	52	CHANGE ORIGINATOR	52						
SYSTEM IDENTIFIER	53	AVAIL/REPORTING DATE	53	SYSTEM IDENTIFIER	53	AVAIL/REPORTING DATE	53	SYSTEM IDENTIFIER	53														
										FISCAL CODE	54	FISCAL CODE	54	FISCAL CODE	54	FISCAL CODE	54						
CRA	55	REQMTS, PRIORITY CODE	55	CRA	55	REQMTS, PRIORITY CODE	55	CRA	55														
										TOTAL COST	56	TOTAL COST	56	TOTAL COST CHANGE	56	TOTAL COST CHANGE	56						
TOTAL COST	57	TOTAL COST	57	TOTAL COST CHANGE	57	TOTAL COST CHANGE	57	TOTAL COST CHANGE	57														
										TOTAL COST	58	TOTAL COST	58	TOTAL COST CHANGE	58	TOTAL COST CHANGE	58						
TOTAL COST	59	TOTAL COST	59	TOTAL COST CHANGE	59	TOTAL COST CHANGE	59	TOTAL COST CHANGE	59														
										TOTAL COST	60	TOTAL COST	60	TOTAL COST CHANGE	60	TOTAL COST CHANGE	60						
TOTAL COST	61	TOTAL COST	61	TOTAL COST CHANGE	61	TOTAL COST CHANGE	61	TOTAL COST CHANGE	61														
										TOTAL COST	62	TOTAL COST	62	TOTAL COST CHANGE	62	TOTAL COST CHANGE	62						
TOTAL COST	63	TOTAL COST	63	TOTAL COST CHANGE	63	TOTAL COST CHANGE	63	TOTAL COST CHANGE	63														
										TOTAL COST	64	TOTAL COST	64	TOTAL COST CHANGE	64	TOTAL COST CHANGE	64						
TOTAL COST	65	TOTAL COST	65	TOTAL COST CHANGE	65	TOTAL COST CHANGE	65	TOTAL COST CHANGE	65														
										TOTAL COST	66	TOTAL COST	66	TOTAL COST CHANGE	66	TOTAL COST CHANGE	66						
TOTAL COST	67	TOTAL COST	67	TOTAL COST CHANGE	67	TOTAL COST CHANGE	67	TOTAL COST CHANGE	67														
										TOTAL COST	68	TOTAL COST	68	TOTAL COST CHANGE	68	TOTAL COST CHANGE	68						
TOTAL COST	69	TOTAL COST	69	TOTAL COST CHANGE	69	TOTAL COST CHANGE	69	TOTAL COST CHANGE	69														
										TOTAL COST	70	TOTAL COST	70	TOTAL COST CHANGE	70	TOTAL COST CHANGE	70						
TOTAL COST	71	TOTAL COST	71	TOTAL COST CHANGE	71	TOTAL COST CHANGE	71	TOTAL COST CHANGE	71														
										TOTAL COST	72	TOTAL COST	72	TOTAL COST CHANGE	72	TOTAL COST CHANGE	72						
TOTAL COST	73	TOTAL COST	73	TOTAL COST CHANGE	73	TOTAL COST CHANGE	73	TOTAL COST CHANGE	73														
										TOTAL COST	74	TOTAL COST	74	TOTAL COST CHANGE	74	TOTAL COST CHANGE	74						
TOTAL COST	75	TOTAL COST	75	TOTAL COST CHANGE	75	TOTAL COST CHANGE	75	TOTAL COST CHANGE	75														
										TOTAL COST	76	TOTAL COST	76	TOTAL COST CHANGE	76	TOTAL COST CHANGE	76						
TOTAL COST	77	TOTAL COST	77	TOTAL COST CHANGE	77	TOTAL COST CHANGE	77	TOTAL COST CHANGE	77														
										TOTAL COST	78	TOTAL COST	78	TOTAL COST CHANGE	78	TOTAL COST CHANGE	78						
TOTAL COST	79	TOTAL COST	79	TOTAL COST CHANGE	79	TOTAL COST CHANGE	79	TOTAL COST CHANGE	79														
										TOTAL COST	80	TOTAL COST	80	TOTAL COST CHANGE	80	TOTAL COST CHANGE	80						

ADDITION
(Materiel and services other than training)

ADDITION
(Training)

INCREASE/DECREASE / OTHER DATA
ELEMENT CHANGE
(Materiel and services other than training)

INCREASE/DECREASE / OTHER DATA
ELEMENT CHANGE
(Training)

DELETION

Figure F-1

CHAPTER G

MAP ADMINISTRATION AND SUPPORT COSTS

1. General

MAP administration and support costs, involving salaries and allowances, travel, rents, utilities, communications, printing, contractual services, supplies, equipment (including passenger and non-passenger vehicles), permanent change of station travel of civilian personnel, transportation of things, and temporary additional duty for the purpose of planning, development and management of MAP activities, etc. will be justified in this Chapter. These procedures apply to all costs in the following MAP budget projects:

- L10 Transportation Costs
- L20 Packing, Crating, Handling, Port Loading and Unloading Costs
- L30 Operations and Maintenance of MAP Installations
- L40 Storage and Maintenance of MAP Stockpiles
- L60 Logistics Management Expenses
- N40 MAAG and Command Training Support
- T10 Administrative Expenses, Departmental and Headquarters
- T20 MAAG Administrative Expenses

2. Responsibilities

a. The Military Departments have been assigned Administrative Agency responsibilities for Unified Command headquarters by DOD Directive 5100.3 subject: Responsibility for the Support of Headquarters of Unified and Specified Commands. The Military Departments have been assigned Administrative Agency responsibility for MAAG administration and operating support in accordance with DOD Directive 5132.3, subject: DOD Policy and Responsibilities Relating to Military Assistance, as follows:

(1) Department of the Army—The countries in the USCINCEUR and USCINCSO area of responsibility.

(2) Department of the Navy—The countries in the USCINCPAC area of responsibility.

b. Logistical support responsibilities of the Military Departments will be accomplished within the guidance of Department of Defense Directive 4000.19 (Revised), Basic Policies and Principles for Interservice and Interdepartmental Logistic Support.

c. MAAGs will review Joint Table of Allowance and other authorization documents annually. Revisions required to accommodate changes in operations will be submitted in accordance with AR 1-75/OPNAVINST 4900.31 Series/AFR 400-45.

d. Unified Commands will provide special instructions to MAAGs for the preparation and submission of budgets and financial plans/budget reviews as required. Budget estimates will be reviewed and approved by the Unified Command and forwarded through the cognizant Military Department to DSAA.

3. Military Assistance Program Semi-annual Review Cycle

a. Financial Plan/Budget Call. A "call" will be issued in mid-June and mid-January establishing submittal due dates and providing special instructions.

b. Semi-annual reviews will be conducted in mid-September and mid-March in accordance with instructions contained herein and will consider the Military Departments administrative and support requirements.

c. Annually, in mid-June, a "financial plan" will be issued for the coming fiscal year based on the semi-annual financial plan and budget year reviews of the current fiscal year.

MILITARY ASSISTANCE AND SALES MANUAL—PART II

d. The mid-September review of the Military Department Financial Plan/Budget submissions will serve to refine the "financial plan" issued the previous June. The budget year data contained therein will serve as a basis for preparing the President's budget.

e. The mid-March review of the Military Department Financial Plan/Budget submissions will provide a basis for finalizing the current year "financial plan" and will also serve as a basis for establishing the operating levels provided annually each June in the form of a "financial plan" in c above.

4. Development and Submission of Budget Estimates

a. Budget estimates submitted for the September review will be completed in accordance with instructions in Paragraph 6.

b. Budget estimates submitted for the March review will be modified in accordance with Paragraph 7.

c. Each Unified Command or other MAP funded activity will submit to the appropriate Military Department its MAP administration and support requirements for each MAAG, Command Headquarters, and other MAP funded activity on Formats B-21, B-22, B-23, B-24, B-25, B-31 and B-33. Submissions of subordinate activities should be reviewed by the Unified Commands and adjusted as necessary. Adjustments, if any, will be reflected on all applicable Formats. The Unified Command will also prepare Formats B-15 and B-16.

d. The Budget and Finance Division, DASD (Administration) and the Military Departments will:

(1) Develop departmental MAP administration and support requirements.

(2) Review and adjust, as necessary, the requirements submitted by Unified Commands and other subordinate activities. Adjustments, if any, will be reflected on all applicable Formats.

(3) Prepare and submit to the Comptroller, Defense Security Assistance Agency (DSAA), consolidated summaries of require-

ments (a) by grand total, on Formats B-21 and B-22; (b) by individual MAP funded activity totals, on Formats B-11, B-12 and B-14.

(4) Submit Formats B-21, B-22, B-23, B-24, B-25, B-31 and B-33, as approved, prepared by each applicable MAAG, MAP funded activity, and Command Headquarters; and Formats B-15 and B-16 prepared by the Unified Command.

5. General Instructions for Completion of Formats

a. In the heading, enter the date prepared, Budget Project number, and the MAP activity (MAAG, other MAP funded activity, Command Headquarters, Unified Command, Military Department, DASD (Administration), as applicable) preparing the estimates.

b. Report all dollar amounts in thousands to the nearest hundred dollars (e.g., report \$100,567 as \$100.6; \$447 as \$.4, etc.) except hourly aircraft costs shown on Format B-14, and supporting dollar amounts reported on Format B-23 which will be reported to the nearest dollar.

c. Administration and support requirements and related narrative justifications for each reporting MAP funded activity will be submitted on the applicable Formats in the following Budget Project groupings: T10, T20 and N40; L10; L20 and L60; L30; L40.

d. MAAG administrative and training support requirements will conform with the provisions of Joint Regulation AR 1-75/OP-NAVINST 4900-31C/AFR 400-45. Only personnel designated as MAP on the Joint Tables of Distribution (JTD) are funded under Budget Project T20. Non-MAP personnel providing administrative and logistical support to the MAAGs are funded by the parent organization or other appropriate agency having jurisdiction over authority, assignment and general supervision of positions occupied by such personnel. MAAGs may be required to reimburse other agencies for non-MAP administrative or logistical support, depending on the source and type

of support received. Guidance, as to types of support which reimbursement may be required, is contained in AR 1-75/OPNAV-INST 4900.31 Series/AFR 400-45.

6. Instructions Applicable to Individual Formats for September Financial Plan/Budget Review

a. Format B-21, Personnel and Related Compensation. (Required of each MAP activity indicated in Table 1.)

(1) Purpose. Show military, civilian, and foreign national personnel, as appropriate, in terms of numbers authorized, average permanent personnel, and number of personnel on board end of year; indicate total compensation for these personnel and for other personnel carried in a nonpermanent status.

(2) Preparation.

(a) Numbers of personnel. Enter for each Budget Project for the Prior Year (PY), Current Year (CY), and Budget Year (BY), in columns (c) through (k), as appropriate, the actual or estimated numbers of personnel corresponding to the line entries in column (a). In order to account for all personnel carried on the MAAG JTD, each MAAG will report non-MAP personnel, using columns (i), (j) and (k). Non-MAP personnel will not be reported on Format B-21 consolidated summary prepared by the Military Departments nor Format B-11, Number of Authorized and Average personnel. Man year equivalents will be substituted for actual personnel for those MAP activities where personnel chargeable to MAP is determined on a pro-rata or percentage basis.

(b) Costs. Enter for each Budget Project for the PY, CY, and BY in columns (c) through (k), actual or estimated costs corresponding to the line entries in column (a). Military personnel compensation should be determined in accordance with DOD Instruction 7220.25, subject: Standard Rates for Costing Military Personnel Services.

b. Format B-22, Costs by Object Classification. (Required of each MAP activity indicated in Table 1.)

(1) Purpose. This Format is used to summarize by object classification total requirements for the MAP activity and to indicate sources of funding and other available resources to meet the requirements.

(2) Preparation.

(a) Columns (c), (d) and (e). Enter for each Budget Project, as appropriate, the actual or estimated costs corresponding to the line entries in column (a).

1. "11 Personnel Compensation." Amounts to be entered opposite this line entry will be determined by taking the sum of civilian and local compensation reported for the same Budget Project, (e.g., columns (d) and (e), (g) and (h), or (j) and (k)) opposite line entry "Total Personnel Compensation" on Format B-21. Personnel compensation for non-MAP personnel will be reported in column (g). (See (c) below).

2. "25.2 Support of MAAG aircraft." Leave blank on individual MAAG submissions. Report on Military Department consolidated summary under Budget Project T20 only, except for periods for which actual costs are being reported. For projected periods, Comptroller, DSAA will determine split between Budget Projects T20 and N40 on the basis of U.S. administration and training personnel percentage relationships applied to MAP aircraft support costs for each MAAG. (See (c) below).

3. Other line entries are self-explanatory.

(b) Column (f) "Shared State Support." Enter as appropriate, the actual or estimated costs to be reimbursed at the Washington level for MAP support provided by the Department of State. The amount to be reported for the PY should be the MAAG's portion of Post Costs (Going Rate plus Increase/Decrease Requests) as agreed to through the last Increase/Decrease Request for that fiscal year, plus American salaries. The MAAG's share of American salaries for the PY can be approximated by applying the Form SAS-5 participation percentage to the Washington costs total, column (2) of Form SAS-5. (NOTE: Since the Washington costs

MILITARY ASSISTANCE AND SALES MANUAL—PART II

covering American salaries and annual differential are not included in Post Costs, many MAAG's have understated the amount of SAS costs attributable to their activity.) The above instruction also applies to the CY except that, in the absence of any later Increase/Decrease Request, the Going Rate for the applicable fiscal year submission will be used in determining MAAG share of Post Costs. To this amount, add American salaries computed for PY. Estimated costs for BY should be projected on the same basis as CY, taking into consideration MAAG population and mission, changes in level of support, etc.

(c) Column (g) "Support by Military Department." This column is used to furnish information on the level of support provided to Military Assistance activities by the Military Departments from service appropriations. In this column, report costs against the applicable object classes under which support is furnished to authorized MAP personnel and non-MAP personnel assigned to MAP activities without reimbursement from MAP funds. Personnel compensation for MAP military personnel and non-MAP personnel will be taken from applicable columns of Format B-21 in arriving at costs to be reported opposite line entry "11 Personnel Compensation." No amount will be reported opposite line entry 12.2. Opposite the remaining line entries in this column, enter the value of military department funded support furnished or to be furnished for each of the three fiscal years, to include the value of MAAG aircraft support not funded by MAP, PCS, medical and dental care, dependent schools, welfare and recreational activity, etc. (Note: MAAG aircraft support costs will be reported on Military Department consolidated summary only.)

(d) Column (h) "Assistance-in-Kind." This column is used to provide information on the types and value of support furnished by the host government as assistance-in-kind (AIK). Enter the dollar value of AIK furnished or to be furnished opposite the applicable line entries. Irrespective of the official rate of exchange in effect, AIK services will

be valued in accordance with the real purchasing power of the U.S. dollar for such services in the local economy (i.e., the actual dollar value of the assistance-in-kind). Equipment furnished as AIK will be valued at the estimated rental value in each year of use.

(e) Column (i) "Total Cost." Enter in this column opposite each line entry the total costs and support furnished MAP from all sources indicated in columns (c) through (h).

(f) Line entry "Total." Enter on this line column totals of all preceding line entries.

(g) Line entry "Contributed Foreign Currency." Enter on this line, by applicable Budget Project and other applicable columns, the dollar value of administration and support costs actually offset in PY (or estimated to be offset in CY and BY) by contributed foreign currency received from the host government. Refinement should be provided to the extent possible by each echelon in the budget channel. DOD Instruction 2110.31, subject: Contributions by Foreign Governments for Administrative and Operating Expenses of Military Assistance Programs (implemented by AR 37-33, OPNAVINST 4900.51 and AFR 170-11) provides additional guidance on foreign currency contributions.

c. Format B-23, Narrative Justification. (Required of each MAP activity indicated in Table 1).

(1) Purpose. Format B-23 is used to explain and justify all administration and support requirements for MAP funds projected on Format B-22.

(2) Preparation. Format B-23 will be prepared in narrative form and will provide a *thorough* and *detailed* explanation by object class, by applicable Budget Projects, for all MAP fund requirements reflected in Format B-22. *All major requirements within each object class must be clearly identified.* This narrative statement should include a description of new activities and additional requirements; personnel strength figures; workload

factors; costs of rents, leases, and other fixed charges; wage rate increases; overtime pay; civilian permanent change of station movements; temporary duty travel; and other data or factors that can be identified as specific reasons for changes in the budget estimates from the PY to the CY, and from the CY to the BY. Special emphasis should be placed on explaining increases in any object class over the preceding year. Statements should focus on what is needed, why it is needed, MAP dollar requirements to provide it, and the consequences on U.S. and MAP objectives if it is not provided. When factors are utilized in determining requirements, include a complete description of total workload, method of determining factors, assumptions used, and computations. Evidence must be provided that the requirements for direct MAP funds are net of those that can be met from other available resources and fund sources, to include Shared State Support, Assistance-in-Kind and support by Military Department appropriations.

(3) The following specific items will be covered in the narrative justifications relating to Budget Projects L1 ϕ , L2 ϕ , L3 ϕ , L4 ϕ , and L6 ϕ .

(a) Each MAP funded activity engaged in preparation of aircraft for aerial or surface delivery—crated or uncrated—or in the aerial delivery of aircraft will, in lieu of Format B-31, use Format B-23 to specify the type, quantity, and total cost of preparing aircraft for each of the modes of delivery, aerial, surface (crated), and surface (uncrated). The basis for determining cost shall be specified. Aerial delivery costs will be identified by object class.

(b) Parcel Post (LIE) fund requirements and the basis for their computation will be specified on Format B-23 in lieu of B-31.

(c) A narrative justification is required for each MAP funded activity requesting funds under budget sub-projects L1A, L1B, L2A or L6 ϕ . A narrative justification is also required of each military department covering its consolidated requirements for these projects. The consolidated narrative

should include any required explanation of Format B-31 relating to budget projects L1B and L2B and C.

1. L1A and C, and L2A. The individual narratives should identify the program basis for the information contained in the associated Format B-31. They should state briefly the logistical concept of MAP deliveries and the manner in which charges are incurred by MAP at the reporting activity. They should state the derivation of all factors used in the computation of fund requirements shown on associated Formats B-21 and 22 where charges to MAP appropriations are used to reimburse Military Department appropriations (as opposed to direct cite of MAP for transportation costs).

2. L1 ϕ and L2 ϕ . The consolidated narrative should explain the methods used in consolidating program data and fund requirements. It should explain particularly the basis for consolidated factors. It must provide complete information on the basis for development of costs for L1B, Ocean Transportation, and L2B and C, Port Loading and Unloading not covered in an individual narrative for a MAP funded activity. It should explain changes in delivery projections and cost factors from those contained in previous budget/financial plan submissions. Changes in delivery projections should be related to country program data shown on consolidated Format B-31.

3. L3 ϕ . The justification will indicate the number of houses supported by MAP by location.

4. L4 ϕ . The justification will indicate by location the general category and value of equipment in storage at the beginning and ending of year as well as transfers in and out.

5. L6 ϕ . Logistics management charges to MAP will be governed by provisions of DOD Directive 4000.19, Para VII, A and C and DODI 7510.4 paragraph VI B.

Each MAP funded activity will provide a brief narrative on the method of identifying MAP man years and relevant increase in costs. Changes in man year requirements within the MAP funded activity or within

major functional areas will be associated with changing program requirements or delivery levels or other manpower actions. The method of computing man year cost will be specified and changes in man year costs both for individual MAP funded activities and for consolidated military departments will be explained. The narrative will be supported by Format B-33 for each MAP funded activity and for consolidated military department requirements.

d. Format B-24, Passenger Vehicle Program (Required of each MAAG in Table 1).

(1) Purpose. To provide selected information on the numbers and procurement costs of passenger-carrying vehicles.

(2) Preparation.

(a) Opposite line 1, enter the number of MAP vehicles authorized by type as indicated on the latest approved Table of Allowance.

(b) Lines 3, 8, and 9. Enter the number of vehicles by type. Indicate with the symbol "(P)" the number of new MAP vehicle purchases; indicate with the symbol "(M)" the number transferred from other MAP sources, i.e., physically moved and/or involving an inventory change from one MAP activity to another MAP activity; and indicate with the symbol "(T)" the number transferred from non-MAP sources, i.e., physically moved and/or involving an inventory change from a non-MAP activity to a MAP activity. Whenever passenger-carrying vehicle purchases are not offset by passenger-carrying vehicle turn-ins for replacement from the same MAP activity, indicate by footnote the source of the turn-ins. Numbers reported opposite line 3 will represent those vehicles *physically* received during the prior year. These vehicles will also be included in Beginning Inv. CY, line 5. Numbers reported opposite lines 8 and 9 will take into account leadtime from date order is placed to fiscal year in which physical delivery is expected to take place. As a rule, vehicles ordered in one fiscal year will not be delivered until the next fiscal year and, if the order is placed late in the fiscal year, delivery possibly should not be projected until the second following fiscal

year.

(c) Line 4. Enter the number of vehicles by type *physically* eliminated from MAP inventories. Indicate with the symbol "(R)" the number disposed of as replacement turn-in for new vehicle purchases by any MAP activity; indicate with the symbol "(D)" the number disposed of, but not as replacement turn-ins for any new MAP procurement. (Note: Such vehicles can then be used by higher headquarters for replacement turn-ins by other MAP activity, if properly noted); indicate with the symbol "(M)" the number transferred to other MAP activity, i.e., physically moved and/or involving an inventory change from one MAP activity to another MAP activity; and indicate with the symbol "(T)" the number transferred to non-MAP activities, i.e., physically moved and/or involving an inventory change from a MAP activity to a non-MAP activity.

(d) Line 5. Enter the number of vehicles by type on hand at the beginning of the current year. Include all vehicles from whatever source available to the MAP activity. Host government AIK vehicles will be identified with the symbol "(H)"; military service-owned vehicles will be identified with the symbol "(S)".

(e) Line 6. Enter the number of MAP vehicles by type eligible for replacement, *as of date Format B-24 is prepared*, in accordance with DOD Instruction 4150.4.

(f) Lines 12, 15, 19 and 22. Enter the number of MAP vehicles by type recommended for procurement during the applicable year.

(g) Lines 13, 16, 20 and 23. Enter the total purchase price for the new MAP vehicles recommended for procurement. In computing new vehicle costs, do not include credits from the sale of old vehicles.

(h) A narrative statement should be included to explain the vehicle fleet age and condition and the basic vehicle replacement policy.

The following requirements apply to the purchase of MAP vehicles:

(1) MAP vehicles are for use outside

the U.S.

(2) All new MAP vehicles must be purchased in the U.S.

(3) MAP passenger-carrying vehicle purchases must be replacements for old MAP passenger-carrying vehicles turned in for disposal. MAP passenger vehicle procurement by one MAP activity can be based on vehicles turned in for disposal by another MAP activity *as long as the total inventory remains unchanged*. Non-MAP U.S. Government owned passenger-carrying vehicles may also be transferred to MAP inventory prior to disposal to meet this replacement turn-in requirement. (Note: Valid MAP passenger vehicle replacement turn-ins do not include (a) AIK vehicles, or (b) non-MAP U.S. Government vehicles transferred to another Government activity without disposal).

(4) Joint Regulation AF 58-1/OPNAV P44-2/AFM 77-1 applies to the use, management, and control of military assistance administrative use vehicles.

(5) The total number of MAP passenger vehicles on hand at the end of the fiscal year (a) will not exceed the total on hand at the beginning of the fiscal year without specific authority from the next higher echelon in the budget channel, and (b) will not exceed JTA authorizations. Furthermore, no passenger vehicles will be purchased in the CY by the MAAG or MAP activity until express approval has been provided by the administering Unified Command based on budgetary decisions of DSAA.

e. Format B-25, Non-Passenger Vehicle Program. (Required of each MAAG indicated in Table 1).

(1) Purpose. To provide selected information on the numbers and procurement costs of non-passenger-carrying vehicles.

(2) Preparation. Refer to preparation instructions for Format B-24.

f. Format B-11, Number of Authorized and Average Personnel. (Required of each Military Department).

(1) Purpose. Provide a recapitulation,

by MAAG and other MAP funded activity, of selected personnel data reflected on Format B-21 submitted by activities indicated in Table 1.

(2) Preparation.

(a) Column (a). List individual MAP activities reporting on Form B-21.

(b) Columns (c), (e), (g), (i), (k), (m), (o), (q), and (s) as applicable to MAP activity listed in column (a). Enter numbers reported opposite line entry "Authorized Personnel Positions" for the corresponding Budget Projects, in columns (c) through (h) of Format B-21. Non-MAP personnel will not be reported.

(c) Columns (d), (f), (h), (j), (l), (n), (p), (r) and (t) as applicable to MAP activity listed in column (a). Enter numbers reported opposite line entry "Average Permanent Personnel" in columns (c) through (h) of Format B-21. Non-MAP personnel will not be reported.

(d) Report totals for each column for PY, CY and BY.

g. Format B-12, Costs by Activity. (Required of each Military Department).

(1) Purpose. Provide a recapitulation, by MAAG and other MAP funded activity, of total requirements and to indicate non-MAP sources of funding and resources to meet these requirements.

(2) Preparation.

(a) Column (a). List individual MAP activity reporting on Format B-22, in the order indicated in Table 1 for applicable Military Department.

(b) Columns (c), (d), (e), (f), (h), (j), (k), as applicable to MAP activity listed in column (a). Enter amount reported opposite line entry "Total" in columns (c) through (i) of Format B-22.

(c) Column (1) for same MAP activity. Enter amount reported opposite line entry "Contributed Foreign Currency" in column (i) of Format B-22.

(d) In order to balance to Format B-22, consolidated summary prepared by the

MILITARY ASSISTANCE AND SALES MANUAL—PART II

Military Department, MAAG aircraft support costs will be reported as a separate line entry. MAP portion of costs will be reported under BP T20, except for actual periods; the remaining costs under column (h).

(e) Columns (g) and (i) are self-explanatory.

(f) Report totals for each column for PY, CY and BY.

h. Format B-14, MAAG Aircraft Support. (Required of each Military Department).

(1) Purpose. Provide a summary by MAAG, of aircraft support data.

(2) Preparation.

(a) Column (a). List MAAGs in the order indicated in Table 1 for those MAAGs for which aircraft and flying hours have been authorized. Name of MAAG must be repeated for each type of aircraft authorized.

(b) Column (c). Enter type of aircraft and indicate parenthetically whether aircraft is Army (A); Navy (N); or Air Force (AF).

(c) Column (d). Enter number of aircraft authorized.

(e) Column (e). Enter authorized flying hours for each type of aircraft indicated in column (c).

(f) Column (f). Enter cost for each flying hour reimbursable by MAP. Amount will not exceed fifty percent of the prescribed hourly rate or actual operating and maintenance costs as defined in Joint Regulations AR 1-75/OPNAVINST 4900.31C/AFR 400-45. Since Department of the Army has not established a standard flying hour rate for each type aircraft, amounts to be shown in this column will be computed on the basis of actual aircraft costs. (Note: Data requested in columns (c) through (e) are provided Military Departments and Unified Commands in annual authorization messages.)

(g) Column (g). Enter product of columns (e) and (f).

(h) Columns (h) through (k). Leave blank. For DSAA use only.

(3) A supporting Narrative Justifica-

tion containing detailed cost data for each country, by type aircraft based on authorized flying hours, will be required to permit DSAA to review the reasonableness of the computed MAP flying hour rates shown in column (f) for Army aircraft.

i. Format B-15, Passenger Vehicle Program by Activity. (Required of each Unified Command).

(1) Purpose. Permit Unified Command to make recommendations on MAAG purchases of new passenger-carrying vehicles.

(2) Preparation. Using three increments of \$30,000 each, complete columns (a) and (c) through (j), as applicable, showing in order of priority passenger vehicle purchases which should be allowed each MAAG. Label each \$30,000 increment as "first", "second", or "third" and total column for each increment.

j. Format B-16, Non-Passenger Vehicle Program by Activity. (Required of each Unified Command).

(1) Purpose. Permit Unified Command to make recommendations on MAAG purchases of new non-passenger-carrying vehicles.

(2) Preparation. Refer to preparation instructions for Format B-15. Use \$50,000 increments.

k. Format B-31.

(1) General. Separate Format B-31 is required for each budget subproject, L1A, Inland Transportation; L1B, Ocean Transportation; L1C, Air Transportation; L1D, Aerial Aircraft Deliveries (use Format B-23); L2A, Packing, Crating and Handling; L2B, Port Loading; L2C Port Unloading; L2D, Preparation of Aircraft (use Format B-23).

(2) Purpose. Used as a supporting document to Format B-22. It provides detailed information on the MAP delivery program used to develop fund requirements for the current and budget year for the transportation of MAP material to recipient countries.

(3) Preparation. Format B-31 will be

completed for each MAP funded activity initiating MAP shipments. A consolidated Format B-31 will be completed by each military department recapitulating all MAP funded activities. This consolidated delivery data will be supported by a MAP recipient country distribution schedule in the format of line entry 1a. through f.

1. Format B-33, Logistics Management Personnel Distribution.

(1) Purpose. Used to provide information on man years charged to MAP as Logistics Management Expense (L60).

(2) Preparation.

(a) In column (a), list functional activities within the MAP funded activity for which there are relevant increases in costs within the meaning of DOD Directive 4000.19, and DODI 7510.4.

(b) In column (b) provide the number of man years charged directly to MAP funds on civilian pay rolls.

(c) In column (c) provide the number of man year equivalents reimbursed to the military department for relevant cost increases.

(d) In column (d) above the total man year/man year equivalent charged to MAP

L60.

7. Instructions Applicable to Formats for March Financial Plan/Budget Review

For the March Financial Plan Review, preparation of forms will be as prescribed in Paragraph 6, modified as follows:

a. Formats B-11, B-12, B-21 and B-22. In column (b), change PY to read December 31. Report cumulative data for December 31 (CY), June 30 (CY) and June 30 (BY).

b. Format B-14. Report cumulative data for CY and BY only.

c. Format B-15, B-16, B-24 and B-25. Not required.

d. Format B-31.

(1) Columns (a) and (b). Leave blank.

(2) Column (c). Enter total actual deliveries, costs, etc. through December 31 of current year.

(3) Columns (d) and (e). Enter cumulative data for third and fourth quarter.

(4) Column (f). Enter estimated deliveries, costs, etc. for budget year.

MILITARY ASSISTANCE AND SALES MANUAL—PART II

TABLE I

PREPARING ACTIVITIES OF MAP FORMATS

ACTIVITY	FORMATS B—			
	21 22 23 24 25	11 12 14	15 16	31 33
ARMY:				
Department of Army (consolidated) All Budget Projects	X	X		X
DCSLOG	X			
DCSOPS	X			
COA	X			
ACSFOR	X			
ACSI	X			
TPMG	X			
TSG	X			
FINCISCOM	X			
Office, Secretary of the Army	X			
Hq. USCINCEUR	X		X	
Hq. USCINCSOUTH	X		X	
Bellux	X			
Denmark	X			
France	X			
Germany	X			
Greece	X			
Italy	X			
Libya	X			
Morocco	X			
Netherlands	X			
Norway	X			
Portugal	X			
Spain	X			
Tunisia	X			
Turkey	X			
Dominican Republic	X			
Peru	X			
Zaire	X			
Ethiopia	X			
Iran	X			
Jordan	X			
Liberia				
Nigeria	X			
Saudi Arabia	X			
Army Materiel Command & funded subord. activities	X			X
Hq. USCONARC	X			
Hq. USARPAC	X			X
Hq. USAREUR	X			X
NAVY:				
Department of Navy (consolidated) all Budget Projects	X	X		X
CNO	X			
NAVAIR	X			
NAVELEX	X			
NAVORD	X			
NAVSHIPS	X			
NAVSEC	X			

TABLE I—Continued

PREPARING ACTIVITIES OF MAP FORMATS—Continued

ACTIVITY	FORMATS B—			
	21 22 23 24 25	11 12 14	15 16	31 33
NAVY (cont'd.)				
NAVSUP -----	X			
NAVPERS -----	X			
Hq. Marine Corps -----	X			
Hq. CINCPAC -----	X		X	
Burma -----	X			
Cambodia -----	X			
China -----	X			
Indonesia -----	X			
Japan -----	X			
Korea -----	X			
Philippines -----	X			
India -----	X			
Pakistan -----	X			
Naval Aviation School -----	X			
CINCPACFLT -----	X			
Intl. Logistics Control Office, Bayonne -----	X			X
ICP, Aviation Supply Office -----	X			
ICP, ELEX Supply Office -----	X			
ICP, Ship Parts Control Center -----	X			
Fleet Material Support Office -----	X			
Training Aids Center, New York -----	X			
Training Aids Center, California -----	X			
Training Device Center, Florida -----	X			
AIR FORCE:				
Department of Air Force (consolidated) All Budget Projects -----	X	X		X
Hq. USAF -----	X			
Hq. AFLC & funded subordinate activities -----	X			X
Hq. Command, USAF -----	X			
USAFPAC -----	X			X
USAFE -----	X			X
Air Training Command -----	X			
Air Force Systems Command -----	X			
Tactical Air Command -----	X			

MILITARY ASSISTANCE PROGRAM BUDGET ESTIMATE FORMAT B-11 Number of Authorized and Average Personnel								DATE PREPARED				CONSOLIDATED SUMMARY							
ACTIVITY (a)	FISCAL YEAR (b)	BUDGET PROJECT						BUDGET PROJECT				BUDGET PROJECT							
		MILITARY		CIVILIAN		LOCAL		MILITARY		CIVILIAN		LOCAL		MILITARY		CIVILIAN		LOCAL	
		AUTH.	AVG.	AUTH.	AVG.	AUTH.	AVG.	AUTH.	AVG.	AUTH.	AVG.	AUTH.	AVG.	AUTH.	AVG.	AUTH.	AVG.	AUTH.	AVG.
		(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	PY																		
	CY																		
	BY																		
	PY																		
	CY																		
	BY																		
	PY																		
	CY																		
	BY																		
	PY																		
	CY																		
	BY																		
	PY																		
	CY																		
	BY																		

MILITARY ASSISTANCE PROGRAM BUDGET ESTIMATE FORMAT B-12 Costs by Activity				DATE PREPARED			CONSOLIDATED SUMMARY				
ACTIVITY.	FISCAL YEAR	BASIC OPERATING COSTS			SHARED STATE SUPPORT	TOTAL MAP COST	SUPT. BY MIL. DEPT.	TOTAL U.S. COST	AIK	TOTAL COST	CONTRIB. CURR.
		BP _____	BP _____	BP _____							
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PY										
	CY										
	BY										
	PY										
	CY										
	BY										
	PY										
	CY										
	BY										
	PY										
	CY										
	BY										
	PY										
	CY										
	BY										
	PY										
	CY										
	BY										

MILITARY ASSISTANCE PROGRAM BUDGET ESTIMATE FORMAT B-14 MAAG Aircraft Support				DATE PREPARED			CONSOLIDATED SUMMARY			
MAAG	FISCAL YEAR	TYPE OF AIRCRAFT	NO. A/C AUTHORIZED	AUTHORIZED HOURS	MAP HOURLY RATE	MAP COSTS	BUDGET PROJECT T20		BUDGET PROJECT N40	
							ADMIN %	COSTS	TRAINING %	COSTS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	PY									
	CY									
	BY									
	PY									
	CY									
	BY									
	PY									
	CY									
	BY									
	PY									
	CY									
	BY									
	PY									
	CY									
	BY									
	PY									
	CY									
	BY									

MILITARY ASSISTANCE PROGRAM BUDGET ESTIMATE FORMAT B-15 Passenger Vehicle Program by Activity				DATE PREPARED		UNIFIED COMMAND SUMMARY			
MAAG	TYPE OF VEHICLE	CY PROCUREMENT				BY PROCUREMENT			
		BP T20		BP N40		BP T20		BP N40	
		NUMBER	COST	NUMBER	COST	NUMBER	COST	NUMBER	COST
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	Sedans								
	St Wgns								
	Buses								
	Other								
	Sedans								
	St Wgns								
	Buses								
	Other								
	Sedans								
	St Wgns								
	Buses								
	Other								
	Sedans								
	St Wgns								
	Buses								
	Other								
	Sedans								
	St Wgns								
	Buses								
	Other								

MILITARY ASSISTANCE PROGRAM BUDGET ESTIMATE FORMAT B-16 Non-Passenger Vehicle Program by Activity				DATE PREPARED		UNIFIED COMMAND SUMMARY			
MAAG	TYPE OF VEHICLE	CY PROCUREMENT				BY PROCUREMENT			
		BP T20		BP N40		BP T20		BP N40	
		NUMBER	COST	NUMBER	COST	NUMBER	COST	NUMBER	COST
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	¼ T Truck								
	½ T Truck								
	¾ T Truck								
	1 T Truck								
	1½ T Truck								
	2 T Truck								
	5 T Truck								
	Carryall								
	Fire Truck								
	Ambulance								
	Other								
	¼ T Truck								
	½ T Truck								
	¾ T Truck								
	1 T Truck								
	1½ T Truck								
	2 T Truck								
	5 T Truck								
	Carryall								
	Fire Truck								
	Ambulance								
	Other								
	¼ T Truck								
	½ T Truck								
	¾ T Truck								
	1 T Truck								
	1½ T Truck								
	2 T Truck								
	5 T Truck								
	Carryall								
	Fire Truck								
	Ambulance								
	Other								

FORMAT B-16

MILITARY ASSISTANCE PROGRAM BUDGET ESTIMATE FORMAT B-21 Personnel and Related Compensation			DATE PREPARED			COUNTRY, ACTIVITY OR CONSOLIDATED SUMMARY				
DESCRIPTION	FISCAL YEAR	BUDGET PROJECT			BUDGET PROJECT			BUDGET PROJECT		
		MIL	CIV	LOCAL	MIL	CIV	LOCAL	MIL	CIV	LOCAL
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Authorized Personnel Positions	Nos. PY CY BY									
Average Permanent Personnel	Nos. PY CY BY									
Number Personnel— End of Year	Nos. PY CY BY									
Average Permanent Personnel	\$ PY CY BY									
Positions Other than Permanent	\$ PY CY BY	XXXX			XXXX			XXXX		
Regular Pay Above 52 week Base	\$ PY CY BY	XXXX			XXXX			XXXX		
Overtime & Holiday Pay	\$ PY CY BY	XXXX			XXXX			XXXX		
Terminal Leave Payments	\$ PY CY BY	XXXX		XXXX	XXXX		XXXX	XXXX		XXXX
Total Personnel Compensation (Carry Forward to OC 11, Format B-22a)	\$ PY CY BY									

MILITARY ASSISTANCE PROGRAM BUDGET ESTIMATE Format B-22a Costs by Object Classification			DATE PREPARED			COUNTRY, ACTIVITY OR CONSOLIDATED SUMMARY		
DESCRIPTION	FISCAL YEAR	BASIC OPERATING COSTS			SHARED STATE SUPPORT	SUPPORT BY MIL. DEPT.	ASSISTANCE-IN-KIND	TOTAL COST
		BP	BP	BP				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
11 Personnel Compensation	PY				XXXXX			
	CY				XXXXX			
	BY				XXXXX			
12.1 Personnel Benefits—Civilian Personnel	PY				XXXXX		XXXXX	
	CY				XXXXX		XXXXX	
	BY				XXXXX		XXXXX	
12.2 Personnel Benefits—Military Personnel	PY				XXXXX	XXXXX	XXXXX	
	CY				XXXXX	XXXXX	XXXXX	
	BY				XXXXX	XXXXX	XXXXX	
13 Benefits for Former Personnel (Severance Pay)	PY				XXXXX		XXXXX	
	CY				XXXXX		XXXXX	
	BY				XXXXX		XXXXX	
21.1 TDY Travel & Transportation	PY				XXXXX			
	CY				XXXXX			
	BY				XXXXX			
21.2 PCS Travel & Transportation	PY				XXXXX			
	CY				XXXXX			
	BY				XXXXX			
22 Transportation of Things	PY				XXXXX			
	CY				XXXXX			
	BY				XXXXX			
23 Rent, Communications & Utilities	PY				XXXXX			
	CY				XXXXX			
	BY				XXXXX			
24 Printing & Reproduction	PY				XXXXX			
	CY				XXXXX			
	BY				XXXXX			

FORMAT B-22a

MILITARY ASSISTANCE PROGRAM BUDGET ESTIMATE FORMAT B-22b Costs by Object Classification			DATE PREPARED		COUNTRY, ACTIVITY OR CONSOLIDATED SUMMARY			
DESCRIPTION (a)	FISCAL YEAR (b)	BASIC OPERATING COSTS			SHARED STATE SUPPORT (f)	SUPPORT BY MIL. DEPT. (g)	ASSISTANCE-IN-KIND (h)	TOTAL COST (i)
		BP	BP	BP				
		(c)	(d)	(e)				
25.1 Other Services	PY							
	CY							
	BY							
25.2 Support of MAAG Aircraft	PY				XXXXX			
	CY				XXXXX			
	BY				XXXXX			
26 Supplies and Materials	PY				XXXXX			
	CY				XXXXX			
	BY				XXXXX			
31.1 Passenger-Carrying Vehicles	PY				XXXXX			
	CY				XXXXX			
	BY				XXXXX			
31.2 Non-Passenger Carrying Vehicles	PY				XXXXX			
	CY				XXXXX			
	BY				XXXXX			
31.3 Other Equipment	PY				XXXXX			
	CY				XXXXX			
	BY				XXXXX			
Total	PY							
	CY							
	BY							
Contributed Foreign Currency	PY						XXXXX	
	CY						XXXXX	
	BY						XXXXX	

FORMAT B-22b

MILITARY ASSISTANCE PROGRAM BUDGET ESTIMATE FORMAT B-23 Narrative Justification	BUDGET PROJECTS	DATE PREPARED	COUNTRY, ACTIVITY OR MILITARY DEPARTMENT

MILITARY ASSISTANCE PROGRAM BUDGET ESTIMATE FORMAT B-24 Passenger Vehicle Program			DATE PREPARED	COUNTRY
DESCRIPTION	SEDANS	ST. WAGONS	BUSES	OTHER
(a)	(b)	(c)	(d)	(e)
1. JTA Authority				
2. PY Activity:	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
3. Acquisitions				
4. Disposals				
5. Beginning Inv. CY				
6. Eligible for Replace.				
7. Scheduled for Delivery	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
8. Current Year				
9. Budget Year				
10. Procurement—CY:	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
11. BP T20	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
12. Number				
13. Cost				
14. BP N40	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
15. Number				
16. Cost				
17. Procurement—BY:	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
18. BP T20	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
19. Number				
20. Cost				
21. BP N40	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
22. Number				
23. Cost				
Remarks				

MILITARY ASSISTANCE PROGRAM BUDGET ESTIMATE FORMAT B-25 Non-Passenger Vehicle Program						DATE PREPARED				COUNTRY		
DESCRIPTION	¼ T TRUCK	½ T TRUCK	¾ T TRUCK	1 T TRUCK	1½ T TRUCK	2 T TRUCK	2½ T TRUCK	5 T TRUCK	CARRYALL	FIRE TRUCK	AMBU-LANCE	OTHER
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1. JTA Authority												
2. PY Activity:	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
3. Acquisitions												
4. Disposals												
5. Beginning Inv. CY												
6. Eligible for Replace.												
7. Scheduled for Delivery	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
8. Current Year												
9. Budget Year												
10. Procurement—CY:	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
11. BP T20	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
12. Number												
13. Cost												
14. BP N40	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
15. Number												
16. Cost												
17. Procurement—BY:	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
18. BP T20	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
19. Number												
20. Cost												
21. BP N40	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
22. Number												
23. Cost												
Remarks												

MILITARY ASSISTANCE PROGRAM BUDGET ESTIMATE FORMAT B-31 Forecast of Grant Aid Deliveries		BUDGET PROJECT LOO	DATE PREPARED			MILITARY DEPARTMENT	COUNTRY, ACTIVITY OR CONSOLI- DATED SUMMARY
ITEM DESCRIPTION	ACTUAL PY	QUARTERLY CUMULATIVE DELIVERIES CY				ESTIMATE BY	
		1ST QTR	2ND QTR	3RD QTR	4TH QTR		
	(a)	(b)	(c)	(d)	(e)	(f)	
1. Total Grant Aid Deliveries During the Period							
a. Reimbursable .002							
b. Direct Cite .001							
c. Excess							
d. Barter							
e. To MAPOM							
f. Transfers (from _____)							
2. Deliveries not Requiring _____ Funds							
a. Reimbursable .002							
b. Direct Cite .001							
c. Excess							
d. Barter							
e. To MAPOM							
f. Transfers							
g. Total Deliveries not Requiring _____ Funds							
3. Total Deliveries Requiring _____ Funds							

MILITARY ASSISTANCE PROGRAM BUDGET ESTIMATE FORMAT B-33 Logistics Management Expense Personnel Distribution			BUDGET PROJECT L60	DATE PREPARED			ACTIVITY OR CONSOLIDATED SUMMARY		
DESCRIPTION OF FUNCTIONAL SUPPORT FOR MAP *	PY			CY			BY		
	DIRECT CITATION M/Y	REIMBURS- ABLE M/Y	TOTAL M/Y	DIRECT CITATION M/Y	REIMBURS- ABLE M/Y	TOTAL M/Y	DIRECT CITATION M/Y	REIMBURS- ABLE M/Y	TOTAL M/Y
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Logistics Planning Procurement Supply Management Systems Management Maintenance Management Comptroller									

* Items listed are illustrative.

FORMAT B-33

CHAPTER H

FUNDING OF PROGRAMS

1. Financial Resources

There are five sources of funds available to finance the Military Assistance program. These are: annual MAP appropriation, unobligated balances continued available (re-appropriations), reimbursement from sale of MAP-owned defense articles (MAP inventory of disposable property returned from recipient countries), recoupments from prior year funds, and transfer from other appropriations. In addition to the above funding sources, Section 506 of the Foreign Assistance Act of 1961, as amended, provides that up to \$300,000,000 of defense articles in Defense Department stocks may be used for Military Assistance purposes without charge to the current Military Assistance appropriation, upon determination by the President that such use is vital to the Security of the United States. Reimbursement from subsequent appropriations available for Military Assistance is authorized. While not a funded program, assistance-in-kind (AIK) represents an asset of considerable importance. AIK represents rent free housing and office space, services, utilities, and minor equipments provided to the U.S. by certain countries under terms of bilateral agreements. Other resources which are available to meet MAP requirements are: MAP assets, DOD stocks excess to the approved force acquisition objective, and redistributable MAP property.

2. Annual Appropriations

Military Assistance funds are appropriated to the President of the United States. The President, by Executive Order #10973, delegates the authority and responsibility for their administration to the Secretary of De-

fense. Therefore, while the Military Assistance appropriation is not a part of the DOD budget, the program and its budgeting, funding, and financial administration are generally subject to the same controls and regulations as are all Defense Department appropriations.

In recent years, Congress has not passed an appropriation act before the beginning of the fiscal year. In order that normal operations may continue, however, Congress passes a "Joint Resolution" making continuing appropriations until the annual appropriation is available. Joint, or "continuing resolutions," make funds available and authorize their use to finance continuing projects or activities conducted in the prior fiscal year at the current rate, or the rate prescribed in the budget request. However, implementation of new projects or activities is not authorized.

3. Reappropriations

At the end of each fiscal year, amounts of direct citation funds allocated to the Military Departments and the State Department remain unobligated on 30 June. In addition, unused funds result from recoupments which are generated too late in the fiscal year for application to the current year program. Those MAP funds which are not reserved or obligated during the fiscal year are customarily continued available (reappropriated) by the Congress for use in the subsequent fiscal year.

4. Reimbursements

Section 605(a) of the Foreign Assistance Act of 1961, as amended, allows transfer of defense articles, the procurement of which was financed with MAP funds, to an agency

MILITARY ASSISTANCE AND SALES MANUAL—PART II

of the U.S. Government in lieu of being disposed of to a foreign government or international organization. Proceeds resulting from transfer of defense articles to a U.S. Government agency are deposited to the current MAP appropriation.

Section 605(d) of the Foreign Assistance Act of 1961, as amended, authorizes the crediting of funds realized from the sale of defense articles returned to the U.S. by a recipient country or international organization, to the appropriation fund, or account used to procure such defense articles.

5. Recoupments

During each fiscal year, the downward adjustment or cancellation of outstanding MAP Orders in prior year accounts generates a source of additional funds for the current year operations. The recoupments fall into two categories: (1) recurring transactions, such as price adjustments and cancellations of unrequisioned balances; and (2) nonrecurring items, such as cancellations, for political reasons, of entire country undelivered balances, cancellation of weapons systems, and similar one-time transactions. Excluded from recoupments are those deletions/deferrals from prior years which are used to fund increases in prior years' programs (see chapter F). Also excluded from recoupments are changes to the current year funded programs, i.e., reprogramming actions which do not augment new obligational authority for the current year.

6. Transfers

Section 610 of the Foreign Assistance Act of 1961, as amended, provides the President with authority to transfer up to 10% of the funds available under any section of the act to meet the requirements of another section of the act, provided that the total provision for the benefit of which the transfer is made shall not be increased by more than 20% of the amount of funds made available under the account. Thus, the President can trans-

fer up to 10% of the funds available for economic assistance to military assistance, provided the military assistance funds are not increased by more than 20%. Conversely, he may transfer funds from military assistance to the economic assistance programs, thereby reducing resources available to the Military Assistance Program.

7. Administrative Authority

Financing, funding, accounting, and fiscal reporting for the Military Assistance Grant Aid Program will be as prescribed by Department of Defense Instruction 7290.1, dated 22 June 1970, as amended. This chapter provides a general explanation of funding policy and procedures, and the relationship of fund availability and allocations to the documents (MAP Orders) which authorize the supply of particular items or performance of particular services.

8. Method of Fund Reservation

There are two basic methods used in the reservation of funds in the Military Assistance Program. These are (1) by Direct Obligation, and (2) by Section 108 Reservation. The description of these methods in paragraphs a and b below is a general explanation; the actual governing regulation is DOD Instruction 7290.1.

a. Direct Obligation or Direct Citation

These terms refer to the procedure used throughout the Government, wherein funds are cited directly on contracts, purchase orders, etc. Generally, the direct citation (direct obligation) procedure is used for items of materiel which are to be procured offshore and for most services provided to MAP including administration. It may also be used for procurement of special MAP materiel (not procured for, owned by, or used by any Military Department) when the implementing Military Department so determines, in accordance with established procedures. MAP requirements for direct obligation are funded under appropriation limitation suffix symbol .001 and .003.

Individual transactions for which obligations are made on a direct citation basis are accounted for by the Military Departments in accordance with regularly established procedures; that is, (fiscal) commitments at the time of issuance of procurement directives or related documents, obligations at the time contracts or other obligating documents are consummated, and disbursements at the time payments are made in accordance with regular disbursing procedures.

b. Section 108 Reservation

This term describes the method of funds authorized by Section 108, Public Law 208, 84th Congress, Mutual Security Appropriation Act, 1956, as amended. The Section 108 Reservation procedure is used for items to be supplied by the Military Departments subject to reimbursement from MAP to service appropriations. The Section 108 Reservation portions of MAP Orders are funded under appropriation limitation symbol .002. (Source of Supply Codes E, K, L, and R identify items funded by this method.) Under the Section 108 Reservation procedure, procurement is financed initially by the regular military appropriations or stock funds in anticipation of reimbursement at time of delivery. Obligations of MAP funds are recorded, and MAP expenditures and subsequent reimbursements are made to the Military Department upon delivery of the goods or performance of services.

9. MAP Order Funding

a. The Military Departments choose the method of funding (.001 or .002) to be used in financing items of materiel and related services (e.g., modification, rehabilitation, repair) to be performed in support of the materiel program when certain prescribed conditions are met. The normal method for indicating this choice is for the agency having primary supply cognizance over an item to enter the proper Source of Supply Code in the MASL in accordance with the instructions in Chapter H, Part I. For example, if the Military Department considers that a materiel item normally would meet the cri-

teria for direct citation (.001) funding under Source of Supply Code "I", such coding in the MASL will be submitted over the signature of the Assistant or Under Secretary of the Military Department concerned.

b. Limitation .002 (Section 108 Reservation) funds will be allocated to the implementing agency for all materiel and related service lines which are source coded E, K, or L.

c. Limitation .001 (direct citation) funds will be allocated to the implementing agency for all materiel and services lines which are source coded "O" "N", or "I".

d. Limitation .003 funds will be allocated to the implementing agency for programs in Budget Activity T00 (Administration).

e. Foreign currency will be allocated to the implementing agency for all program lines source coded "F".

f. Except to the extent necessary for repair, rehabilitation, or modification of the items, no funds will be allocated for MAP-owned assets (Source of Supply Codes B, J, or S) or redistributable assets (Source of Supply Code R) applied to satisfy MAP Order requirements. The same rule applies for items to be supplied from DOD excess stocks located overseas (Source of Supply Code E and M in card column 53). When an allocation of funds is necessary for such items, it is made under limitation .002.

10. Allocations of Funds

DSAA will allocate MAP funds to each implementing agency on the basis of MAP Orders and Amendments issued to the implementing agency, in an amount equal to the cumulative total cost of funded lines outstanding for each implementing agency.

11. Special Authorization

Programmed items requiring special authorization will not be included in MAP Orders until DSAA has obtained the necessary certification or determination. Examples of such special authorization are: Off-shore procurement certificates required by DOD

MILITARY ASSISTANCE AND SALES MANUAL—PART II

Directive 2125.1 for the procurement off-shore of supplies and services, Presidential Determinations required by the Foreign Assistance Act of 1961, as amended, Secretary of State Determinations, and other legislative restrictions.

12. Continuing Resolution Authority

a. Recognizing that many requirements are of a continuing nature and cannot be suspended at the end of the fiscal year, limited funds may be obligated against the appropriation for the new fiscal year under joint or Continuing Resolution authority granted by Congress in lieu of a regular

appropriation. Line items usually requiring complete or partial funding under Continuing Resolution Authority (CRA) are: Essential construction, contract technicians, repair and rehabilitation projects in progress, ship-building carry-over, spare parts and other consumables, training, and administrative and operational support costs.

b. Program lines requiring CRA funding are identified by appropriate coding (Part I, Appendix A, para 11) in program submissions from the MAAG. Beginning normally in October, DSAA will issue MAP Orders for authorization and financing of these continuing operations within the limits of available obligational authority.

CHAPTER J

MAP REPORTS

1. Purpose

The purpose of this chapter is to provide users of the MAP data system with a description of the various reports which can be produced from the system and to outline the procedure to be used when requesting such reports.

2. Structure of the MAP Data Base

The reports discussed herein (other than weekly update products) may be drawn from any of the following files:

a. Master Program File which includes a record of all MAP programs cumulative thru PY 63 and program data for PY 64 and each subsequent year up through the budget year. Also included are MASF programs for Laos, Thailand, and Vietnam.

b. MAP Delivery File which consists of all records from the Master Program File which have been completely delivered or which have a partial delivery recorded. Also included are MAP deliveries for the period 1950-1963. This file is updated once a quarter.

c. Excess Delivery File which contains all records from the Master Program File for which the Military Departments have reported an excess delivery. These lines are, however, listed at acquisition cost rather than MAP cost. This file is updated once a quarter.

d. Excess Program File which contains all records from the Master Program File which have a source of supply E or R. These lines are, however, listed at acquisition cost rather than MAP cost. This file is updated weekly.

3. Categories of MAP Reports

a. Weekly Update Products

b. Item Detail Listings

c. Summaries by Category

- (1) Cost and Program Originator Summary
- (2) Selected Item Summary
- (3) Programs and Performance
- (4) Status of Programs
- (5) Status of Deliveries

d. Country Summaries

- (1) Country Generic Group Summary by Program Originator
- (2) Funding Status Summary
- (3) Country Program Summary
- (4) Country Cost Summary by Program Originator
- (5) Country Fiscal Summary
- (6) Cost Summary by Country and Program Year
- (7) Program Summary by Country and Program Year

e. Other Summaries

- (1) MAP Student Count
- (2) Training Summary by Implementing Agency and Generic Code
- (3) MAP Budget Project Summary

4. Requests for MAP Reports

a. Requests for MAP reports described in this chapter will be honored by DSAA if a valid requirement is established for the report requested. Requesting agencies should insure that requirements are carefully screened prior to submission. In those instances where assistance is required in selecting proper reports, telephone or writ-

ten inquiries will be given prompt attention by the Data Management Division of the DSAA Comptroller.

b. All requests for reports should be submitted to DSAA, ATTN: Data Management Division. Each request must specify the report(s) desired and the specific sort or select option(s) required by the individual user. Requests which do not contain sufficient justification and identifying data will be returned for clarification. Requests will be honored as rapidly as possible after receipt of request. Normal processing time (after receipt of the request) is between 1 and 2 weeks. MAP reports will not be distributed to MAAGs (see definition of term in Part I) by DSAA. Subordinate elements of the Military Departments should submit requests for MAP reports through appropriate departmental channels.

c. Reports described herein will be classified in accordance with guidelines set forth in Chapter G, Part I.

5. MAP Reports

a. Availability of Reports

The following paragraphs outline the specific reports available. To the extent possible, applicable sort and select options have been grouped together for a series of reports which are controlled similarly. A sample of each report (except update products) is shown at Figure J-1 through J-16. The data contained in these illustrations are not necessarily actual data from the file nor are the dates and numbers consistent from one sample to the next. These sample reports are to be viewed as samples for format purposes only. All codes referred to in sort or select options may be found in Appendix A, Part I. Agencies requesting reports must express a sort sequence where there is an option and indicate the number of copies desired. All select options should be reviewed carefully in order to limit the data addressed. When an option is not indicated in a field, DSAA will include all records relevant to that field. For example, if Unified Command is not selected, the report will contain records pertaining to countries with-

in all commands, or, if no generic code is selected, records containing all generic codes will be included in the report.

b. Report Descriptions

(1) Update Products

The Master Program File is updated on a weekly basis. Products from these updates are shown below with a brief description of each document. These products are distributed to program managers in DSAA and Military Departments as required after each update. MAP Orders are also mailed directly to the MAAG concerned. The Military Departments receive their output both by AUTODIN and by mail. These reports may not be requested by other organizations.

(a) MASL Input Error Listing—MASL input cards not passing edit.

(b) MASL Transactions—A listing of all MASL input passing edit procedures.

(c) Transaction Input Listing—A record of all input passing the card edit procedures for an update.

(d) Military Department Input Errors—A record of all changes submitted by the Military Departments not passing the data edit.

(e) Unified Command Input Errors—A record of all input submitted by the Unified Commands not passing the data edit.

(f) Military Department Feedback—Status of all program changes originated by the Military Department not acted upon by DSAA as well as disapprovals.

(g) Unified Command Feedback—Status of all program transactions relating to countries/activities under their cognizance not acted upon by DSAA as well as disapprovals.

(h) Referral/Effects—A listing of proposed changes which shows the dollar effect of these changes to the program file and to the current and proposed funded program.

(i) Program Amendment—A record of all additions, deletions and changes approved for posting to the master program file, the dollar value of the total prior, current, and budget year programs and prior and current funded programs.

(j) Financial Summary—Provides a summary of the funded file by budget activity or project accounts.

(k) MAP Order/Program Directive (Figure J-16)—A detail listing of all new funding actions, deletions of previously funded lines, and changes to previously funded lines. This report is sorted by implementing agency when prepared for the Military Departments and by program originator when prepared for MAAG and Unified Command use. Minor sorts are generic code and NSN. Separate MAP Orders are published for materiel and training. New funding actions are shown on the MAP Order/Program Directive as a one line entry. The line reflects a "T" in the action code (AC) column. A deletion of a previously funded line is also shown as a single line entry. The line reflects a "R" in the action code. For each delete, the previous MAP Order number and year it was issued are shown under the heading "MO-AJ". A change to a previously funded line is depicted by a two line entry. The first entry reflects the funding that was authorized in a prior MAP Order. This line reflects the previous MAP Order number and year it was issued under the "MO-AJ" heading. The second entry is the revised line and may be identified by a blank under the "MO-AJ" column.

Both the old and new line contain an action code of "W".

(l) TAB A—A country recap of the MAP Order of the same date.

(m) TAB B—A summary by budget project of the MAP Order of the same date.

(n) TAB C—A summary by implementing agency of the MAP Order of the same date.

(2) Item Detail Listings (Figure J-1)

Portrays selected records in their entirety.

SORT OPTIONS

Unified Command, Country, MAP Element
 Unified Command, Country, Generic Code
 Unified Command, Country, Record Control Number
 Unified Command, Country, Program Originator, Generic Code
 Unified Command, Country, Program Originator, MAP Element

Unified Command, Country, Deferral Priority, Generic Code
 Unified Command, Deferral Priority, Generic Code
 Area, Country, MAP Element
 Area, Country, Generic Code
 Generic Code, NSN
 Implementing Agency, Generic Code, NSN
 Implementing Agency, Unified Command, Country, Worksheet Control Number
 Execution Agency, Generic Code, NSN
 MILSTRIP Routing Identifier, Generic Code, NSN
 Unified Command, Country, Program Originator, Worksheet Control Number
 Unified Command, Country, MAP Element, Worksheet Control Number
 Unified Command, Country, Implementing Agency, Worksheet Control Number

SELECT OPTIONS

Student Code
 Source of Supply Code
 End Use Code
 Generic Code (1st position)
 Budget Project Code (1st and 2nd positions of Generic)
 Generic Code (3 positions)
 Commitment Code
 MAP Element Code
 Unified Command Code
 Cost Code
 Continuing Resolution Authority Code
 Type of Assistance Code
 Spare Parts Code
 Systems Identifier Code
 MILSTRIP Routing Identifier Code/Execution Agency Code
 Method of Funding Code
 Communications/Ancillary Code
 Consumables Code
 Condition Code
 Special Supply Procedure Code

SECONDARY SELECT OPTIONS

In addition to the primary options, secondary select options are available on country code, implementing agency, status code, program originator, generic (training only; materiel only; training plus training aids; materiel less training aids) and program year. All or any of the secondary options may be used with one primary option.

(3) Summaries by Category

This series of reports summarizes programs and/or delivery data into generic categories.

SORT OPTIONS

Unified Command, Country, Program Originator
 Unified Command, Country
 Area, Country
 Implementing Agency, Unified Command, Country
 Implementing Agency, Area, Country
 Country (alphabetic)

SELECT OPTIONS

Program Year
 Implementing Agency

MILITARY ASSISTANCE AND SALES MANUAL—PART II

Unified Command
Cost Code
End Use Code
Country Code

(a) Cost and Program Originator Summary (Figure J-2)

Provides one program year of data by country, cost code, and program originator.

(b) Selected Item Summary (Figure J-3)

Provides data by country, spread horizontally across the page by program year. The left-hand column of data accumulates all data from 1950 to the most recent year desired. All subsequent years are spread across the page. Specify the year spread desired.

(c) Summary of Programs (Figure J-4)

Reflects quantitative data by country with spread across the page by Program Year. The left hand column of data accumulates all data from 1950 to the most recent year desired. All subsequent years are spread across the page. Specify year spread desired.

(d) Status of Deliveries (Figure J-5)

Reflects cumulative program data, current FY program, cumulative delivery data, current FY deliveries, current quarter deliveries and the undelivered balance by country. Produced only at the end of each fiscal quarter.

(4) Country Summaries

This series of reports summarizes program or delivery data by country and portrays it on one line for each country. The data within each summary line are displayed differently in each report (see appropriate figures). Figures are in thousands of dollars except for the country fiscal summary.

SORT OPTIONS

Unified Command, Country
Area, Country

SELECT OPTIONS

All of the primary and secondary select options portrayed for item detail listings (para 5b(2)).

(a) Country Generic Group Summary by Program Originator (Figure J-6)

Provides a breakout of materiel and training by program originator as well as a total program figure for each country.

(b) Funding Status Summary (Figure J-7)

Provides a breakout of total program and funded program by materiel, training, services, and supply operations. In addition, a funded MAP asset total is provided.

(c) Country Program Summary (Figure J-8)

Provides totals by cost code and end use code as well as a split by materiel, services, training, supply operations and MAP assets. Total program figures are also shown.

(d) Country Cost Summary by Program Originator (Figure J-9)

Provides investment and operating cost totals by program originator as well as total program figures.

(e) Country Fiscal Summary (Figure J-10)

Provides data by various types of funding (figures in dollars rather than thousands of dollars).

(f) Cost Summary by Country and Program Year (Figure J-11)

Provides a breakout of program data by operating cost; investment cost; supply operations cost; administrative cost and training + aids cost by country and program year.

(g) Program Summary by Country and Program Year (Figure J-12)

Provides program data by country for each program year (specify years desired) reflecting a breakout by MAP cost, MASF cost and Excess Cost (Acquisition Value).

(5) Other Summaries

These reports summarize program or delivery data as indicated in the following subparagraphs. Sort and select options are individually discussed.

(a) MAP Student Count (Figure J-13)

Provides numbers of students by country and program year. Within each program year, student counts are broken down by program originator and type of student (senior officer, officer, enlisted, civilian).

MILITARY ASSISTANCE AND SALES MANUAL—PART II

<i>Abbreviation</i>	<i>Meaning</i>	<i>Abbreviation</i>	<i>Meaning</i>
P	Program Year	S	Status
Y		T	
QTR	Quarter	SUP OPS or SUP OPS	Supply Operations
QTY	Quantity		
RCN	Record Control Number	SVC	Services
RCS	Reports Control Symbol	S	Systems Identifier
RDD	Required Delivery Date	Y	
R or RE	Program Change Reason	T	Type of Assistance
E		A	
R	Special Supply Procedure	TLA	Travel and Living Allowance
O			
RSC	Reports Sequence Control	TNG	Training
RSVN	Reservation	UC	Unified Command
R	REMAN Training	UI	Unit of Issue
T		UNDEL	Undelivered
SC	Student	UNIT	MAP Unit Price
SIC	Selected Item	PRICE	
S	Concurrent Spare Parts, AGE, and Equipment Attachments	U	Unified Command Waiver
P		W	
	Source of Supply	WEST HEM	Western Hemisphere
S		WSCN	Worksheet Control Number
S			

Figure J-1

UNCLASSIFIED

FUNDED STATUS CODES		DSAA - GRANT AID DETAIL LISTING																												
PROGRAM LIST A, CC, GC, NSN		AREA LATIN AMERICA					COUNTRY BOLIVIA																							
		(SC25)		(DUR33-34)		(TLA51-56) (UR) (MSCN60-65)																								
C	MA	C	P	CRT	UNIT C	MAP	LSCCI	S(WT)	S(EXA)	CSEC	TOTAL MD																			
C	RGN	FC	GRCL	ITEM ID	GC	DESCRIPTION	UM	RE	QTY	Q	CC	UQA	PRICE	SPY	ELEM	TPLNA	T	FP	IPRODS	MRI	QYUR	COST	AJ							
YM60	2A	1510000000	C54	A2C	AIRCRAFT	CARGO	C-54	EA4	P3	3	D	BL	B	2	173336	I72	4	ABA	2	D	F	E	FA0	ACT	520000	57				
MINOR.	(AID																													
AA03	2A	2330007320	227	E2A	TLR	CGO	AMPH	1/4T	M100	EA4		5	B	BL	A1		172	3	LSG		B	F	A0575E	B33	T		30			
MINOR.	(AID																													
XA12	2A	1005006737	965	F1A	PISTOL	CAL	45	M1911A1	EA0	P3	185	B	BL	A	2		46	I72	3	BU0	1	B	F	L	B33	CO		8436	65	
MINOR.	(AID																													
AA12	2A	1305000000	A212	G1B	CTG	C30	BALL	M2	CTN	MX4		150	B	BL	A1		172	3	AAA	1	B	F	A0648E	B33	T			42		
MINOR.	(AID																													
XA14	2A	5005007002	202	M1G	SB-993/GT	SWITCHBOARD	EA0		4	B	BL	A	2		350	I72	3	BU0	1	B	F		K	B33	CO		1400	31		
MINOR.	(AID																													
PC62	2A	2410005424	445	J2A	TRACTOR	FT	LS	HVY	MMU	EA0	P3	2	B	BL	A	2		32916	072	3	AQA	2	B	F	K	B33	BO		65832	39
MINOR.	(AID																													
PD92	2A	9K2A000R6S0	56	K2A	DRUGS, BIOLOGICALS	+SURG	DSG	XX0		D	BL	S	2			072	3	MV0		D	F	E	FA0	CO			17			
MINOR.	(AID																													
ZZ06	1A	010000SUP	0PMS	L00	SUPPLY	OPERATIONS	XX0		D	BL	1					072	7	000		D	F	I	FA0	T			270000	79		
MINOR.	(AID																													
ZT01	1A	B000N10	N10	STUDENT	TRAINING	XX0		B	BL	2						172	3	BT0		F		B00	S	O			383240			
ZT21	1A	D000N10	N10	STUDENT	TRAINING	XX0	P3	D	BL	2						172	3	MT0		F		D00	S	O			70282	70		
ZT11	1A	P000N10	N10	STUDENT	TRAINING	XX0		P	BL	2						172	3	HT0		F		P00	S	O			8610	64		
MINOR.	(AID																													
INTER.																														
MAJOR.																														
FINAL.																														

MILITARY ASSISTANCE AND SALES MANUAL-PART II

Figure J-2

UNCLASSIFIED													
FUNDED STATUS CODES ONLY PY 66				DSAA - GRANT AID COST AND PROGRAM ORIGINATOR SUMMARY									
PROTONIA				LATIN AMERICA					ALL IMPLEMENTING AGENCIES				
		ARMY		NAVY + MARINE CORPS		AIR FORCE		TOTAL		TOTAL		TOTAL	
		INVESTMENT		OPERATING		INVESTMENT		OPERATING		INVESTMENT		OPERATING	
		QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE
RESCUE BOATS				1	147					1	147	1	147
SHIP SPARE PARTS								4				4	
TOTAL SHIPS (+ SP)		\$			147			4			147		151
TRUCKS 1/4T ALL TYPES			2	4						2	4	2	4
CARBINES			40	1						40	1	40	1
TOTAL VEH + WPNS (+ SP)		\$		5							5		5
GART UP THRU 20MM (THOUS)*					49	3						49	3
TOTAL AMMUNITION		\$				3							3
RADIOS TACTICAL		*	19	21						19	21	19	21
TOTAL COM EQPT (+ SP)		\$		21							21		21
TRACTORS CRLR + WHLD		*			1	11						1	11
TOTAL OTHER EQPT (+ SP)		\$				11							11
TRAINING			207				4				211		211
TOTAL TRAINING		\$	207				4				211		211
TOTAL PROGRAM		\$	233	14	151		4				384		402

DOLLARS IN THOUSANDS * 56-63 DELIVERY QTY'S NOT AVAILABLE ** LESS THAN 500 = QTY IS MISSILES \$ INCLUDES SUPPORT EQUIPMENT
 PROCESS DATE 30 JUL 75 DELIVERY DATE 31 MAR 75 PROGRAM DATE 30 JUN 75
 RCS 1000-CSTPO(D)-60 PAGE 2

Figure J-3

UNCLASSIFIED

FUNDED STATUS CODES ONLY		OSAA - GRANT AID SELECTED ITEM SUMMARY									
PROTONIA		LATIN AMERICA					ALL IMPLEMENTING AGENCIES				
CATEGORIES/DESCRIPTIONS	P. R. O. G. R. A. M. S.										
	CUM FY 58-68 (QTY) (VALUE)	FY 69 (QTY) (VALUE)	FY 70 (QTY) (VALUE)	FY 71 (QTY) (VALUE)	FY 72 (QTY) (VALUE)	FY 73 (QTY) (VALUE)	FY 74 (QTY) (VALUE)	FY 75 (QTY) (VALUE)			
AIRCRAFT CARGO C-47			2			1					
AIRCRAFT UTILITY U-1					38						
AIRCRAFT SPARE PARTS				77		37		59	65	60	
TOTAL AIRCRAFT (+ SP) \$				77		75		59	65	60	
RESCUE BOATS	2	247									
SHIP SPARE PARTS		13	14	8	7	10	6	12	12		
TOTAL SHIPS (+ SP) \$		260	14	8	7	10	6	12	12		
TRUCKS 1/4T ALL TYPES	7	14	5	10	3	7		28			
CARBINES	878	27	39	1							
TOTAL VEH + WPNS (+ SP) \$		41	11	7							
CART UP THRU 20MM (THOUS)*	384	30									
OTHER AMMO AND COMPONENTS		11									
TOTAL AMMUNITION \$		41									
RADIOS TACTICAL	59	36	32	19	8	4					
OTHER COMMUNICATIONS EQP		3									
TOTAL COM EQPT (+ SP) \$		39	19	4							
TRACTORS CRLR + WHLD	5	56						4			
TOTAL OTHER EQPT (+ SP) \$		56						4			
TRAINING		1292	72	140	280	255	285	261	329		
TOTAL TRAINING \$		1292	72	140	280	255	285	261	329		
TOTAL PROGRAM \$		1729	116	236	362	324	356	341	394		
NET MAP COST \$		1729	116	236	362	324	356	341	394		

DOLLARS IN THOUSANDS
PROCESS DATE 30 JUL 75
RCS 1000-SIPGN(C)-GC

* 50-63 DELIVERY QTY'S NOT AVAILABLE

** LESS THAN 500

= QTY IS MISSILES
DELIVERY DATE 31 MAR 75
PAGE 2

\$ INCLUDES SUPPORT EQUIPMENT
PROGRAM DATE 30 JUN 75

UNCLASSIFIED

Figure J-4

J-10

UNCLASSIFIED
 D S A A - G R A N T A I D
 S U M M A R Y O F P R O G R A M S

FUNDED STATUS CODES ONLY		LATIN AMERICA											ALL IMPLEMENTING AGENCIES
PROTONIA		CUMULATIVE	FY 66	FY 67	FY 68	FY 69	FY 70	FY 71	FY 72	FY 73	FY 74	FY 75	CUMULATIVE
CATEGORIES/DESCRIPTIONS		FY 50-65											FY 50-75
AIRCRAFT CARGO C-47							2		1				3
TOTAL AIRCRAFT (+ SP)	\$						77	75	59	65	68	53	397
RESCUE BOATS		1	1										2
TOTAL SHIPS (+ SP)	\$	102	151	2	5	14	8	7	10	6	12	12	329
TRUCKS 1/4T ALL TYPES		4	2		1	5	3				20		35
CABBINES		838	40			39							917
TOTAL VEH + WPNS (+ SP)	\$	34	5		2	11	7						59
CART UP THRU 20MM (THOUS)*		3	49	89	243								384
TOTAL AMMUNITION	\$	11	3	7	20								41
RADIOS TACTICAL	*	24	19		16	32	8						99
TOTAL COM EQPT (+ SP)	\$	12	21		6	19	4						62
TRACTORS CRLR + MHL0	*	1	1	3							4		9
TOTAL OTHER EQPT (+ SP)	\$	11	11	34									56
TOTAL TRAINING	\$	832	211	163	86	72	140	280	255	285	261	329	2914
TOTAL PROGRAM	\$	1002	402	206	119	116	236	362	324	356	341	394	3858

DOLLARS IN THOUSANDS
 PROCESS DATE 30 JUL 75
 RCS 1000-PROGMS (A)-GA

* 50-63 DELIVERY QTY'S NOT AVAILABLE ** LESS THAN 500

= QTY IS MISSILES \$ INCLUDES SUPPORT EQUIPMENT
 DELIVERY DATE 31 MAR 75 PROGRAM DATE 30 JUN 75
 PAGE 2

UNCLASSIFIED

Figure J-5

UNCLASSIFIED													
FUNDED STATUS CODES ONLY				DSAA - GRANT AID				STATUS OF DELIVERIES					
PROTONIA				LATIN AMERICA				ALL IMPLEMENTING AGENCIES					
CATEGORIES/DESCRIPTIONS	PROGRAM		DELIVERIES		UNDEL BALANCE								
	CUMULATIVE 50-75 (QTY)	(COST)	CURRENT YEAR 75 (QTY)	(COST)	CUMULATIVE 50-75 (QTY)	(COST)	FY 75 TO DATE (QTY)	(COST)	CURRENT QTR-3 (QTY)	(COST)	AS OF 31 MAR 75 (QTY)	(COST)	
AIRCRAFT CARGO C-47	3				3								
AIRCRAFT UTILITY U-1		38				38		1					
AIRCRAFT SPARE PARTS		359	53		267		44		12				92
TOTAL AIRCRAFT (+ SP) \$		397	53		305		45		12				92
RESQUE BOATS	2	247			2	247							
SHIP SPARE PARTS		82	12		64		7		3				18
TOTAL SHIPS (+ SP) \$		329	12		311		7		3				18
TRUCKS 1/4T ALL TYPES	35	31			35	31	20						
CARBINES	917	28			917	28							
TOTAL VEN + WPNS (+ SP) \$		59			59								
CART UP THRU 20MM (THOUS)*	384	30			384	31							1-
OTHER AMMO AND COMPONENTS		11				11							
TOTAL AMMUNITION \$		41			42								1-
RADIOS TACTICAL	* 99	59			99	59							
OTHER COMMUNICATIONS EQP		3				3							
TOTAL COM EQPT (+ SP) \$		62			62								
TRACTORS CRLR + WHLD	* 9	56			5	56						4	
TOTAL OTHER EQPT (+ SP) \$		56			56								
TRAINING		2914	329		2877		294		136				37
TOTAL TRAINING \$		2914	329		2877		294		136				37
TOTAL PROGRAM \$		3858	394		3712		346		151				146
NET MAP COST \$		3858	394		3712		346		151				146

DOLLARS IN THOUSANDS
 PROCESS DATE 30 JUL 75
 RCS 1000-DELVRY (E1)-GE

* 50-63 DELIVERY QTY'S NOT AVAILABLE

** LESS THAN 500

= QTY IS MISSILES
 DELIVERY DATE 31 MAR 75
 PAGE 2

\$ INCLUDES SUPPORT EQUIPMENT
 PROGRAM DATE 30 JUN 75

UNCLASSIFIED

MILITARY ASSISTANCE AND SALES MANUAL-PART II

Figure J-6

UNCLASSIFIED

DSAA - GRANT AID

ALL IMPLEMENTING AGENCIES
PY 72

COUNTRY GENERIC GROUP SUMMARY BY PROGRAM ORIGINATOR

FUNDED STATUS UC,CC	COUNTRY	MATERIEL AND SERVICES				TRAINING PLUS TRAINING AIDS					TOTAL PROGRAM			
		ARMY	AF MARINES	NAVY	OSD	MT-SV	ARMY	AF MARINES	NAVY	OSD		TNG		
EUCOM														
	GREECE	5754	2519	856		9130	424	186		251		856	9986	
	SPAIN	9516	282	328		16126	556	193		152		961	11027	
	TOTAL PROGRAM COST	15270	2801	1184		19256	976	379		403		1757	21013	
NON-REGIONAL														
	DOD				17423	17423	215	369		196	2200	2980	20404	
	TOTAL PROGRAM COST				17423	17423	215	369		196	2200	2980	20404	
PACOM														
	CHINA (TAIPEI)	5828	2932	1263		10022	245	210		514		969	10991	
	THAILAND	48044	26157	2492		81399	1195	610	3	1339		3147	84546	
	TOTAL PROGRAM COST	53872	29089	2492		91421	1440	820	3	1853		4116	95537	
SOUTHCOM														
	ARGENTINA		13			13	339	180		180		698	711	
	URUGUAY	144	146	128		418	168	78		79		325	743	
	TOTAL PROGRAM COST	144	159	128		431	507	258		259		1023	1454	
	NET WORLDWIDE TOTAL	69286	32049	2492	7280	17423	128531	3138	1826	3	2711	2200	9876	138408

MAP COST ROUNDED TO THOUSANDS OF DOLLARS
RCS 1600-CGGENPO (8)-RA

PROGRAM COST INCLUDE ASSETS
30 JUN 75

PAGE 2

UNCLASSIFIED

MILITARY ASSISTANCE AND SALES MANUAL - PART II

J-12

Figure J-7

UNCLASSIFIED

FUNDED STATUS UC,CC		D S A A - G R A N T A I D										ALL IMPLEMENTING AGENCIES PY 72	
FUNDING STATUS SUMMARY													
COUNTRY	TOTAL PROGRAM					FUNDED PROGRAM					MISC DATA		
	TOTAL	ART	ING + AIDS	OTHER SVC	SUP OPS	TOTAL	ART	ING + AIDS	OTHER SVC	SUP OPS	ASSETS	ING LESS AIDS	
EUCOM													
GREECE	9986	1025	856	544	7562	9986	1025	856	544	7562		855	855
SPAIN	11027	7554	901	1119	1452	11027	7554	901	1119	1452		901	901
TOTAL PROGRAM COST	21013	8579	1757	1663	9014	21013	8579	1757	1663	9014		1756	1756
NON-REGIONAL													
DOD	20404		2980	16364	1059	20404		2980	16364	1059		2980	2980
TOTAL PROGRAM COST	20404		2980	16364	1059	20404		2980	16364	1059		2980	2980
PACOM													
CHINA (TAIPEI)	10991	2175	969	1542	6306	10991	2175	969	1542	6306		969	969
THAILAND	84546	73214	3147	2784	5400	84546	73214	3147	2784	5400		2942	2942
TOTAL PROGRAM COST	95537	75389	4116	4326	11706	95537	75389	4116	4326	11706		3911	3911
SOUTHCOM													
ARGENTINA	711		698	13		711		698	13			571	571
URUGUAY	743	358	325	30	30	743	358	325	30	30		317	317
TOTAL PROGRAM COST	1454	358	1023	43	30	1454	358	1023	43	30		888	888
NET WORLDWIDE TOTAL	138408	84326	9876	22396	21809	138408	84326	9876	22396	21809		9535	9535

MILITARY ASSISTANCE AND SALES MANUAL-PART II

1-13

Figure J-8

UNCLASSIFIED

FUNDED STATUS UC,CC	DSAA - GRANT AID										ALL IMPLEMENTING AGENCIES PY 72			
	COUNTRY PROGRAM SUMMARY													
COUNTRY	--COST DISTR--		END USE DISTR					--ART/SVC DISTR--		--MISCELLANEOUS DATA--			TOTAL PROGRAM	
	INV	OPR	CIVIC ACTION	WEST HEM INT	NAVAL SEC	DEF	DEF	OTHER	ART	SVC	TNG	AIOS		SUP OPS
EUCOM														
GREECE	1424	8563			1			9985	1025	8962	855	1	7562	9986
SPAIN	8115	2912						11027	7554	3473	901		1452	11027
TOTAL PROGRAM COST	9539	11475			1			21012	8579	12435	1756	1	9014	21013
NON-REGIONAL														
DOD	310	20093						20404		20404	2980		1059	20404
TOTAL PROGRAM COST	310	20093						20404		20404	2980		1059	20404
PACOM														
CHINA (TAIPEI)	651	10341			3716			7275	2175	8817	969		6306	10991
THAILAND	44835	39710			78658			5888	73214	11331	2942	205	5400	84546
TOTAL PROGRAM COST	45486	50051			82374			13163	75389	20148	3911	205	11706	95537
SOUTHCOM														
ARGENTINA	587	125			140			571		711	571	127		711
URUGUAY	412	331			396			347	358	385	317	8	30	743
TOTAL PROGRAM COST	999	456			536			918	358	1096	888	135	30	1454
NET WORLDWIDE TOTAL	56334	82075			82911			55497	84326	54083	9535	341	21809	138408

MAP COST ROUNDED TO THOUSANDS OF DOLLARS
RCS 1000-CCPGM(D)-RC

UNCLASSIFIED

PAGE

PROGRAM COST INCLUDE ASSETS
30 JUN 75

MILITARY ASSISTANCE AND SALES MANUAL - PART II

J-14

Figure J-9

FUNDED STATUS UC,CC	UNCLASSIFIED										ALL IMPLEMENTING AGENCIES PY 72	
	OSAA - GRANT AID											
	COUNTRY COST SUMMARY BY PROGRAM ORIGINATOR											
COUNTRY	INVESTMENT					OPERATING					TOTAL	
	ARMY	AF MARINES	NAVY	OSD	TOTAL (INV)	ARMY	AF MARINES	NAVY	OSD	OPR	TOTAL (PROGRAM)	TOTAL
EUCOM												
GREECE	615	561	248		1424	5559	2144		859		8563	9986
SPAIN	7644	192	279		8115	2429	283		200		2912	11027
TOTAL PROGRAM COST	8259	753	527		9539	7988	2427		1059		11475	21013
NON-REGIONAL												
DOD	10	171	129		310	205	197		67	19623	20093	20404
TOTAL PROGRAM COST	10	171	129		310	205	197		67	19623	20093	20404
PACOM												
CHINA (TAIPEI)	198	228	224		651	5875	2914		1552		10341	10991
THAILAND	28375	12079	1695	2686	44835	20865	14687	800	3358		39710	84546
TOTAL PROGRAM COST	28573	12307	1695	2910	45486	26740	17601	800	4910		50051	95537
SOUTHCOM												
ARGENTINA	296	155	136		587	43	38		44		125	711
URUGUAY	220	98	94		412	92	126		113		331	743
TOTAL PROGRAM COST	516	253	230		999	135	164		157		456	1454
NET WORLDWIDE TOTAL	37358	13484	1695	3796	56334	35068	20389	800	6193	19623	82075	138408

MILITARY ASSISTANCE AND SALES MANUAL - PART II

Figure J-10

FUNDED STATUS US,CC	UNCLASSIFIED DSAA - GRANT AID							ALL IMPLEMENTING AGENCIES PY 72			
	COUNTRY FISCAL SUMMARY										
COUNTRY	(--DIRECT CITATION--)		SUP OPS	ADMIN	MAP ORDER RSVN LESS SUP OPS	SECTION 506 AUTH	TOTAL MAP FUNDING	MAP ASSETS APPLIED	TOTAL PROGRAM	FOR CURR	SERVICE FUNDING
	OSP	OTHER									
EUCOM											
GREECE		854994	7561531		1569661		9986186	9986186			
SPAIN		1080509	1452300		8494162		11026971	11026971			
TOTAL PROGRAM COST		1935503	9013831		10063823		21013157	21013157			
NON-REGIONAL											
DOD											
		3155924	1059266	16188574			20403764	20403764			
TOTAL PROGRAM COST		3155924	1059266	16188574			20403764	20403764			
PACOM											
CHINA (TAIPEI)		968834	6306000		3716458		10991292	10991292			
THAILAND									84545579		
TOTAL PROGRAM COST		968834	6306000		3716458		10991292	10991292	84545579		
SOUTHCOM											
ARGENTINA		570897			140355		711252	711252			
URUGUAY		317200	30000		395960		743160	743160			
TOTAL PROGRAM COST		888097	30000		536315		1454412	1454412			
NET WORLDWIDE TOTAL		6948358	16409097	16188574	14316596		53862625	53862625	84545579		

Figure J-11

UNCLASSIFIED

DSAA - GRANT AID

LESS TA CODE F AND D

COST SUMMARY BY COUNTRY AND PROGRAM YEAR

FUNDED STATUS UG,CC	COST SUMMARY BY COUNTRY AND PROGRAM YEAR									
	COUNTRY AND PROGRAM YEAR	(LESS SUP OPS, AIDS, AND ADMIN COSTS) OPERATING	TNG, TNG INVESTMENT	SUB-TOTAL	SUP OPS	SUB-TOTAL	ADMIN COST	SUB-TOTAL	TRAINING + TNG AIDS	TOTAL PROGRAM
GREECE										
PY 63	104963	103584	1108547	72115	1180662		1180662	27714	1208376	
PY 68	15923	17982	28905	7400	36305		36305	1434	37709	
PY 72	927	641	1568	7562	9130		9130	856	9986	
TOTAL	1016813	122207	1139020	87077	1226097		1226097	29974	1256071	
TOTAL EUCON										
PY 63	104963	103584	1108547	72115	1180662		1180662	27714	1208376	
PY 68	15923	17982	28905	7400	36305		36305	1434	37709	
PY 72	927	641	1568	7562	9130		9130	856	9986	
TOTAL	1016813	122207	1139020	87077	1226097		1226097	29974	1256071	
THAILAND										
PY 63	36636	61092	421728	27287	449015		449015	28155	477170	
PY 68	23558	39083	62641	7261	69902	600	70502	4498	75000	
PY 72	32912	42786	75698	5406	81398	300	81398	3147	84545	
TOTAL	417106	142961	560067	39948	600015	900	600915	35800	636715	
TOTAL PACOM										
PY 63	36636	61092	421728	27287	449015		449015	28155	477170	
PY 68	23558	39083	62641	7261	69902	600	70502	4498	75000	
PY 72	32912	42786	75698	5406	81398	300	81398	3147	84545	
TOTAL	417106	142961	560067	39948	600015	900	600915	35800	636715	
ARGENTINA										
PY 63	103		103	32	135		135	3512	3647	
PY 68	416	11	427	688	1115		1115	523	1639	
PY 72		13	13		13		13	698	711	
TOTAL	519	24	543	720	1263		1263	4733	5996	
TOTAL SOUTHCOM										
PY 63	103		103	32	135		135	3512	3647	
PY 68	416	11	427	688	1115		1115	523	1639	
PY 72		13	13		13		13	698	711	
TOTAL	519	24	543	720	1263		1263	4733	5996	
TOTAL WORLDWIDE										
PY 63	1365762	164676	1530378	99434	1629812		1629812	59381	1689193	
PY 68	34997	57976	91973	15349	107322		107322	6425	114347	
PY 72	33839	43441	77279	12962	90241	300	90541	4711	95242	
TOTAL	1434498	265192	1699630	127745	1827375	900	1828275	70507	1898782	

MILITARY ASSISTANCE AND SALES MANUAL - PART II

MAP COST ROUNDED TO THOUSANDS OF DOLLARS.
RCS 1060-CCCOSTPY(I)-RR

UNCLASSIFIED

PAGE 2

PROGRAM COST INCLUDE ASSETS
30 JUN 75

J-17

Figure J-12

J-18

MILITARY ASSISTANCE AND SALES MANUAL—PART II

UNCLASSIFIED

FUNDED STATUS
UC,CC

DSAA

LESS TA CODE F AND D

PROGRAM SUMMARY BY COUNTRY AND PROGRAM YEAR

COUNTRY AND PROGRAM YEAR	---- M A P ---- (LESS TNG+AIDS)	M A P TRAINING PLUS TNG AIDS	TOTAL M A S F	EXCESS (ACQ) MAP AND MAS.F.	TOTAL PROGRAM
GREECE					
PY 63	1183662	27714		115989	1324365
PY 68	36336	1404		29437	67147
PY 72	9130	856		37783	47769
TOTAL	1226098	29974		183209	1439281
TOTAL EUCOM					
PY 63	1183662	27714		115989	1324365
PY 68	36336	1404		29437	67147
PY 72	9130	856		37783	47769
TOTAL	1226098	29974		183209	1439281
THAILAND					
PY 63	449314	28155		54994	532163
PY 68			75000	5864	80064
PY 72			84546	11252	95798
TOTAL	449314	28155	159546	7131	768025
TOTAL PACOM					
PY 63	449314	28155		54994	532163
PY 68			75000	5864	80064
PY 72			84546	11252	95798
TOTAL	449314	28155	159546	7131	768025
ARGENTINA					
PY 63	135	3512		339	3986
PY 68	1115	523		232	1870
PY 72	13	698		141	851
TOTAL	1263	4733		711	6707
TOTAL SOUTHCOM					
PY 63	135	3512		339	3986
PY 68	1115	523		232	1870
PY 72	13	698		141	851
TOTAL	1263	4733		711	6707
TOTAL WORLDWIDE					
PY 63	1629811	59381		171322	1860514
PY 68	37421	1927	75000	34733	149081
PY 72	9143	1554	84546	49175	144418
TOTAL	1676375	62862	159546	25523	2154813

MAP COST ROUNDED TO THOUSANDS OF DOLLARS
RCS 1000-CCPGNPY(J)-RS

PROGRAM COST INCLUDE ASSETS
30 JUN 75

PAGE 2

UNCLASSIFIED

Figure J-13

UNCLASSIFIED

DSAA - GRANT AID
MAP STUDENT COUNT

PACOM
PRCTCNIA

STUDENT GROUP BY FO	CONUS									OVERSEAS								
	CUM									CUM								
	FY64-70	FY71	FY72	FY73	FY74	FY75	FY76	FY77	FY77	FY64-70	FY71	FY72	FY73	FY74	FY75	FY76	FY77	FY77
SENIOR OFFICER	23		4							5								
OFFICER	212	44	70							4	53	9						
ENLISTED	27	8	2								8	1						
STUDENT TOTAL-ARMY	262	52	76							9	61	10						
SENIOR OFFICER	5	6																
OFFICER	160	30	30							9	2	2						
ENLISTED	8	6	47								7	16						
STUDENT TOTAL-AIR FORCE	173	42	77							9	9	18						
SENIOR OFFICER	10	1	1															
OFFICER	96	17	22							15								
ENLISTED	30																	
STUDENT TOTAL-MARINE CORPS	136	18	23							15								
SENIOR OFFICER	42	2	4															
OFFICER	126	53	38								2	12						
ENLISTED	108	193	5							4		56						
CIVILIAN	1	1	1							7								
STUDENT TOTAL-NAVY	277	249	48							11	2	68						
SENIOR OFFICER	80	9	9							5								
OFFICER	594	144	160							28	57	23						
ENLISTED	173	207	54							4	15	73						
CIVILIAN	1	1	1							7								
STUDENT TOTAL-ALL PO	848	361	224							44	72	96						

MILITARY ASSISTANCE AND SALES MANUAL-PART II

UNCLASSIFIED

J-20

JED STATUS		D S A A - G R A N T A I D								LESS TA-F					
CC		TRAINING SUMMARY BY IMPLEMENTING AGENCY AND GENERIC CODE													
PROTONIA															
GENI (---DESCRIPTION---)	(-SPACES/MEMBERS/TECHNICIANS-)				(-----STUDENTS/TEAMS-----)				-----COST-----						
	ARMY	NAVY	A.F.	OTHER	TOTAL	ARMY	NAVY	A.F.	OTHER	TOTAL	ARMY	NAVY	A.F.	OTHER	TOTAL
STUDENT TRAINING															
N1A FLYING TNG		8	2		10		2	2		4		96300		68640	164940
N1E LOGISTICS TNG	13	12			25	1	7			8	5890	17300			23190
SUB-TOTAL US	13	20	2		35	1	9	2		12	5890	113600		68640	188130
N1P OPERATIONS TNG			2		2			2		2			1380		1380
N1U PROG/SPEC TNG	9	68			77	9	68			77	4770	22760			27530
SUB-TOTAL OS	9	68	2		79	9	68	2		79	4770	22760	1380		28910
TOTAL STUDENT TRAINING	22	88	4		114	10	77	4		91	10660	136360	70820		217040
MOBILE TNG TEAMS															
N2A AVIATION			2		2			1		1			920		920
SUB-TOTAL US			2		2			1		1			920		920
N2Q SUPPLY/MAINT				1	1					1			3460		3460
N2V OTHER		1			1		1			1		2439			2439
SUB-TOTAL OS		1	1		2		1	1		2		2439	3460		5899
TOTAL MOBILE TNG TEAMS		1	3		4		1	2		3		2439	4380		6819
OTHER TNG SUPPORT															
N7B ESCORT OFFICERS											1780	900			2680
TOTAL OTHER TNG SUPPORT											1780	900			2680
TOTAL COUNTRY											12440	139699	74400		226539

Figure J-15

UNCLASSIFIED											
DSAA - GRANT AID											
LESS TA CODES D AND F											
PY 72											
MAP BUDGET PROJECT SUMMARY										IMPLEMENTING AGENCY - AIR FORCE	
BUDGET PROJECT	(--DIRECT CITATION--)				MAP ORDER	SECTION	TOTAL	MAP	TOTAL	FOR	SERVICE
	OSP	OTHER	SUP OPS	ADMIN	RSVN LESS SUP OPS	506 AUTH	MAP FUNDING	ASSETS APPLIED	PROGRAM	CURR	FUNDING
A1					12539767		12539767		12539767		42238000
A3					5419825		5419825		5419825		4400000
TOTAL					17959592		17959592		17959592		46638000
B2					307532		307532		307532		
TOTAL					307532		307532		307532		
G1					6050		6050		6050		93995
G6					370571		370571		370571		65381
TOTAL					376621		376621		376621		159376
H2					453270		453270		453270		750340
H9					4403619		4403619		4403619		2520245
TOTAL					4856889		4856889		4856889		3270585
J2					7466		7466		7466		150556
J6					1971145		1971145		1971145		838823
TOTAL					1978611		1978611		1978611		989379
K1					217178		217178		217178		125125
K7					708160		708160		708160		215716
TOTAL					925338		925338		925338		340841
M1					3257853		3257853		3257853		16926030
TOTAL					3257853		3257853		3257853		16926030
N1		5394088					5394088		5394088		17810336
N6		26081					26081		26081		37328
TOTAL		5420169					5420169		5420169		17847664
T1				1251064			1251064		1251064		
TOTAL				1251064			1251064		1251064		
IA TOTAL		5420169		1251064	29662436		36333669		36333669		86171875

MILITARY ASSISTANCE AND SALES MANUAL-PART II

Figure J-16

UNCLASSIFIED

KHMER REPUBLIC		(MATERIEL)		IMPLEMENTING AGENCY - AIR FORCE										PROG DIR/MAP ORDER NO. 75F/CB/54												
				(SC25)		(DUR33-34)		(TLA51-56) (UR) (MSCN60-65)																		
MA	RCN	FC	GRCL	ITEM-ID	GC	DESCRIPTION	C	P	CPT	UNIT	C	MAP	LSCCI	S(WT)	S(EXA)	CSEC	MO-AJ									
							UIM	RE	QTY	O	CC	UCA	PRICE	SPY	ELEM	TPLAA	T	FP	IPRDDS	MRI	OYUR	COST	YR	NO		
TE64	4M	9F9A00	MPNPRTS	F9A	WEAPON SPARE PARTS	XX0	P3		D	CB	C		075	3MVA	D	F	05			K	FAO	F	C0	209000-75	37	
TE64	4M	9F9A00	MPNPRTS	F9A	WEAPON SPARE PARTS	XX0	P3		D	CB	C		075	3MVA	D	F	85			K	FAO	F	C0	82142		
TA43	2M	769Z00	MAPSPUB	J5V	BOOKS, MAPS + PUBLICATIONS	XX0	P3		D	CB	2		075	3MVA	D	F	05			K	FAO	F	C2	10000-75	12	
TA43	2M	769Z00	MAPSPUB	J5V	BOOKS, MAPS + PUBLICATIONS	XX0	P3		D	CB	2		075	3MVA	D	F	05			K	FAO	F	C2	8409		
AK49	2M	614000	SCNBTRY	J6R	SECONDARY BATTERIES	XX0	P3		D	CB	2		075	3MVA	D	F	05			K	FAO	F	C1	1500-75	01	
AK49	2M	614000	SCNBTRY	J6R	SECONDARY BATTERIES	XX0	P3		D	CB	2		075	3MVA	D	F	05			K	FAO	F	C1	.920		
TA88	2M	9K1A00	CLTEXAE	K1A	CLOTHING, TEXTLS + INDV EQP	XX0	P3		D	CB	2		075	3MVA	D	F	05			K	FAO	F	C0	11288-75	38	
TA88	2M	9K1A00	CLTEXAE	K1A	CLOTHING, TEXTLS + INDV EQP	XX0	P3		D	CB	2		075	3MVA	D	F	05			K	FAO	F	C0	5775		
AK52	2M	9K5A00	INDSTRL	K5A	INDUSTRIAL SUPP AND MATL	XX0	P3		D	CB	2		075	3MVA	D	F	05			K	FAO	F	C1	26100-75	38	
AK52	2M	9K5A00	INDSTRL	K5A	INDUSTRIAL SUPP AND MATL	XX0	P3		D	CB	2		075	3MVA	D	F	05			K	FAO	F	C1	18433		
CS10	2M	680000	CHEMCLS	K6F	CHEMICALS	XX0	P3		D	CB	2		075	3MVA	1	D	F	05		K	FAO	F	CT	3000-75	01	
CS10	2M	680000	CHEMCLS	K6F	CHEMICALS	XX0	P3		D	CB	2		075	3MVA	1	D	F	05		K	FAO	F	CT	2966		
AK44	2M	021200	R183090	M2A	R1830-900 OVRHL	EAD	P3		5	D	CB	7	2	17684	075	3MVA	1	D	F	05	108K	FAO	F	C2	88420-75	12
AK44	2M	021200	R183090	M2A	R1830-900 OVRHL	EAD	P3		5	D	CB	7	2	16076	075	3MVA	1	D	F	05	108K	FAO	F	C2	80380	
BA38	2M	021200	0470150	M2A	0470-15 OVRHL	EAD	P3		8	D	CB	7	2	5203	075	3MVA	1	D	F	05	108K	FAO	F	C2	41624-75	12
BA38	2M	021200	0470150	M2A	0470-15 OVRHL	EAD	P3		8	D	CB	7	2	4150	075	3MVA	1	D	F	05	108K	FAO	F	C2	33200	
COUNTRY TOTAL				.001	.002	31849-	.003			.004	126858-	MAP DOLLAR COST		ASSETS APPLIED		158707-										
				B	J		S			T		FOREIGN CURRENCY		SERVICE FUNDING		158707-										
												GRAND TOTAL				158707-										

PRINTED IN U.S.A.

UNCLASSIFIED

TURKEY		(TRAINING)		IMPLEMENTING AGENCY - AIR FORCE										PROG DIR/MAP ORDER NO. 75F/TK/34											
				(SC25)		(DUR33-34)		(TLA51-56) (UR) (MSCN60-65)																	
MA	RCN	FC	GRCL	ITEM-ID	GC	DESCRIPTION	C	P	CPT	UNIT	C	MAP	LSCCI	S(WT)	S(EXA)	CSEC	MO-AJ								
							UIM	RE	QTY	O	CC	UCA	PRICE	SPY	ELEM	TPLAA	T	FP	IPRDDS	MRI	OYUR	COST	YR	NO	
TF10	1M			D131009	N1C	PRECISION MEAS EQUIP	EAD	04E	1	D	TK	301	1870	I75	3MT0	2190F	0070A	DJ0	F2	4		4060-75	10		
TF09	1M			D131008	N1C	PRECISION MEAS EQUIP/ *	EAD	04E	1	D	TK	061		I75	3MT0	240F	0070B	DJ0	F2	4		240-75	10		
TF08	1M			D131028	N1C	ELECT TEST CAL + REP(MAP)	EAD	04E	1	D	TK	081	530	I75	3MT0	320F	0070C	DJ0	F2	4		850-75	10		
TB04	1M			D166001	N1F	TECHNICAL INSTRUCTOR	EAD	04E	1	D	TK	051	600	I75	3MT0	200F	0070D	DJ0	F2	4		800-75	10		
TF11	1M			D177009	N1G	ENGLISH LANGUAGE CRSE	EAD	04E	1	D	TK	081	600	I75	3MT0	320F	0070L	DJ0	F2	4		920-75	10		
TB04	1M			D175005	N1G	PHYSIOLOGICAL/ *	EAD	040	1	D	TK	081	600	I75	3MT0	700F	0201	DJ0	F2	4		1300			
TF10	1M			D177005	N1G	ALLIED OFF FAM/AEROMED	EAD	040	1	D	TK	081	1370	I75	3MT0	1730F	0201A	DJ0	F2	4		3100			
TF09	1M			D175002	N1G	AEROSPACE MED/PRIMARY(MAP)	EAD	040	1	D	TK	091	1360	I75	3MT0	630F	0201B	DJ0	F2	4		1990			
TF08	1M			D175004	N1G	PHYSIOLOGICAL TNG OFF(MAP)	EAD	040	1	D	TK	011	910	I75	3MT0	210F	0201C	DJ0	F2	4		1120			
TF11	1M			D177009	N1G	ENGLISH LANGUAGE CRSE	EAD	040	1	D	TK	071	525	I75	3MT0	490F	0201L	DJ0	F2	4		1015			
COUNTRY TOTAL				.001	1655	.002			.003			.004	MAP DOLLAR COST		ASSETS APPLIED		1655								
				B	J				S			T	FOREIGN CURRENCY		SERVICE FUNDING		1655								
												GRAND TOTAL				1655									

**MASM
PART III**

FOREIGN MILITARY SALES

CHAPTER A

ELIGIBILITY FOR FOREIGN MILITARY SALES

1. General Authority

No defense article or defense service may be sold to any country or international organization unless the President finds, in accordance with Section 3 of the Arms Export Control Act, as amended (hereafter referred to as the AECA), that

(1) the furnishing of defense articles and defense services to such country or international organization will strengthen the security of the United States and promote world peace;

(2) the country or international organization shall have agreed not to transfer title of, or possession of, any defense article or related training or other defense service so furnished to it to anyone not an officer, employee, or agent of that country or international organization and not to use or permit the use of such article or related training or other defense service for purposes other than those for which furnished unless the consent of the President has first been obtained;

(3) the country or international organization shall have agreed that it will maintain the security of such article and will provide substantially the same degree of security protection afforded to such article by the United States Government; and

(4) the country or international organization is otherwise eligible to purchase defense articles or defense services (see para 2, below).

2. Conditions of Eligibility

Countries or international organizations found eligible to purchase defense articles

and defense services under the Presidential finding are also subject to other provisions of the AECA. A summary of the major restraints on FMS and FMS Credits is included under MASM III, Chapter B, Foreign Military Sales Policies, Guidelines and Restrictions, para 3.

3. Eligible Countries and International Organizations

The current list of eligible countries and international organizations as determined by the President is appended as Table A-1.

4. Special Approval Requirements

The Department of State has primary responsibility for approving all requests for the purchase of defense articles and defense services. To aid in this approval process, all requests for defense articles and defense services have been divided into two kinds: "Significant Combat Equipment" (as listed in the International Traffic in Arms Regulation (ITAR)) and "All Other Defense Articles and Services". However, within these two categories, the Department of State has authorized certain types of requests to be forwarded directly to the Department of Defense for processing. For this purpose, Table A-2 indicates the Department of State approved channels for the submission of a request for the purchase of "Significant Combat Equipment" or "All Other Defense Articles and Services". Those approval channels designated as the Department of Defense shall be considered Category A requests and those approval channels designated as the Department of State shall be considered Category B requests. The procedures for the submission of such requests are covered in Chapter C, paragraph 6.

Table A-1

FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS ELIGIBLE TO PURCHASE DEFENSE ARTICLES AND DEFENSE SERVICES UNDER THE AUTHORITY OF THE ARMS EXPORT CONTROL ACT¹

COUNTRIES

Africa

Benin	Malagasy Republic
Cameroon	Mali
Chad	Mauritius
Ethiopia*	Morocco
Gabon	Niger
Ghana	Nigeria
Guinea	Senegal
Ivory Coast	Sudan
Kenya	Tunisia
Liberia	Upper Volta
Libya*	Zaire

Near East and South Asia

Afghanistan	Nepal
Bahrain	Oman
Egypt	Pakistan
Greece	Qatar
India	Saudi Arabia
Iran	Sri Lanka (Ceylon)
Israel	The United Arab Emirates
Jordan	Turkey
Kuwait	Yemen Arab Republic
Lebanon	

Europe

(Less Greece & Turkey)

Austria	Malta
Belgium	Netherlands
Denmark	Norway
Finland	Portugal
France	Spain
Germany	Sweden
(Fed Rep of)	Switzerland
Iceland	United Kingdom
Ireland	(Incl Crown Agents)
Italy	Yugoslavia
Luxembourg	

Western Hemisphere

Argentina	Haiti
Bahamas	Honduras
Bolivia	Jamaica
Brazil	Mexico
Canada	Nicaragua
Chile*	Panama
Colombia	Paraguay
Costa Rica	Peru
Dominican Republic	Surinam
Ecuador	Trinidad and Tobago
El Salvador	Uruguay
Guatemala	Venezuela

Far East

Australia	Korea, Rep of
Brunei	Laos*
Burma	Malaysia
Cambodia*	New Zealand
China, Rep of	Philippines
Fiji	Singapore
Indonesia	Thailand
Japan	Vietnam, Rep of*

International Organizations

North Atlantic Treaty Organization (NATO) and its agencies
Organization of American States (OAS)
United Nations (UN) and its agencies to include International Civil Aviation Organization (ICAO)

1. As of 1 March 1978

* Sales to these countries have been suspended.

TABLE A-2

Channels of Submission and Approval ¹
for Requirements for the Purchase of Defense Articles and Defense Services

<i>Eligible Countries</i>	<i>Significant Combat² Equipment in ITAR</i>	<i>All Other Defense Articles and Services</i>	<i>Authorized Direct³ Arrangements for Dependable Undertaking</i>	<i>Authorized Receipt⁴ DLA Excess Property Listings</i>
<i>NATO Countries</i>				
Belgium -----	DOD ⁵	DOD	YES	YES
Canada -----	DOD	DOD	YES	YES
Denmark -----	DOD	DOD	YES	YES
France -----	DOD	DOD	YES	YES
Germany (Federal Republic of) ^{7 8} -----	DOD	DOD	YES	YES
Greece -----	STATE ⁶	DOD	YES	YES
Iceland -----	STATE	DOD	YES	YES
Italy -----	DOD	DOD	YES	YES
Luxembourg -----	DOD	DOD	YES	YES
Netherlands -----	DOD	DOD	YES	YES
Norway -----	DOD	DOD	YES	YES
Portugal -----	STATE	DOD	YES	YES
Turkey -----	STATE	DOD	YES	YES
United Kingdom -----	DOD	DOD	YES	YES
<i>Other European Countries</i>				
Austria -----	STATE	DOD	YES	YES
Finland -----	STATE	DOD	NO	NO
Ireland -----	STATE	DOD	YES	YES
Malta -----	STATE	DOD	YES	YES
Spain -----	STATE	DOD	YES	YES
Sweden -----	STATE	DOD	YES	YES
Switzerland -----	STATE	DOD	YES	YES
Yugoslavia -----	STATE	DOD	YES	YES
<i>Near East and South Asia Countries</i>				
Afghanistan -----	STATE	STATE	NO	NO
Bahrain -----	STATE	STATE	YES	YES
Egypt -----	STATE	STATE	NO	NO

TABLE A-2

<i>Eligible Countries</i>	<i>Significant Combat[†] Equipment in ITAR</i>	<i>All Other Defense Articles and Services</i>	<i>Authorized Direct[†] Arrangements for Dependable Undertaking</i>	<i>Authorized Receipt[†] DLA Excess Property Listings</i>
<i>Near East and South Asia Countries (continued)</i>				
India -----	STATE	STATE	YES	YES
Iran -----	STATE	DOD	YES	YES
Israel -----	STATE	DOD	YES	YES
Jordan -----	STATE	DOD	YES	YES
Kuwait -----	STATE	DOD	YES	YES
Lebanon -----	STATE	STATE	YES	YES
Nepal -----	STATE	DOD	YES	YES
Oman -----	STATE	DOD	NO	NO
Pakistan -----	STATE	STATE	YES	YES
Qatar -----	STATE	DOD	YES	YES
Saudi Arabia -----	STATE	DOD	YES	YES
Sri Lanka (Ceylon) -----	STATE	DOD	NO	YES
The United Arab Emirates -----	STATE	DOD	YES	YES
Yemen Arab Republic -----	STATE	DOD	YES	YES
<i>Far East Countries</i>				
Australia -----	DOD	DOD	YES	YES
Burma -----	STATE	DOD	NO	YES
Brunei -----	STATE	STATE	YES	YES
Cambodia* -----	STATE	STATE	NO	NO
China, Republic of -----	STATE	DOD	YES	YES
Fiji -----	STATE	DOD	NO	NO
Indonesia -----	STATE	DOD	YES	YES
Japan -----	DOD	DOD	YES	YES
Korea -----	STATE	DOD	YES	YES
Laos* -----	STATE	STATE	NO	NO
Malaysia -----	STATE	DOD	YES	YES
New Zealand -----	DOD	DOD	YES	YES
Philippines -----	STATE	DOD	YES	YES
Singapore -----	STATE	DOD	YES	YES
Thailand -----	STATE	DOD	YES	YES
Vietnam* -----	STATE	STATE	NO	NO

TABLE A-2

<i>Eligible Countries</i>	<i>Significant Combat² Equipment in ITAR</i>	<i>All Other Defense Articles and Services</i>	<i>Authorized Direct³ Arrangements for Dependable Undertaking</i>	<i>Authorized Receipt⁴ DLA Excess Property Listings</i>
<i>African Countries</i>				
Cameroon -----	STATE	DOD	NO	NO
Chad -----	STATE	DOD	NO	NO
Benin -----	STATE	STATE	NO	NO
Ethiopia* -----	STATE	STATE	NO	NO
Gabon -----	STATE	DOD	NO	NO
Ghana -----	STATE	DOD	NO	NO
Guinea -----	STATE	STATE	NO	NO
Ivory Coast -----	STATE	DOD	NO	NO
Kenya -----	STATE	DOD	YES	NO
Liberia -----	STATE	DOD	YES	YES
Libya* -----	STATE	STATE	NO	NO
Malagasy Republic -----	STATE	STATE	NO	NO
Mali -----	STATE	STATE	NO	NO
Mauritius -----	STATE	DOD	NO	NO
Morocco -----	STATE	DOD	YES	YES
Niger -----	STATE	DOD	NO	NO
Nigeria -----	STATE	DOD	YES	NO
Senegal -----	STATE	DOD	NO	NO
Sudan -----	STATE	DOD	NO	NO
Tunisia -----	STATE	DOD	YES	YES
Upper Volta -----	STATE	DOD	NO	NO
Zaire -----	STATE	DOD	NO	YES
<i>Latin American Countries</i>				
Argentina -----	STATE	STATE	NO	NO
Bahamas -----	STATE	DOD	YES	YES
Bolivia -----	STATE	DOD	YES	YES
Brazil -----	STATE	STATE	NO	NO
Chile* -----	STATE	STATE	NO	NO
Colombia -----	STATE	DOD	YES	YES
Costa Rica -----	STATE	DOD	YES	YES
Dominican Republic -----	STATE	DOD	YES	YES
Ecuador -----	STATE	DOD	YES	YES

TABLE A-2

<i>Eligible Countries</i>	<i>Significant Combat^a Equipment in ITAR</i>	<i>All Other Defense Articles and Services</i>	<i>Authorized Direct^a Arrangements for Dependable Undertaking</i>	<i>Authorized Receipt^a DLA Excess Property Listings</i>
<i>Latin American Countries (continued)</i>				
El Salvador -----	STATE	STATE	YES	YES
Guatemala -----	STATE	STATE	YES	YES
Haiti -----	STATE	STATE	YES	YES
Honduras -----	STATE	DOD	YES	YES
Jamaica -----	STATE	DOD	NO	NO
Mexico -----	STATE	DOD	YES	YES
Nicaragua -----	STATE	STATE	NO	YES
Panama -----	STATE	DOD	YES	YES
Paraguay -----	STATE	STATE	NO	YES
Peru -----	STATE	STATE	YES	YES
Surinam -----	STATE	DOD	NO	NO
Trinidad and Tobago -----	STATE	DOD	NO	NO
Uruguay -----	STATE	STATE	NO	YES
Venezuela -----	STATE	DOD	YES	YES
<i>International Organizations</i>				
NATO (North Atlantic Treaty Organizations and its agencies) -----	DOD	DOD	YES	YES
Organization of American States (OAS) -----	STATE	DOD	NO	NO
United Nations and its agencies to include International Civil Aviation Organization (ICAO) -----	STATE	STATE	NO	NO

*Sales to these countries have been suspended.

TABLE A-2

NOTE: The purchasing country or international organization must make payment in U.S. dollars under the appropriate terms of sale as specified in Part III, Chapter G, paragraph 3.

¹ As of 1 March 1978.

² Items designated as significant combat equipment are indicated in the International Traffic in Arms Regulation (ITAR), Title 22, CFR, Section 121.03.

³ Arrangements for purchase under the dependable undertaking provisions of the Arms Control Export Act may be made directly with the cognizant DOD component, subject to the approval of that component.

⁴ Countries or international organizations receiving distribution of lists of excess U.S. military material for sale through the Defense Logistics Services Center (DLSC), Defense Logistics Agency (DLA) (DOD Instruction 2110.8).

⁵ Category A—Country purchase programs and/or requests authorized by the Department of State for submission directly to the cognizant DOD component for processing.

⁶ Category B—Country purchase programs and/or requests require submission to, and approval of, the Department of State and Department of Defense prior to action within the cognizant DOD component.

⁷ Except for purchases of items listed and defined in Annexes 2 and 3 of Paris Protocol III. (See Memorandum, I-2710/59 dated 11 June 1959.)

⁸ Request for payment of Federal Republic of Germany purchases will be submitted in accordance with DOD Instruction 2110.32.

CHAPTER B

FOREIGN MILITARY SALES POLICIES, GUIDELINES AND RESTRICTIONS

1. Purpose

Supplement information provided in MASM—Part I, DOD Directive No. 5132.3, Department of Defense Policy and Responsibilities Relating to Security Assistance, December 20, 1972 and other related basic directives and instructions governing military export sales activities.

2. Basic Sales Policy and Guidelines

In enacting the Arms Export Control Act (AECA), as amended, the Congress consolidated and revised foreign assistance legislation relating to reimbursable exports.

a. Basic Sales Policy. In this Act, the Congress:

(1) Declared the ultimate goal of the U.S. to be a world free of the dangers and burdens of armaments with the use of force subordinated to the rule of law;

(2) Affirmed the increasing cost and complexity of defense equipment and recognized that there continues a need for international defense cooperation to maintain peace and security;

(3) Established that the United States will facilitate the common defense by entering into international arrangements with friendly countries on projects of cooperative exchange of data, research, development, production, procurement and logistics support to achieve national defense requirements and objectives of mutual concern;

(4) To this end, authorized sales to friendly countries to equip their forces with due regard to impact on social and economic development and on arms races; and

(5) Declared the sense of the Congress that all such sales be approved only when

they are consistent with the foreign policy interests of the United States.

b. Military exports sales support specific foreign policy and security interests of the United States. Such sales have in the past improved internal order and increased the prospects for regional stability, thereby reducing the likelihood of direct U.S. military involvement. Standardization of materiel, doctrine, and training is enhanced among our allies and friends. The U.S. production base is maintained, U.S. employment is increased, research and development costs are spread wider, unit costs to the U.S. Services reduced, and forward materiel support is facilitated. The U.S. balance of payments is aided and closer relations, cooperation, and partnership with other nations are engendered.

c. Guidelines

Except where overriding considerations dictate otherwise, the following guidelines will govern Department of Defense sales activities:

(1) Department of Defense sales will support the foreign policy interests of the United States.

(2) Department of Defense will be responsive to foreign requests for sales proposals.

(3) Countries will be encouraged, consistent with economic-financial capabilities, to make the transition from grant aid to sales.

(4) To the extent practicable, the Department of Defense will assist U.S. industry in making sales directly to foreign governments. Relationships with industry will be forthright, factual, and will avoid all connotation of favoritism.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(5) The Department of State has advised commercial firms who plan to discuss the sale of defense articles overseas to:

(a) touch base with the local MAAG or American Embassy representative upon arrival in-country, and

(b) inform the MAAG or Embassy representative whether or not they have a license to discuss technical data regarding the project planned to be discussed with host nations, and if not, how the commercial firm expects to handle the matter.

There is no mandatory requirement for a commercial firm to contact the MAAG or local Embassy representative but it is in the best interests of all concerned if commercial firms do so.

Department of Defense policy is one of even-handedness when dealing with commercial firms engaged in overseas marketing activities. When U.S. industry representatives approach the MAAG for assistance in conducting normal marketing efforts abroad, MAAG personnel should, within policy guidelines, use their own best judgment in determining whether a commercial firm should be referred to foreign country officials for the purpose of discussing a possible sale or whether any other assistance should be given.

(6) Unless dictated by overriding logistics considerations approved by the Secretary of Defense, the Department of Defense will not enter into sales arrangements which entail commitments for Department of Defense procurement in foreign countries.

(7) Credit and credit guaranties under the Arms Export Control Act will be used only to assist countries in acquiring essential items which cannot reasonably be financed by other means and normally will be used only to finance investment requirements.

(8) Wherever practicable, guaranteed credit will be used instead of direct FMS credit.

(9) Concessionary FMS credit terms (i.e., interest rates less than cost of money to the U.S. Government) will be granted only

when determined by the President to be required by the national interest.

(10) We welcome consultation with our friends and allies on research, development, production, and logistic support programs of mutual interest.

d. When procuring for a foreign government, DOD will apply the same contract clauses and contract administration as it would use in procuring for itself, except where exceptions are authorized in the Armed Forces Procurement Regulations. When a sole source procurement requested by a foreign government appears to be motivated by objectives in conflict with this requirement or with any U.S. legislation, the request must be forwarded to DSAA, which will forward the request to the Department of State for consideration. No Letter of Offer in such cases will be issued without approval of the Director DSAA.

e. The DOD Offer and Acceptance (DD Form 1513) is an agreement entered into pursuant to the authority of the Arms Export Control Act whereby the United States Government offers to sell and another government or international organization agrees to buy defense articles and/or defense services. In those instances where defense articles or defense services covered by a DD 1513 agreement are to be obtained by DOD through procurement, the implementing purchases or contracts are required to be in compliance with the Armed Services Regulation (ASPR 1-102 and 6-1302). Accordingly, in order to assure such compliance, it is essential that those provisions of the DD 1513 agreement (and any associated contemporaneous agreements such as reciprocal procurement arrangements) which bear upon the related contract or purchase action be coordinated between the Defense Security Assistance Agency and the cognizant DOD procuring activity. In those instances where a deviation from ASPR must be obtained in order to incorporate a DD 1513 special provision in an implementing DOD contract, the ASPR procedures for obtaining such deviation

should be accomplished prior to the inclusion of such provision in the DD Form 1513 agreement.

3. Major Restraints and Significant Recurring Reports to the Congress

The following is a summary of the major restraints and requirements for reporting to the Congress which govern foreign military sales activities, and reflect major requisites which impact on military export sales. Unless otherwise noted, references are to the AECA, as amended.

a. Major Restraints

(1) Sales will be approved only when consistent with U.S. foreign policy interests, foreign aid purposes as embodied in the FAA, the extent and character of the military requirement, the economic and financial capability of the purchases, with particular regard being given, where appropriate, to proper balance among such sales, grant military assistance and economic assistance as well as to the impact of the sales on social and economic development programs and on existing or incipient arms races (Sec. 1).

(2) Sales and credit guaranties (Secs. 21, 22, 23 and 24) shall not be approved to arm military dictators who are denying the growth of fundamental rights or social progress to their people. The President may waive this limitation when he determines it would be important to the security of the United States (Sec. 1).

(3) The Secretary of State shall be responsible for determining whether there shall be a sale to a country and the amount thereof, and whether these shall be delivery or other performance under such sale or export to the end that sales and exports are integrated with other U.S. activities and the foreign policy of the U.S. is best served thereby. (Sec. 2(b)).

(4) The President must determine the eligibility of the prospective purchaser on the basis that sales will strengthen U.S. security and promote world peace (Sec. 3(a) (1)).

(5) The purchaser must agree not to transfer title to, or possession of, any defense article or related training or other defense service without prior U.S. consent; and the President must report to the Congress before such consent is given (Sec. 3(a) (2)).

(6) Any foreign country which hereafter uses defense articles or defense services furnished under the Arms Export Control Act, in substantial violation of any agreement entered into under that Act, shall be ineligible for further cash sales, credits or guaranties until such time as the President determines that such violation has ceased and the country has given satisfactory assurances that such violation will not recur. (Sec. 3c)

(7) Unless the President finds that the national security requires otherwise, he shall terminate all sales, credits and guaranties to any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism. Such termination shall be for one year, beginning on the date of such termination, except that if during the country's period of ineligibility another such sanctuary is granted, its period of ineligibility shall be extended for an additional year. If the President finds that the national security justifies a continuation of sales, credits or guaranties to any such government he shall report such finding to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate. (Sec. 3f)

(8) Sales may be made to countries only for purposes of internal security, legitimate self defense, civic action, or regional or collective arrangements consistent with the United Nations (U.N.) Charter, or requested by the U.N. (Sec. 4)

(9) No FMS credits or guarantees shall be extended to less developed countries—except Greece, Turkey, Iran, Israel, Republic of China, Philippines, and Korea—to buy sophisticated weapons, such as missile systems and jet aircraft for military purposes,

MILITARY ASSISTANCE AND SALES MANUAL—PART III

unless the President determines that such financing is important to the U.S. national security. (Sec. 4)

(10) Sales may be made under FMS only if the eligible purchaser agrees to pay in U.S. dollars. (Secs. 21 and 22)

(11) FMS credits must be repaid in U.S. dollars within twelve years after the delivery of the defense articles or the rendering of the defense services. (Sec. 23)

(12) Financing of sales of defense articles and defense services by any individual, corporation, partnership or other judicial entity doing business in the United States (excluding U.S. Government agencies other than the Federal Financing Bank) may be guaranteed by the USG. Fees shall be charged for such guarantees. An amount equal to 10% of the principal amount of the contractual liability under guaranty shall be set aside as a reserve from funds appropriated under the Act. (Sec. 24)

(13) Export-Import Bank financing of sales to economically less developed countries is prohibited. (Sec. 32)

(14) A ceiling on grant aid and sales credits combined (excluding training) shall not exceed \$40,000,000 in each fiscal year for African countries. The President may waive this provision when he determines it to be important to the security of the United States. (Sec. 33)

(15) FMS credit and guaranty standards and criteria, e.g., interest rates, shall be established by the President in accordance with the foreign, national security and financial policies of the U.S. (Sec. 34)

(16) Further sales, credits, and guarantees shall be terminated to any economically less developed country which diverts economic aid, or its own resources to unnecessary military expenditures, to a degree which materially interferes with its development. (Sec. 35)

(17) Cash received from FMS and from repayments of FMS credits shall not be used for financing new credits or guaranties. (Sec. 37)

(18) The President is authorized to control the import and export of defense articles and services and to designate those items which shall be considered defense articles and services to promulgate regulations for the import and export of such articles and services. The items so designated shall constitute the United States Munitions List. (Sec. 38(a))

(19) No license may be issued under Section 38 of the Act for the export of any major defense equipment sold under a contract in the amount of \$25,000,000 or more to any foreign country which is not a member of the North Atlantic Treaty Organization (unless such major defense equipment had been sold under FMS). Additionally, this prohibition shall not apply to the issuance of licenses under this section for the export of major defense equipment to Australia, Japan, or New Zealand, or major defense equipment sold commercially in implementation of an agreement between the United States Government and the government of a foreign country for the production of the major defense equipment to which such licenses relate if the President has submitted a certificate with respect to such proposed agreement, prior to its signature, to the Speaker of the House of Representatives and to the Chairman of the Committee on Foreign Relations of the Senate in the same form as the certification required under Section 36(b) of this Act and subject to the requirements of such Section. (Sec. 38(b)(3))

(20) Arms control consequences must be taken into consideration when evaluating any FMS sale. (Sec. 42(a)(3))

(21) FMS funds may be used for procurement outside the U.S. only if the President determines that such procurement will not result in adverse effects upon the U.S. economy or the industrial mobilization base. (Sec. 42(c))

(22) Provisions of Atomic Energy Act and 10 USC 7307 (requiring separate legislation for major ship loans and sales) are unaffected by the AECA. (Sec. 44)

(23) Sale of defense articles, defense

services or training to foreign organizations or units, including foreign police forces, will not be made under the Arms Export Control Act unless such organizations or units are a part of the national defense forces under the direction and control of the Ministry responsible for defense matters. Prior approval of DSAA is required for the sale of defense articles, defense services or training to foreign organizations or units that are under the direction and control of the Ministry responsible for defense matters if they are engaged in on-going civilian police functions.

(24) Consistent with its resources and the situation prevailing in-country, the MAAG is responsible for supervising and reporting on the utilization by the foreign country of defense articles and services acquired through FMS.

b. Significant Reports to the Congress

(1) Quarterly reports of:

(a) all Letters of Offer to sell any major defense equipment for \$1,000,000 or more under this Act to each foreign country and international organization, by category, if such Letters of Offer have not been accepted or cancelled. (Sec. 36(a)(1)).

(b) all such Letters of Offer that have been accepted during the fiscal year in which such report is submitted, together with the total value of all defense articles and defense services sold to each foreign country and international organization during such fiscal year. (Sec. 36(a)(2)).

(c) the cumulative dollar amounts, by foreign country and international organization, or sales credit agreements under Section 23 and guaranty agreements under Section 24 made during the fiscal year in which such report is submitted. (Sec. 36(a)(3)).

(d) projections of the dollar amounts, by foreign country and international organizations, of cash sales expected to be made under Sections 21 and 22, credits to be extended under Section 23, and guaranty agreements to be made under Section 24 in the quarter of the fiscal year immediately following the quarter for which such report is submitted. (Sec. 36(a)(5)).

(e) a projection with respect to all cash sales expected to be made and credits expected to be extended to each country and organization for the remainder of the fiscal year in which such report is transmitted. (Sec. 36(a)(6)).

(f) an estimate of the number of officers and employees of the United States Government and of United States Civilian contract personnel present in each country at the end of that quarter for assignments in implementation of sales and commercial exports under this Act. (Sec. 36(a)(7)).

(g) an analysis and description of the services being performed by officers and employees of the U.S. Government under Section 21(a) of this Act, including the number of personnel so employed. (Sec. 36(a)(8)).

(2) In the case of any Letter of Offer to sell any defense articles or services under this Act for \$25,000,000 or more, or any major defense equipment for \$7,000,000 or more, a numbered certification of (1) the foreign country or international organization to which the defense article or service is offered or was sold, (2) the dollar amount of the offer to sell or the sale and the number of defense articles offered or sold, (3) a description of the defense article or service offered or sold, and (4) the United States Armed Force or other agency of the United States which is making the offer to sell or the sale, as the case may be; and a description of any contribution, gift, commission, or fee paid or offered or agreed to be paid in order to solicit, promote, or otherwise to secure such Letter of Offer. See Appendix B, Figure App B-2 for a detailed listing of the information specified to be included in this report. (Sec. 36(b)(1)).

(3) Notification to the Congress before issuance of Letters of Offer in the amount of \$25,000,000 or more or for the sale of major defense equipment in the amount of \$7,000,000 or more. Further, the Arms Export Control Act provides that the Letter of Offer shall not be issued if Congress, within 30 calendar days of receipt of such notification, adopts a concurrent resolution stating in effect that it objects to such proposed sale,

MILITARY ASSISTANCE AND SALES MANUAL—PART III

unless the President in his notification to Congress states that an emergency exists which requires such sale in the national security interests of the United States (Sec.

36(b)(1)). See Chapter C, paragraph 16 for processing LOAs in the amount of \$25 million or more or for LOAs in the amount of \$7 million for major defense equipment.

CHAPTER C

GENERAL PROCEDURES

1. Introduction

This Chapter describes the general context and character of Foreign Military Sales (FMS) and covers the processes and practices with which the U.S. Government decides to sell military equipment to a foreign government—or decides not to.

2. Buyer-Seller Relationships

An essential characteristic of Military Export Sales, whether they be commercial or through government channels, is that two governments must agree before a transaction is concluded. Neither government can direct the transaction; either government can shape it only by withholding its approval. Sales are negotiated. Both the buyer and the seller must be satisfied.

This essential characteristic predominates in shaping the conduct and style of Foreign Military Sales. Some of the rules governing FMS are hard and fast. For example, the U.S. Government is required by law to sell only for dollars. Most of the “rules” must be pragmatically applied. Since a sale must be negotiated, rules take the shape of preferences and sales procedures take on the shape of general practice, with the consequence that exceptions to the rule are more easily cited than the rule itself.

3. Purpose for Sale of U.S. Military Equipment Abroad

All nations generally prefer to buy at home. All nations express that preference by a willingness to pay a premium or make a sacrifice in terms of price, and/or quality for the privilege of buying at home. But because some goods are simply not available

at home, or because the premium of sacrifice is too large, all nations make some of their purchases abroad.

For civil goods, trade patterns reflect the wide diversity of procurement decisions made by private citizens. Military trade patterns reflect the policies and preferences of governments—because the acquisition and use of military equipment is uniquely a governmental function.

In a narrow sense, the U.S. Government sells military equipment abroad because such sale is authorized and encouraged by law—in modern times, since the Mutual Defense Act of 1949. In a broader sense, the U.S. Government sells military equipment abroad for all the basic reasons expressed in Chapter B as well as the following:

- a. because the United States, with only 6 percent of the world's population but one-third of its gross national product, is the world's most technological advanced nation;
- b. because the United States has maintained a foreign policy and style since World War II of aspiring to promote a world free of dangers and burdens of armament with the use of force subordinated to the rule of law;
- c. because the United States has long believed that its national security is inseparable from and dependent upon free world security;
- d. because the United States has, since World War II, joined with its free world friends and allies in concluding that such security must rest on a strong and well-equipped defense capability;

- e. because the Marshall Plan and successor assistance efforts, under which the United States has granted Military Assistance totaling over \$53 billion since World War II, combined with the self help efforts of recipient countries, have restored the economies of most free world countries; and
- f. because, finally, economically capable nations are now able to pay for the military equipment that they wish to obtain from the United States.

In brief, with many military requirements still unmet and with many modernization requirements accumulating, all the foreign policy, security and military motivations that gave rise to U.S. military grant assistance now motivate the transfers of military equipment on terms of sale.

4. General Criteria Regarding Sale of Military Equipment

In general the U.S. Government is willing to sell equipment to such countries at such times as it approves such sales on a case-by-case basis.

- a. It is easier to approve the sale of less, rather than more sophisticated equipment; easier to approve the sale of less, rather than more, expensive equipment; easier to approve the sale of equipment adopted by the U.S. forces and promising to the buyer, thereby, the benefits of logistics standardization.
- b. The willingness of the U.S. Government to sell military equipment varies country by country in accordance with the military requirement, ability to maintain and use, compatibility with existing inventory, and impact on the preconceptions and the actions of the buyer's neighbors.
- c. The willingness of the U.S. Government to sell military equipment varies with time and situation; thus changes in terms of foreign policy, diplomacy,

economy, finances and security, reflecting the changing world-wide situation, can cause reversals in such willingness from time to time.

This is not to say that there are no sources of guidance with regard to the question of the U.S. Government's willingness to sell. The National Disclosure Policy Manual (NDP-1) records the levels of classification which the U.S. Government is willing in general to release to cited countries. Requests for exceptions to policy established by this document are handled by the National Disclosure Policy Board which is chaired by the Department of Defense.

The legislative restraints on Foreign Military Sales are reviewed in Chapter B. These reflect the guidelines and constraints that must be followed prior to the approval of Military Export Sales.

5. Channels Used in the Sale of Military Equipment

"Military Export Sales" divide themselves into "Foreign Military Sales" and "Commercial Sales." Foreign Military Sales are government-to-government transactions; for these sales, the Department of Defense purchases equipment from United States firms, takes title to the equipment (or has title to equipment to be sold from U.S. stocks), and sells the equipment to the foreign buyer. For Commercial Sales, the U.S. firm sells directly to the foreign buyer.

Foreign Military Sales do not require the Defense Department to obtain an export license from the State Department if the items are physically exported by DOD; the purchaser requires a license if the items are delivered to the purchaser in the United States. For Commercial Sales, an export license from the State Department is required for the export of all military equipment (i.e., all materiel listed in the munitions list).

Section 38(b)(3) of the Arms Export Control Act states that: "No license may be issued under this Act for the export of any

major defense equipment sold under a contract in the amount of \$25,000,000 or more to any foreign country which is not a member of the North Atlantic Treaty Organization unless such major defense equipment was sold under this act." For detailed procedures on commercial sales, see Chapter H.

The Defense Department preference, therefore, is to use commercial channels as much as possible. Nevertheless, some two-thirds to three-fourths of all U.S. military exports actually pass through government-to-government channels for one or more of the following reasons:

a. This GFE likewise cannot be sold directly to U.S. prime contractors for incorporation in weapons systems for sale to foreign buyers.

b. For some special situations, the U.S. Government wishes to exercise the control that is more easily achieved with the FMS channel.

c. Classified equipment, which must in any event be delivered through government channels, is often easier to sell through the government channel.

d. Sales made under supply support arrangements and similar logistics sales arrangements are handled through the FMS channel as the only practicable way of permitting the armed forces of friends and allies to "buy into" the procedure as do using U.S. units.

Direct contact between MAAGs and Military Departments is authorized to provide information to host countries concerning technical advice, data on item configuration and availability, cost factors, and other essential technical and supply data.

6. Basic Foreign Military Sales Procedures

a. Eligible countries and international organizations authorized to purchase defense articles and defense services under the authority of the Arms Export Control Act are

listed in Chapter A, Table A-1. Special approval requirements are prescribed for "Significant Combat Equipment" and "All Other Defense Articles and Services", Chapter A, Table A-2.

b. Following are the prescribed procedures and administrative channels for implementing requests for defense articles and defense services:

(1) Category A—*Requests for "significant combat equipment" (if the value of such would be \$7 million or more) or "all other defense articles and services" (if the value of such articles or services could be \$25 million or more) which originate in-country will be transmitted via the U.S. Embassy rather than by the MAAG or similar military elements to the cognizant DOD component for action, with the Department of State, DSAA, the appropriate Unified Command and ACDA as information addressees. All other FMS requests, at the discretion of the requesting country, should be transmitted either through the country's representatives in the U.S. (such as the Purchasing Missions, Embassies, or Military Attaches in Washington, D. C.) or through the U.S. country team located in the foreign country (such as the MAAG, U.S. Military Mission, Offices of Defense Cooperation (ODCs), or U.S. Defense Attache's Office) directly to the cognizant DOD component with an information copy to DSAA and (except for requests under the category "all other defense articles and services" if the value of such articles or services could be less than \$25 million) to the Department of State.

(2) Category B—All requests for "significant combat equipment" (if the value of such would be \$7 million or more) or "all other defense articles and services" (if the value of such articles or services could be

* Some countries are listed as Category A for maintenance support and Category B for major end-items.

Special Conditions: Sale of electronic warfare (EW) equipment to NATO countries will, for the most part, follow normal FMS channels. However, special coordination and review by USEUCOM will be required to assure that the equipment to be purchased by one NATO country is compatible with the overall NATO EW concept.

\$25 million or more) which originate in-country will be transmitted via the U.S. Embassy rather than by the MAAG or similar military element to the Department of State, with an information copy to DSAA and the appropriate Unified Command. The preferred channel for all other FMS requests is through the purchasing country's representative in the U.S. (e.g., purchasing mission or military attache) via the Embassy of the foreign country to the Department of State, with an information copy to DSAA. Requests received by the U.S. in-country should be sent to the Secretary of State/Secretary of Defense.

(3) When a DOD Component receives a request for defense articles or services in a manner not specifically authorized as outlined above, or specified in Chapter A, Table A-2, the request should be forwarded to the DSAA. The DSAA will, in turn, seek State Department approval. With such approval, the DSAA will return the request to the appropriate DOD Component for implementation and will advise the originator of this action as well as the proper channel for similar future requests.

(4) Military Departments will submit all Letters of Offer for significant combat equipment and for those items or services of a critical or special nature to the Defense Security Assistance Agency (Attn: Director of Operations) for approval prior to submission to the requesting country. Additional LOA's which require DSAA approval are:

(a) all Letters of Offer to African countries and Iran;

(b) all Letters of Offer for \$1 million or more, and all amendments which increase the value of a case to \$1 million or more, for Bahrain, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, the United Arab Emirates and the Yeman Arab Republic;

(c) all Letters of Offer for the sale of major defense equipment. Special instructions for Letters of Offer for the sale of end items in the amount of \$25 million or more or the sale of major defense equipment in the amount of \$7 million or more are contained in Section 16 of this chapter.

(d) all Letters of Offer for which the terms of payment are credit or guaranteed funds.

(e) all Letters of Offer for items containing a non-recurring surcharge as an element of cost of the items are prescribed in DOD Directive 2140.2;

(f) all Letters of Offer for items or services which are not standard in the DOD inventory and for which Research, Development, Test and Evaluation are included as an element to be procured;

(g) all Letters of Offer involving the sale of Technical Data Packages or similar data which would result in the establishment of a foreign production capability for an item; and,

(h) all Letters of Offer including agent's fees.

7. Furnishing Information on Price, Availability and Condition of Military Equipment to Foreign Governments

a. Importance of Accurate Estimates

The terms and conditions of the DD Form 1513 stipulate that any price and availability data shown on the DD Form 1513 are estimates rather than fixed prices or firm commitments. This point continually must be stressed to foreign governments. Nevertheless unexpected and substantial price increases, delivery delays, or the receipt of equipment in poor condition can lead to a foreign government's disappointment or even disillusionment with the FMS system. It is essential that all DOD elements concerned strive for accuracy in the development of price and availability data; the process must include the identification of contingencies which might cause the "best estimate" of price and availability to fluctuate beyond acceptable bounds. The nature of any such contingency or qualification as to the accuracy of estimates normally should be brought to the attention of the FMS purchaser during the offer and acceptance process, unless this would result in disclosure of classified information, U.S. force planning information, or

data which otherwise is sensitive to United States interests.

b. Discussions with Foreign Governments

Economic, production and budget uncertainties all contribute to Military Department and DSA difficulties in making accurate price and availability estimates. The large volume of price and availability estimates which are processed also increase the likelihood of error. It is imperative that the utmost discretion be exercised by members of the country team or other U.S. officials in discussions with foreign government officials of price, availability and equipment condition. Discussions of specifics related to FMS cash or credit sales should be based on current program data. Only specific data provided by the Military Departments, DSA or the Defense Security Assistance Agency (DSAA) should be used. In all discussions, it should be clearly noted that price quotations are estimates only and are subject to change. Final prices charged to purchasers under Foreign Military Sales contracts are governed by United States legal requirements. Purchasers must recognize that prices contained in Letters of Offer are in reality estimates, and by law the United States must finally be reimbursed for the actual costs to the U.S. Government of the equipment and services provided.

c. Importance of Accurate Statements of Condition of Equipment

The condition of used equipment suggested for consideration should be ascertained, and any commitments made must be explicit in order to preclude misunderstandings. If data on equipment condition is not available in adequate detail, the DOD components concerned should obtain and provide specifics before commitments are made.

d. Two Basic Categories of Estimates: "P&B" and "P&A"

Estimates of price and availability information can be grouped into two basic categories. (1) "P&B" estimates which are for planning and/or budgeting purposes only

(that is, not at that time meant to trigger the preparation of a DD Form 1513), and (2) "P&A" estimates which are intended for use in the processing of a DD Form 1513 (Letter of Offer and Acceptance). In order to minimize uncertainty, reduce overall average response time and lighten workload, requests for price and availability estimates shall be treated according to the type they represent.

e. Processing Requests for P&B Estimates

(1) Requests for "Planning and/or Budgetary" purpose shall be known as "P&B" requests; responses to such requests shall be known as "P&B" estimates. These estimates should be sufficiently accurate to serve the planning purposes of the particular case, but normally will not be developed as fully or coordinated as widely as "P&A" estimates (see below). Accordingly the workload and response time associated with responding to P&B requests may be less than that associated with P&A requests.

(2) Generally, P&B estimates are developed on the basis of available information, using standard Military Department configurations and program data, unless more specific country data are provided. Standard Military Department factors may be applied to basic system estimates to derive support data. Normally contractor participation in developing "P&B" data is not desired. P&B estimates are specifically not considered to be valid for purposes of DD Form 1513 preparation.

(3) Channels for the submission of requests for P&B data are the same as those used for requests for P&A data and Letters of Offer. See paragraph 6, this Chapter. DOD components will provide an information copy of P&A estimates for both Category A and B requests to DSAA and (except for 'All other defense articles and services,' if the value of such is less than \$25 million for Category A) to the Department of State.

(4) Responses to P&B requests will state that the data is for planning/budgetary

purposes only and is not valid for Letter of Offer (DD Form 1513) purposes. Any potential additional costs which have not been included in the estimates, such as accessorial and transportation changes, spare parts and support equipment and training will be clearly identified. Emphasis shall be placed on timeliness and such estimates should be transmitted to the requestor not later than 30 days after receipt by the Military Department. If this date cannot be met, an interim reply will be sent.

f. Processing Requests for P&A Estimates

Requests which are intended to lead directly to the processing of a DD Form 1513 shall be known as P&A requests; estimates prepared in response to such requests shall be known as P&A estimates. These estimates will be as accurate as possible, and will represent the best estimate of the DOD component concerned, within the limits of timeliness and practicality. If the last contract price of an item is not known to be valid, it will be revalidated before providing a "P&A" estimate. Such estimates shall be provided within 60 days after receipt of the request by the DOD component concerned. If these dates cannot be met, the DOD component will send an interim reply to the requestor. In the event the estimate is being provided separately from a LOA, it will require the DSAA coordination along the same guidelines as apply for the submission of actual Letters of Offer. An information copy of P&A estimates, for both Category A and B requests, will be provided DSAA.

Requests for P&A data should be submitted in accordance with the guidelines contained in paragraph 6, this Chapter. Should a DOD component receive a Category B request for P&A data, that request should be promptly referred to DSAA.

g. Estimates Are Not Commitments

All responses to P&A or P&B requests will include the following note: "The foregoing P&B (or P&A) estimates do not constitute an agreement between the U.S. Government and the Government of (insert the appro-

priate foreign country), nor a U.S. Government commitment to provide items or services for which these estimates are provided."

h. Need for Clarity and Completeness in Requesting Estimates

In all cases requests for P&B or P&A estimates should be as clear and complete as possible, so that they are understood and can be properly estimated by the DOD components concerned. USG officials who initially accept such requests for transmittal to the DOD components concerned should review them to ensure that (1) they are sufficiently specific to be understood and provide a firm basis for preparing estimates, and (2) requests state specifically whether they are for P&A or P&B data. When requests for estimates are received that do not specify whether they are for P&A or P&B data, the recipient initially receiving the request shall notify the requestor of this requirement and hold action on the request until the information is received. Training requirements included in the requests will be definitized and those requests which do not include training requirements will contain a statement to this effect. Other factors which should be included (as appropriate) are type or model designation, any special extra capabilities or features, concurrent and follow-on spares and components, ancillary support equipment, ancillary construction, number of locations, types of maintenance, special maintenance and technical services anticipated, any training facilities and training aids, and the approximate time-frame for proposed delivery. If a request is incomplete, it may be returned to the requestor for the additional information required. Also the requestor should be advised at the time estimates are provided of additional costs which are included in an LOA but may not be included in a P&B estimate, such as PCH&T costs, quality assurance and government provided engineering services, insurance if requested by the customer, medical and billeting costs for students, credit charges, contingencies, and the administrative surcharge.

When appropriate to ensure that complete

information is provided, as in the case of a major weapons system, the responsible DOD component will provide the requestor with a checklist of planning information. In sum, care should be taken to ensure that requests for estimates are clear and complete, and that there is a mutual understanding concerning the elements which make up or are associated with the item requests. In turn, the estimates provided should also be clear and complete, and the components thereof fully described so that there is no misunderstanding between the parties.

NOTE: All requests for information falling in Category B, no matter how informal the request, e.g., oral, letter, message, etc., (other than P&A requests intended to lead to the preparation of a Letter of Offer) are considered to be P&B requests and required the same channels of submission outlined in paragraph 7.e(3).

8. Pricing of FMS Transactions

Defense policy outlined in DOD Instruction 2140.1, 9 March 1977, calls for uniform DOD application of pricing and cost criteria for sales of Defense articles and services to eligible foreign governments and international organizations. In general terms, this means that DOD pricing and procedures will provide for the charging of all DOD direct and indirect costs, including those referred to as an "administrative charge" for the use of the DOD logistics system.

To assure that all such costs are covered in the DOD pricing, quotations on defense articles and services will be estimated and final adjustments will take place after delivery of the items or rendering of the services. DD 1513, Letter of Offer and Acceptance, provides for such estimated prices.

a. Items From Defense Stocks

Pricing of defense items from stock inventories will be handled according to DOD Instruction 2140.1. For example, standard prices will govern when nonexcess materiel is to be sold. This includes all items in the United States military supply system, except

such major items as complete ships, aircraft and missiles, space vehicles, and plant and production equipment.

Standard prices will include the current market or procurement cost of the item at the time the price is established or re-established. As a general rule, standard prices for items currently procured are revised once a year and revised when significant changes occur. Reductions in inventory standard prices may be made for sale of nonexcess materiel:

- (1) when material is in long supply, or
- (2) when there is a determination by the inventory manager that there is an actual difference in utility or desirability of an item due to age, condition or model. Sales of excess materiel will be priced as prescribed in DOD Instruction 2140.1.

b. Items From New Procurement

Prices of defense articles and services procured for eligible foreign governments or international organizations pursuant to Section 22 of the AEC Act will be cited to recover full DOD contract costs (including the cost of government materiel). In addition, the purchaser shall be required to obligate itself to pay any damages or costs that may accrue from the purchaser's cancellation of the contract. Authorized surcharges specified in Section 9 below will be added to the contract cost and included in the billing.

In general, defense articles shall be priced on the same basis as the cost principles used in pricing defense contracts for items of DOD use. However, recognition shall be given to reasonable and allocable contractor costs which are justified in connection with a particular sale (see ASPR 6-1304.3).

The cost of deviations from United States configuration and special technical data desired by a foreign government will be included as a charge to the foreign government additional to the average unit standard price or other U.S. normal charges.

9. Authorized Surcharges

Prices of defense articles and services sold to eligible foreign governments and inter-

national organizations will include the following charges:

a. Accessorial Costs

These represent certain expenses incident to issues, sales, and transfers of materiel which are not included in the standard price or contract cost of materiel, such as:

(1) Packing, handling and crating costs (known as PCH&T costs when transportation is included). These are costs incurred for labor, materials, or services in preparing the materiel for shipment from the storage or distribution points.

(2) Transportation costs. Inland and ocean transportation costs, representing shipments by land, sea, and air, inland and coastwise waterways, vessel or air, and including parcel post via surface or air.

(3) Port loading and unloading costs. These are costs for labor, materials or services at ports of embarkation or debarkation.

(4) Prepositioning costs. Supply distribution costs incurred at locations outside the United States in anticipation of support to other authorized customers. These costs are applicable when shipments are made from overseas storage and distribution points, except that no positioning costs shall be assessed on "long supply" stocks.

b. Administrative Charges

An administrative charge for the use of the DOD logistics system shall be added to prices of contractual services and nonexcess materiel sold to eligible foreign governments and international organizations, for the purpose of recovering the DOD costs. Such a charge will be made in lieu of separate computations of charges for the costs of general management and administrative expenses pertaining to supply and procurement and services and other DOD costs (except Seat of Government costs).

The rate charge for administrative costs will be prescribed in DOD Instruction 2140.1, 9 March 1977. Supply support arrangements will include an administrative charge

of 5 percent added to the basic sales prices of contractual services and materiel to be provided. Foreign Military Sales other than supply support arrangements will include an administrative charge of 3 percent added to the cost price of contractual services, new procurements, or materiel from stock to be provided.

Rates for accessorial and administrative costs will be subject to review at least every two years. Requests for exceptions to the pricing policies prescribed herein, in the case of unresolved disputes, or deviations from any price or service charge when it can be shown that such deviations is in the best interests of the United States Government shall be submitted through the Director, DSAA, to be forwarded to the Assistant Secretary of Defense (Comptroller, for resolution or approval. Such requests will contain the basis or justification and supporting data for the exception.

c. Nonrecurring Cost Recovery

Defense policy, DOD Directive 2140.2, 5 January 1977, calls for the inclusion of DOD nonrecurring costs associated with the research, development and production of major defense equipment offered for sale to foreign governments and international organizations. The calculated equitable share of such costs to be borne by the foreign buyer shall be included in the sales price unless waived as described below.

Waivers, in whole or in part, can only be made in accordance with the conditions set forth in DOD Directive 2140.2, Section VI. Requests for such waivers will be submitted to the Director, DSAA.

d. Asset Use Charge and Rental Charge for Government-owned Tooling

Sales of defense articles which involve the use of government-owned facilities, shall be priced to include a 4 percent asset use charge in accordance with DOD Instruction 2140.1, Section X. Sales of defense articles which involve the use of government-owned tooling

shall be priced to include a rental charge for the use of the government-owned tooling and equipment in accordance with the provisions of ASPR 13-403. Waivers of these charges can be made only in accordance with the provisions of DOD Instruction 2140.1, Section X, for the asset use charge, and ASPR 13-406 for the rental of government-owned tooling and equipment.

10. Diversion of DOD Materiel

Defense policy calls for a determination to be made that sale of a defense item will not degrade U.S. defense efforts by taking needed equipment from U.S. stocks or by disrupting deliveries of critical items from production for U.S. forces, unless security or foreign policy requirements are such that sale of the item is in the overall U.S. national interest.

The Secretary of Defense on 20 September 1972 prescribed policies for allocating Defense materiel between U.S. forces and international security requirements to meet competing demands in a period of declining materiel acquisition programs. These include:

(1) To the maximum extent possible, allocations of materiel shall be made within the normal priorities structure—the Uniform Military Materiel Issue and Priority Systems (UMMIPS).

(2) Presidentially-directed, or Secretary of Defense-initiated materiel allocations shall be accorded sufficient priority through diversion of assets from other programs to assure accomplishment of the directed allocation within the time period specified.

(3) High priority international requirements (such as FMS requests) may be met by diverting or withdrawing equipment from U.S. active or reserve forces providing the operational readiness posture of these forces is not significantly lowered and payback can be accomplished in a reasonable period of time. Such determination may be made by the Military Departments.

(4) Materiel being procured or stocked specifically for FMS may be diverted to meet higher priority foreign requirements or

urgent needs of U.S. Forces with the prior concurrence of the Director, DSAA, who will, as appropriate, obtain policy guidance from the ASD (ISA).

(5) All requests or recommendations for diversions of FMS equipment will be referred to the Director, DSAA. In those instances where agreement cannot be reached with DSAA concerning the use of foreign program assets, or diversion of defense materiel, the matter will be referred to the Secretary of Defense for decision pursuant to the procedures established by Deputy Secretary of Defense Memorandum, 14 December 1976, subject: "Allocation of Defense Materiel and Services Between U.S. and International Requirements."

11. Insurance

Purchasers will self-insure FMS shipments or obtain commercial insurance without any right of subrogation of any claim against the United States. In extraordinary situations, and upon specific request by the purchaser and receipt of written authorization from the purchaser for the designated departmental procurement activity to act as the agent of the purchaser to obtain pricing quotes and, if necessary, procure the insurance required, insurance may be obtained by the military department concerned and billed as a separate line item on DD Form 1513. For FMS cases already implemented, authorized insurance coverage can be added by amendment. Whenever a Military Department does provide these services to a purchasing country or organization, it should point out that this is an exceptional arrangement, and should encourage and assist that purchaser to make its own arrangements for insurance for subsequent cases, as feasible.

12. Source Selection for Procurement for Foreign Governments

a. In keeping with the Department of Defense (DOD) policy, procurements made for FMS customers will be done under our U.S./DOD regulations and procedures. This affords the foreign customer the same benefits

and protection that apply to DOD procurement and is one of the principal reasons why nations want to procure through FMS channels.

b. With regard to the source selection process, the FMS customer may request that a defense article and defense service be obtained from a particular prime source. In such cases, Armed Services Procurement Regulation (ASPR) 3-210.2 (xviii) provides authority to negotiate on a sole source basis. Such requests may be honored when the sole source designated is based upon the objective needs of the FMS customer as stated by the customer. The request shall not be honored in any case of patently arbitrary, capricious or discriminatory exclusion of other sources. The FMS customer may also request that a sole source subcontract be placed with a particular firm. The Contracting Officer will honor such a request for subcontract placement on the same basis as indicated above for prime sources.

c. To avoid the additional delay and work load involved in revision of a Letter of Offer and Acceptance (LOA) (DD Form 1513), such requests by an FMS customer for prime or subcontract placement should be made no later than the time of the formal request for preparation of the LOA (DD Form 1513) for the defense articles or defense services is transmitted to the United States Government. However, if a request can be honored without excessive delay or undue disruption of the procurement/acquisition processes, it may be made and accepted any time prior to formal acceptance of the DD Form 1513 by the FMS customer.

d. It should be noted that the designation of subcontractors carries a risk which should be brought to the attention of the FMS customer. Clearly, the sole source designation of a component constitutes a warranty by the United States Government to the prime contractor that the designated item will be suitable for its intended purposes. In the event that problems in the performance or integration of the component are subsequently experienced and are attributable to its characteristics, the specification may be held to

the defective in that respect and any increased costs incurred by the customer in correcting or attempting to correct the problem may be recovered by the contractor. Since by law such additional costs must be borne by the FMS customer, it should be advised of this potential expense at the time the sole source designation is requested.

e. Subject to the above, Defense components' purchasing activities and prime contractors shall implement FMS requirements using normal procurement and contract management procedures as set forth in ASPR, other directives and pertinent contractual provisions. Representatives of the FMS customer shall not be permitted to review bidders mailing lists or slates of proposed architect engineer firms, nor shall they be permitted to direct the deletion of names of firms from such lists or slates. They may, however, suggest that certain firms be included. The Defense components should fully control the procurement and contracting process and contractual provisions. They shall not accept directions from the FMS customer as to source selection decisions or contract terms (other than the special contract provisions and warranties referred to in Condition A.2. of the DD Form 1513), nor shall the FMS customer be permitted to interfere with a prime contractor's placement of his subcontracts. However, to the extent permitted above, Defense components may honor an FMS customer's request for the designation of a particular prime or subcontract source for defense articles or defense services. Requests by the FMS customer for rejection of any bid or proposal shall not be honored unless such rejection is justified on the basis of reasons which would be sufficient in the case of a procurement made by DOD to meet its own needs.

13. U.S. Response to Requests for "Offset" Procurement

The Defense Department prefers that sales be negotiated without "offset" procurement arrangements wherever possible and that the

need for including an "offset" agreement be considered only on a case-by-case basis. If it is decided in any given case that such an agreement should be considered, the principles set forth below should govern.

"Offset" procurement is the term used to cover the offering, on a selective and case-by-case basis to foreign governments, of opportunities to respond to selected DOD procurement requirements. Experience to date with offset arrangements indicates that foreign countries find it difficult to compete effectively for enough U.S. business to achieve the offset procurement targets which are provided under the agreements. DOD has not had the need for a complete weapon system large enough or sophisticated enough to be procured from a foreign country to make such offset procurements sizable and attractive.

There are practical logistical problems involved in considering the procurement of major items or any quantity of sub-systems or components from a foreign source. Most important of these is the need for the U.S. to maintain a viable mobilization base within the U.S., which reduces or effectively eliminates a large quantity of items to be offered for foreign bidding. There also is the undesirability of considering foreign sources as mobilization base producers (other than Canada) for major items, assemblies, and critical components. We also have the problem of assuring proper quality of the defense items.

The administrative process for selecting items for competition has been lengthy and involved, as has been the procedure in waiving the bid differentials as the "Buy American" and the 50 percent gold flow rule. Unsuccessful U.S. producers in such competition also create many political and other pressures in opposition to any waiver of "Buy American" and "gold flow" differentials, especially in times of a declining DOD budget. This is understandable, inasmuch as such companies are not themselves realizing any direct benefits from the sale to a foreign country.

Nonetheless, if it is decided that such offset arrangements should be considered, due to the magnitude of total sales involved or for other specifically justified reasons, the follow-

ing basic guidelines will be applied:

(1) There must be, as a minimum, a plan for a realistic implementation of the offset agreement.

(2) DOD will urge the contractor to accept all or a major portion of the offset obligation.

(3) The initiative for offset procurement arrangements should be taken by the buying government.

a. DOD Participation in Offset Procurement

In the current highly competitive international market, and in view of the fact that offset procurement arrangements are being used rather widely in the free world sale of military equipment, there is justification for some flexibility in our present practice of discouraging offset procurement arrangements. DOD willingness to be flexible is affected by the levels current and projected net defense expenditures in the potential buying country. DOD participation in such offset procurement should be governed by the following principles, in order of applications:

(1) If an offset is necessary, DOD will, first, consider that it is the responsibility of the U.S. company or companies and their subcontractors involved in producing the equipment who would thereby benefit from the sale to undertake offset procurement from the buying country.

(2) If the DOD is convinced that the company or companies and their subcontractors involved in selling the equipment to the foreign country are not able to provide sufficient procurement to fulfill the offset, then DOD participation will be considered. It will first be limited to any government-furnished-equipment (GFE) provided to the U.S. contractors or subcontractors involved in the sale. The Buy American Act and gold-flow differentials will not be applied in evaluation of foreign bids.

(3) If it is not possible to restrict the DOD participation to foreign competition for GFE items involved in the item being sold, an effect will be made to restrict the release

of invitations to bid to equipment in the same general industrial category as the item being sold. An alternative is to place some portion with firms that otherwise have received benefits of other Foreign Military Sales.

(4) The next preference is to enter into arrangements on selected items using non-appropriated funds. This, however, has limited potential because of the comparatively small amount of non-appropriated funds available.

(5) The least preferred method of filling the offset procurement arrangement is to permit foreign competition for items not directly related to the equipment being sold.

Except in special circumstances, fulfillment of reciprocal procurement obligations will be subject to two basic conditions:

(1) that the foreign source fully satisfies DOD requirements for performance, quality and delivery; and

(2) that procurement from the foreign source would cost no more than would procurement of comparable U.S. items eligible for contract award. To ensure that DOD reciprocal procurement obligations are effectively and expeditiously handled, arrangements with foreign governments should reflect a general plan for implementation.

Furthermore, DOD reserves unto itself the unilateral right to select items suitable for offset procurement which will be opened for foreign source competition. For such items that are selected, DOD will assure the foreign source competitors that a waiver of the Buy American Act and the gold-flow differentials will be granted to the foreign source competitor if the procurement conditions noted above have been properly met. Offset proposals and serious queries relating thereto should be referred to the DSAA Directorate of Operations.

b. Interdependent Research and Development

Another area to be considered in possible offset arrangements is in conjunction with Interdependent R&D projects. The Defense Department has been pursuing with its major allies a policy of interdependent R&D aimed

at improving mutual planning and acquisition of our respective national R&D programs, in order to decrease possible duplication and to increase effectiveness of the programs. A number of major factors and considerations encourage interdependent R&D programs.

(1) The position of the U.S. Government that our allies must share a large portion of the free world defense burden.

(2) The declining R&D budgets of the U.S., which puts a premium on achieving a greater R&D return per R&D dollar spent. By reducing duplication in R&D programs among our allies, greater use of the technical resources of the free world can be realized. U.S. R&D dollars thereby saved are available for other critical R&D areas.

(3) Significant advances in the technical capability of our allies. Transfer of some of this advanced technology and operational capability to the U.S. can be accomplished on a faster schedule and with less expense than through our own duplicated development.

The Defense Department intends to utilize allied developments only in those instances where it is clearly advantageous for the U.S. to do so. Production of these items, however, will be accomplished in the U.S. except where special circumstances justify overseas production. For example, when immediate hardware availability is required for operational reasons, when the production buy is too small to be economical for new production line start-up, or if reciprocal procurement obligations (offset arrangements) make it attractive to delay transition from off-the-shelf procurement to domestic production. Even in these circumstances, offshore procurement should be terminated as soon as such reasons are no longer controlling.

c. DOD Procedures in Offset Agreements

In addition to the overall rules and guidelines set forth in a and b above, the following specific rules will apply:

(1) Offset agreements include any agreement by DOD to purchase items from a foreign country in order to offset some

specific amount or percentage of the foreign country's expenditures in the U.S. for U.S. defense items. This includes any arrangement whereby the U.S. Government, to include the DOD, agrees to assist a U.S. defense contractor in some offset associated with a direct commercial sale. Such offset agreements are entered into only after approval by the Secretary or a Deputy Secretary of Defense and after approval of the Department of State in accordance with its defined procedures.

(2) Offset agreements, which may or may not contain specific coproduction arrangements, should be negotiated and the basic understanding reached prior to the final acceptance of the DOD Letter of Offer in order to include in this Letter of Offer the impact, if any, that such agreements may have on DOD Price and Availability. This procedure will also allow DOD and its contractors an opportunity to assess, in advance, our ability to fulfill such offset arrangements.

(3) Offset agreements will include guidelines concerning any restrictions of acceptability of competition under the offset from foreign government owned or subsidized companies.

(4) On the sale of a particular item or items where an offset agreement has been reached prior to the signing of the contract(s) the offset will not officially begin until after the contract(s) have been signed.

(5) In the case of offset agreements related to specific weapon system purchases, the U.S. contractors and associated subcontractors which benefit from the sale will assume the primary responsibility for fulfilling the offset.

(6) The foreign firms have the basic responsibility for marketing their products to DOD and to U.S. industry.

(7) In the event that an offset agreement provides for or involves the export from the U.S. of technology or technical data, the licensing provisions of the International Traffic in Arms Regulations (ITAR) will apply.

(8) In the negotiation of offset agreements, ISA/DSAA will be the focal point to coordinate the negotiations with the foreign

country. OUSDR&E and the Office of General Counsel must participate in these negotiations and concur with the final agreement. After negotiation and execution of the offset agreement, OUSDR&E shall take the lead and responsibility for the implementation of the agreement and fulfillment of the commitment with coordination of OASD(ISA) and DSAA as required.

(9) The basic policy for procurement activities is set forth in the DepSecDef memorandum of 15 November 1976, subject: General Policy on Purchases by DOD from Foreign Sources in Furtherance of Government-to-Government Offset Agreements.

14. Release of Technical Data

a. Approval to Release Technical Data

(1) All requests for Technical Data Packages (TDPs) must be approved by the Director, DSAA. Accordingly, all requests received by the Military Departments will be referred to DSAA for review. TDPs will normally not be released unless it has been determined to be in the U.S. interest to do so and alternative means of meeting the requirement are considered to be less desirable.

(2) Requests for TDPs normally fall in one of two categories: a request for data for use in maintaining or operating any items of U.S. equipment, or a request for data for use in producing an item of U.S. equipment either for the purchaser's own use or for sale to third countries. Referrals of requests to DSAA should include the appropriate information relevant to the intended end use of the TDP as outlined in paragraphs 13b and 13c below. A formal statement in writing from the purchaser as to the intended end-use of the TDP must be obtained in every case.

(3) TDPs furnished to foreign governments under the FMS program will be provided on a reimbursable basis only, by means of a formal LOA (DD Form 1513) which will cover, as a minimum, the full costs for preparation, reproduction and handling of the TDP in accordance with the pricing policies

MILITARY ASSISTANCE AND SALES MANUAL—PART III

set forth in paragraph XVII of DOD Instruction 2140.1. In addition, if the TDP is intended to be used for production purposes, a charge for royalty fees in accordance with DOD Instruction 2140.1, Section XVII will be included as a separate line item on the LOA unless waived by the Director, DSAA under the provisions of paragraph 14.c below.

b. Sale of TDPs for Maintenance and Operational Purposes

(1) In the event that a TDP is requested for purposes of maintenance or operation of an item of U.S. equipment, the Military Department having cognizance over the item in question will provide to the Director, DSAA, the following:

(a) a copy of all pertinent correspondence with the purchasing government;

(b) a statement as to whether the requirement would be met by means of pertinent DOD instructions, maintenance or technical manuals, or other similar publications;

(c) in-country inventory of major end-items requiring maintenance support from the requested TDP;

(d) information as to classification of the TDP and as to proprietary rights involved, if any; and,

(e) the Military Department's recommendation concerning the request.

(2) In the event that release of the TDP is approved, care will be exercised to insure that:

(a) The TDP bears clear identifying markings stating any restriction, such as classification or proprietary rights, which apply.

(b) The LOA and any other transmittal correspondence clearly states that the TDP is released for the purpose stated by the requesting government, and may not be used for production purposes without the prior consent of the U.S. Government.

c. Sale of TDPs for Production Purposes

(1) In the event that a TDP is requested for purposes of producing an item of U.S.

defense equipment, either for use of the purchasing government's own forces, or for sale to third countries, the Military Department having cognizance over the item in question will provide to the Director, DSAA, in addition to the information outlined in paragraph 14b(1)(a), (b) and (c) above, the following data:

(a) quantity to be produced;

(b) intended end disposition of item to be produced, to include names of third country purchasers if item is for third country sale;

(c) current status of U.S. production and stock on hand of item(s) involved;

(d) U.S. and foreign production history of item for last 5 years;

(e) future U.S. production plans;

(f) current U.S. source(s) of supply for item;

(g) current cost to U.S. Government of the item, and whether it is produced in-house or under government contract;

(h) security classification of item to be produced;

(i) other countries authorized to produce the item;

(j) impact that sale may have on U.S. Foreign Military Sales, and on other programs or projects; and,

(k) whether intended recipients of production have previously obtained the item to be produced, and quantities obtained, actual or estimated.

(2) Normally, in all cases where the purchasing country intends to use the TDP for production purposes, a royalty fee will be assessed. This assessment will be done in accordance with the following rules unless the Director, DSAA, determines that special circumstances require a departure therefrom in a specific case:

(a) Where the foreign applicant intends to produce the article for "in-country" consumption only, a royalty fee of 5 percent of the latest or current U.S. unit sale price for each unit produced will be charged.

(b) Where the DOD has specifically approved "in-country" production for third country sale, a royalty fee of 8 percent of the latest or current U.S. unit sale price for each

unit produced for third country sale will be charged.

(c) The charge for "in-country" consumption only may be waived when the foreign applicant is a current recipient of grants under the MAP materiel program.

(d) Where the item to be produced is obsolete and no longer being manufactured for United States Military Departments and/or is not available in the Military Departments inventories, the 5 percent royalty fee for "in-country" consumption or the royalty fee of 8 percent where the DOD has specifically approved "in-country" production for third country sale may be reduced. The authorized sale price will be determined by DSAA in collaboration with ODDR&E based on cost of the most similar U.S. items in production.

(e) Where the pricing of the TDP is subject to an international agreement to which the DOD is a party or is otherwise bound, the sale will be determined consistent with the terms of that agreement.

(f) Where the item(s) to be produced is in long supply in a U.S. military department inventory, or if the item is being produced in the United States, requests for foreign production of the item(s) will normally be denied.

(g) In the case of TDPs related solely to processes, machinery or other items to be used in production, rather than to an end-item itself, and sold separately from a TDP for an end-item, the royalty fee will be based on the production of the end-item using the related TDP. In such cases, the authorized production under the TDP and other terms and conditions will be specified as in the case of TDPs for manufacture of end-items. However, if TDPs for processes, machinery or other items related to production are sold in conjunction with or subsequent to the sale of a TDP for manufacture of a related end-item, only one royalty will be charged based on production of the end-item.

(3) The Military Departments shall include on the Letter of Offer the applicable notes listed in (a), (b) and (c), below:

(a) The following note should be placed on all Letters of Offer involving the sale of a TDP and/or assessment of a royalty fee:

NOTE: The above stated royalty fee applies to the above quantity only. Any production in excess of the above quantity will be subject to a recalculation of royalty fee and the issuance of a new or amended Letter of Offer and Acceptance.

(b) The following note should be placed on the LOA if the TDP is to be used to manufacture items for in-country use only:

NOTE: The technical data and items to be manufactured therefrom are for recipient's indigenous purposes only, and neither the data nor the items manufactured therefrom will be sold or transferred to a third country without the written consent of the U.S. Government and the execution of a new or amended Letter of Offer and Acceptance for an additional royalty fee. It is understood that the furnishing of this data does not in any way constitute a license to make, use, or sell the subject matter of any privately-owned inventions which may be embodied or described therein except at the risk of the recipient.

(c) The following note should be added if the TDP is to be used to manufacture items for third country sale:

NOTE: The items to be manufactured for third-country sale will not be sold or transferred to third countries other than . . . (insert country name/names) . . . without the written consent of the U.S. Government.

(d) In all cases, care will be taken to insure that the TDP bears clear identifying markings stating any restrictions, such as classifications, which may apply.

(e) For reporting purposes, the royalty fee line on the LOA will be reported as code R9D in the 1100 system. Technical data packages (TDP's) will be recorded in the 1100 system under generic code M1F pseudo NSN 0208000000 TDP.

(4) Copies of all signed LOA's and all subsequent changes will be furnished by the Military Departments to the MAAG/Mission/ODC in the purchasing country and to

SAAC.

(5) The MAAG/Mission/ODC in country will monitor implementation of the DD Form 1513 terms of the TDP sale to assure foregoing stipulations of the MASM on a formal and continuing basis. SAAC will be advised of any deviation from the terms of the TDP DD Form 1513 agreement so that SAAC may question the country to assure that all royalty fees due the U.S. are obtained.

15. Principles Regarding Coproduction Projects

Defense policy, expressed in DOD Directive 2000.9, dated 23 January 1974, states that initiation of coproduction project agreements will be encouraged and supported by all elements of DOD under the following circumstances:

a. When they advance the ability of participating countries to improve their military readiness through expansion of their technical and military support capability, while promoting U.S.-allied standardization of military materiel and equipment thus generating uniform logistics support and multi-national operational capabilities.

b. When they directly benefit the U.S. through increased capability to support the deployment of U.S. forces, strengthen international military operations in times of emergency or hostilities, encourage the unitization of common military materiel, and improve mutual support capability of friendly allied nations.

c. When they supplement and reinforce the U.S. FMS program.

d. When they are in the best interest of the U.S.

A coproduction project may be limited to the assembly of a few end-items with a small input of local country parts, or it may extend to a major manufacturing effort requiring the build-up of capital industries. Coproduction is a program under the aegis of the U.S. Government, by diplomatic or DOD agreement, either directly through the FMS pro-

gram or indirectly through specific licensing arrangements by designated commercial firms, which enables an eligible foreign government, international organization, or designated foreign commercial producer to acquire the "know-how" to manufacture or assemble, repair, maintain and operate, in whole or in part, a specific weapon, communication or support system, or an individual military item.

The "know-how" furnished through coproduction programs may include research, development production data and/or manufacturing machinery or tools, raw or finished materiel, components or major sub-assemblies, managerial skills, procurement assistance or quality-control procedures. Third country sales limitations and licensing agreements are also included, as required. Thus coproduction programs may be limited or extensive depending upon the major objectives to be attained.

Coproduction projects may be initiated by DSAA or, subject to prior approval of DSAA, by the Military Departments, the Military Assistance Advisory Groups, and by authorized representatives of foreign governments and international organizations. The cognizant DOD component will ensure appropriate coordination will DSAA and furnish technical and negotiating assistance as required. After such agreements are signed, the appropriate DOD component will perform the necessary managerial and reporting functions.

In all cases, as prerequisite, the restrictions imposed by Section 42(b) of the FMS Act will be complied with, namely: "No credit sale shall be extended and no guarantee shall be issued in any case involving coproduction or licensed, production outside the United States origin unless the Secretary of State shall, in advance of any such transaction, advise the appropriate committees of the Congress and furnish the Speaker of the House of Representatives and the President of the Senate with full information regarding the proposed transaction, including, but not limited to, a description of the particular defense article or articles which would be produced under license or coproduction, and the probable impact of the proposed trans-

action on employment and production within the United States.”

16. Processing Letters of Offer for \$25 Million or More or for Major Defense Equipment of \$7 Million or More

In compliance with Section 36 of the Arms Export Control Act, Congress must be provided with notification of all Letters of Offer to sell any defense articles or services for \$25 million or more, or any major defense equipment of \$7 million or more, before such Letter of Offer is issued. OSD General Counsel has determined that the term “Letter of Offer” used in the AEC Act pertains to any proposed sale of defense articles or services to any foreign government, whether or not the initial document (or set of documents) to be used to consummate the sale is a DD Form 1513 or a document bearing another name. If a document other than a DD Form 1513 is used for this purpose, a DD Form 1513 shall be subsequently executed to conclude the final details of the agreement unless an exception is authorized by the Director, DSAA. The statutory requirement for reporting, as well as the requirement for advance notification to Congress, extends to any undertaking by the Department of Defense to establish an FMS transaction. This includes but is not limited to FMS transactions embodied in the following:

- (1) Memorandum of Understanding for Coproduction of military items,
- (2) Cooperative Research and Development Agreements, and
- (3) Providing specific items or services under any existing general agreements, such as the Engineering Assistance Agreement entered between the Army Corps of Engineers and the Saudi Arabian Government in 1965.

In order to provide the Congress with sufficient time to review such cases, DSAA has agreed to provide the Congress with 20 days advance notification of such cases prior to the formal submission of the statutory notification. The Arms Export Control Act provides that the Letter of Offer shall not be

issued if Congress, within 30 calendar days after receiving the notification, adopts a concurrent resolution stating that it objects to the proposed sale, unless the President, in his notification to Congress, certifies that an emergency exists which requires such sale in the national security interests of the United States. DSAA is responsible for preparing and submitting the reports to the Congress. To minimize delays in processing such notifications, consistent with the legislative and other requirements, the procedures at Appendix B are placed in effect.

17. Sales Commissions and Fees

ASPR 1-505 sets forth the criteria to be used by the contracting officer or head of the procuring activity (HPA) in determining whether an agent(s) is *bona fide*. When an agent(s) has been determined to be *bona fide*, based on ASPR 1-505, the following procedures will be followed with regard to the inclusion of sales commissions and fees in FMS cases:

a. Prior Notification to Purchasing Government

Unless the purchasing government has indicated to the contrary, all sales commissions and fees anticipated to be included in FMS cases shall be made known to the purchaser prior to or in conjunction with the submission of the Letter of Offer and Acceptance (DD Form 1513) to the purchaser. Such advice will include: (a) the name and address of the agent(s); (b) the estimated amount of the proposed fee, and the percentage of the sale price; and (c) a statement indicating one of the following, whichever is applicable: (1) appropriate officials of the U.S. Department of Defense consider the fee to be fair and reasonable; (2) in the event that only a portion of the proposed fee is considered to be fair and reasonable, a statement to this effect together with the rationale therefor; or (3) the U.S. Government cannot determine the reasonableness of the proposed fee. This statement will normally be included as a “Note” to the Letter of Offer. Such a Note may also include the contractor’s ex-

planation and/or justification for the proposed fee, together with any other data requested by the purchasing governments. The Note will also include a statement that acceptance of the Letter of Offer by the purchasing government, with inclusion of the Note, will constitute that governments' approval of the sales commissions and fees involved.

b. Ex-Post Facto Notification to Purchasing Government

When it is not possible to determine prior to presentation of the Letter of Offer whether the price quoted for the articles or services includes sales commissions and fees, the purchasing government will be notified as soon as possible if, in the course of subsequent contract negotiations, it appears that a charge for sales commissions and fees will be claimed by the contractor. This notification will include the information in paragraph a above, along with a statement that, unless contrary advice is received from the purchasing government within 30 days of the data of the notification, the Department of Defense will determine whether or not to accept such a charge as a valid cost in the contract. No sales commissions and fees will be accepted by the contracting officer prior to expiration of the 30 day period.

c. Coordination with DSAA

(1) All Letters of Offer which specify that a sales commission or fee is included in the case will be coordinated with DSAA, regardless of the dollar value of the case, prior to LOA dispatch to the requesting government. (Note: Letters of Offer which carry the notation that no sales commissions and fees are included in the case do not require coordination with DSAA except as may be required by other policies and procedures which may be in effect.)

(2) All correspondence with a foreign country on the subject of agent's fees will be coordinated with DSAA prior to dispatch.

(3) All ex post facto notifications of an agent's fee to a foreign country will be coordinated with DSAA prior to dispatch.

(4) The submission to DSAA of all LOAs or ex post facto notifications for coordination shall be in writing, shall contain a certification that the agent is *bona fide* in accordance with the criteria set forth in ASPR 1-505, and shall provide the rationale for reasonableness or an explanation if the reasonableness of the fee cannot be determined.

d. Disallowance of Agent's Fees

No fee shall be accepted by the contracting officer if disapproved by the purchasing government.

If, in making the determination required by ASPR 1-505, the contracting officer or head of the procuring activity (HPA) determines that an agent is not *bona fide* for reasons other than reasonableness of fee, no Letter of Offer will be tendered pending withdrawal by the prospective contractor of the fee for such agent from his proposal.

e. Exceptions

The procedure contained in paragraph a, above, will not be followed in the case of Australia, Egypt, Greece, Iran, Israel, Japan, Jordan, Kuwait, Pakistan, Saudi Arabia, Turkey and the Royal Thailand Air Force (RTAF). These governments and the RTAF have requested that the following statement be included in all Letters of Offer:

'All U.S. Government contracts resulting from this Offer and Acceptance shall contain one of the following provisions, unless the sales commission and fee have been identified and payment thereof approved in writing by the Government of (____) before contract award:

'(A) For firm fixed-price contracts or fixed-price contracts with economic price adjustment:

'The contractor certifies that the contract price (including any subcontracts awarded hereunder) does not include any direct or indirect costs of sales commissions or fees for contractor sales representatives for the solicitation or promotion or otherwise to secure the conclusion of the sale of any of the

supplies or services called for by this contract to the Government of (____).

'(B) For all other types of contracts:

'Notwithstanding any other provision of this contract, any direct or indirect costs of sales commissions or fees for contractor (or subcontractor) sales representative for the solicitation or promotion or otherwise to secure the conclusion of the sale of any of the supplies or services called for by this contract to the Government of (____) shall be considered as an unallowable item of cost under this contract.'

Accordingly, approval of sales commissions and fees must be sought and obtained prior to contract award unless the contractor certifies that no such fee or commission is included in the cost of the contract.

f. Proprietary Information

Inclusion of a "Note" to the Letter of Offer with respect to sales commissions and fees shall not be deemed, with respect to distribution and availability of Letters of Offer, as altering the proprietary nature, if any, of such data for the purpose of 18 U.S.C. 1905.

g. A report to DSAA shall be made on a quarterly basis, submitted 30 days after the end of each quarter, which lists all FMS cases in which an agent's fee was included and all correspondence which advised a foreign country of the inclusion of an agent's fee. This report should include a copy of the Letter of Offer and Acceptance for each case, including pertinent special notes, which will show the amount of the fee, the name of the agent, and the DOD position as to reasonableness of the fee, together with any correspondence with the purchaser concerning the fee. In addition, a statement should be provided describing the current status of the fee, i.e., accepted by country, rejected by country and still under review with contractor, withdrawn by contractor, or other similar information. Cases for which the question of country acceptance of the fee is still under review shall continue to be reported until the matter is decided, and a final report closing the issue has been made.

The number which has been assigned this report in the reports control system is DSAA (Q) 1127.

18. Engineering Review of U.S. Provided Foreign Communications Systems

The following guidance applies to all U.S.-provided foreign communications systems.

a. Projects provided or Financed Under Security Assistance

For all foreign communications systems provided or financed under Security Assistance requiring fixed communications facilities, such projects are fully coordinated with the Defense Communications Agency (DCA). DCA should be notified at the earliest stages of planning and kept informed during all phases of implementation. This coordination specifically includes providing DCA with the results of initial surveys as well as subsequent detailed engineering plans and significant changes thereto. Projects requiring such coordination include those which contain fixed communications elements only as a portion of the overall project. The purpose of this coordination is to determine the extent to which the communications systems involved are compatible with the Defense Communications System (DCS) and if use of the systems by the DCS would be beneficial to the U.S. The results of DCA review of these projects will be submitted to DSAA through the JCS.

b. Commercial Communications Projects

In addition to projects covered by paragraph a above, foreign communications projects being provided by U.S. industry that come to the attention of military departments or other DOD elements should be brought to the attention of DCA in order that plans can be obtained and reviewed for compatibility with DOD communications systems.

19. Patent Rights

In the event that an individual, commercial entity or foreign country should assert ownership of a foreign patent on an item intended for sale or being sold under FMS, and there are reasonable grounds for the belief that a purchasing country may be subjected to a possible claim for foreign patent infringement, the Military Departments in coordination with DSAA, are authorized to make such a sale, provided a "note" is added to the DD Form 1513 for the FMS case advising the purchaser of the existing allegation of a foreign patent right. The note should read substantially as follows:

"(Name of individual, commercial entity or foreign country, and address,)" has alleged rights in certain components of the (Name of FMS item) offered herein. In this connection, the Purchaser's particular attention offered herein is invited to Conditions A.3 and C.1 on Annex A to the DD Form 1513.

20. DOD P&A Versus a Commercial Proposal

There are cases when a foreign government has requested and received Letters of Offer, and subsequently solicited bids from private industry for the same supplies and services. Such action by the foreign government does not automatically require DOD withdrawal of the Letter of Offer. The Letter of Offer should not be withdrawn unless the foreign government has requested such action. In no case should the Letter of Offer be withdrawn by request from commercial sources without prior concurrence from DSAA.

The Military Departments should not, except under unusual circumstances where such action is specifically approved by DSAA, engage in comparison studies requested by a foreign government of an FMS offer versus a commercial proposal.

21. Translation Services

a. The responsibility for the translation of any documents rests with the user or recipient country. U.S. security assistance organizations should make this point clear to their host country counterparts.

b. In day-to-day operations, security assistance organizations may provide for government-to-government purposes only, "informal translations" using the same practices and procedures as the local U.S. diplomatic mission, provided the host country so requests, or the chief of the U.S. security assistance organization determines an informal translation of an English text is in the U.S. interest. In each case, translators must clearly mark the translated document "Informal and unofficial translation—English text governs." Security assistance organizations should ensure that a forwarding letter accompanies each contractual document (e.g., DD Form 1513) emphasizing that the English text is the officially binding document.

c. Security assistance organizations will not provide translation assistance to contractors or others who are not a part of the U.S. or host country official family. In the event you receive a request from such sources, you should advise requestors to seek assistance from competent local translators.

22. Appointment of an Agent

Should a foreign government desire to appoint an agent for the purpose of making purchases under the Arms Export Control Act, the following form letter should be used and the request signed at the Minister or Deputy Minister of Defense level:

Director
Defense Security Assistance Agency
Room 4E837, The Pentagon
Washington, D. C. 20301

Dear Sir:

The Government of _____ hereby appoints _____, whose address is _____ as its Agent for the purpose of purchasing for the Government of _____, under Foreign Military Sales procedures, the following defense items:

Said Agent is hereby authorized to sign in the name of the Government of _____, as its agent, such DD Form 1513s as may be deemed necessary by the Defense Security Assistance Agency to effect the Foreign Military Sale of the foregoing defense items, and to furnish the shipping instructions called for by Paragraph B.4 of the General Conditions of the DD Form 1513.

Said Agent is hereby designated as the responsible Paying Office of the Government of _____ to which, in accordance with Paragraph B.3.h of the General Conditions of the DD Form 1513, the United States Government shall submit requests for funds and bills for the above-specified purchases, but duplicate copies of such requests for funds and bills shall be forwarded by the United States Government to

_____. However, the Government of _____ hereby acknowledges that it shall be primarily liable for any and all payments due to the United States Government for purchases made on its behalf by the herein designated Agent.

The Government of _____ further acknowledges that acceptance, by the said Agent in the name of the Government of _____, of DD Form 1513s for the above-specified purchases constitutes acceptance by the Government of _____ of all the General Conditions of the DD Form 1513 and of all special terms and conditions which may be a part of, and appended to, such DD Form 1513s.

Very truly yours,

CHAPTER D

PREPARATION AND PROCESSING OF FOREIGN MILITARY SALES TRANSACTIONS

1. Introduction

a. The guidance contained in this chapter provides specific instructions for the utilization and processing of the DD Form 1513—Offer and Acceptance, the DD Form 1513-1—Amendment to the Offer and Acceptance, the DD Form 1513-2—Notice of Modification of Offer and Acceptance, and the Letters of Intent—DD Form 2012 and DD Form 2012-1. Further provided in this chapter is a description of data which must be included in Letters of Offer submitted in response to requests from FMS purchasers. It also prescribes normal time for processing requests for Letters of Offer, and allowable times between release and expiration of such offers.

b. The Operations Directorate (DSAA-TS) is the point of entry in OSD for the DOD components to use in coordinating FMS Cases (LOAs, Amendments, and Notices). The Operations Directorate is also responsible for obtaining coordination of appropriate OSD staff elements, as well as obtaining coordination from the DSAA Comptroller. (This is not the Countersignature required for all LOAs, Amendments and Notices.) FMS Cases must contain, as a minimum, the following supportive and explanatory documentation:

(1) Financial Analysis in accordance with paragraph 8.a, below.

(2) Financial Annex, except for FMSO I cases.

(3) All amendments must be accompanied by the basic DD Form 1513 and any changes or notices that preceded the amendment.

(4) All Letters of Offer should indicate a coordination by the cognizant comptroller and legal counsel, as required.

FMS transactions submitted for coordination which do not include the proper documentation will be returned to the appropriate DOD Component without coordination. If the urgency of the situation requires processing without waiting for the required documents, the matter should be referred to the Director or Deputy Director, Operations Directorate. DSAA Operations coordination occurs prior to DOD component submission to DSAA Comptroller for countersignature.

2. DD Form 1513—Offer and Acceptance

a. The DD Form 1513—Offer and Acceptance (LOA) will be used for all foreign military sales of defense articles and services (including training) by the Military Departments and Defense Agencies. LOAs for open cases, e.g., cases providing for the requisition of spare parts and components, or cases covering the provision of a continuing service such as contractor administrative services or engine or component improvement programs, will normally be of one-year's duration. Exceptions require the approval of DSAA Operations.

b. The offer will itemize the defense articles and services offered and when executed becomes an official tender by the Government of the United States.

c. The acceptance constitutes the agreement of the foreign government to the offer and with applicable funding completes the contract.

d. Annex A of the Offer and Acceptance contains the General Conditions which are an official part of every offer issued.

e. In all FMS cases involving major systems/end items, the LOA will include all complementing/supporting material and services as opposed to negotiating separate cases for each of these items/services. Ex-

ceptions to this requirement must have prior DSAA Operations approval.

f. Such additional terms and conditions as may be appropriate for a particular sales case shall be set forth in one or more attachments or continuation sheets to the DD Form 1513. All attachments (including notes) are an integral part of the LOA. Each page should indicate the case identifier at the top of the page and be numbered consecutively from the first page of the LOA to the end of all information provided with this LOA. Thus the number on the DD Form 1513 would reflect the total number of pages in the LOA.

g. If all line items cannot be listed on the first page of an offer and acceptance, show only the program total and list the remaining line items on DD Form 1513c continuation sheets. (See Figure D-4).

h. The percentage rate used for determining packing, crating and handling costs, general administrative costs, and supply support arrangement costs should not be indicated in the applicable blocks. (This guidance also pertains to Other Estimated Costs (Block 25) should a percentage rate be applicable.)

i. See Figure D-1 for detailed instructions on the filling in of the blocks on the DD Form 1513—Offer and Acceptance.

3. Processing Requests for Letters of Offer and Acceptance

a. Approval channels for requests for Letters of Offer are included in Paragraph 6, Chapter C, MASM III. Military Departments and Defense Agencies must formally acknowledge receipt of such requests, within five days of receipt. Maximum processing time between the receipt of a request for a Letter of Offer, and the submission of the Offer to the prospective purchaser (or to DSAA for a Letter of Offer requiring Congressional approval), is sixty (60) days. Earlier response will be made whenever possible and especially in those instances where urgency is indicated by the purchaser.

b. After completion of preparation of the LOA or after notification from DSAA that the Congressional review period is completed, DOD components should forward to DSAA-TC, Ceiling Management Division, the original plus two copies (three copies if a credit case) of the signed LOA (this also applies to 1513-1 Amendments and 1513-2 Notices) for the required countersignature preparatory to release to the purchasing country organization. DSAA-TC will forward a copy of the DD Form 1513 (1513-1 or 1513-2) to SAAC for entry into the DSAA 1100 FMS Reporting System. (NOTE: Countersignature should not be construed as being the coordination required by paragraph 1, above. The necessary coordination should have been undertaken by the DOD component prior to the submission of the LOA to DSAA Ceiling Management Division.)

4. Duration of Letters of Offer

a. Each Letter of Offer (DD Form 1513) or Amendment (DD Form 1513-1) will include the date upon which the offer expires. DOD policy is to allow the purchaser no more than sixty (60) days between the date of issue of the Offer or Amendment and its expiration date. When the Letter of Offer or Amendment is forwarded to the DSAA, Ceiling Management Division, for countersignature, the date of the Offer (Block 7) or the date of the Amendment (Block 8) should be completed along with the signature and typed name and title of the U.S. Department/Agency authorized representative. Additionally, Block 8 of the Offer or Block 9 of the Amendment should contain an expiration date of 75 days after the date placed in Block 7 of the Offer or Block 8 of the Amendment. This 75 day period permits a 60 day review period for the country and a 15 day period for the administrative processing required for countersignature and for DOD component issuance of the LOA or Amendment to the purchaser.

b. If a shorter expiration period is required because of (1) the validity of contractor quotes comprising the price and availability information included on the Offer

or Amendment, or (2) the time sensitivity of any information included in the Offer or Amendment, then the shorter expiration period should appear on the LOA or Amendment, and a note placed on the Letter of Offer which explains why the expiration period is less than 60 days.

c. Requests by the purchasers for extensions to expiration dates will be honored only after a full review by the preparing agency and DSAA to insure that all data included in the Offer remains valid, to include ceiling availability. The foreign country should be advised of the new expiration date via message along with authorization to make a pen and ink change to the expiration date listed on the LOA or amendment. The Security Assistance Accounting Center and Defense Security Assistance Agency should be provided an information copy of the message.

5. Information Conveyed by Letters of Offer

The Letter of Offer and Acceptance, when signed, is an official agreement between the United States and the purchasing nation regarding terms and conditions pertaining to furnishing certain goods or services. As such, the DD Form 1513 and its enclosures must provide sufficient detailed information so as to make clear the obligations of the United States and the Purchaser. The type and amount of information which must be conveyed will vary depending on the nature of the sale. However, at least some information which is supplemental to the preprinted "General Conditions" of Annex A of the DD Form 1513 must be provided for each sale. The normal method of accomplishing this is in the form of explanatory "Notes" which are cross-referenced to information included on the face of the DD Form 1513. Inclusion of this information as a complete package within the Offer, rather than orally or by separate correspondence, reduces misunderstandings over FMS Cases.

6. Supplemental Information for Letters of Offer

Figure D-5 indicates that information must be provided to purchasers in the form of Notes or Supplemental Terms and Condi-

tions, depending upon the nature of the material and/or services being sold. Items indicated by X must be addressed in Notes or Supplemental Terms and Conditions to the DD Form 1513; those indicated as being on an as required basis (A/R) should be addressed if the nature of the transaction so warrants. The following subparagraphs include instructions and discussion regarding the nature of this supplemental information. The subparagraphs are aligned to the column "Supplementary Information for Letters of Offer" of Figure D-5. The Checklist shown in Figure D-6 must accompany each case submitted to the Defense Security Assistance Agency (DSAA).

a. Transportation instructions

(1) There must be clear understanding between the USG and the purchaser as to where and how purchased material will be shipped. Blocks (19), (20), (33) and (34) of the DD Form 1513 are designed to fulfill this purpose under the normal Foreign Military Sales (FMS) method of shipment (i.e., by collect commercial bill of lading to freight forwarders), by the use of codes prescribed in DOD Directive 4140.17-M. However, supplementary instructions are required to enable purchasers to fill out Blocks (33) and (34) properly. Figure D-7 shows the instructions furnished by the Defense Logistics Agency (DLA) to meet this need; it should be used by all DOD components concerned as a guide.

(2) The normal method of movement of FMS materiel is by commercial carrier to a freight forwarder designated by the purchaser. The use of the DOD Transportation System (DTS) is authorized as an exception to this policy for the shipment of classified materiel, firearms, all classes of explosives, lethal chemicals, other hazardous cargo and materiel outsized to the capability or availability of commercial air carriers, and waivers previously approved by the Defense Security Assistance Agency (DSAA). Any other exceptions must be specifically approved by DSAA on a case-by-case basis. Use of the DTS, to include all related terms and conditions for movement, must be stated in the DD Form 1513. Each request for an excep-

tion to use the DTS must be supported with a statement that addresses projected tonnage, special transportation requirements, and other relevant information that will justify the commitment of DOD transportation assets. Upon approval, the extent of authorization must be clearly delineated in the supplementary conditions in the DD Form 1513. This would include identification, by specific item, when certain items in the DD Form 1513 are to be shipped via DTS and others are to be shipped via country freight forwarders.

b. Delivery Schedules of Items

Block (18) of the DD Form 1513 provides the appropriate leadtime from the date of order of material to the date of delivery. This provides sufficient information for most cases, unless delivery of major end items (i.e., airplanes, ships, missiles, or major combat vehicles) is involved. A schedule of estimated in-country or CONUS equipment deliveries by month, will be provided for major end items. When appropriate, the schedule of deliveries will include required delivery dates for items not to be delivered earlier than a specified date.

c. Personnel Movement to and from Country

Cases which provide for the provision of technical assistance services, either by contractor or military personnel, should specify to the extent known:

- (1) The number of personnel who will perform the task.
- (2) Planned date of arrival in-country.
- (3) In-country destination and "home station".
- (4) Extent of in-country travel required to perform the mission.
- (5) Planned duration of stay in-country, and planned departure date.

d. Qualifications Regarding Price and Availability Data Furnished on the DD Form 1513

(1) There must be as clear an understanding as possible of the limitations of the validity of data included in the Letter of Offer; much of the "boilerplate" of the DD Form 1513 is designed for this purpose.

However, any of the following data which is pertinent to the case must be provided as "Notes" to the Letter of Offer.

(a) Any deviations or substitutions to quantities or equipment which was included in the country request for Letter of Offer, with explanation for the deviation or substitution.

(b) The last date of validity of either price or availability data included in the Letter of Offer, with an explanation of the reason why, if the Offer is time-sensitive. Even though each Offer carries an expiration date, it is important that the purchaser be aware of any criticality in that date.

(c) Any particular reservations regarding the price quoted in the Offer should be noted and explained.

(d) The extent to which either the price or availability quoted is dependent upon an action yet to be taken by the USG (e.g., the selection of the equipment for U.S. forces).

e. Agreements to Safeguard Status or Provide Facilities for USG or Contractor Personnel While in Host Country

(1) The Letter of Offer should include those conditions required to insure that U.S. personnel can operate to the extent possible in safety, immunity, and under U.S.-type conditions. Agreements required will vary due to both the nature of the project and the nature of the country involved. The appropriate legal office of the Service concerned should be consulted to provide the salient agreements which protect that status of U.S. personnel in a given country.

(2) Figure D-8 sets forth sample terms and conditions which can be used as a guide for negotiating agreements with countries on programs involving the introduction of substantial numbers of contractor personnel. It is based on an actual agreement negotiated with the Government of Iran. These conditions may be used as a guide in developing similar agreements for countries for which no Status of Forces Agreement (SOFA) exists. Where a SOFA exists, references should be made to the SOFA.

f. Statement of Facilities, Services, or Personnel to be Provided by the Purchasing Nations

Figure D-8 also provides examples of certain actions which had to be taken by the purchaser to insure success of the program, in terms of facilities, services, or personnel. These actions will vary from program to program. It is essential that the responsibilities of the USG and the purchasing nation be clearly and completely delineated as a part of the Letter of Offer or its attachments.

g. Memorandum of Understanding or Statement of Work

Major FMS undertakings may call for Memorandums of Understanding, or detailed Statements of Work, before they can be undertaken by the USG. Such documents should be made an integral part of the Letter of Offer by reference on the DD Form 1513 and, where appropriate, be attached to the Letter of Offer.

h. Schedules of Personnel Training

(1) Letters of Offer which call for training of foreign personnel, include firm scheduling of personnel into specific training courses. When this is not feasible, Letters of Offer should set forth training plans and schedules in general terms, and should include information required to arrange for definitization of specific training requirements at a later date.

(2) Letters of Offer must specify purchasing nations' responsibilities such as providing pay and allowances, housing, qualified students, and any required supervision of students.

(3) Blanket Order Letters of Offer for training will include Notes to explain scope of coverage, methods for definitizing and requesting specific courses, and duration of applicability of the case. As indicated in paragraph 2a, above such cases will normally be limited to one-year's duration, unless an exception is approved by DSAA Operations.

i. Logistical Information

(1) The sale of weapons systems normally requires the establishment of under-

standings between the USG and the purchaser regarding logistical arrangements and support. This subject must be addressed in the "Notes" to the Letter of Offer to delineate USG responsibilities, specify the type of equipment being provided, identify subsequent actions which must be taken by both the USG and the purchaser, and occasionally to advise the purchaser of the nature of procurement action which will be taken.

(2) Letters of Offer will specify the configuration of equipment being sold, but will furnish detailed equipment specifications only if required. Variations from standard USG configurations will be noted, together with any risks which might be assumed as a result of the variance. The notes will highlight any purchase of equipment being made of a configuration contrary to that recommended by the USG.

(3) Letters of Offer will include the requirement for, and scheduling of logistical conferences or site surveys for the purpose of definitizing procurements of spare parts and support equipment, when applicable.

(4) The purchaser will be advised of the estimated period USG spare parts support will be available, providing that a termination of such support can be identified.

(5) It will be noted if the procurement is to be conducted from a sole source, based upon the request of the purchaser.

(6) Any USG intent to develop logistical or maintenance support plans will be specified.

(7) The basis upon which logistical support cost estimates are made will be specified. These should include the period of support of initial spares package, operational deployment of equipment, level of maintenance to be accomplished by the purchaser, and number of maintenance sites.

(8) Insofar as possible, the Letter of Offer must identify by line item of equipment any critical long-lead time items of spares or support equipment which must be procured in advance of the definitization conference, to insure in-country logistical support of the weapons system by its scheduled delivery date.

j. Explanation of Condition of Equipment

(1) The Letter of Offer must include information which makes clear the condition of any equipment furnished from USG inventories; the purchaser must not be surprised or disappointed if receiving equipment in less than "like new" condition. Any known limitations in condition must be specified in the Letter of Offer, using codes set forth in Annex A of the DD Form 1513.

(2) It is desirable for a purchaser to inspect, in advance receipt of a Letter of Offer, major items and quantities of excess equipment being sold in "as-is, where-is" condition. It also is desirable for the USG to obtain written acceptance of the condition of the equipment as a result of this inspection. Any such agreement of this type should be noted in the Letter of Offer.

(3) The condition of equipment sold "as-is, where-is" should be identified by Condition Code (e.g., R-4), and the Letter of Offer should include a short description of what this Condition Code means.

(4) The Letter of Offer must specify that the cost of any repair/rehabilitation of excess items is not included in the "as-is, where-is" price.

k. Identification of Equipment Supportable under Requisition Cases

(1) Letters of Offer for all requisition cases (whether Supply Support Arrangement (SSA) or blanket order) must identify the major items of equipment supportable under the case.

(2) Letters of Offer for Supply Support Arrangements (SSA) stock level cases fall into two broad categories, weapon systems for which actual support experience is available and new weapon systems for which supply support experience is *not* available. When supply support experience is available, the normal annual dollar amount of requisitions for repair parts will be computed as a percent of the value of the total major items supported. This percentage will then be applied to the sale price of the major items sold to an FMS customer to arrive at an annual dollar amount of support. On ma-

ior items for which supply support experience is not available, it will be necessary to develop a priced listing of projected repair parts. The total of the listing will be the dollar amount of supply support required. This annual total dollar amount is the factor (normally 12/17) shown as the on-order portion of the FMSO I. An additional factor (normally 5/17) is added for the on-hand portion of the agreement to arrive at the total FMSO I price.

l. Description of Services to be Provided

(1) There must be a clear and comprehensive understanding of the extent and limitations of the obligation undertaken by the USG when providing services under an FMS case. This may require a detailed Statement of Work for major undertakings, but can be done by providing the following information for routine cases:

(a) Description of the nature of the service to be performed, together with its purpose.

(b) Statement of where and how the services will be performed.

(c) Statement of the anticipated result when the service is completed, together with any information of which the purchaser should be aware regarding USG reservations or qualifications as to success of the project.

m. Description of Components of Pricing

(1) It is not normal FMS practice to provide a detailed description of the components of cost included in estimated prices for line items on Letters of Offer. There may be instances where the provisions of such information is desirable to clarify the service to be provided. When project management offices are established in the CON-US, to insure proper management of major FMS projects, it sometimes is necessary to provide detailed cost data to provide the purchaser with information which demonstrates that such costs are necessary.

(2) FMS cases established for the sole purpose of collecting either royalties or pro rata nonrecurring cost recovery charges must

include the charge to be made per unit of production. However, pro rata nonrecurring cost recovery charges assessed for items sold under FMS will be included in the unit price of the end item being sold and will not be shown separately.

n. Responsibility for Initiation of Requisitions

(1) There must be clear understanding between the USG and the purchaser as to which party will initiate requisition actions required for spare parts and similar type support.

(2) The Letter of Offer will contain sufficient information, either by Note or by reference to DOD instructions available to the purchaser to enable the purchaser to initiate and route requisitions correctly.

(3) The Letter of Offer will also contain sufficient disposition instructions for items (owned by the purchaser) being returned by the purchaser to the CONUS for maintenance and repair services.

o. Indemnification and Assumption of Risk

(1) Annex A of the DD Form 1513 contains provisions regarding indemnity which are deemed satisfactory and complete for most FMS programs. Advice should be obtained from the appropriate legal office of the Service concerned when it appears that special circumstances of individual purchases require an expansion of indemnity clauses.

(2) If additional indemnity clauses are required, Figures D-9 through D-11 provide guidelines which can be used.

7. Absence of Specific Information

a. Letters of Offer are sometimes prepared either at purchaser request or in USG interest, before the specific details to provide all information covered in the foregoing paragraphs are known. In such cases, Notes to Letters of Offer will include general coverage of this information and estimate of when specific information on these topics can be provided to the purchaser.

b. The Letter of Offer should include information sufficient to establish follow-on

channels of communication between the purchaser and the USG component responsible for implementing the FMS case.

8. Pricing Data to be Included with Selected Letters to Offer

a. All Letters of Offer for sales of end items or services of value of \$7 million or greater and proposed amendments must be accompanied by a financial analysis. The purpose of the analysis is to permit all approval echelons a review for completeness and accuracy of financial data. The analysis will accompany the Letter of Offer throughout the coordination cycle but will not be submitted to the prospective purchaser.

b. The following information will be included:

(1) Source of estimates. Examples are:

(a) Prime Contractor quote.

(b) Prime and GFE Contractor quotes.

(c) Standard Price.

(d) Military Department estimate without contractor participation¹, based on recent sale or similar experience, or in accordance with DOD Instruction 2140.1.

(2) The basis for making or adjusting estimates from any of the above sources. Examples are:

(a) Agent's fees or commissions included in the FMS case and the amount thereof. The Service certification of reasonableness in accordance with ASPR 1-505 and DPC 76-12 must be attached. If the fee cannot be or has not been certified as reasonable, the Service notification or proposed notification to the foreign government should also be attached for information or coordination. See Chapter C, paragraph 17, for further guidelines.

(b) Inclusion of nonrecurring RDT&E and production cost recoupment in accordance with DOD Directive 2140.2.

¹ In this connection, notice should be taken of Section 6-1303.1 of the Armed Services Procurement Regulation concerning the participation of the procuring contracting officer in the preparation of Price and Availability Data and that the provisions of this section are complied with.

(c) Inclusion of adjustments for estimated inflation or other risk factors.

(d) Replacement cost in accordance with the provisions of paragraph VI.C.2.b. of DOD Instruction 2140.1.

(e) Asset use charge as described in DOD Instruction 2140.1.

(f) First destination transportation costs.

(g) Recurring support costs.

(h) Unfunded costs.

(i) Application of factors for estimating "dollar line items" such as concurrent spare parts.

(j) Adjustments based on anticipation of the receipt of other orders or Defense Department procurement of the item involved which would likely result in shared overhead costs and a reduced price for the item.

(3) Sources of data used to make any of the above adjustments and their application to the case (i.e., inflation factor of 7% compounded over four (4) years. Source: ASD (Comptroller) Price Escalation Indices, July 31, 1975).

(4) A comparison of Letter of Offer prices with budgeted or on-going service procurement price, e.g., the Selection Acquisition Report (SAR).

(5) Source for Schedule of Payments.

(6) A comparison of Letter of Offer prices with all other Letters of Offer prices for the same item within the previous twelve (12) months. This comparison should not be limited to sales within the same region.

c. Figure D-12 is a suggested format for use in presenting required financial analysis data. The format may be modified to meet the needs of the individual Military Departments. The financial analysis must, however, identify methods used in developing costs and provide the information outlined above for each line item in sufficient detail to enable the reviewer to judge the accuracy, completeness, and firmness of the estimated prices.

9. DD Form 1513-1—Amendment to Offer and Acceptance

a. Changing circumstances frequently require that changes be made to a completed Letter of Offer and Acceptance (DD Form 1513). To assure that FMS records reflect adjustments to program content in the fiscal year in which such changes occur, it is essential that we make all practical efforts to process new DD Form 1513's to provide for significant increases in scope to previously approved programs. (This policy also applies to blanket order type cases. As indicated in paragraph 2b above, such cases will normally be limited to one-year's duration unless an exception is approved by DSAA Operations.)

b. It is recognized that there are times when U.S. interests are best served by processing Amendments to cover small changes in scope, since administrative reasons sometimes preclude, or make difficult and costly, the preparation of new Letters of Offer. The Amendment to Offer and Acceptance (DD Form 1513-1) should be used to meet only minimum essential administrative needs. The amendment to Offer and Acceptance (DD Form 1513-1) may be used for minor changes in scope when such use of the form is essential for administrative reasons. Minor changes in scope occur most frequently for:

(1) Changes or requirements within FMS training cases.

(2) Minor changes in configuration of equipment previously ordered in an original Letter of Offer.

(3) Minor changes in scope due to omission in the original LOA of supporting equipment or services for major weapon systems previously sold.

(4) Increases in time of performance.

(5) Increases in the estimated costs of a blanket order type case due to an increase in the amount of items purchased under this case. (Note provisions of paragraph 2a limiting such cases to one year under normal circumstances.)

(6) Extensions of the order period for blanket order type cases which cause an increase in estimated cost. (Note provisions of paragraph 2a, limiting such cases to one year under normal circumstances.)

(7) Minor increases in quantity of a definitive quantity case.

(8) Changes in description which increases the item/service.

(9) Changes in conditions, terms (payment) or a surcharge not already provided for.

(10) All revisions to FMSO I cases.

c. All changes in the scope of an existing Letter of Offer should be treated as a new FMS case unless minor changes in scope of the nature referred to in b(1) through (10) above occur which would, for administrative reasons, be more effectively handled as an amendment. When a new case is prepared on the basic DD Form 1513, a cross-reference to the previous FMS case may be made on LOAs issued due to an increase in scope.

d. The DD Form 1513-1 would be used only if the revision requires purchaser acceptance before implementation. If this revision is a unilateral change on the part of the USG to the terms and conditions of the LOA, which does not require purchaser acceptance (e.g., additional quantities of items requested by the purchaser have already been delivered), the DD Form 1513-2 Notice of Modification of Offer and Acceptance should be provided the purchaser. (See Figure D-3).

e. Major changes in the scope of an existing LOA require the preparation of a new FMS case on the basic DD Form 1513 unless approval has been obtained from DSAA to utilize the DD Form 1513-1 Amendment. However, should major (or minor) changes in scope occur in the same fiscal year as that in which the original LOA was accepted by the purchaser and such amendment would also be accepted in the same fiscal year, use of the DD Form 1513-1 Amendment is permitted.

f. The percentage rate used for determining packing, crating and handling costs, general administrative costs, and supply arrangement costs should not be indicated in the applicable blocks. (This guidance also pertains to Other Estimated Costs (Block

26) should a percentage rate be applicable.)

g. All DD Forms 1513-1 which reflect an increase in excess of \$50,000 should be coordinated with the Director, DSAA Operations. Such increases will be recorded in the fiscal year the DD Form 1513-1 is accepted. DD Forms 1513-1 which reflect an increase of \$50,000, or less, shall be recorded in the year of the basic FMS case.

h. See Figure D-2 for detailed instructions on the filling in of the blocks on the DD Form 1513-1.

10. DD Form 1513-2—Notice of Modification of Offer and Acceptance

a. This form is utilized to record modifications to an existing offer and acceptance, other than modifications which constitute a change in scope. (Modifications which do affect the scope of the offer and acceptance require either a new DD Form 1513 or a formal amendment (DD Form 1513-1), as indicated in paragraph 9, above).

b. When the DD Form 1513-2 is used, acceptance by the foreign customer is not required, but merely acknowledgement of receipt, to ensure that the Notice of Modification has been received by an authorized official.

c. The DD Form 1513-2 should be used for decreases in scope and for changes in data which may be made unilaterally under an Offer and Acceptance (non-scope change). Examples of such changes for which a DD Form 1513-2 must be used are:

(1) Price increases and related changes in payment schedules to a previous DD Form 1513 or amendment thereto. DOD components issuing Letters of Offer will promptly and officially notify purchasers whenever the estimated total costs (Block 26 of the DD Form 1513) increase more than 10 percent.

(2) Deletions of items or decreases in the quantities of items to be sold. Notices to the purchasing country of such changes should be issued if the result is a decrease in

MILITARY ASSISTANCE AND SALES MANUAL—PART III

the "total estimated costs" of over 10 percent or \$50,000 or more.

(3) Changes or extensions exceeding 90 days of the delivery commitment date.

(4) Extensions of the ordering period for a blanket order type case provided there is no increase in the total estimated cost. (Note the provisions of paragraph 2a, above limiting such cases to one year under normal circumstances.)

(5) Changes initiated by the foreign country of terms (Block 27, DD Form 1513 and Block 28, DD Form 1513-1) from a type of assistance code (other than Z) to an FMS Credit Case (Code Z).

(6) Changes to transportation codes due to the requirement to use the DTS (e.g., shipment of hazardous and sensitive cargo, Chapter D, Para. 6.a).

d. Price increases or decreases discovered during case closure will be assessed the country during final billing. Issuance of a DD Form 1513-2 is not required in addition to the final billing.

e. For price increase notifications, to ensure that the country is fully aware of its options with respect to the cancellation or reduction of the case, the following information, if applicable, should be included:

(1) The detailed reason for the increase.

(2) Status of contracting for this purchase—e.g., contract completed, contract still being negotiated, etc.

(3) The options that the country has, if any, with respect to avoiding the price increase (e.g., contract termination or reduction of quantities).

(4) The estimated financial consequences of selecting such options.

(5) Any time limits for notifying the USG of purchaser desire to cancel or reduce quantities.

f. All terms and conditions of an existing DD Form 1513 and any related amendments thereto not specifically noted as being modified by the DD Form 1513-2 remain un-

changed and in effect.

g. The percentage rate used for determining packing, crating and handling costs, general administrative costs, and supply support arrangement costs should not be indicated in the applicable blocks. (This guidance also pertains to Other Estimated Costs (Block 21) should a percentage rate be applicable.)

h. For LOAs or amendments thereto on which DSAA Operations has previously coordinated, price increase notifications to these LOAs or amendments must also be coordinated with DSAA Operations.

i. If there is any doubt as to whether to use the DD Form 1513, DD Form 1513-1 or the DD Form 1513-2 in a particular case, that case should be promptly referred to DSAA Operations for determination. (Note: When a DD Form 1513-2 is signed for dispatch, appropriate change card(s) should be submitted to SAAC by DSAA for inclusion in the 1100 System.)

j. A DSAA RCS (Q) 1123 report should be submitted to DSAA on a quarterly basis 45 days after the end of each quarter, and should include a listing of all cases for which the value of the DD Form 1513 has increased in value in excess of 10 percent, together with an explanation of the reason for the change. (A copy of the DD Form 1513-2 which informed the country of this increase should be provided with this report.) This report will be submitted with the report on delivery schedule changes required by paragraph 4c(4) of Chapter F. The format at Figure F-1, Chapter F, should be followed for this report.

k. See Figure D-3 for detailed instructions on the filling in of the blocks on the DD Form 1513-2.

11. Letters of Intent (LOI)

a. There are two form Letters of Intent: The DD Form 2012, used to finance procurement of long lead time items prior to the issuance of a DD Form 1513, Letter of Offer and Acceptance; and the DD Form 2012-1,

used to finance procurement of long lead time items during the period between issuance of a DD Form 1513 and acceptance by the purchasing country.

b. As both forms contemplate a specified dollar limitation upon the liability of the purchasing country for the procurement of long lead time items, in order to comply with the requirements of the Arms Export Control Act, it is necessary that all cost-reimbursement contracts awarded to implement a Letter of Intent (procurement as well as research and development) include a Limitation of Cost or Funds contract clause (see ASPR 7-203.3(a), 7-402.2 and 7-702.11). That clause may be deleted by contract amendment after Purchaser's signature of the DD Form 1513.

c. Use of the DD Form 2012 does not constitute authorization to take implementing action under such LOI in advance of compliance with the statutory reporting requirement of Section 36(b) of the AECA. The procedures prescribed in Appendix B of the MASM apply to any such LOI regardless of dollar amount, when it is contemplated that the DD Form 1513 will total \$25 million or more or for the sale of a major defense equipment for \$7 million or more. In the event that a Military Department is of the opinion that production scheduling requirements necessitate initiation of procurement

of long lead time items in advance of full compliance with Section 36(b) of the Arms Export Control Act, the Military Department concerned shall, prior to transmitting a proposed LOI to a purchasing country, promptly forward its recommendations to the Director, DSAA, for a decision. If an exception is made by the Director, DSAA, a modified version of the DD Form 2012 will be provided to the Military Department by DSAA on a case-by-case basis.

d. DD Form 2012-2, Amendment to Letter of Intent, should be used for amending LOIs as provided for in paragraph 2(c) of DD Form 2012 and DD Form 2012-1.

e. Samples of these forms are at Figures D-13 through D-15.

12. Financial Annexes

Financial Annexes as supplemental financial terms and conditions to the DD Form 1513 will be prepared as outlined in Appendix C, Figures Appendix C-1 through Appendix C-8.

13. Obligational Authority

Obligational Authority will be approved, as necessary, by SAAC only after the receipt of the accepted FMS case and initial deposit, if required.

INSTRUCTIONS FOR PREPARING THE UNITED STATES DEPARTMENT OF DEFENSE OFFER AND ACCEPTANCE (DD FORM 1513)

1. Block (1) PURCHASER

a. For a country, enter "Government of (name of country)" and show the office and address of the purchaser's activity designated to receive the LOA (e.g., Defense Attache 1111 24th Street, N.W., Washington, D.C. 20301).

b. For an international organization, enter the title of the organization along with the appropriate office and address.

2. Block (2) PURCHASER'S REFERENCE

A reference will always be shown. The reference may be a letter, telegram, conference, meeting, oral request, etc. The reference will always include any pertinent data (e.g., letter serial, number, message date time group (DTG)). In the event that the reference is from other than the purchaser, indicate the source of the request made on behalf of the purchaser.

3. Block (3) CASE IDENTIFIER

Enter the appropriate country code, implementing agency code and case designator (e.g., UK-P-DLG).

4. Block (4) SIGNATURE

This block should be filled in by an authorized U.S. Military Department or Defense Agency representative prior to forwarding the LOA to DSAA Comptroller for the required countersignature.

5. Block (5) TYPED NAME AND TITLE

Type or stamp the name and title of the U.S. representative who signed Block (4).

6. Block (6) ADDRESS

Enter the name of the issuing organization along with the address (e.g., DA, DACS-SA, Pentagon, Wash., D.C.).

7. Block (7) DATE

Enter the day, month and the year that the LOA is submitted to DSAA for countersignature.

8. Block (8) THIS OFFER EXPIRES

Enter the appropriate data, normally 60 days from the date in Block (7). The date to be entered may be less than 60 days, if required (e.g., inclusion of requirements on a new contract due to be signed in less than 60 days, a contract about to expire, validity period of the P&A data.) A period in excess of 60 days may be entered when DSAA has approved an expiration date of more than 60 days from the date in Block (7) for specific countries. (See paragraph 4, Chapter D, for further guidance.)

9. Block (9) COUNTERSIGNATURE

MILITARY ASSISTANCE AND SALES MANUAL—PART III

The authorized representative within DSAA Comptroller for countersignature of the LOA should sign in this block. Signature should not occur unless all the necessary information is contained on the DD Form 1513.

10. Block (10) TYPED NAME AND TITLE

Type the name and title of the DSAA Comptroller authorized representative for countersignature who signed Block (9).

11. Block (11) DSAA ACCOUNTING ACTIVITY

The following address should be placed in this block. AFAFC-SAAC, Lowry AFB, Denver, Colorado 80279.

12. Block (12) ITEM OR REFERENCE NO.

For programs which involve more than one item, enter a separate number for each item. Commence with number 1 and number consecutively to the last item; for reference to another description enter the exact reference number. In the case of weapons systems procurement, the reference identifier will relate to an attachment to DD Form 1513. This attachment will include descriptive information on the generic items procured.

13. Block (13) ITEM DESCRIPTION

Enter the National Stock Number (NSN) and/or part number, as appropriate, and a complete description of the material/services. For cases involving major systems/end items all complementing/supporting material and services should be described.

14. Blocks (14 through 17)

Quantity, unit of issue, unit cost and total cost are self-explanatory. Enter information or N/A, as appropriate.

15. Block (18) AVAILABILITY AND REMARKS

Enter one or more codes from paragraph 3, 4, and 5 of the EXPLANATORY NOTES on page 3 of the DD Form 1513. Also enter specific delivery dates, as applicable.

16. Block (19) and (20)

Offer Release Code and Delivery Term Code—See instructions contained in Figure D-7, of this Chapter.

17. Block (21) ESTIMATED COST

Enter estimated material/services costs in whole dollars. These costs should not include any administrative or accessorial charges.

18. Block (22) ESTIMATED PACKING, CRATING AND HANDLING COST

Enter the value in whole dollars based on the prescribed percentages as set forth in DODI 2140.1, or actual costs if appropriate. If the charge is appropriate only to certain items, indicate the lines to which the charge was applied, or exclusion, in parenthesis. Do not show the percentage rate used in determining the cost contained in this block.

19. Block (23) ESTIMATED GENERAL ADMINISTRATIVE COSTS

Enter in whole dollars based on the percentage set forth in DOD Instruction 2140.1, or enter "actual" cost if appropriate. If the charge is shown as actual cost based on a management case(s), show the value and reference the case(s). Do not show the percentage rate used in determining the cost contained in this block.

20. Block (24) ESTIMATED CHARGES FOR SUPPLY SUPPORT ARRANGEMENT

Enter the value in whole dollars based on the percentage set forth in DOD Instruction 2140.1. Do not show the percentage rate used in determining the cost contained in this block.

21. Block (25) OTHER ESTIMATED COSTS

Describe the charge and enter in whole dollars. If there are several specific costs, identify each in Block 13 as a NOTE. If a percentage is used, do not show the percentage rate used in determining the cost contained in this block.

22. Block (26) ESTIMATED TOTAL COSTS

Enter the costs in whole dollars (total of Blocks (21) through (25)).

23. Block (27) TERMS

Enter appropriate terms of sale in accordance with the guidance contained in Chapter G, Part III of the MASM. If an initial deposit is required, this fact should be so stated and the amount of the initial deposit entered in Block 28.

24. Block (28) AMOUNT OF INITIAL DEPOSIT

If by the terms of this LOA an initial deposit is required and has been stated in Block (27), the dollar amount in whole dollars of this initial deposit should be entered.

25. Block (29) through (37)

Leave blank. These blocks should be filled in by the authorized representative of the purchasing government.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

UNITED STATES DEPARTMENT OF DEFENSE OFFER AND ACCEPTANCE				(1) PURCHASER (Name and Address) (Zip Code)					
(2) PURCHASER'S REFERENCE		(3) CASE IDENTIFIER							
OFFER									
Pursuant to the Arms Export Control Act, the Government of the United States (USG) hereby offers to sell to the above purchaser the defense articles and defense services listed below (hereinafter referred to collectively as "items" and individually as "defense articles" or "defense services"), subject to the terms contained herein and conditions set forth in Annex A, and to such other special terms and conditions which may be a part of, and appended to, this Offer and Acceptance.									
(4) Signature (US Dept./Agency Authorized Representative)				(9) Countersignature (Office of the Comptroller, DSAA)					
(5) Typed Name and Title				(10) Typed Name and Title					
(6) ADDRESS:				(11) DSAA ACCOUNTING ACTIVITY					
(7) DATE:									
(8) THIS OFFER EXPIRES:									
ITEM OR REF. NO. (12)	ITEM DESCRIPTION (Including Stock Number if applicable) (13)	QUANTITY (14)	UNIT OF ISSUE (15)	UNIT COST (16)	TOTAL COST (17)	AVAILABILITY AND REMARKS (18)	OFFER RE-LEASE CODE (19)	DELIVERY TERM CODE (20)	
(21) ESTIMATED COST				\$					
(22) ESTIMATED PACKING, CRATING, AND HANDLING COST									
(23) ESTIMATED GENERAL ADMINISTRATIVE COSTS									
(24) ESTIMATED CHARGES FOR SUPPLY SUPPORT ARRANGEMENT									
(25) OTHER ESTIMATED COSTS (Specify)									
(26) ESTIMATED TOTAL COSTS				\$					
(27) TERMS				(28) AMOUNT OF INITIAL DEPOSIT - \$					
ACCEPTANCE									
(29) I am a duly authorized representative of the Government of _____ and upon behalf of _____ said Government, accept this offer under the terms and conditions contained herein (30) this _____ day of _____ 19 _____				(33) MARK FOR CODE _____					
				(34) FREIGHT FORWARDER CODE _____					
				(35) PROCURING AGENCY _____					
(31) SIGNATURE				(36) DESIGNATED PAYING OFFICE _____					
(32) TYPED NAME AND TITLE				(37) ADDRESS OF DESIGNATED PAYING OFFICE _____					

GENERAL CONDITIONS

Annex A

A. THE GOVERNMENT OF THE UNITED STATES:

1. Agrees to furnish such items from its Department of Defense (hereinafter referred to as "DOD") stocks and resources, or to procure them under terms and conditions consistent with DOD regulations and procedures. When procuring for the Purchaser, the DOD shall, in general, employ the same contract clauses, the same contract administration, and the same inspection procedures as would be used in procuring for itself, except as otherwise requested by the Purchaser and as agreed to by the DOD. Unless the purchaser has requested that a sole source contractor be designated, and this Letter of Offer and Acceptance reflects acceptance of such designation by the DOD, the Purchaser understands that selection of the contractor source to fill this requirement is solely the responsibility of the Government of the United States (hereinafter referred to as "USG"). Further, the Purchaser agrees that the United States DoD is solely responsible for negotiating the terms and conditions of all contracts necessary to fulfill the requirements in the Letter of Offer.
2. Advises that when the DOD procures for itself, its contracts include warranty clauses only on an exceptional basis. However, the USG shall, with respect to items being procured, and upon timely notice, attempt to the extent possible to obtain any particular or special contract provisions and warranties desired by the Purchaser. The USG further agrees to exercise, upon the Purchaser's request, any rights (including those arising under any warranties) the USG may have under any contract connected with the procurement of any items. Any additional cost resulting from obtaining special contract provisions or warranties, or the exercise of rights under such provisions or warranties, or any other rights that the USG may have under any contract connected with the procurement of items, shall be charged to the Purchaser.
- 3.a. Shall, unless the condition is otherwise specified herein (e.g., "As is"), repair or replace at no extra cost defense articles supplied from DOD stocks which are damaged or found to be defective in respect of material or workmanship, when it is established that these deficiencies existed prior to passage of title, or found to be defective in design to such a degree that the items cannot be used at all for the purpose for which they were designed. Qualified representatives of the USG and of the Purchaser, upon notification pursuant to paragraph B.6, below, shall agree on the liability of the USG hereunder and the corrective steps to be taken.
- b. With respect to items being procured for sale to the Purchaser, the USG agrees to exercise warranties on behalf of the Purchaser pursuant to A.2, above to assure, to the extent provided by the warranty, replacement or correction of such items found to be defective.
- c. In addition, the USG warrants the title of all items sold to the Purchaser hereunder. The USG, however, makes no warranties other than those specifically set forth herein. In particular the USG disclaims any liability resulting from patent infringement occasioned by the use or manufacture by or for Purchaser outside the United States of items supplied hereunder.
4. Agrees to deliver and pass title to the items to the Purchaser at the initial point of shipment unless otherwise specified in this Offer and Acceptance. With respect to defense articles procured for sale to the Purchaser, this will normally be at the manufacturers' loading facilities; with respect to defense articles furnished from stocks, this will normally be at the U.S. depot. Articles will be packed, crated or otherwise prepared for shipment prior to the time title passes. If "Point of Delivery" is specified otherwise than the initial point of shipment, the supplying Military Department or Defense Agency will arrange movement of the items to the authorized delivery point as reimbursable service but will pass title at the initial point of shipment; the USG disclaims any liability for damage or loss to the items incurred after passage of title irrespective of whether transportation is by common carrier or by the U.S. Defense Transportation System.
5. Advises that:
 - a. Unless otherwise specified, USG standard items will be furnished without regard to make or model.
 - b. The price of items to be procured shall be at their total cost to the USG. Unless otherwise specified, the cost estimates of items to be procured, availability determination, payment schedule, and delivery projections quoted are estimates based on current available data. The USG will use its best efforts to advise the Purchaser or its authorized representatives by DD Form 1513-2:
 - (1) of any identifiable cost increase that might result in an increase in the "Estimated Total Costs" in excess of 10 percent;
 - (2) of any changes in the payment schedule(s); and
 - (3) of any delays which might significantly affect the estimated delivery dates;
 but its failure to so advise of the above shall not affect the Purchaser's obligation under paragraphs B.1 and B.3 below.
 - c. The USG will, however, use its best efforts to deliver items or render services for the amount and at the times quoted.
6. Under unusual and compelling circumstances when the national interest of the United States so requires, the USG reserves the right to cancel or suspend all or part of this Offer and Acceptance at any time prior to the delivery of defense articles or performance of services (including training). The USG shall be responsible for all termination costs of its suppliers resulting from cancellations or suspensions under this paragraph.
7. Shall refund to the Purchaser any payments received hereunder which prove to be in excess of the final total cost of delivery and performance of this Offer and Acceptance, and are not required to cover arrearages on other open Offers and Acceptances of the Purchaser.
8. Advises that personnel performing defense services provided under this Offer and Acceptance will not perform any duties of a combatant nature, including any duties relating to training, advising, or otherwise providing assistance regarding combat activities, outside the United States in connection with the performance of these defense services.
9. Advises that in the assignment or employment of United States personnel for the performance of this Offer and Acceptance, the USG will not take into account race, religion, national origin or sex.
10. Advises that, notwithstanding Purchaser's agreement to pay interest on any net amount by which Purchaser may be in arrears on payments (as provided for in paragraph B.3.g, below), USG funds will not be used for disbursements by DOD to its contractors in the event of any such arrears in payments. Accordingly, failure by the Purchaser to make timely payments in the amounts due may result in delays in contract performance by DOD contractors, claims by contractors for increased costs (including the above mentioned interest costs), claims by contractors for termination liability for breach of contract or termination of contracts by the USG under this or other open Offers and Acceptances of the Purchaser at Purchaser's expense.

B. THE PURCHASER:

1. Shall pay to the USG the total cost to the USG of the items, even if the final total cost exceeds the amounts estimated in this Offer and Acceptance.
2. Shall make payment(s) for the items by check(s) or by wire transfer payable in United States dollars to the Treasurer of the United States.
- 3.a. Shall, if "Terms" specify "cash with acceptance", forward with this Offer and Acceptance a check or wire transfer in the full amount shown as the estimated total cost, and agrees to make such additional payment(s) as may be specified upon notification of cost increase(s) and request(s) for funds to cover such increases.
- b. Agrees if "Terms" specifies payment to be "cash prior to delivery" to pay to the USG such amounts at such times as may be specified from time to time by the USG (including any initial deposit set forth under "Terms") in order to meet payment requirements for articles or services to be furnished from the resources of the US Department of Defense. USG requests for funds may be based on estimated requirements to cover forecasted deliveries of articles or costs to provide defense services. It is USG policy to obtain funds 90 days in advance of the time DOD plans such deliveries or incurs such expenses on behalf of the Purchaser.
- c. Agrees, if "Terms" specify payment by "dependable undertaking" to pay to the USG such amounts at such times as may be specified from time to time by the USG (including any initial deposit set forth under "Terms") in order to meet payments required by contracts under which items are being procured, and any damages and costs that may accrue, or have accrued, from termination of contracts by the USG because of Purchaser's cancellation of this Offer and Acceptance under paragraph B.7, hereof. USG requests for funds may be based upon estimated requirements for advance and progress payments to suppliers, estimated termination liability, delivery forecasts or evidence of constructive delivery, as the case may be. It is USG policy to obtain such funds 90 days in advance of the time USG makes payments on behalf of the Purchaser.
- d. Agrees, if "Terms" specify "payment on delivery" that bills may be dated as of the date(s) of delivery of the defense articles or rendering of the defense services, or upon forecasts of the date(s)-thereof.
- e. Agrees, if "Terms" specify payment under a Credit Agreement between the Purchaser and DOD, to pay to the USG on a "dependable undertaking" basis, in accordance with B.3.c. above, such costs as may be in excess of the amount funded by the Credit Agreement.
- f. Agrees, that requests for funds or billings under paragraphs B.3.a. through e. above are due and payable in full on presentation, or, if a payment date is specified in the request for funds or bill, on the payment date so specified, even if such payment date is not in accord with the estimated payment schedule, if any, contained in this Offer and Acceptance. Without affecting Purchaser's obligation to make such payment(s) when due, documentation concerning advance and progress payments, estimated termination liability or evidence of constructive delivery or shipment in support of request for funds or bills will be made available to the Purchaser by DOD upon request. When appropriate, Purchaser will request adjustment of any questioned billed items by subsequent submission of required discrepancy reports in accordance with paragraph B.6, below.
- g. Agrees to pay interest on any net amount by which it is in arrears on payments, determined by considering collectively all of the Purchaser's open Offers and Acceptances with the DOD. Interest shall be calculated on a daily basis. The principal amount of the arrearage shall be computed as the excess of cumulative financial requirements of the Purchaser over total cumulative payments after quarterly billing payment due dates. The rate of interest paid shall be a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding short-term obligations of the USG as of the last day of the month preceding the net arrearage and shall be computed from the date of net arrearage.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

Annex A

- h. Shall designate the Procuring Agency and responsible Paying Office and address thereof to which the USG shall submit requests for funds and bills under this Offer and Acceptance.
4. Shall furnish shipping instructions for the items with its acceptance of this Offer and Acceptance. Such instructions shall include (a) Offer/Release Code, (b) Freight Forwarder Code, and (c) the Mark for Code, as applicable.
5. Shall be responsible for obtaining the appropriate insurance coverage and customs clearances, and, except for items exported by the USG, appropriate export licenses.
6. Shall accept title to the defense articles at the initial point of shipment (see A.4. above). Purchaser shall be responsible for in-transit accounting and settlement of claims against common carriers. Title to defense articles transported by parcel post shall pass to the Purchaser on date of parcel post shipment. Standard Form 364 shall be used in submitting claims to the USG for overage, shortage, damage, duplicate billing, item deficiency, improper identification or improper documentation and shall be submitted by Purchaser promptly. Claims of \$100.00 or less will not be reported for overages, shortages, or damages. Claims received after one year from date of passage of title or billing, whichever is later, will be disallowed by the USG, unless the USG determines that unusual and compelling circumstances involving latent defects justify consideration of the claim.
7. May cancel this Offer and Acceptance with respect to any or all of the items listed in this Offer and Acceptance at any time prior to the delivery of defense articles or performance of services (including training). It shall be responsible for all costs resulting from cancellation under this paragraph.
8. Shall, except as may otherwise be mutually agreed in writing, use the items sold hereunder only:
- a. For the purposes specified in the Mutual Defense Assistance Agreement, if any, between the USG and the Purchaser;
- b. For the purposes specified in any bilateral or regional defense treaty to which the USG and the Purchaser are both parties, if subparagraph a. of this paragraph is inapplicable; or
- c. For internal security, individual self-defense, and/or civic action, if subparagraphs a. and b. of this paragraph are inapplicable.
9. Shall not transfer title to, or possession of, the defense articles, components and associated support material, related training or other defense services (including any plans, specifications or information) furnished under this Offer and Acceptance to anyone not an officer, employee or agent of the Purchaser (excluding transportation agencies), and shall not use or permit their use for purposes other than those authorized by B.8. above, unless the written consent of the USG has first been obtained. To the extent that any items, plans, specifications, or information furnished in connection with this Offer and Acceptance may be classified by the USG for security purposes, the Purchaser shall maintain a similar classification and employ all measures necessary to preserve such security, equivalent to those employed by the USG, throughout the period during which the USG may maintain such classification. The USG will use its best efforts to notify the Purchaser if the classification is changed. The Purchaser will ensure, by all means available to it, respect for proprietary rights in any defense article and any plans, specifications, or information furnished, whether patented or not.

C. INDEMNIFICATION AND ASSUMPTION OF RISKS:

1. It is understood by the Purchaser that the USG in procuring and furnishing the items specified in this Offer and Acceptance does so on a nonprofit basis for the benefit of the Purchaser. The Purchaser therefore undertakes, subject to A.3. above, to indemnify and hold the USG, its agents, officers, and employees harmless from any and all loss or liability (whether in tort or in contract) which might arise in connection with this Offer and Acceptance because of: (i) injury to or death of personnel of Purchaser or third parties; (ii) damage to or destruction of (A) property of the DOD furnished to Purchaser or suppliers specifically to implement this Offer and Acceptance, (B) property of Purchaser (including the items ordered by Purchaser pursuant to this Offer and Acceptance, before or after passage of title to Purchaser), or (C) property of third parties; or (iii) patent infringement.
2. Subject to any express, special contractual warranties obtained for the Purchaser in accordance with A.2. above, the Purchaser agrees to relieve the contractors and subcontractors of the USG from liability for, and will assume the risk of, loss or damage to: (i) Purchaser's property (including the items procured pursuant to this Offer and Acceptance, before or after passage of title to Purchaser) and (ii) property of the DOD furnished to suppliers specifically to implement this Offer and Acceptance, to the same extent that USG would assume for its property if it were procuring for itself the item or items procured pursuant to this Offer and Acceptance.

D. ACCEPTANCE:

1. To accept this Offer and Acceptance, the Purchaser will not later than the expiration date of the Offer and Acceptance, as set forth herein, return three copies properly signed to the security assistance accounting center designated herein, accompanied by such initial deposit or other payment as may be required by the Terms herein. In addition, Purchaser will concurrently return three copies properly signed to the U.S. Military Department or Defense Agency making the offer. When properly accepted and returned as specified herein, the provisions of this Offer and Acceptance shall be binding upon the USG and the Purchaser.
2. It is understood that implementation of the Offer and Acceptance cannot proceed without a proper acceptance. Failure to comply with Terms and Conditions required for acceptance, as, for example, delay in submission of any required initial deposit or payment of full estimated cost, as the case may be, may require revision or reissue of the Offer and Acceptance.
3. Unless a written request for extension is made by the Purchaser and granted in writing by an authorized representative of the appropriate U.S. Military Department or Defense Agency, this Offer and Acceptance shall terminate on the expiration date set forth herein.

E. ENCLOSURES:

Enclosures attached hereto are, by this reference, incorporated herein and are made a part hereof as though set forth in full.

F. PUBLIC INSPECTION:

This Offer and Acceptance will be made available for public inspection to the fullest extent possible consistent with the national security of the United States.

EXPLANATORY NOTES

1. The item or reference numbers appearing in the "ITEM OR REF. NO." column may not correspond with references used in Purchasers' original request. However, this number, together with the case identifier shown should always be used as a reference in future correspondence.
2. Availability leadtime quoted is the estimated number of months required to complete delivery of the item(s) in accordance with the terms of delivery after receipt of acceptance of this Offer pursuant to Section D. of the Conditions, and the conclusion of appropriate financial arrangements. Phased deliveries are shown by quantity and leadtime for each increment, where applicable. Items for which delivery leadtime is not shown are noted in column headed "Item Description" as items to be installed in the applicable end item prior to shipment.
3. The planned source of supply for each item is expressed in the following codes:
- | | | |
|---|-----|---|
| S | (*) | Service Stocks |
| P | (*) | Procurement |
| R | (*) | Rebuild/Repair/Modification |
| X | (*) | Stock and procurement, e.g., initial repair parts |
| E | (*) | "Mimex" major items in long supply or excess |
- *Availability is stated in months.
4. Condition of the defense articles shown in the "AVAILABILITY AND REMARKS" column is expressed in the following codes:
- | | | |
|----|---|--|
| AI | - | Items to be provided in existing condition without repair, restoration or rehabilitation which may be required. Condition indicated in item description. |
| M | - | Articles of mixed condition (new, reworked, and rehabilitated) may be commingled when issued. Example: repair parts, ammunition, set assemblies, kits, tool sets and shop sets. |
| B | - | Serviceable defense articles. |
| O | - | Obsolete or non-standard item in an "AS IS" condition for which repair parts support may not be available from DOD. |
| S | - | Substitute. Suitable substitutions may be shipped for unavailable defense articles unless otherwise advised by the Purchaser. |
| U | - | Reworked or rehabilitated defense articles possessing original appearance insofar as practicable; including all Modification Work Orders and Engineering Change Orders as applied to such defense articles when issued but defense articles should not be considered as having had total replacement of worn parts and/or assemblies. Only parts and components not meeting US Armed Forces serviceability tolerances and standards will have been replaced; in all instances such defense articles will meet US Armed Forces standards of serviceability. |
5. Training notes:
- | | | |
|----|---|--|
| AP | - | Annual Training Program. |
| SP | - | Special Training designed to support purchases of US equipment. |
| NC | - | This offer does not constitute a commitment to provide US training. |
| SC | - | US Training concurrently being addressed in separate Offer and Acceptance. |
| NR | - | No US training is required in support of this purchase. |
6. For meaning of delivery codes, see Military Assistance Program Address Directory (MAPAD).
7. The use of Offer/Release Codes "Y" and "Z" will incur a storage fee of .125% per month for shipment delays in excess of 15 days.

**INSTRUCTIONS FOR PREPARING THE UNITED STATES DEPARTMENT OF DEFENSE
AMENDMENT TO OFFER AND ACCEPTANCE (DD Form 1513-1)****1. Block (1) PURCHASER**

a. For a country, enter "Government of (name of country)" and show the office and address of the purchaser's activity designated to receive the LOA (e.g., Defense Attache, 1111 24th Street, N.W., Washington, D.C. 20301).

b. For an international organization, enter the title of the organization along with the appropriate office and address.

2. Block (2) PURCHASER'S REFERENCE

A reference will always be shown. The reference may be a letter, telegram, conference, meeting, oral request, etc. The reference will always include any pertinent data (e.g., letter serial, number, message date time group (DTG)). In the event that the reference is from other than the purchaser, delete the word "Purchaser" and indicate the source of the request.

3. Block (3) AMENDMENT NO.

Enter a consecutive "numerical" amendment number. Do not reuse a number once it has been assigned to an Offer to Amend. When an offer is allowed to expire, and a subsequent amendment is issued, it will be annotated to show that the preceding amendment was not accepted by the purchaser.

4. Block (4) CASE IDENTIFIER

Enter the appropriate country code, implementing agency code and case designator (e.g., UK-P-DLG).

5. Block (5) SIGNATURE

This block should be filled in by an authorized U.S. Military Department or Defense Agency representative prior to forwarding the amendment to DSAA Comptroller for the required countersignature.

6. Block (6) TYPED NAME AND TITLE

Type or stamp the name and title of the U.S. representative who signed Block (5).

7. Block (7) ADDRESS

Enter the name of the issuing organization along with the address (e.g., DA, DCAS-SA, Pentagon, Wash., D.C.).

8. Block (8) DATE

Enter the day, month and the year that the Amendment is submitted to DSAA for countersignature.

9. Block (9) THIS OFFER EXPIRES

Enter the appropriate date, normally 60 days from the date in Block (8). (See paragraph 4, Chapter D, for further guidance.)

10. Block (10) COUNTERSIGNATURE

The authorized representative within DSAA Comptroller for countersignature of the amendment should sign in this block. Signature should not occur unless all the necessary information is contained on the DD Form 1513.1.

11. Block (11) TYPED NAME AND TITLE

Type the name and title of the DSAA Comptroller authorized representative for counter-signature who signed Block (10).

12. Block (12) PURPOSE OF THE AMENDMENT

Describe the purpose of the amendment (e.g., to add a new line item and adjust costs accordingly). Do not rely on this block for any required amendment action. Details must be entered in Blocks (13) through (21).

13. Block (13) ITEM OR REFERENCE NO.

Enter reference to a specific part of the basic case or previous amendment (e.g., Item 1, Atch 2, basic; Item 1, Block (19), Amendment 2).

14. Block (14) through (19)

Enter complete description of amendment action. Describe whether the action is an addition, modification, or deletion. If there is a cost change, also enter the amount of increase or decrease. If a previous offer to amend has expired, explain and indicate that an affect on cost does not apply to the amendment being processed. Do not make such entries for un-accepted (and unexpired) offers to amend.

15. Blocks (20) and (21) OFFER RELEASE CODE AND DELIVERY TERM CODE

Fill in as appropriate in accordance with the instructions contained in Figure D-7, this Chapter.

16. Blocks (22) through (27)

In column (a), enter complete information from the previous accepted document (DD Form 1513 or DD Form 1513-1). In column (b) enter new costs.

Care should be taken when computing entries in Blocks 23 through 26 that administrative and accessorial charges are applied only to the appropriate items. If the administrative or accessorial charges are revised, do not show the percentage rate used in determining the cost contained in the applicable block.

17. Block (28) TERMS

Entries will be made only if the Terms have changed and are described in Block (12). State any new Terms in Block (28). Annex A of the DD Form 1513 is not used with the DD Form 1513-1 unless revisions to Annex A are a part of the amendment action.

18. Blocks (29) through (32)

These blocks should be filled in by the purchaser. Signed copies of the DD Form 1513-1 must be returned in order to complete acceptance. If terms remain, or are changed to "Cash with Acceptance" an appropriate payment must be received with the completed documents.

UNITED STATES DEPARTMENT OF DEFENSE AMENDMENT TO OFFER AND ACCEPTANCE				(1) PURCHASER (Name and Address) (Zip Code)				
(2) PURCHASER'S REFERENCE		(3) AMD'T NO.		(4) CASE IDENTIFIER				
OFFER TO AMEND								
Pursuant to the Arms Export Control Act, the Government of the United States (USG) hereby offers to amend the above case for the purchase of defense articles and defense services subject to all other terms and conditions of the original case remaining unchanged.								
(5) Signature (US Dept./Agency Authorized Representative)				(10) Countersignature (Office of the Comptroller, DSAA)				
(6) Typed Name and Title				(11) Typed Name and Title				
(7) ADDRESS:								
(8) DATE:								
(9) THIS OFFER TO AMEND EXPIRES:								
(12) DESCRIPTION AND REASON(S) FOR AMENDMENT:								
ITEM OR REF. NO. (13)	ITEM DESCRIPTION (Including Stock Number if applicable) (14)	QUANTITY (15)	UNIT OF ISSUE (16)	UNIT COST (17)	TOTAL COST (18)	AVAILABILITY AND REMARKS (19)	OFFER-LEASE CODE (20)	DELIVERY TERM CODE (21)
				(a) PREVIOUS COST	(b) AMENDED COST			
(22) ESTIMATED COST				\$	\$			
(23) ESTIMATED PACKING, CRATING, AND HANDLING COSTS				\$	\$			
(24) ESTIMATED GENERAL ADMINISTRATIVE COSTS				\$	\$			
(25) ESTIMATED CHARGES FOR SUPPLY SUPPORT				\$	\$			
(26) OTHER ESTIMATED COSTS (Specify)				\$	\$			
(27) ESTIMATED TOTAL COSTS				\$	\$			
(28) TERMS								
ACCEPTANCE OF AMENDMENT								
(29) I am a duly authorized representative of the Government of _____ and upon behalf of said Government,								
accept this offer to amend under the terms and conditions contained herein (30) this _____ day of _____ 19 _____.								
(31) TYPED NAME AND TITLE				(32) SIGNATURE				

DD FORM 1513-1
1 AUG 77

PREVIOUS EDITIONS ARE OBSOLETE.

PAGE OF PAGES

Figure D-2

INSTRUCTIONS FOR PREPARING THE UNITED STATES DEPARTMENT OF DEFENSE NOTICE OF MODIFICATION OF OFFER AND ACCEPTANCE (DD FORM 1513-2)

1. Block (1) PURCHASER

a. For a country, enter "Government of (name of country)" and show the office and address of the purchaser's activity designated to receive the Notice of Modification of Offer and Acceptance (e.g., Defense Attache, 1111 24th Street, N.W., Washington, D.C. 20301).

b. For an international organization, enter the title of the organization along with the appropriate office and address.

2. Block (2) PURCHASER'S REFERENCE

A reference will be shown when appropriate. A reference may be a letter, telegram, conference, meeting, oral request, etc. The reference will always include a date and any other pertinent data.

3. Block (3) NOTICE NO.

Use Arabic numbers in consecutive sequence. Do not mix Notice Numbers with Amendment Numbers. Number of Amendments (DD Form 1513-1) and Notices (DD Form 1513-2) are independent, thus a possible sequence of events might be: (1) Letter of Offer, (2) Notice 1, (3) Amendment 1, (4) Notice 2, (5) Amendment 2.

4. Block (4) CASE DESIGNATOR

Enter the appropriate country code, implementing agency code and case designator (e.g., UK-P-DLG).

5. Block (5) SIGNATURE

Type or stamp name and title of the U.S. representative. Authorized representative should also sign this block.

6. Block (6) DATE

Enter day, month and the year.

7. Block (7) DEPARTMENT

Enter the appropriate U.S. Military Department or Defense Agency.

8. Block (8) DESCRIPTION OF AND REASONS FOR MODIFICATION

Describe briefly the modification(s) and the reason(s) requiring that such modification be made. Such information should be sufficiently clear, complete and specific that it could reasonably be anticipated to satisfy the customer without recourse to further correspondence. (These remarks may be continued on the reverse of the DD Form 1513-2, under Box 26, Continuation). See paragraph 10, Chapter D, for further guidance.

9. Block (9) ITEM NUMBER

Enter reference to a specific part of the basic case or previous amendment.

10. Blocks (10) through (15)

MILITARY ASSISTANCE AND SALES MANUAL—PART III

List only the items modified. Show dollar amounts in whole dollars only. For all notifications of price changes enter the previous cost along with the revised cost.

11. Block (16) through (21)

Enter in Column a the previous applicable costs from the original offer and acceptance or prior amendments and/or notices of modifications thereto for the applicable cost lines. The best estimate of the revised costs should then be entered in Column b. If the administrative or accessorial costs change, do not indicate the percentage rate used to determine the costs conditioned in the applicable block.

12. Blocks (22) through (25) ACKNOWLEDGEMENT OF RECEIPT

An authorized official of the foreign customer should sign and forward the document to the Military Department or Defense Agency concerned to ensure that the Notice of Modification has been received.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

UNITED STATES DEPARTMENT OF DEFENSE				(1) PURCHASER (Name, Address, Zip Code)		
NOTICE OF MODIFICATION OF OFFER AND ACCEPTANCE						
(2) PURCHASER'S REFERENCE		(3) NOTICE NO.		(4) CASE DESIGNATOR		
NOTICE OF MODIFICATION						
The Government of the United States hereby notifies the purchaser of modification of the above designated case, as specified below. All other terms and conditions remain unchanged.						
(5) SIGNATURE AND TYPED NAME AND TITLE OF AUTHORIZED U.S. REPRESENTATIVE						
(6) DATE			(7) U.S. DEPARTMENT OF			
(8) DESCRIPTION OF AND REASON(S) FOR MODIFICATION						
CASE ITEM OR REF NO. (9)	ITEM DESCRIPTION (Including Stock Number, if applicable) (10)	QUANTITY (11)	UNIT OF ISSUE (12)	ESTIMATED		AVAILABILITY AND REMARKS (15)
				UNIT COST (13)	TOTAL COST (14)	
RECAPITULATION OF TOTAL DD FORM 1513		(a) PREVIOUS COST		(b) REVISED COST		
(16) ESTIMATED COST		\$		\$		
(17) ESTIMATED PACKING, CRATING AND HANDLING		\$		\$		
(18) ESTIMATED ADMINISTRATIVE CHARGE		\$		\$		
(19) ESTIMATED CHARGES FOR SUPPLY SUPPORT		\$		\$		
(20) OTHER ESTIMATED COSTS (Specify)		\$		\$		
(21) ESTIMATED TOTAL COSTS		\$		\$		
ACKNOWLEDGEMENT OF RECEIPT						
(22) I am a duly authorized representative of the Government of _____ and upon behalf of said Government acknowledge receipt of this notice of modification, this (23) _____ day of _____ 19 _____						
(24) TYPED NAME AND TITLE				(25) SIGNATURE		

DD FORM 1513-2 MAY 76

PAGE OF PAGES

Figure D-3

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(26) CONTINUATION

REMARKS

1. DD Form 1513-2 is utilized to record modifications to an existing DD Form 1513, but only for those modifications which do not constitute a change in scope. Modifications appropriate for DD Form 1513-2 include all notifications of price increases and related changes in payment schedules.
2. Changes in scope of a DD Form 1513 require a formal amendment, utilizing DD Form 1513-1. Such changes are those which affect the type or number of major items and/or services to be provided or which significantly alter system configuration or functions. Such changes must be made by utilization of DD Form 1513-1.
3. DD Form 1513-2 does not require acceptance by the recipient country (*customer*) but merely acknowledgement of receipt. (*DD Form 1513-1 does require acceptance*).
4. All terms and conditions of an existing DD Form 1513 and any related amendments thereto not specifically noted to be modified by a DD Form 1513-2 are understood to remain unchanged and in effect.

Figure D-3

MILITARY ASSISTANCE AND SALES MANUAL—PART III

UNITED STATES DEPARTMENT OF DEFENSE OFFER AND ACCEPTANCE <i>(Continuation Sheet)</i>				CASE IDENTIFIER				
ITEM OR REF. NO. (12)	ITEM DESCRIPTION <i>(Including Stock Number if applicable)</i> (13)	QUANTITY (14)	UNIT OF ISSUE (15)	ESTIMATED		AVAILA BILITY AND REMARKS (18)	OFFER RE- LEASE CODE (19)	DE LIVERY TERM CODF (20)
				UNIT COST (16)	TOTAL COST (17)			

DD FORM 1513c
1 AUG 77

PREVIOUS EDITIONS ARE OBSOLETE

PAGE OF PAGES

Figure D-4

TYPE OF MATERIEL/SERVICES SOLD

SUPPLEMENTARY INFORMATION FOR LETTERS OF OFFER	Weapons Systems Package Sale	Communications Systems Package Sale	Coproduction/Co-assembly	End Item	SSA Stock Level Case	Requisition Cases Incl SSA Req	Definitized Spare Parts or Supplies (incl ammunition)	Excesses "As-is, Where-is"	Modifications	Publications, Charts, Film	Training	Maintenance and Overhaul	Contractual Services CETS	Military Services Overseas, e.g., TAFT	Military Service in CONUS (i.e., Project Management Office)	Aircraft Flight Delivery	Transportation Services MAC & MSTs	RDT&E Services	Technical Data Package	Pro-Rata R&D or Royalty Cases	Non-Standard Military Equipment
Mode and Destination of Shipments	X	X	X	X		X	X	X	X	X		X	A/R			X	X		X		X
Delivery Schedule of Items	X	X	A/R	X				X	A/R			A/R				X	X		A/R		A/R
Personnel Movement to and from Country	A/R	A/R	A/R						A/R		A/R	A/R	X	X		A/R					A/R
Qualifications Regarding Validity of Price and Availability Data	X	X	X	X			X		X		X	X	X	X		X	X	X	X		X
Agreements to Safeguard Status of USG or Contractor Personnel While in Host Country	A/R	A/R	A/R		A/R				A/R				X	X		A/R	A/R				A/R
Statement of Facilities, Services, or Personnel to be Provided by Purchasing Nation	A/R	A/R	A/R		A/R		A/R	A/R	A/R		A/R		A/R	A/R		A/R		A/R			A/R
Separate Memorandum of Understanding or Detailed Statement of Work	A/R	A/R	A/R		A/R						A/R		A/R	A/R				A/R			
Schedules of Personnel Training	A/R	A/R	A/R								X		A/R	A/R							A/R

Figure D-5

TYPE OF MATERIEL/SERVICES SOLD

SUPPLEMENTARY INFORMATION FOR LETTERS OF OFFER	Weapons Systems Package Sale	Communications Systems Package Sale	Coproduction/Co-assembly	End Item	SSA Stock Level Case	Requisition Cases Incl SSA Req	Definitized Spare Parts or Supplies (incl ammunition)	Excesses "As-is, Where-is"	Modifications	Publications, Charts, Film	Training	Maintenance and Overhaul	Contractual Services CETS	Military Services Overseas, e.g., TAFT	Military Services in CONUS (i.e., Project Management Office)	Aircraft Flight Delivery	Transportation Services MAC & MSTs	RDTE Services	Technical Data Package	Pro-Rata R&D or Royalty Cases	Non-Standard Military Equipment
Logistical Information	X	X	X	A/R	A/R	A/R	A/R	A/R	A/R	A/R		A/R				A/R		A/R	A/R		X
Explanation of Condition of Equipment	X	X	X	X				X	A/R			A/R									A/R
Identification of Equipment Supportable/Non-Supportable Under Case, as appropriate	A/R	A/R	A/R	A/R	X	X		A/R	A/R			A/R						A/R			A/R
Description of Services to be Provided	A/R	A/R	A/R						A/R		X	X	X	X	X	X	X	X			A/R
Description of Components of Pricing	A/R	A/R	A/R	A/R				A/R	A/R		A/R	A/R	A/R	A/R	A/R	A/R	A/R	A/R	A/R	A/R	A/R
Responsibility for Initiation of Requisitions	X	X	X	X		X	X		A/R	A/R		X									A/R
Payment Schedules	X	X	X	A/R			A/R	A/R	A/R	A/R	A/R	A/R	A/R	A/R	A/R	A/R	A/R	A/R	A/R	A/R	A/R

Figure D-5

MILITARY ASSISTANCE AND SALES MANUAL—PART III

OFFER AND ACCEPTANCE PREPARATION
CHECKLIST

Item	Action Officer (Last Name, Phone, Date)	Validation	
		Service (Last Name, Phone, Date)	DSAA (Last Name, Phone, Date)
Mode and destination of shipments			
Delivery schedule of items			
Personnel movement to and from country			
Qualifications of Pricing and Availability Data			
Agreements to safeguard status of USG or contractor personnel in-country			
Statement of facilities, services, or personnel to be provided by purchaser			
Separate Memorandum or Understanding or detailed State of Work			
Schedule of Personnel Training			
Logistical Information			
Explanation of condition of equipment			
Identification of equipment supportable under case			
Description of services to be provided			
Description of components of pricing			
Responsibility for initiation of requisitions			
Indemnification and assumption of risk			
Payment schedules			
Financial analysis			

REMARKS:

Figure D-6

TRANSPORTATION INSTRUCTIONS, DD FORM 1513

I. When all items on the Offer and Acceptance document (DD Form 1513) require a single code in Blocks 19, 20, 33, and 34, the appropriate code as determined below will be entered in the respective blocks of the DD Form 1513:

Block (19) : Enter one of the following codes opposite each materiel line item, as applicable:

<i>Code</i>	<i>Explanation</i>
A	Freight and parcel post shipments will be released automatically by the shipping activity without advance notice (Notice of Availability).
Y	Advance notice is required before release of shipment, but shipment can be released automatically if release instructions are not received by shipping activity within 15 calendar days. Parcel post shipments will be automatically released.
Z	Advance notice is required before release of shipment. Shipping activity will follow-up on the notice of availability until release instructions are furnished. Parcel post shipments will be automatically released.
X	The U.S. Service and country representative have agreed that the: <ul style="list-style-type: none"> a. U.S. Service will sponsor the shipment to a country address. Under this agreement Block (34) (Freight Forwarder Code) must contain "X" and a customer-within-country (CC) Code must be entered in Block (33) (Mark for Code). The MAPAD must contain the CC Code and addresses for each type address required, i.e., parcel post, freight, documentation. b. Shipments are to be made to an assembly point or staging area as indicated by clear text instructions on exception requisitions. Under this agreement Block (34) must contain Code "W". A Mark for Code may be entered in Block (33) and the MAPAD must contain the Mark for Code if the Mark for address is to be used on the shipment to the assembly point or staging area.

Block (20) : Enter one of the following codes opposite each materiel line item as applicable:

<i>Code</i>	<i>Explanation</i>
2	Delivery to Destination Inland Origin to Inland Destination Within CONUS or Within the Same Overseas Geographic Area.
3	Delivery Alongside Vessel at Port of Exit.
4	Collect/ Commercial Bill of Lading to Commercial Port of Exit.
5	Delivery to Commercial Port of Exit by GBL.
6	Delivery to Overseas Port of Discharge (Shipment by Capability of DTS).
7	Delivery to Destination, specified point in recipient country).
8	Delivery to Vessel (onboard)—Port of Exit.
9	Delivery to Port of Discharge (Landed).

If Delivery Term Codes and addresses are not published, the U.S. shippers are not authorized to apply these markings. This causes containers to be received at the freight forwarder or U.S. military representative in-country unmarked for onward shipment with resultant shipping delays, misdirected and lost shipments, and unnecessary work at the freight forwarder port of exit and/or the port of discharge. The U.S. Government will sponsor shipment of this materiel to FOB U.S. Point of Origin.

Block (33) : Enter the *MARK FOR Code* from DOD 5105.38D, that identifies the organization in-country which is to receive the materiel. This address will be added to the SHIP TO address on all containers whether parcel post or freight. As a minimum, it should consist

MILITARY ASSISTANCE AND SALES MANUAL—PART III

of the port of discharge name and designator (water and air); street, city, and state/province address of organization; country name; and country service name.

All data necessary to personnel of the port of exit, port of discharge, in-country custom authorities and oversea inland carriers to route materiel after receipt at port of exit should be included in this address. It should be brief, to the extent possible, and still retain clarity to all users. It should be in the language of the country, when this is possible, using English characters. Addressees should not be punctuated and should be properly blocked.

If the MARK FOR addresses are not published in DOD 5105.38D, or are incomplete, submit new or changed addresses with a request for expedited publication to the Defense Automatic Addressing System Office, ATTN: MAPAD Custodian, Gentile Air Force Station, Dayton, Ohio 45444. (Furnish a copy to Commander, U.S. Army International Logistics Command, ATTN: DRSIL-NS/LP, New Cumberland Army Depot, New Cumberland, PA 17070).

When Code "X" is authorized and entered in Blocks 33 and 34, a customer-within-country (CC) Code must be entered in Block 33. The MAPAD must contain the CC Code and Address for each type address required, i.e., parcel post, freight, documentation.

Block (34): Enter the appropriate freight forwarder code contained in MAPAD. When Code "X" is authorized and entered in Block 19, a Code "X" or "W" must be entered in Block 34.

2. When the Offer and Acceptance document (DD Form 1513) contains items which require multiple codes in Blocks 19, 20, 33 and 34 (example: explosives, classified, different priorities, others), the appropriate blocks will be completed as indicated below:

a. BLOCK 19: If more than one offer/release code is applicable, Block 19 will contain "See Note ____" and appropriate explanatory notes will be included in the DD Form 1513.

b. BLOCK 20: If more than one Delivery Term Code is applicable, Block 20 will contain "See Note ____" and appropriate explanatory notes will be included in the DD Form 1513.

c. BLOCK 33: If more than one Mark For Code is applicable, Block 26 will contain "See Note ____" and appropriate explanatory Notes will be included in the DD Form 1513.

d. BLOCK 34: If more than one Freight Code is applicable or a Freight Forwarder Code and a Code "X" is applicable, Block 34 will contain "See Note ____" and appropriate explanatory notes will be included in the DD Form 1513.

ADDITIONAL TERMS AND CONDITIONS SAFEGUARDS FOR CONTRACTOR PERSONNEL

1. PASSPORTS, VISAS, LICENSES, AND PERMITS

a. The Contractor shall be responsible for timely and complete submittal of the necessary information and forms directly to the appropriate government agency for the required passports, visas, licenses, or permits.

b. To ensure the effective and timely performance of this contract, the Government of (country) (GO) will, within the framework of the laws of GO , ensure the timely issuance of work visas, multiple entry visas, exit visas, work permits, vehicle operator permits, residence permits, in-country travel permits, and any other appropriate licenses or permits as may be required of the Contractor, and its subcontractors, or their personnel and dependents. The Contractor and his subcontractors shall be responsible for the sponsorship of their employees and their dependents and shall process said permits directly with the appropriate GO agency.

c. The GO will receive, without regard to race, religion, sex, or ethnic or national origin, persons of other than (country) nationality imported into (country), under proper authority, to work exclusively on efforts covered by the provisions of this contract, who have U.S. Government issued passports, provided they are technically qualified for the work and meet the security requirements of the GO , and will impose on such person no fee or charges for entry, exit, quarantine, nor will they require work or residence permits for personnel working under this contract.

d. If, notwithstanding the above agreements, (company) incurs costs arising out of any of the conditions described above, the price of the contract implementing this LOA shall be increased accordingly and the costs reimbursed to the Contractor out of funds which will be provided by the GO under this LOA, and the contract delivery schedule shall be appropriately adjusted. Reimbursement shall be limited to those costs incurred, including applicable overhead and G&A, but excluding profit.

2. ACCESS

Contractor and subcontractor personnel in (country) in connection with this Program shall be authorized reasonable access to all information (data, plans, and reports) and all existing and proposed offices, routes, sites, and areas within (country) as required to accomplish this effort. The GO shall provide permits, licenses, visas, rights of entry, and any necessary arrangements to insure prompt access by Contractor and subcontractor personnel.

3. EXPORT OF DATA

The Contractor or subcontractor shall not be required to deliver to the Government of (country) nor to any person or entity not a citizen of the United States of America, any technical data produced or utilized under this Program until the Country has been furnished with evidence acceptable to it that such delivery of the data is (1) approved by the Office of Munitions Control of the U.S. State Department pursuant to the International Traffic in Arms Regulations of that Agency, or (2) approval is not required.

4. CURRENCY REVALUATION

a. The financial procedures in this Program are based on the principle that neither the United States nor any U.S. or foreign subcontractors shall realize financial benefit nor incur financial loss by reason of fluctuation in the official rate of currency exchange or currency revaluation. For the purpose of this Program, a currency revaluation is defined as a change in the official rate of exchange between the U.S. dollar and the (country currency) which occurs as a direct result of sovereign decree.

b. If a currency revaluation, or a fluctuation in the exchange rate results in a financial gain or loss to the Contractors, the price of the contract(s) shall be adjusted upward or downward. Such adjustment in contract price shall be negotiated based upon a proposal submitted by the Contractor.

c. (country) currency required by the Contractor for non-United States expenditures in the performance of this Program will be purchased by the Contractor from the GO__.

5. TAXES, DUTIES AND CHARGES FOR DOING BUSINESS

a. It is agreed that the contract implementing this LOA will include the clause entitled "Taxes, Duties, and Charges for Doing Business (1977 JAN)" set forth in ASPR section 7-103.10 (d).

b. The GO__ further agrees with respect to the (company) (hereinafter referred to as "the Contractor") :

(1) All property, material, equipment, household furniture, appliances and supplies imported into (country) by the Contractor or its subcontractors exclusively for use in support of the Contractor and its personnel and consigned and marked, as required or approved by the USG shall be exempt from import and export duties, taxes, licenses, excises, imposts, and any other identifiable charges. Duty-free import of major appliances for personnel support shall be limited to one (1) each: stove, refrigerator, freezer, washing machine, clothes dryer, and two (2) each televisions per family, plus a reasonable number of spare and replacement major appliances for use as maintenance requirements dictate. Any of the foregoing which does not become a part of the completed work or otherwise consumed, may at the Contractor's discretion, be removed from (country) or disposed of in (country) free of any restrictions or claims which may arise by reasons of such removal or disposal, except that any applicable custom duty, tax or charges will be paid in the event of sale or disposal in (country) to a purchaser other than an agency of the GO__ or other person entitled to duty-free importation. The Contractor shall maintain an inventory control and accounting system adequate to reflect the usage and disposition of all Contractor-owned property which has entered (country) duty-free under this contract.

(2) The GO__ , its agencies, and political subdivisions shall levy no taxes or fees (including taxes on individual or corporate income or property, customs or import duties and other taxes on employee personal household goods, supplies and personal effects imported into (country) for personal use) on the Contractor, its subcontractors, the employees of either and the dependents of such employees. Duty-free entry of employee/dependent personal household goods, supplies or personal effects shall be limited to (1) the shipment of personal household goods, supplies and personal effects identified by

(company) as the employees' initial shipment; (2) the personal household goods, supplies or personal effects shipped or carried by an employee or his dependents when returning from leave or duty outside (country) to the extent such items are allowed duty-free entry under the GO customs laws in effect on 1 June 1977; and (3) the shipment of an additional 100 pounds per family member of personal household goods, supplies and personal effects identified by (company) as the employees' employment extension shipment. Duty-free import of major appliances for personnel support is limited to those items described above and imported in the name of the Contractor. In their individual capacity, contractor employees are not authorized duty-free import of major appliances or automobiles. Furthermore, this tax exclusion does not apply to the GO taxes levied on the purchase of personal household goods, supplies or personal effects or automobiles in the country of (country) by the employees of the Contractor or employees of its subcontractors. This paragraph does not apply to (country) employees of the Contractor or (country) subcontractors or their employees.

c. If, notwithstanding the above agreements, taxes, duties, or similar charges are imposed by the GO under the excepted circumstances described above, costs thereby incurred by the Contractor shall serve to increase the contract price and will be reimbursed to the Contractor at cost, including applicable overhead and G&A, but excluding profit, out of funds which will be provided by the GO under this LOA.

d. The GO agrees that the appropriate agency of the GO will implement any policy guidance necessitated by this provision.

6. LIMITATION OF CONTRACTOR LIABILITY

a. The GO agrees, with respect to the Contractor:

(1) To waive any or all claims which it has or may have against the Contractor, its agents, officers, an employees, for damage, loss or destruction of property, or for injury to or death of persons, arising out of the Contractor's participation in this program in the absence of gross negligence or willful misconduct on the part of the Contractor, its agents or employees.

(2) To indemnify and hold harmless the Contractor, its agents, officers, and employees against all claims arising directly or indirectly by reason of injury to or death of persons or loss of or damage to property, out of the Contractor's participation in this Program, in the absence of gross negligence or willful misconduct on the part of the Contractor, its agents or employees.

(3) In the event any other Contractor (3) party asserts any claim or commences any action in the (country) courts or elsewhere against the Contractor because of program efforts, the GO agrees to cooperate fully in the defense of such claim or action including the furnishing of witnesses and evidence at the GO expense. Except for claims or losses arising out of any breach of this contract or subcontractors thereunder or violations of any statute of the United States by the Contractor, the GO agrees to indemnify the Contractor against any judgments or losses which may result from claims or litigation and to reimburse the Contractor for the expense resulting from any such action.

(4) To accept full responsibility for the security and safekeeping of GO real and personal property located on its military bases or installations. The Contractor, its agents,

MILITARY ASSISTANCE AND SALES MANUAL—PART III

officers, or employees shall not be liable for any damage arising directly out of a breach or failure of the GO___ security procedures, however caused.

(5) The GO___ shall provide adequate security to protect the personnel and property of the USG, and its Contractors or subcontractors located on GO___ military bases or installations.

(6) The term "agents" as used in this paragraph includes subcontractors.

b. If, notwithstanding the above agreements, (company) incurs costs arising out of any of the conditions described above, the price of the contract implementing this LOA shall be increased accordingly and the costs reimbursed to the Contractor out of funds which will be provided by the GO___ under this LOA. Reimbursement shall be limited to those costs incurred, including applicable overhead and G&A, but excluding profit.

7. SPECIAL CONTINGENCIES PROVISION

a. It is understood that no contingency pricing has been included in this LOA for items (1) through (4) set forth in paragraph b, below.

b. The GO___ agrees, with respect to the Contractor, that in the event of the following situation(s) occurring as a result of effort performed in support of this LOA in (country), an adjustment to the resulting contract(s) will be made for:

(1) Costs incurred due to actions brought against the Contractor or subcontractors under (country) Labor or Social Insurance Laws, provided such actions were not caused by conduct proscribed by other laws or willful contravention of (country) Labor or Social Laws.

(2) Additional costs incurred resulting from GO___ prevention of shipment of Contractor or employee belongings in or out of (country) within 120 days of the date such property is made available for shipment where transportation is otherwise reasonably available.

(3) An increase or decrease in costs incurred by the Contractor resulting from war, armed conflict, insurrection, nationalization, civil or military strife, or similar conditions, or acts of God where the safety of the Contractor and subcontractor personnel is threatened, and where retention or replacement of such personnel is required; and damage or loss as a result of conditions listed above to property owned by the Contractor, subcontractor, or employees. Whether to retain or replace such personnel shall be within the sole discretion of the USG.

(4) An increase or decrease in costs incurred by the Contractor or its subcontractors resulting from the GO___ changing any laws, regulations, or policy in effect on the acceptance date of this LOA.

c. It is understood that no adjustment shall be made due to the above situations:

(1) to the extent that performance would have been delayed or interrupted or that costs would have been incurred due to any circumstances not set forth in b, above; or

(2) to the extent that performance would have been delayed or interrupted or that costs would have been incurred due to the fault or negligence of the Contractor; or,

Figure D-8

(3) for which an adjustment is otherwise provided or excluded under any other provision of the resulting contract, such other provision shall be enforced in accordance with its terms.

d. The adjustments provided for in this provision may be made in the delivery or performance dates and any other provision of the contract implementing this LOA, affected by the above conditions. Upward or downward adjustments may also be made in the contract price, but shall be limited to actual costs, including overhead and G&A, but excluding profit. ASPR Section XV, Cost Principles, shall be used in determining the amount of any price adjustment, and is not superseded by any provision herein. Costs reimbursed to the Contractor under this provision shall be paid out of funds which will be provided by the GO___ under this LOA.

**ADDITIONAL TERMS AND CONDITIONS
ADDITIONAL FERRYING**

1. The USG will provide for movement of aircraft to point of delivery specified on reverse of DD Form 1513.
2. In order to carry out the purpose of this agreement, the USG will accept title to the aircraft from the contractor, and title to the aircraft will remain with the USG until arrival at the point of delivery, at which time title passes to the purchaser.
3. The aircraft will be marked with appropriate USG markings. The purchaser is liable for the cost of placing such markings on the aircraft and is responsible for removing such markings upon passage of title to the purchaser.
4. The USG will not be subject to or held liable for any import fees, duties, or other charges levied by the purchaser.
5. Date of delivery to destination will be contingent upon the receipt of necessary overflight and other clearances.
6. The purchaser is liable for all enroute costs including, but not limited to, any maintenance required to insure that the aircraft are in a safe condition, in accordance with current USG regulations, prior to flight.
7. It is agreed that there will normally be no USG/purchaser in crews. If split crews are used, the aircraft commander must be an officer of the USG who will have command and control over the crew. If more than one aircraft is being ferried, the senior U.S. aircraft commander will have command and control over all aircraft.

**ADDITIONAL CONDITIONS
AIRCRAFT FERRYING (PURCHASER OWNED)**

- 1.** The USG will provide for movement of aircraft to point of delivery specified on reverse of DD Form 1513.
- 2.** In order to carry out the purpose of this agreement, the purchaser grants the USG possession of the aircraft. The title to the aircraft will remain with the purchaser.
- 3.** The aircraft will be marked with appropriate USG markings. The purchaser is liable for the cost of placing such markings on the aircraft and is responsible for removing such markings.
- 4.** The USG will not be subject to or held liable for any import fees, duties, or other charges levied by the purchaser.
- 5.** Date of delivery to destination will be contingent upon the receipt of necessary overflight and other clearances.
- 6.** The purchaser is liable for all enroute costs, including but not limited to any maintenance required to insure that the aircraft are in a safe condition, in accordance with current USG regulations, prior to flight.
- 7.** It is agreed that there will normally be no USG/purchaser splits in crews. If split crews are used, the aircraft commander must be an officer of the USG who will have command and control over the crew. If more than one aircraft is being ferried, the senior U.S. aircraft commander will have command and control over all aircraft.

**ADDITIONAL TERMS AND CONDITIONS
TRANSPORTATION AND SERVICES**

1. USG agrees to provide transportation services for the items identified on the face of this Letter of Offer to the Point of Delivery. Purchaser property will be transported at Purchaser's risk.
2. Purchaser will accept USAF delivery listings as the basis for billing and proof of shipment.
3. Purchaser will accept responsibility for clearance of materiel through its customs at the point of debarkation, and for movement of the materiel from its port of debarkation to the ultimate in-country destination.
4. Purchaser will appoint a duly authorized official to accept and sign for materiel at the port of debarkation, and submit outturn message and report.
5. Purchaser will absorb losses of materiel the USAF does not in fact recover from an independent carrier or handler, including where the USAF is self-insured.
6. Purchaser will self-insure such shipments, or obtain commercial insurance without any right of subrogation of any claim against the United States.
7. The USG will assist the purchaser in processing any claims that may arise for lost or damaged shipments, in the same manner it processes claims for U.S. Government-owned materiel. Collection of revenue, if any, resulting from approved claims will be credited to the purchaser's account.

FINANCIAL ANALYSIS

CC _____
 Case _____
 System _____
 Case Line _____ Date prepared _____

PRICING TECHNIQUE

- a. NSN _____
- b. Qty _____
- c. Source of Price (Check One)
 - (1) _____ Prime Contractor
 - (2) _____ Prime and GFE Contractor
 - (3) _____ Standard Price
 - (4) _____ Major Subordinate Command Estimate
 - (5) _____ Other (Explain)
- d. Source Unit Price _____
- e. Adjusted Price (Explain source and computations in Remarks)
 - (1) _____ Agent's Fees or Commissions
 - (2) _____ Non-recurring Costs (RDT&E)
 - (3) _____ Non-recurring Costs (Production)
 - (4) _____ Replacement Costs
 - (5) _____ Adjusted for Inflation
 - (6) _____ Asset Use Charge
 - (7) _____ Unfunded Costs
 - (8) _____ Recurring Support Costs _____ Contract _____ Government
 - (9) _____ First Destination Transportation
 - (10) _____ Other (Explain)
 - (11) _____ Total Adjustment
- f. Adjusted Unit Price _____
- g. Budgeted or on-going service procurement price and source _____
 (Explain, if significantly different from proposed sale price)
- h. Source for Schedule of Payments
 - (1) _____ Prime Contractor
 - (2) _____ Prime and GFE Contractor
 - (3) _____ Major Subordinate Command Estimate
 - (4) _____ Other (Explain)

MILITARY ASSISTANCE AND SALES MANUAL—PART III

i. Comparison with other cases (12 months)

	CC	CASE	UNIT PRICE	RATIONALE FOR DEVIATION*
(1)				
(2)				

j. Remarks (Use Continuation Sheets, as necessary).

* If different from above adjusted unit price.

<p style="text-align: center;">UNITED STATES DEPARTMENT OF DEFENSE LETTER OF INTENT</p>	<p>PURCHASER (Name and address)</p>
<p>(Purchaser's Reference)</p>	<p>(Case Designator)</p>

The Government of _____ acting through its Ministry of Defense (*hereinafter referred to as the "Purchaser"*) hereby declares its firm intent to procure, under United States Foreign Military Sales Act (*FMS*) procedures, from the Government of the United States, the following defense articles and defense services.

1. It is understood that the United States Department of the _____ plans to present to the Purchaser a Letter of Offer and Acceptance (*DD Form 1513*) within _____ days after signature of this Letter of Intent. Purchaser intends to sign said Letter of Offer and Acceptance not later than _____ days after receipt. Except to the extent directly inconsistent with the provisions hereof, the terms and conditions set forth on the reverse side of *DD Form 1513* will apply to all activities undertaken pursuant to this Letter of Intent, and the estimated costs of such activities will be included in the Letter of Offer and Acceptance. In particular, Conditions B.7, B.8, and C on the reverse side of *DD Form 1513* are hereby incorporated by reference and made an integral part of this Letter of Intent. This Letter of Intent shall be superseded upon Purchaser's signature of the Letter of Offer and Acceptance.

2. In anticipation of the Purchaser's signature of the above-mentioned Letter of Offer and Acceptance the Purchaser commits his Government to the following:

(a) In order to permit the United States Government to proceed immediately with the purchase of long lead time items and to cover associated administrative expenses, the United States Department of the _____ is herewith authorized to incur obligations and expend up to the sum of \$ _____ (*which includes all estimated termination costs*) on an *FMS* dependable undertaking basis, to be exceeded only in the event of a decision by either a Court or Board which increases the contractor's entitlement.

(b) The Purchaser agrees to pay the full amount of such authorized obligations and to make funds available in such amounts and at such times as may be requested by the United States Government for expenditures against such obligations.

(c) It is estimated that the cost of the long lead time items, associated administrative expenses and estimated termination costs will not exceed the amount set forth in subparagraph (a) of this paragraph. However, if at anytime prior to Purchaser's signature of the above-mentioned Letter of Offer and Acceptance, the United States Department of the _____ has reason to believe that the costs which it expects to incur in the performance of this Letter of Intent will exceed the amount set forth in subparagraph (a) of this paragraph, it shall promptly notify the Purchaser in writing to that effect. The notice shall state the estimated amount of and the date by which

FORM 2012
1 FEB 76

MILITARY ASSISTANCE AND SALES MANUAL—PART III

the additional obligational authority (*by a new or modified Letter of Intent*) will be required from the Purchaser in order to continue performance under this Letter of Intent. If, after such notification, the additional obligational authority is not granted by the date set forth in the notification, the United States Government is authorized, in its discretion, to terminate any and all activities under this Letter of Intent at Purchaser's expense, in accordance with subparagraph (b) above, in an amount not to exceed the amount set forth in subparagraph (a) of this paragraph.

3. This Letter of Intent does not prejudice the Purchaser's decision on the acceptance of the Letter of Offer. Moreover, the Purchaser may cancel all or any part of this Letter of Intent at anytime by notifying the United States Government. Upon receipt of such notification the United States Government is authorized to terminate any and all activities initiated hereunder, at Purchaser's expense, in accordance with paragraph 2(b), in an amount not to exceed the amount set forth in paragraph 2(a).

4. In the event of such cancellation or termination, the United States Government will use its best efforts to minimize any termination costs.

5. Certain items for which procurements may be initiated hereunder are normally the subject of definitization or provisioning conferences, at which specific items and quantities are agreed upon. If it is necessary to place any such items on order prior to any such conference, the United States Department of the _____ is authorized to do so, using its best judgment, and will furnish a list of the items so ordered at the conference.

Dated _____

(Typed Name and Title)

Accepted this _____ day of _____, 19_____.

U.S. Department of the _____

Figure D-13

UNITED STATES DEPARTMENT OF DEFENSE LETTER OF INTENT	PURCHASER (Name and address)
---	------------------------------

(Purchaser's Reference)	(Case Designator)
-------------------------	-------------------

The Government of _____ acting through its Ministry of Defense (*hereinafter referred to as the "Purchaser"*) hereby declares its firm intent to procure, under United States Foreign Military Sales Act (*FMS*) procedures, from the Government of the United States, the following defense articles and defense services.

1. A Letter of Offer and Acceptance (*DD Form 1513*) for such defense articles and defense services was issued to the Purchaser by the United States Department of the _____ on _____, 19 _____. Purchaser intends to sign said Letter of Offer and Acceptance not later than _____ days after receipt. Except to the extent directly inconsistent with the provisions hereof, the terms and conditions set forth on the reverse side of *DD Form 1513* will apply to all activities undertaken pursuant to this Letter of Intent, the estimated costs of which activities have been included in the Letter of Offer and Acceptance. In particular, Conditions B.7, B.8, and C on the reverse side of *DD Form 1513* are hereby incorporated by reference and made an integral part of this Letter of Intent. This Letter of Intent shall be superseded upon Purchaser's signature of the Letter of Offer and Acceptance.

2. In anticipation of the Purchaser's signature of the above-mentioned Letter of Offer and Acceptance the Purchaser commits his Government to the following:

(a) In order to permit the United States Government to proceed immediately with the purchase of long lead time items and to cover associated administrative expenses, the United States Department of the _____ is herewith authorized to incur obligations and expend up to the sum of \$ _____ (*which includes all estimated termination costs*) on an *FMS* dependable undertaking basis, to be exceeded only in the event of a decision by either a Court or Board which increases the contractor's entitlement.

(b) The Purchaser agrees to pay the full amount of such authorized obligations and to make funds available in such amounts and at such times as may be requested by the United States Government for expenditures against such obligations.

(c) It is estimated that the cost of the long lead time items, associated administrative expenses and estimated termination costs will not exceed the amount set forth in subparagraph (a) of this paragraph. However, if at anytime prior to Purchaser's signature of the above-mentioned Letter of Offer and Acceptance, the United States Department of the _____ has reason to believe that the costs which it expects to incur in the performance of this Letter of Intent will exceed the amount set forth in subparagraph (a) of this paragraph, it shall promptly notify the Purchaser in writing to that effect. The notice shall state the estimated amount of and the date by which the additional obligational authority (*by a new or modified Letter of Intent*) will be required from the Purchaser in

MILITARY ASSISTANCE AND SALES MANUAL—PART III

order to continue performance under this Letter of Intent. If, after such notification, the additional obligational authority is not granted by the date set forth in the notification, the United States Government is authorized, in its discretion, to terminate any and all activities under this Letter of Intent at Purchaser's expense, in accordance with subparagraph (b) above, in an amount not to exceed the amount set forth in subparagraph (a) of this paragraph.

3. This Letter of Intent does not prejudice the Purchaser's decision on the acceptance of the Letter of Offer. Moreover, the Purchaser may cancel all or any part of this Letter of Intent at anytime by notifying the United States Government. Upon receipt of such notification the United States Government is authorized to terminate any and all activities initiated hereunder, at Purchaser's expense, in accordance with paragraph 2(b), in an amount not to exceed the amount set forth in paragraph 2(a).

4. In the event of such cancellation or termination, the United States Government will use its best efforts to minimize any termination costs.

5. Certain items for which procurements may be initiated hereunder are normally the subject of definitization or provisioning conferences, at which specific items and quantities are agreed upon. If it is necessary to place any such items on order prior to any such conference, the United States Department of the _____ is authorized to do so, using its best judgment, and will furnish a list of the items so ordered at the conference.

Dated _____

(Typed Name and Title)

Accepted this _____ day of _____, 19_____

U.S. Department of the _____

Figure D-14

UNITED STATES DEPARTMENT OF DEFENSE
AMENDMENT TO LETTER OF INTENT

(Date)

Dear Sirs:

Reference is made to the Letter of Intent between the Government of _____
_____ and the United States Department of the _____
_____, dated _____, identified by Case
Designator _____. The Government of _____
desires to increase the amount set forth in paragraph 2(a) of said Letter of Intent and herewith author-
izes the Department of the _____ to incur obligations
and expend up to the sum of \$ _____ on FMS dependable undertaking basis for
said Case.

(Typed Name and Title)

CHAPTER E

LOAN FINANCING

1. Purpose

This chapter prescribes Foreign Military Sales (FMS) loan financing management policies and procedures. It describes sources of loan financing available through the U.S. Government for such sales, eligibility requirements, basic standards and criteria applicable to such sales, interagency credit review procedures and Federal Financing Bank (FFB) procedures for USG guaranteed loans.

2. General

Loan financed sales of defense articles and services will be accomplished in accordance with policies and procedures contained in this Chapter, Chapter G, and pertinent DOD directives and procedures as supplemented by the Military Departments concerned.

3. Policy Guidance

a. Foreign Military Sales (FMS)

The Arms Export Control (AEC) Act authorizes the President to sell defense articles and services to eligible countries and international organizations, and to finance the procurement of such articles and services by friendly countries and international organizations.

b. Loan Financing

Each year the Congress reviews the AEC Act and specifies the magnitude of the new fiscal year's total FMS loan program. It then appropriates funds to the President to implement the FMS loan program. The President has delegated to the Secretary of De-

fense the authority to issue and guarantee loans to eligible recipients in accordance with the AEC Act. The Secretary of Defense has redelegated this authority to the Director, DSAA.

4. Types of Loans

For the purpose of this manual, there are three basic types of loans: (a) Loans guaranteed by the DOD; (b) Direct loans by the DOD; and (c) Eximbank loans or guaranties.

a. Loans Guaranteed by the DOD

Loans obtained by less developed countries from lenders doing business in the United States to finance the sale of defense articles or services may be guaranteed by DOD, acting on behalf of the USG, against political and credit risks of non-payment of principal and interest if such financing is approved by the Department of State following coordination with Treasury, Defense, and the Office of Management and Budget, and a guaranty fee is paid by the borrowing government to the USG. Under present policy, loans with DOD guaranty are issued by the Federal Financing Bank. (See paragraph 8 below).

b. DOD Direct Loans

This type of financing, which is direct government-to-government loans utilizing USG appropriated funds, is used only with the sale of defense articles and services to economically less developed countries. While this type of loan requires an appropriation of funds equal to the total principal amount being loaned, credit with DOD guaranty needs funding equal to only 10% of the loan.

c. Eximbank Loans or Guaranties

The Export-Import Bank Act of 1945 (P.L. 79-173), as amended, directs the Bank to "foster expansion of exports of goods and related services." By statute (Section 32 of the AEC Act), Eximbank credit for defense articles may be provided only to developed countries. The Eximbank prefers not to finance military sales since it is basically oriented toward civilian exports.

5. Channels for Credit Requests

All Foreign Military Sales of defense articles and services require approval as outlined in Part III, Chapter A (Eligibility for FMS). Sales which are to be financed with DOD direct or guaranteed loans require additional review for availability and authorization of loan funds for the country concerned. Loan funds are made available only through an interagency agreement to authorize the loan, which is arrived at through the following procedure:

a. Purchasing Country Request

Planning figures, based on indicated requirements by friendly countries for loan financing, and anticipated loan program levels, are included in the budget request sent by the President to the Congress. After release of the Congressional Presentation Document, the Department of State advises Embassies and MAAGs/MILGPs or other Defense representatives in each country of the proposed levels of the FMS loan programs. If Congressional actions permit issuance of the proposed loan, the U.S. representatives in each of those countries forward to Washington a list of equipment that the host country desires to purchase with the loan. The list should indicate the equipment that each of the country's military departments proposes to buy, and must be submitted to the DSAA. Types of equipment eligible for loan financing are indicated in paragraph 6, Utilization of FMS Loans. The lists of equipment should be as specific as possible as to desired items, amount of loan financing, and period over

which the required funds will be expended. The forwarding office should furnish the military, economic and political justification for the loan, and any other information which would support the loan request. Loans are issued only after passage of legislation and appropriations by the Congress.

b. U.S. Country Team Review

To assure coordination among representatives of the U.S. Government in the purchasing country, each loan request should be reviewed by the Chief of the Diplomatic Mission and should contain his assessment as to the military, economic and political justification. This step is essential to permit a total evaluation of the priority of the requirement against other countries' needs for the limited U.S. credit resources.

c. Washington Agency Coordination and Approval

DOD (DSAA) normally originates the formal request for interagency coordination on an FMS loan transaction. This is accomplished by DOD preparing a justification memorandum for the proposed sale. The memorandum, which incorporates the military facts bearing on this sale (to include identification of items to be financed), is forwarded by DOD to State and Treasury with its comment, recommendation and request for approval. Respective agency positions are forwarded to State which then determines appropriate action. If a sale and loan are approved, State provides DOD with specific approval authority on both items to be sold and the amount, type and terms of the loan. State also requests OMB to apportion the necessary funds to DOD for the direct or guaranteed loan.

d. Implementation of Direct or Guaranty Request

After the Department of State authorizes either the DOD direct or guaranteed loan, the DOD notifies the country concerned, and coordinates preparation of the loan agree-

ment. DOD direct loans are executed on a loan agreement format specified by the DSAA, and signed by the Director of DSAA and the borrower's representative. Federal Financing Bank loans are executed on a loan agreement format specified by the FFB, and are signed by FFB officials and the borrower's representatives. Differences between the two formats are discussed in subsequent paragraphs of this chapter.

e. Commercial Military Exports

Comparable procedures are applicable to credit requests for financing commercial military exports to the borrower.

6. Utilization of FMS Loans

a. Basic Policy

USG policy is that loans issued under the AEC Act are used to finance only investment requirements and purchases of major attrition items. "Investment Requirements," are those initial items of equipment and related suppliers and services which increase the recipient's military force capability. This category includes unit equipment, war reserve equipment, ammunition, replacement of obsolete equipment by improved types, initial spare parts programmed for delivery concurrent with related major items, and training associated with the introduction of a new or improved capability. "Major Attrition Items," are those which replace an existing type of major equipment which is worn out, damaged, or lost. The thrust of this policy is that such financing normally is not approved for purchases of training, spare parts, ammunition, consumables, or expendable equipment. The only exception is to permit loan financing for the purchase of items such as technical manuals and initial training in the operation and maintenance of defense equipment, initial (up to one year) stocks of spare parts, initial stocks of ammunition (up to one year training and/or basic reserve stocks), and other consumable or expendable equipment logically included in the initial purchase of a weapons system or equipment

package. This exception is allowed to ensure that the purchasing government obtains the capability to utilize the new equipment and to permit a single method of financing for all items included in a single major purchase.

b. Exceptions and Procedures

(1) Special circumstances may arise which justify exceptions to policy and allow approval of FMS loan financing of consumables, training, or other operations and maintenance costs. The following is a partial list of situations which may, in combination with other factors, form the basis for justifying an exception to the rule:

(a) An abrupt adverse military or security development experienced by the borrower.

(b) An abrupt adverse economic development, or the imposition on less developed countries of a burden which, without resort to loan financing, might otherwise simply be shifted to US economic concessionary aid.

(c) Extraordinary need for unprogrammed major overhaul of aircraft, ship or other essentially satisfactory major equipment, particularly when such overhaul would preclude or delay purchase of new end items.

(d) To provide a transition funding source for those O&M items previously financed under grant MAP to countries recently (sometimes suddenly) cut off from grant aid.

(e) Expectations of recipient governments based on past US failure to explain or enforce standing FMS financing policies.

(2) MAAGs/MILGPs should ensure that the host government is aware of the basic US policy on the uses to which FMS financing may be applied, and that any exceptions to this policy must be fully justified and will be considered in Washington for approval only on a one-time current year basis. It may be helpful to point out that FMS programs are proposed by the President in his annual budget and are approved by the Congress on a yearly basis; there can be no

commitments more than one year in advance without review and approval at the highest levels of the USG. The FMS program cannot be regarded as a reliable source for financing of current operating costs. Recipient countries must bear the burden of maintaining military equipment from their own resources. Countries having difficulty in meeting current operating costs from their own budgets should be discouraged from buying further equipment, especially weapons systems, which will cause unreasonable drain on their available resources.

(3) Exceptions to policy require inter-agency coordination and clearance prior to decision by, or under the authority of, the Under Secretary of State for Security Assistance. Requests for exception are weighed on the basis of all relevant factors and information available to Washington agencies. Requests from field activities should contain a complete and detailed explanation of the special circumstances and a reasoned and thorough justification, together with comment on whether the host government has been informed of FMS policy, and its understanding thereof. The justification should be endorsed by the Chief of Mission and submitted to the Department of State for action, with the Department of Defense as information addressee. No commitment, specific or tacit, should be made to the host government prior to receipt of the Department of State reply.

7. Financial Standards and Criteria

Section 34 of the AEC Act prescribes that the President shall establish standards and criteria for credit and guaranty transactions in accordance with the foreign, national security and financial policies of the United States. Executive Order 11958 delegates this authority to the Secretary of State with the qualification that to the extent the standards and criteria for credit and guaranty transactions are based upon national security and financial policies, the Secretary of State shall obtain the prior concurrence of the Secretary of Defense and the Secretary of Treasury, respectively.

The following are guidelines, standards and criteria which apply to new loans. Existing loans will continue on terms as negotiated.

a. In addition to being weighed for consistency with U.S. foreign policy interests (including human rights), each credit or guaranty transaction will be reviewed in the light of the purchasing country's economic and financial condition, its need for credit, US economic or military assistance programs in the country and region, and other proposed arms purchases by the country. The suitability of items being purchased for the Armed Forces of the purchasing country will also be taken into account, with particular attention to the level of weapons sophistication and the capability of the country to maintain, support, and employ the items effectively.

b. To the extent feasible, the governments purchasing US defense articles and services should be encouraged to pay cash. This can help reduce the number of demands on an always limited availability of credit, and will also help customers to obtain their purchases at lowest overall cost. In those cases where cash purchases are not feasible, the purchasing country should be encouraged to use private financing (without USG guaranty), thus helping to conserve limited USG credit resources.

c. USG credit or guaranty assistance may be extended to less developed countries meeting these criteria:

(1) There is a demonstrable need for such assistance, for example, foreign exchange or budgetary needs, which cannot be financed reasonably by other means, taking into account other assistance which such countries may be receiving. This assistance will not be extended solely to consummate a sale.

(2) Defense purchases cannot be financed reasonably by other means, taking into account U.S. military and economic assistance which such countries may be receiving, and indigenous private financing.

d. USG credit or guaranty assistance normally shall not be extended when:

(1) The transaction would place an undesirable burden on a purchasing country's foreign exchange resources, create excessive claims on future budgets (e.g., induced expenditures for maintenance, spare parts, replacement, and indirect support and organizational costs), or otherwise materially interfere with its development.

(2) It is to be used to finance production or coassembly/coproduction project overseas.

(3) There is not a reasonable expectation of repayment in US dollars.

e. The following financial standards and criteria are issued pursuant to Section 34 of the AEC Act:

(1) Interest rates will be not less than the cost of funds to the USG as determined by the US Treasury unless a Presidential Determination is made pursuant to Section 23(2) of the AEC Act.

(2) Loans will normally carry repayment periods of 4-8 years but in any case shall not exceed twelve years from signature of the loan agreement. The repayment period normally will not exceed the reasonable life expectancy of articles purchased.

(3) Repayment of principal normally will be in equal semi-annual installments.

(4) Grace periods prior to repayment of principal will be authorized only in extenuating circumstances and, if offered, will not exceed two years within the repayment period. No grace period will be authorized on interest payments.

(5) For guaranteed loans a one-time fee of one-fourth of one percent of the principal amount guaranteed shall be charged the borrower for the USG guaranty.

(6) The US Treasury shall obtain, on behalf of the Department of Defense, all guaranteed financing and shall determine the source and conditions of the financing.

(7) Exceptions to these standards and criteria may be required to serve US interests. Such exceptions will be made by the Department of State only after consultation

with the Departments of Treasury and Defense and the Office of Management and Budget.

8. FFB Credit Procedures

a. General

(1) Following amendment of the Arms Export Control Act by Public Law 93-559, it has been possible for the DOD to provide a guaranty to the Federal Financing Bank (FFB) for loans extended to finance FMS agreements and commercial military sales. The FFB is an instrumentality of the USG under the direction of the Secretary of the Treasury. We anticipate all future USG guaranteed loans required for FMS and commercial military sales will be issued by the FFB.

(2) A major difference between direct DOD and FFB loans is the way in which the interest rate is determined and applied. With direct DOD loans, a fixed interest rate is determined in advance of signature of the loan agreement, based on the average cost of money to the USG on the last day of the month preceding the month in which the loan agreement is signed. This interest rate is then applied against all advances (disbursements) made from the loan. For FFB loans, a separate rate of interest is determined for each advance of funds, based on the cost of money to the FFB as determined by Treasury on the day of the advance. For convenience in making payments on the loan, after all advances have been made, a single weighted average interest rate is established for application against all principal outstanding. It should be noted that it is not possible to determine the interest rate on the entire loan until all advances have been made.

b. Procedure

Action required in the completion of FFB loan agreements is as follows:

(1) *The basic Loan Agreement.* This document contains the conditions under which the loan is offered and accepted. Being the basic contract, it is signed by both the borrower and the FFB. It has 3 Annexes.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(a) *Annex I (to the Loan Agreement) is the Promissory Note.* This note outlines the commitment of the FFB to provide funds, the method for computing interest, and the schedule for payment of principal and interest. It is signed only by the borrower. It normally is signed at the same time the loan agreement is signed; however, in those countries where only a specific minister (e.g., Minister of Finance) can sign promissory notes, it may be signed in country and returned to the FFB. The FFB cannot advance funds until it receives a properly signed promissory note.

(b) *Annex II* outlines the procedure to be used by the borrower to request advances of funds from the FFB. It provides an example of the letter form to be used.

(c) *Annex III* provides marine transportation waiver procedures. It is USG policy, based upon a Public Resolution, that all defense articles, which are transported by ocean vessel, shall be transported in privately owned vessels of US registry unless a waiver of this requirement is obtained from DSAA. Annex III outlines the procedures for obtaining waivers.

(2) *The authorization given by the borrower to its representative permitting that person to sign the Loan Agreement on its behalf.* A copy of this authorization must be provided to the FFB at time of loan signature.

(3) *The authorization given by the borrower to its representative permitting that person to sign the Promissory Note on its behalf.* A copy of this authorization must be provided when the promissory note is given to the FFB. (Of course, if the same person will sign both the loan agreement and the promissory note, both authorizations can be combined.)

(4) *Receipt of the guaranty fee required for the guaranty provided by DOD to the FFB.* By statute, the FFB loan must be guaranteed by a USG agency, and DOD must charge a fee for that guaranty. The fee is a one-time payment equal to $\frac{1}{4}$ of 1% of the principal amount. A check payable to the US

Treasury must be tendered by the borrower at the time of loan signature.

(5) *A legal opinion from the competent legal adviser of the appropriate ministry of the borrower.* This opinion will attest to the authority and capability of the borrower to enter into the loan agreement and to perform under its terms. It also informs the FFB of the name(s) of the designated officer(s) or individual(s) who is (are) authorized to request advances of funds from the FFB. In this connection, some officer or person in the country's embassy in Washington should be authorized to request advances. The legal opinion must be received by the FFB prior to any advance of funds; preferably, however, it should be provided at the time the loan is signed. The legal opinion may be signed by competent legal counsel in the Ministry of Defense, Ministry of Finance, Attorney General, or other appropriate government agency. It must be prepared in letter form, on appropriate official letterhead, and should be forwarded to the designated country official in Washington, for delivery to the Federal Financing Bank.

(6) The authorization to sign the loan agreement and the promissory note may be signed by any competent country authority, either within the Ministry of Defense or other appropriate government agency. It may be provided in letter form or by cable, addressed to the country official(s) or named individual(s) designated to sign the agreement and the promissory note. It is desirable to have a copy of the authorization sent to the Office of the Assistant Secretary of International Affairs, Department of the Treasury, Main Treasury Building, Washington, D.C. 20220. Receipt of this authorization and payment of the guaranty fee allow the loan agreement and promissory note to be signed. It does not give the sole authority needed for the country to draw funds against the loan agreement.

(7) Principal and interest payments for FFB credits will be made by the borrower directly to the Federal Reserve Bank of New York, for the account of the FFB, in

accordance with the schedule and terms included in the promissory note. Interest penalties are charged for late interest or principal payments.

(8) Separate authorizations and legal opinions are required for each FFB loan agreement.

9. DOD Direct Loan Procedures

Action required in the completion of direct loan agreements is as follows:

a. The Basic Agreement. The Loan Agreement is the basic contract containing conditions under which the loan is offered and accepted. The agreement includes four Annexes, and is signed by the authorized representative of the borrower country and the Director, Defense Security Assistance Agency, or his deputy.

(1) The basic-agreement states the amount of funds the US agrees to lend the borrower, and that such funds are available only to purchase defense items pursuant to Purchase Arrangements authorized for such financing by DSAA, which may be entered into by the borrower on/or before a date specified in the agreement.

(2) Procedures for processing withdrawal (disbursements) are outlined in the basic agreement and described in Annex A for disbursements to commercial suppliers. Promissory Notes must be prepared, as illustrated in Annex B, and submitted by the borrower to DSAA with each request for disbursement.

(3) The loan outstanding balance must be repaid according to the Principal Repayment Schedule shown in Annex C. The schedule shows only the amount of Principal installments due and the due dates. The actual amount due on each due date will include the Principal installment plus interest on the outstanding loan balance, computed at the interest rate specified in the Loan Agreement. Installment payments of Principal and Interest for DOD direct Loan Agreements must be made directly to DSAA.

(4) The Loan Agreement, along with various US laws, requires that all defense articles purchased with loan funds, and needing transportation by ocean vessel, must be shipped on vessels of US registry. A waiver to this requirement may be granted, allowing the borrower country to transport as much as 50 percent of the cargo on vessel flying the borrower country's flag. Procedures for requesting a waiver are described in Part III, Chapter G.

(5) The FFB and DOD direct Loan Agreements differ regarding the use of Promissory Notes. The FFB Agreement requires only one Promissory Note for the entire amount of the Loan Agreement, and is signed at the time the Loan Agreement is signed. Subsequently, individual withdrawals are requested by the borrower using a form letter prescribed by the Loan Agreement. The DOD direct Loan Agreements of Fiscal Year 1976 and prior require a Promissory Note for each withdrawal. The notes are made for the amount of the withdrawal and are dated the date of the disbursement. For DOD direct Loan Agreements of Fiscal Year 1977 and subsequent, the agreement is similar to the FFB loan agreement in its requirement of only one Promissory Note for the entire amount of the Credit Agreement; withdrawals are requested by the borrower using a prescribed form letter. The Promissory Notes, as do the form letters, provide evidence of disbursements made in behalf of the borrower and of the borrower's obligation to repay the outstanding loan balance.

(6) *Authorization to Sign the Loan Agreement.* The borrower must furnish DSAA a document identifying the person authorized to sign the loan agreement on its behalf, together with an authenticated specimen of that person's signature.

(7) *Authorization to Sign Promissory Notes.* The borrower must furnish DSAA a document identifying the person authorized to sign Promissory Notes on its behalf, together with an authenticated specimen of that person's signature. (If the same person will sign both the Loan Agreement and

Promissory Notes, both authorizations may be combined).

b. The Annexes

(1) *Annex A* outlines procedures for the borrower to follow in processing disbursements to commercial suppliers. In addition to requiring certain documents to support the disbursement, the borrower must submit a statement certifying the propriety and correctness of the supplier's bill.

(2) *Annex B* provides a sample of the Promissory Note. A properly completed Promissory Note, substantially in the form of Annex B, must be submitted with each request for disbursement.

(3) *Annex C* is the Principal Repayment Schedule. The schedule shows the amount of each Principal installment due,

and the due dates. Usually, the amount of principal installment is an equal division of the total loan commitment over the number of semiannual installments allowed by the Loan Agreement. In some instances, equal annual installments of Principal are allowed. The schedule does not show the interest that will be due on the outstanding loan balance.

(4) *Annex D* describes the Marine Transportation Waiver Procedures. All defense items purchased with funds from FMS loans, and needing transportation by ocean vessel, must be shipped by vessels of US registry, unless a waiver of this requirement is obtained from the Director, Defense Security Assistance Agency. Waivers are of three categories: General, Non-availability and Security. Part III, Chapter G describes these waiver categories.

CHAPTER F

IMPLEMENTATION OF FMS

1. Purpose

This chapter of the FMS guidance deals with implementation. Policies and procedures herein are operative subsequent to the establishment of an FMS case. Once an FMS case has been established by completion of a DD Form 1513, Offer and Acceptance, the sale of military materiel and services will be accomplished or implemented according to policies and procedures contained in this chapter and pertinent DOD Directives and Instructions as supplemented by the Military Department concerned.

2. Policies**a. FMS Delivery Commitments**

The availability data set forth in FMS cases which have been properly accepted and funded by the purchasing country or international organization constitute commitments upon the U.S. Government. Fulfillment of these commitments is an important measure of the good faith of the USG in dealing with its allies in matters of mutual defense. Accordingly, all DOD components shall assure that FMS delivery commitments have been fully coordinated, materiel conforms to the standards set forth in the DD Form 1513, Offer and Acceptance, and can be delivered in the agreed time period. Cases where proposed sales involve the delivery of major equipment which is in relatively short supply or in less than procurement lead time and which the Military Departments determine to be in conflict with U.S. requirements shall be referred promptly to DSAA.

In this manner early awareness of foreign requirements which generate production/

delivery conflicts will enable the DOD to establish the most favorable attainable delivery schedule.

b. Use of U.S. Military Logistics System

Implementation of FMS accepted cases will be accomplished by the Military Departments and DOD components as nearly as possible within the existing organizational and procedural structure of the U.S. military logistics system. Use of the DOD transportation system will be only for special cases, i.e., ammunition or by special arrangement on the DD Form 1513.

c. Follow-On Logistic Support

Normally, foreign military sales of materiel are made to eligible foreign countries only when the DOD has made or has approved plans to assure logistic support for the expected service life of the equipment. This includes follow-on spares support for equipment sold through FMS under Supply Support Arrangements which will be afforded the same priority as that being provided equivalent U.S. forces performing a comparable mission in the same geographical area. For other follow-on FMS spare parts cases the normal lead time from procurement will apply.

3. Types of Foreign Military Sales**a. Standard Foreign Military Sales Cases**

Eligible foreign governments may purchase major weapons systems, other major end items, and support from the U.S. Government.

Using this purchasing method, a country normally cannot expect delivery sooner than

permitted by the normal production procurement lead time. This sales procedure is also used to provide training or any service. These sales may include open-end repair parts cases, direct requisitioning, publications, quality assurance, maintenance cases, etc. The country should be made fully aware of the normally longer lead time and higher procurement costs of non-SSA sales as compared to Supply Support Arrangements.

b. Supply Support Arrangement Sales Cases

(1) Supply Support Arrangements (SSA). DOD Instruction 2000.8 prescribes the policies and criteria for establishing such arrangements, which are peacetime military logistics support systems designed to provide responsive and continuous supply support for U.S.-made military materiel possessed by foreign countries. Concurrence of DSAA should be obtained prior to offering a foreign country a Supply Support Arrangement or adding new systems or items to be supported to an existing one.

(2) SSA is normally the most effective medium for providing common repair parts and secondary items support for equipment of U.S. origin which is in allied country inventories. The SSA permits support of the foreign nation from U.S. stocks on an equal basis with comparable U.S. forces having the same mission. This is possible following mutual agreement on the additional on-hand stock required, the funding of this portion of the pipeline by the foreign nation establishing such, and the acceptance of liability for certain accessorial/administrative charges which are incident to the support and the acquisition of the additional on-hand stock required.

(3) The SSA provides for the execution of Foreign Military Sales Orders (FMSO's) covering stockage, consumption, and storage requirements as follows:

(a) FMSO I—Consists of:

1. An Offer and Acceptance (DD Form 1513) covering the estimated dollar value and total initial agreed list of items and

quantities to be stocked and maintained on order from procurement for support of the country's U.S.-furnished equipment. The Offer and Acceptance also covers the estimated annual storage costs for the materiel held in U.S. stocks for the participating country.

(b) FMSO II—A consumption FMSO which encompasses an Offer and Acceptance (DD Form 1513) covering the participating country's estimated withdrawals of materiel from the supply system for an agreed period (normally one year). This is an SSA requisition case, undefined as to items and quantities, reflecting in a dollar amount the estimated consumption for the agreed period and funded quarterly.

(4) Special Instructions—Supply Support Arrangements

(a) Stock Levels. One of the essentials for effective SSA support is the purchasing country's maintenance of reasonable in-country stock levels as determined by each military department considering experienced order and shipping time. Replenishment of such inventory levels should be based on a demand pattern of nonpriority wholesale-type requisitions.

(b) Support Priority Requisitions placed by the customer country with the U.S. supply system before U.S. stock levels have been increased, or for items not included in FMSO I, will be filled from existing stocks to the extent that inventory levels are adequate to permit supply without detrimental effect on support of U.S. Forces (i.e., when such issue will not reduce levels below the reorder point). Upon attainment of the increase of U.S. stock levels, support for FMSO I items will be provided with the same responsiveness as for equivalent U.S. forces with the same priority.

(c) Revisions of FMSOs.

1. After the development of sufficient demand history, and at least annually, FMSO I will be revised to include those items required, based upon customer usage experience, to be in the U.S. pipeline. SSAs will include a proviso for the automatic up-

dating of FMSO I to assure stockage of all items essential to the proper maintenance of major equipment. Such additions will be made by the service responsible for logistic support, based on policies and procedures for the stockage of repair parts and assemblies to support service equipment. To assist in the periodic revision of FMSO I, the supporting service will provide to the customer country a priced listing of the automatic item additions (or proposed additions if the automatic update clause does not appear in the SSA), as well as possible deletions.

2. In the event the country does not agree to additions to FMSO I, future requests for such items will not be handled as an SSA requisition, but will await delivery from new procurement unless, in the opinion of the Inventory Control Point (ICP), stock levels are sufficiently above the reorder point to permit supply without detracting from the support of U.S. forces and the other SSA countries. If the number of items in the category is significant, the Military Department should terminate action and offer the country as a substitute an open-end FMS case.

3. The FMSO I will also be revised at the beginning of each year to fund storage.

4. The FMSO II will be closed at the end of each year, at which time a new consumption Sales Order will be established, based on demand history or planned operations.

(d) Administrative Charges and Billing Procedures

1. DOD Directives/Instructions 2110.29, 2140.1, 2140.3 and 7510.4 delineate policies and procedures for funding, accounting and costing of FMS. The purpose of this paragraph is to highlight certain existing guidance in the costing and billing of SSA sales.

2. As significant overhead costs are incurred by U.S. forces in providing services under SSAs, the following administrative charges in addition to accessorial costs shall be included in the billing of SSA sales:

a. FMSO I. Customer countries will be billed for the actual value of the quantities of materiel on hand. The 5% administrative charge will be added to this billing. Materiel continuously on order will be handled as a dependable undertaking. Neither materiel nor administrative charges are assessed against the latter increment until ultimate delivery to the U.S. supply system in a terminal transaction. Charges for storage will be based on a 1.5% annual assessment against the estimated average inventory value. Assessment charges may be billed quarterly or annually at the option of the billing service.

b. FMSO II. Charges for anticipated inventory replacement based on expected usage will be levied quarterly or as mutually agreed for FMSO II orders, and will be collected in advance. Such collections will include the 5% administrative charge.

(5) Obsolete and Excess Stocks

(a) If an item becomes obsolete or excess to the customer country but not to U.S. requirements, the country may request cancellation of the FMSO I item, applying its equity to subsequent orders for other items. If the U.S. does not agree to the cancellation, the country will, upon request, withdraw the quantity, or arrange for the U.S. to dispose of such materiel, with the net proceeds to be credited to the country account.

(b) If an item becomes obsolete or excess to U.S. but not customer country requirements, the U.S. may request the country to withdraw its materiel equity from U.S. stocks. The country may purchase additional quantities of such items from existing U.S. stocks at a fair value computed in accordance with DOD Instruction 2140.1 plus applicable accessorial and administrative charges. The country may, with the approval of the U.S., place a final order for spares in sufficient range and quantity to support the equipment for its probable remaining useful life. Military Departments will alert countries to anticipated U.S. equipment phase-

outs to permit a timely and orderly final procurement of spares.

(c) If an item becomes obsolete or excess to the requirements of both the customer country and the U.S., the country will, upon request, withdraw its materiel from U.S. facilities. Alternatively, at the request of the country, the U.S. will dispose of such materiel and credit the country with its proportionate share of the net proceeds.

(6) Repurchases. Upon request of the U.S. the customer country will, to the extent compatible with its supply requirements, sell to the U.S. items which have been previously delivered under the SSA. Such repurchases will be made at a fair price (based on DOD Directive 2140.1) mutually agreed upon, which will not in any case exceed the price at which the item was sold to the country, plus the cost of any modification costs and accessorial charges. Transportation in such cases will be furnished by the U.S.

4. Requisition Procedures

a. Use of MILSTRIP

(1) Standard Items. Once an FMS case has been established and funded, MILSTRIP requisitions may be initiated either by the customer country or by a designated military component. For standard materiel items, requisitions will be prepared in MILSTRIP format by the military service, or will be converted to MILSTRIP format by the Military Service Requisition Control Office (RCO). Service designated RCOs are:

Army—International Logistics Center, New Cumberland, Pa.

Navy—Navy International Logistics Control Office (NAVILCO), Philadelphia, Pa.

Air Force—Air Force Logistics Command, Wright-Patterson AFB, Ohio.

RCOs will verify MILSTRIP requisitions prepared by countries prior to introduction into the U.S. logistics system. Supply and shipment status will be provided in accordance with MILSTRIP procedures.

(2) Non-standard Items. Although customer countries are encouraged to pro-

vide materiel which is standard to the U.S. Armed Forces, non-standard equipment may be requisitioned after mutual agreement with the Military Department concerned. Such requisitions, as well as requisitions for services (e.g., training, etc.), will be in a letter format rather than under MILSTRIP procedures.

b. UMMIPS

(1) The Uniform Military Priority System (UMMIPS), as delineated by DOD Instruction 4410.6, is applicable to all requisitions. Force Activity Designators (FADS) are established by the JCS for all customer countries. Component activities will take the necessary steps to assure that participating foreign countries are properly instructed in the establishment of the Issue Priority Designator. RCOs, and MAAGs, if they process FMS requisitions, will verify country established Issue Priority Designators to assure accuracy.

(2) Erroneous designators will be corrected by the reviewing activity. Doubtful cases will be referred to the appropriate U.S. or customer country representative for clarification or correction.

c. Delivery Commitment Date (DCD)

(1) A DCD will be applied to all FMS cases that include a line for a principal item and for which there is no corresponding MILSTRIP Required Availability Date (RAD) in the supply system. The DCD will be identified through the use of a three digit numeric code, the first two representing the fiscal year, and the third representing the quarter of the fiscal year. The DCD when applicable, should be placed in the Availability and Remarks Block of the DD Form 1513. (The DD Form 1513-2 Notice to countries of slippages over 90 days is required on DCD revisions only and not on slippages of items controlled within the MILSTRIP RAD system.)

(2) A report should be submitted to DSAA on a quarterly basis, 45 days after the end of each quarter, and should include

all cases for which the DCD for any major items on the case has been slipped more than 90 days from that DCD originally quoted on the accepted Letter of Offer or from that previously reported to DSAA, together with a brief explanation of the slippage. Individual changes meeting the threshold criteria need only be reported once, in the quarter in which they occur. A copy of the DD Form 1513-2 required per paragraph 4.c(3) above will be submitted for each item. The number assigned this report in the reports control system is DSAA(Q)1123. This report will be submitted with the report on price increase notifications required by paragraph 10.i., Chapter D. The format at Figure F-1 of this chapter should be followed for this report.

d. Delivery Forecast Date (DFD)

(1) The DFD is developed by the NICPs of the Military Departments, and represents the estimated date of delivery of the total quantity of the line item.

(2) There is a mandatory relationship between the DFD and the DCD. In all cases, the DFD is established to meet or occur earlier than the DCD. If the DFD occurs later than the DCD, the latter may be modified as described in paragraph c, above.

(3) The DFD is not a gross lead time estimate such as the MASL leadtime. It is a true estimate by the NICPs of the forecast of deliveries based on procurement/supply studies.

e. Order Quantities

Military Departments and other DOD components should offer to provide customer countries guidance in effective inventory management to conserve resources and to minimize misuse or abuse of the requisitioning system. DOD components must assure that proper guidance concerning the use of Economical Order Quantities (EOQ) is developed and made available to the customer countries. MAAGs and others acting in this

capacity will advise and assist customer countries to assure understanding and use of EOQs. RCOs and MAAGs, in those cases where they review FMS requisitions, should screen requisitions to confirm utilization of the EOQ concept.

5. Management Review

a. Within 120 days after acceptance of an FMS case, Military Departments will advise the MAAG of the forecast delivery date of each major item. No less frequently than quarterly thereafter, until deliveries are complete, the MAAGs will be advised by the Military Departments of any changes in these forecasts.

b. MAAGs are responsible for review of delivery forecasts and for advising the Military Departments of any cases where forecasted deliveries will cause significant problems, giving full particulars as to the nature of the problem and recommended solutions. Problems unresolved between MAAGs and the Military Departments should be referred to DSAA.

c. A quarterly MILSTRIP requisition status report will be prepared by the Military Departments and made available to the requisitioning countries at their request on a quarterly basis. Each report will reflect all requisitions open at the end of the report period and all requisitions shipped or cancelled during the report period. Multiple line entries for the same requisition will be reflected whenever a partial or split action is taken. The report will be prepared at Country, Case and In-Country Service Designator level. Summary lines will be provided to indicate the number of lines/actions and dollar value by open requisitions, cancellations and shipments.

6. Delivery Performance

a. The quality of delivery performance

MILITARY ASSISTANCE AND SALES MANUAL—PART III

directly reflects the degree to which the U.S. meets its FMS commitments and is therefore a key element of the supplier-customer relationship. The importance of prompt and effective service to the customer country must be continually emphasized to assure overall success in the attainment of FMS program objectives.

b. Every effort must be made to impress upon the customer the importance of reporting discrepancies as soon as possible but no longer than one year after shipment or billing, whichever is later. Since this time standard exceeds time standards previously expressed by the Military Departments the time limitation of one year after shipment or billing applies to all shipments made subsequent to the date of this instruction.

c. Wherever significant political or readiness impact is involved, the MAAG will advise the Unified Command of the problem. In those instances in which the matter is not satisfactorily and expeditiously resolved, the Unified Command will immediately notify the Military Department concerned and, in significantly important cases, DSAA.

7. Supply Management

a. Materiel Standards

(1) It is Department of Defense policy that defense articles offered and sold to foreign governments and international organizations reflect favorably upon the United States. Therefore, defense articles offered and sold under Foreign Military Sales will normally be new or unused, or, as a result of rehabilitation, possess original appearance insofar as possible, and, as a minimum, have serviceability standards prescribed for issue to U.S. forces. If the customer country desires exclusively new equipments, such requirement will be set forth in the Offer and Acceptance (DD Form 1513). If the customer desires to purchase "as is—where is," this will also be clearly stated in the DD Form 1513.

(2) The agencies authorized to make offers will assure that the offer (DD Form

1513) fully describes the condition of the defense materiel and that the agent of the foreign government or international organization who accepts and signs the Offer and Acceptance (DD Form 1513) understands the condition of the defense materiel.

(3) Military Departments and DOD components shall require that FMS materiel conforms to the offering, is serviceable and is complete with regard to repair parts, publications, etc. An exception to this rule is excess property which is sold on an "as is—where is" basis. Such equipment may be sold without initial or follow-on supply support, provided the country clearly understands these conditions and accepts responsibility for providing future support.

(4) The agencies authorized to make offers will assure that a one-year supply of "in-country" concurrent (initial) repair parts, through fourth echelon requirements at US. peacetime usage rates, shall be included with equipments being offered. Such repair parts packages should be identified by category and total value rather than by item. Normally, pricing specific repair parts when requested by a foreign government or international organization is to be avoided.

b. Condition of Aircraft

In the interests of public safety, the following policy is established for the material condition of U.S. aircraft prior to delivery. Sales agreements will contain the stipulation that delivery will be made only under one of the following conditions:

(1) In the event flight delivery of the aircraft is desired by the purchasing country, the aircraft must be placed in safe operating condition consistent with established standards of the military service of origin or Federal Aviation Administration (FAA). Required maintenance may be done through negotiation with the service of origin or a commercial FAA certified facility, and all costs will be borne by the purchaser. Aircraft will be released for flight only after an inspection by the service of origin has determined that the established military service

standards have been met except where the purchaser elects to have maintenance performed in an FAA certified facility, in which case release will be accomplished by an FAA or service of origin inspection, as appropriate; or,

(2) Aircraft not to be restored to the above criteria will be sold with the understanding that they will be delivered to destination by surface transportation only.

8. Packaging and Handling

a. Preservation and Packaging

Defense articles shall be preserved, packaged, and packed to a minimum of Level D standards, unless known or anticipated shipment and storage conditions require Level A standards or permit Level C standards. These standards are defined in DOD Instruction 4100.14. For economy, and to facilitate receipt processing and certification by the ultimate consignees, consolidation of packages will be effected whenever possible for items applicable to a single FMS order for an individual country.

b. Marking

Packages will be marked as specified in the sales order and in accordance with "Military Standard for Marking, Shipping and Storage (MIL-STD-129D)." In addition to the requirements of MIL-STD-129D, FMS marking will include:

(1) The freight forwarder's address, if there is one, and the customer's country address. These entries should be "in-the-clear." When a DD Form 1387 or 1387-1 is used, the "To" block will contain the freight forwarder address (where such is used). The "Ultimate Consignee" block will contain the overseas address.

(2) The FMS case number will appear in the last line of the overseas address. If there is no overseas address, the case number will appear as the last line of the freight forwarder address.

c. Accessorial Charges

DOD Instructions 7510.4 and 2140.1 set forth the basic accessorial charges for packaging, handling, and shipping incident to FMS. It will be noted that accessorial charges are not levied for packaging, handling and crating when shipment to the purchaser is made directly from the fabricator, since those costs are included in procurement contracts.

9. Transportation and Traffic Management

a. Foreign Military Sales (FMS) Shipment Policies

(1) General—The following policies apply to Foreign Military Sales activities:

(a) Transfer of Title, Foreign Military Sales (FMS) (Reference DODI 2110.12 and Chapter D, MASM III).

1. Title to equipment and materiel will pass at the initial point of shipment or origin unless otherwise specified in the Letter of Offer and Acceptance (DD Form 1513).

a. For defense articles sold from stock, this will be at the U.S. depot unless otherwise authorized by an agency noted in paragraph 9a(3)(a), and noted in the Letter of Offer and Acceptance (DD Form 1513) or revisions thereto.

b. For items procured from commercial vendors for sale to the purchaser, this will be at the contractor's loading facilities unless otherwise authorized by an agency noted in paragraph 9a(3)(a), and noted in DD Form 1513 or revisions thereto.

c. In the case of excess materiel, this will normally be at the location at which the materiel is being offered for sale.

d. When the DD Form 1513 specifies that the USG will provide for movement of aircraft to the point of delivery one of two conditions prevail with regard to title:

1 Where additional ferrying is specified and the aircraft are not purchaser-owned (title passed) the USG will accept title to the aircraft from the contractor, and title to the aircraft will remain with the USG

MILITARY ASSISTANCE AND SALES MANUAL—PART III

until arrival at the point of delivery, at which time title passes to the purchaser.

2 Where purchaser-owned aircraft are being ferried under the terms of the DD Form 1513, the purchaser grants the USG possession of the aircraft. Under this condition the title to the aircraft remains with the purchaser.

2. The provisions of this title transfer policy apply to all Department of Defense Foreign Military Sales shipments regardless of the mode of transportation, type of transportation documents utilized, or delivery code.

(b) Transportation of materiel sold to eligible purchasers under the U.S./DOD Foreign Military Sales (FMS) program will normally be arranged on the basis of FOB Origin, except as provided in paragraph 9a(2)(d). Under terms of delivery FOB Origin, recipient is responsible for cost of CONUS inland transportation and subsequent arrangements for onward transportation in accordance with DODI 4140.17M. When circumstances dictate, designation of other points of delivery (e.g., other military installations in CONUS or overseas, overseas depots or overseas contractors' plants) must be approved as specified in paragraph 9a(3)(a) and so indicated on the DD Form 1513.

(2) Policies for Shipping FMS Materiel:

(a) Shipments will be accomplished in accordance with instructions prescribed in the DD Form 1513 except when the nature of the shipment dictates the provision of added protection and/or control during movement. When added protection and/or control is provided for the movement of an FMS shipment it generally denotes an added cost to the U.S. which is reimbursable by the purchaser.

(b) Shipments of materiel may occur under conditions where the sales price does not include the cost of transportation to the freight forwarder. These shipments, such as

Appropriation Purchases Account (APA) materiel and vendor shipments with delivery terms of free-on-board (FOB) origin, will be transported under Collect Commercial Bills of Lading (CCBL). APA items are military supply system inventories or centrally procured principal and secondary items financed by procurement appropriations for military functions.

(c) Shipments of materiel may occur under conditions where the sales price includes cost of transportation to the freight forwarder. This is typical of stock funded items. It is preferred that this category of items be transported under CCBL's as is generally the case with non-stock funded items. The primary concern, however, is that the Military Services assure that the purchaser is not double-billed for transportation services rendered.

(d) FMS materiel which requires special handling such as sensitive and hazardous (as defined in Military Traffic Management Regulation Chapter 226 and Chapter 49 CFR Parts 170-179 and 397) will be shipped through CONUS water or aerial port facilities controlled by DOD. This will require that the terms of delivery of the Letter of Offer and Acceptance (DD Form 1513) will require, as a minimum, delivery FOB Vessel/Aircraft, CONUS Port of Exit.

(e) FMS issues from a stock point will be consolidated by addressee for shipment purposes to the greatest extent possible consistent with customer requirements. Consolidation criteria are contained in Chapter 6, DODI 4140.17M (MILSTRIP).

(f) Package Shipments. Although basic policy prescribes consolidation of shipments, it is frequently necessary to ship small items or packages on an individual basis. For the purpose of this instruction, a package will be considered to be a shipped item that is 100 or less pounds in weight and 141 inches or less in combined length and girth. More detailed information may be found in Chapter 206, Military Traffic Management Regulation.

1. Transportation officers are authorized to utilize either the U.S. Postal Service parcel post facilities or commercial package carrier equivalents. If movement is directed beyond CONUS, international parcel post may be utilized and the purchaser charged pursuant to DOD Instruction 2140.1, if a better means of shipment is not available. As a rule, the Military Postal Service (MPS) will not be used for FMS shipments; however, exceptions to this policy are authorized for classified shipments or where the sales order specifies delivery in country through the MAAG or Mission pursuant to DOD Instruction 2110.12. When shipment is to be via domestic parcel post or commercial carrier equivalents, the transportation officer should consult the various tariffs of package carriers to ensure that the desired service is available and meets the following criteria:

a. Cost. Shipments will be made at the least cost for the service required.

b. Audit Trail. The transportation service selected must provide a proof of entry into the transportation network and a proof of delivery to the consignee.

c. Speed of Service. The service selected must be responsive to required delivery date.

(g) Most DD Form 1513's will specify "FOB point of origin" as the point of delivery. In the absence of constraints such as those involving added protection/control or Notices of Availability, these shipments may be automatically released for movement to the freight forwarder.

(h) Classified Shipments

It is the policy of the United States Government to release classified military materiel and information to foreign governments or to international organizations, when considerations relating to the foreign policy and military objectives of the United States indicate that the national interest will benefit from such action. The U.S. national interest requires that foreign recipients of U.S. classified military information provide to it a degree of security protection judged ade-

quate by responsible Department of Defense officials.

1. Classified military materiel and information shall be made available to foreign governments or to international organizations only in accordance with the provisions of DOD Directive 5230.11, DOD Regulations 5200.1R, 5220.22R and Part I, Chapter G (MASM).

2. As noted in the Directive, the DOD components shall assure that the appropriate security agreements regarding the sale of classified military materiel and information specify that it be afforded substantially the same degree of security protection, to include transmission and in-transit storage procedures, given the same information and materiel by the Department of Defense.

3. All foreign military sales of classified material and information shall be made only on a government-to-government basis.

(3) Exceptions to Delivery Policy.

(a) Exceptions to delivery policy will be noted on the DD Form 1513 on a case-by-case basis and approved by DSAA with concurrence of OSD/MRA&L.

(b) When shipment cannot be effected by collect CBL, due to tariff restrictions, refusal of carriers to accept collect freight shipments, or other reasons, the following actions are applicable:

1. When the DD Form 1513 so authorizes, the shipping transportation office may guarantee payment of charges on collect commercial bills of lading, or,

2. The country representative/freight forwarder may be requested to make "prepaid" arrangements with the carrier vice "collect".

(c) Government Bill of Lading (GBL). This procedure is not authorized except when specified in the DD Form 1513 and approved as an exception as in paragraph 9a(3)(a) above.

1. When the GBL is used, the DOD retains responsibility for the associated ad-

ministration, for processing claims against carriers, and for obtaining proof of delivery at destination. Therefore, such assumption of responsibility by the DOD will be limited to cases where shipment by CBL is for some valid reason determined to be impractical or inappropriate.

2. When a GBL is used, the DOD is performing a reimbursable service for the FMS customer and custody must not be construed to mean retention of title or acceptance by DOD of the risk of loss or damage.

(d) When materiel is authorized to move within the Defense Transportation System (DTS) or by other military-arranged transportation, materiel is shipped on appropriate movement documents in accordance with the provisions of Military Traffic Management Regulation. DOD is performing a reimbursable service for the FMS customer and custody must not be construed to mean retention of title or acceptance by DOD of the risk of loss or damage.

(e) The purchaser agrees, by signature on the DD Form 1513, to provide complete and timely supporting documentation for claims, if any, against DOD for those alleged improper or incomplete shipments which are not the responsibility of commercial carriers.

(f) Purchaser must also agree to obtain export licenses in a timely manner in order to assure that materiel is not delayed when ready for shipment.

b. U.S. Government, Purchaser and Freight Forwarded Responsibilities. There are normally three parties involved in the movement of FMS materiel; the U.S. Government, the purchaser and the freight forwarder designated by the purchaser. Each has specific responsibilities which must be met in order to assure that efficient movement of materiel for that portion moving through the commercial transportation system.

(1) The U.S. Government will:

(a) Initiate shipments to freight forwarders in accordance with the transportation instructions inserted on the DD Form 1513 (see MASM, Part III, Chapter D).

(b) Maintain proof of shipment.

(c) Provide necessary shipping information to enable country representatives/freight forwarders to process claim actions.

(d) Provide technical assistance and guidance (e.g., MILSTRIP/MILSTAMP documentation, ROIDs processing, cargo diversions) to country representatives/freight forwarders through the Military Department's liaison activities.

(2) The Purchasing Country must:

(a) Select the freight forwarder and clearly designate the country's requirements to the freight forwarder.

(b) Assure necessary export documents are obtained.

(c) Assure prompt response by freight forwarder to Notice of Availability.

(d) Assure claims for loss and damage are placed against carriers.

(e) Obtain commercial insurance against risk of loss or damage to materiel unless country is self-insured.

(f) Assure freight forwarder address and "mark for" instructions in Military Assistance Program Address Directory (MAPAD) is kept current to preclude misdirected shipments.

(g) Assure prompt payment of transportation charges.

(3) The Freight Forwarder should:

(a) Act as the traffic manager for the movement of FMS materiel on behalf of the purchaser, except as modified by paragraph 9b(1) (a) above.

(b) Direct the release of cargo in accordance with transportation terms of the DD Form 1513.

(c) Receive, handle, process, and transship FMS materiel.

(d) Book cargo on appropriate air or surface conveyances.

(e) Accomplish required documentation.

(f) Process claims for loss and damage against carriers.

(g) Advise purchaser or country representatives of current address for receipt of materiel and documentation.

c. Rules and Use of the Defense Transportation System (DTS)

(1) Those shipments approved for movement through the DTS will be made in accordance with the applicable regulations of the Military Services, Defense Logistics Agency, Military Sealift Command, Military Airlift Command, and Military Traffic Management Command.

(2) Normally, FMS materiel is to be transported by commercial carrier in accordance with arrangements made by the freight forwarder. The DTS is to be used only by exception approved by DSAA.

(3) Prohibition against Section 22 Rates. Section 22 rates, i.e., free or reduced rates for the United States authorized under Section 22 of the *Interstate Commerce Act*, are not applicable on FMS shipments. Such shipments will move under commercial carriers' tariff rates. There are, however, special circumstances under which Section 22 rates may be used. When stock fund items are shipped from manufacturer to depot and the ultimate consignee cannot be identified as FMS, the shipment may move on a GBL under Section 22 rates when available.

d. Cargo Preference. Use of U.S. flag vessels and aircraft will be applied to the fullest extent possible in all FMS cases in accordance with DODI 2110.12. See also Part III, Chapter D.

10. Customer Service

a. General

The purpose of this section is to emphasize

the importance of prompt and effective customer service, to outline some of the principal causes of customer dissatisfaction, and to provide policy guidance for the resolution of questions and complaints which may occur. Procedural guidance can be found in DOD Instruction 2140.3 as well as Joint Regulation DSAR 4140.55, AR 735-11-2, Nav/Sup Pub 4440.127, AFR 67-7, MCO 4430.3.

b. Customer Complaints

Inquiries and complaints of foreign governments usually stem from delays in shipping, non-receipt of proper materiel, overages, shortages, receipt of damaged or faulty equipment, or pricing or documentation questions. DOD policy requires that the Military Departments maintain a high level of quality control over the special procedures and operations relating to Foreign Military Sales shipments and documentation. Active programs for the detection, analysis and elimination of discrepancies will be maintained. Customer complaints will be given prompt attention, and every effort will be made to reach an equitable solution.

The importance of reporting discrepancies at the earliest possible date is stressed. Customers should be encouraged to use Standard Form 364, Report of Item Discrepancy, and the procedures relating thereto as set forth in DOD I-2140.3.

Where shipment is the responsibility of the receiving country, the customer should direct reports of discrepancy to his U.S. representative or freight forwarder. Copies of inquiries may also be provided the U.S. office which is designated to receive the original Letter of Offer/Acceptance or sales agreement. In countries where there are MAAGs, a copy of inquiries may also be provided these offices. Whenever significant political or readiness impact is involved, the MAAG will advise the Unified Command of the problem. If the matter is not satisfactorily and expeditiously resolved, the Unified Command, and/or component command, will notify the

headquarters of the department involved, with information copies to DSAA.

c. Overages

Purchasers may either accept and pay for the overage or reject the overage and return it, if so requested. When an overage is found to exist, the recipient will submit full particulars concerning the overage, and indicate whether or not retention is desired. If the purchaser does not desire to retain the overage, the RCO will furnish disposition instructions and issue a billing adjustment. Returned overages will not be charged to the recipient. If an overage is requested to be returned, transportation costs will be at U.S. expense. Should disposition instructions require reshipment to another location, the appropriate RCO will furnish complete instructions. In certain instances military components may authorize local disposal action by an agency of the U.S. Government.

d. Shortages

When the purchaser determines that a shortage exists, he should first ascertain that the carrier has received the proper quantity. If the carrier received an incorrect quantity, the purchaser should claim appropriate credit from the U.S. If the carrier is determined responsible for the shortages, the customer should initiate a claim against the carrier. In instances where the U.S. Government is responsible for transportation, all pertinent details of the short shipment should be referred to the RCO.

e. Erroneous Shipment

Erroneous shipment is defined as property shipped to a destination other than the desired consignee of the purchasing country appearing on the shipping document, or shipment of an item other than listed on the shipping document. The recipient in this case has the responsibility for advising the U.S. of details of the shipment. If the recipient requests retention of the materiel, billing will be pursuant to established procedures. If recipient elects to return the materiel at U.S. expense, the RCO will furnish him shipping instructions and issue a billing adjustment.

f. Damaged or Unserviceable Materiel

In the case of damaged or unserviceable materiel, the purchaser must first ascertain the probable cause. If the damage was inflicted by the carrier, a claim should be made by the purchaser to that carrier. If the damage apparently occurred prior to shipment, or is otherwise indicated to be the fault of the shipping agency, the discrepancy report should be forwarded to the appropriate service RCO for processing.

g. Complaints Regarding Services

Inquiries and complaints of foreign governments concerning services, such as training or technical representative assistance, should be directed by letter or cable to the activity designated to receive purchase orders, or to the headquarters of the service involved. Concurrently, the country should also notify the U.S. MAAG in the country to assure full coordination in correcting the deficiency. Following the same procedure as that applicable to materiel complaints, the MAAG will advise the Unified Command that the complaint has been filed.

11. Suspensions/Cancellations

In the event the Department of State determines that it is necessary to suspend Foreign Military Sales to any recipient country, DSAA will issue instructions to the Military Departments and the Defense Supply Agency based on the merits of each suspension or cancellation requirement. Any or all of the following specific requirements may be directed or requested:

a. Suspension or cancellation of the issuance of Letters of Offer and Acceptance (DD Form 1513) to the recipient government.

b. Suspension or cancellation of action on all accepted FMS cases for which supply action has not been initiated by the Military Departments.

c. Review of all FMS cases for which delivery has not yet been completed, in order to determine:

(1) Which items, if any, could be cancelled without cost to the U.S. Government.

(2) Which items, if cancelled, would result in cost to the U.S. Government.

d. Identification of the source of each item, and whether the transaction is cash, credit, or dependable undertaking, including the value of monies received with the order, or paid in by the purchaser up to the time of suspension.

e. Diversion of the items under order to other purchasers or for other purposes in the event the suspension were to become a cancellation.

12. Management Reports

Reports and EAM card submissions integrating supply and financial management of FMS are described in Chapters K and L.

SAMPLE FORMAT

Reporting Period: 1 April-30 June 1977

Report on Price and Delivery Schedule
Changes on FMS Cases

FMS Case	Original Cost \$	Revised Cost Last Report \$	Current Revised Cost \$	Original Delivery Schedule		Revised Delivery Schedule Last Report	Current Revised Delivery Schedule	Date 1513-2 Furnished To Country	Explanatory Remarks
				Item	FY Quarter				
XYZ	10,275,000	—	11,875,000	16 ea. widget M123	2/Qtr beg'g 3rd Qtr FY 78	same	2/Qtr beg'g 1st Qtr FY 79	15 April 77	Delay in contract award due to delayed U.S. requirements approval. Separate contracting action would have been uneconomical.

Figure F-1

CHAPTER G

FINANCIAL PROCEDURES

1. Purpose

This chapter provides a general description of the financial principles and procedures which apply for various FMS transactions. It is designed to provide an overview of FMS financing and the responsibilities of concerned activities. Detailed guidance on the financial functions of pricing, preparation of billings, and accounting is included in DOD Instructions 2140.1, 2140.3 and 2110.29.

2. Basic Principles

a. Recovery of Costs

The goal of FMS management is to conduct the FMS program at no cost to the US Government, while insuring prompt and complete service to the customer nation. Achievement of this goal requires a thorough understanding of procedures for pricing items or services furnished, administering FMS cases, and reporting of deliveries of materiel or services. The DD Form 1513 Offer and Acceptance contract makes it mandatory for the purchaser to pay for the full value of the transaction, regardless of terms of sale specified for the individual case.

b. Administration of Cash Sales Program

(1) Separate trust funds (account XX-11X8242.XX) have been established for each Military Department to account for payments received from customers and disbursements to suppliers for FMS cash sales. These funds can be either cited directly on contracts for FMS items for that customer, or can be used to reimburse Military De-

partment appropriations for deliveries (or progress payments made) of items initially procured by those appropriations.

(2) Each Military Department has established a central office to dispatch billings to, and receive payments from, FMS customers. This provides the customer with a single source to which payments can be made, and to which queries concerning these payments can be addressed.

(3) Cash payments deposited to the customer trust fund, other than for cash-in-advance sales, are based on requests for funds or billings submitted by the Military Department. Requests for funds under a dependable undertaking transaction will be submitted so as to insure receipt of customer payments in advance of delivery or contractor requirement for funds, regardless of whether Military Department appropriations or trust funds are cited on procurement contracts. Billings for Foreign Military Sales under 120 day payment transactions should be submitted at time of delivery. The accumulation of large unexpended balances in customer trust accounts, for substantial periods, should be avoided.

(4) Cash payments often will be received, for an individual FMS case, which are in excess of the final value of that particular case. With customer approval, these funds can be retained in the customer's trust fund and applied against other FMS cases. Upon customer demand, however, these overpayments will be refunded at the time the FMS case is closed, provided there are no collection delinquencies for other FMS cases for that customer.

c. Administration of FMS Credit Program

(1) The FMS credit appropriation provides initial funding of FMS or commercial sales under medium-term credit terms. Annual appropriation requirements are defended before Congress by OSD/DSAA. The appropriation is administered by DSAA.

(2) Customer payments of principal and interest, for items received under medium-term credit sales, are based upon the terms of individual credit agreements.

d. Preparation and Implementation of DD Form 1513 Letters of Offer

Military Departments are responsible for preparing DD 1513's and for establishing estimated prices and availabilities of defense articles and services offered for sale thereon, and for initiating and processing such amendments or modifications to the DD Form 1513's as may be appropriate. Military Departments are responsible for negotiating terms of sale for cash sales, in accordance with policy guidance provided by DSAA. They are responsible for establishing management systems necessary to insure prompt implementation of FMS cases, including those systems required to finance, account, and report accomplishment for each individual case. Copies of all DD 1513's and amendments thereto citing credit funding will be provided to the Comptroller, DSAA, at the time that they are submitted to the country.

3. Terms of Sale; Type of Assistance Codes

a. General

(1) A Letter of Offer for a sale of defense articles and services may involve one or more of the following sections of the Arms Export Control Act:

- Section 21. Cash sale from DOD stocks.
- Section 22. Cash sale from DOD procurement.
- Section 23. DOD direct credit extended to a purchaser to finance a sale from DOD stocks or procurement.
- Section 24. DOD guaranteed credit extended by a lending institution to a purchaser to finance a sale from DOD stocks or procurement.

(2) Terms of Sale and accompanying Type of Assistance codes indicate the statutory authority for a Foreign Military Sale; the time of payment for the sale; whether the sale is to be from DOD stocks or procurement; and whether the sale is to be financed on a cash or credit basis. The implementation agency enters the appropriate Terms of Sale and accompanying Type of Assistance codes in the "Terms" block of the Letter of Offer. The implementing agency uses Type of Assistance codes for MILSTRIP requisitioning purposes. Paragraphs b.(1)-(9) below list the Type of Assistance codes and Terms of Sale. If a Letter of Offer involves more than one of the Type of Assistance codes and Terms of Sale specified in paragraphs b.(1)-(9) below, the implementing agency will cite on the Letter of Offer all of the applicable Terms of Sale, associated dollar amounts, and Type of Assistance codes.

(3) The purchaser must pay cash in full with acceptance or make an initial cash deposit with acceptance as specified in paragraphs b.(1), (2), (3), (7), and (8) below. Where such payment is required, the purchaser must pay at the time of and as an integral part of acceptance of the Letter of Offer; in the absence of such payment, there is no legally binding Foreign Military Sales agreement.

(4) For that portion of the sale price for which the purchaser need not pay cash upon acceptance, the Security Assistance Accounting Center will bill the purchaser as required by paragraph b.(1)-(9) below, and in accordance with DOD Instruction 2140.3, "Foreign Military Sales Billing Procedures".

b. Type of Assistance Codes and Terms of Sale (Refer also to Table G-1)

(1) Cash Sale from Stock with Payment in Advance—Type of Assistance Code 3.

This type of Assistance applies to cash payments in advance of delivery/performance for a Foreign Military Sale which the implementing agency determines at the time of the offer will be from DOD stocks under

Section 21(b) of the Arms Export Control Act. The implementing agency will cite the following in the "Terms" block of the Letter of Offer:

(a) For a sale involving only articles to be delivered from DOD stocks, with source of supply code "S", "E", or "R" on the Letter of Offer, and DOD services the performance of which is to begin within three months after acceptance of the offer, with source of supply code and availability code "S(1)", "S(2)", or "S(3)" on the Letter of Offer—cite "Cash with Acceptance (Type of Assistance Code 3)".

(b) For a sale involving only DOD services the performance of which is to begin later than three months after acceptance of the offer, with source of supply code "S" and availability code "(4)" or more on the Letter of Offer—cite "Payment Prior to Commencement of Performance (Type of Assistance Code 3)".

(c) For a sale which involves a combination of the articles and services specified in paragraphs (a) and (b) above—cite "\$_____ Initial Deposits; Balance Prior to Commencement of Performance (Type of Assistance Code 3)". The amount of the Initial Deposit must equal the total value of the articles and services described in paragraph (a) above, plus the administrative and accessorial charges applicable to those articles and services.

(2) Source of Supply Not Predetermined—Type of Assistance Code 4.

This Type of Assistance applies to cash payment under Section 21 or 22 of the Arms Export Control Act for a Foreign Military Sale for which the implementing agency has not yet determined at the time of the offer the extent to which the source of supply will be DOD stocks or procurement. With the exception of a FMSO No. 2 arrangement, this Type of Assistance applies to any Letter of Offer for articles and services with source of supply code "X" on the Letter of Offer, including a "blanket order" agreement. The implementing agency will cite in the "Terms" block of the Letter of Offer: "\$_____ Initial Deposit; Balance as

Billed (Type of Assistance Code 4)". The amount of the Initial Deposit should include the total estimated value of articles to be delivered from DOD stocks, articles to be delivered from procurement within three months after acceptance of the offer, services from DOD stocks or procurement the performance of which is to begin within three months after acceptance of the offer, and the administration and accessorial charges applicable to these articles and services. The amount of this estimated Initial Deposit will be based on historical data for this type of FMS agreement. If no historical data are available, the amount of the Initial Deposit will instead consist of 25% of the total estimated value of all the articles and services to be delivered/performed under the agreement, plus 25% of the total estimated administrative and accessorial charges for the agreement.

(3) Cash Sale from Procurement with Payment in Advance—Type of Assistance Code 5.

This Type of Assistance applies to cash payment in advance of delivery/performance for a Foreign Military Sale which the implementing agency determines at the time of the offer will be from DOD procurement under Section 22(a) of the Arms Export Control Act. The implementing agency will cite the following in the "Terms" block of the Letter of Offer:

(a) For a sale from procurement involving only articles and services to be delivered/begun to be performed within three months after acceptance of the offer, as indicated by source of supply code and availability code "P(1)", "P(2)", or "P(3)" on the Letter of Offer—cite "Cash with Acceptance (Type of Assistance Code 5)".

(b) For a sale from procurement involving only articles and services to be delivered/begun to be performed later than three months after acceptance of the offer, as indicated by source of supply code "P" and availability code "(4)" or more on the Letter of Offer—cite "Dependable Undertaking (Type of Assistance Code 5)".

(c) For a sale from procurement which involves a combination of the articles and services specified in paragraphs (a) and (b) above—cite “\$_____ Initial Deposit; Balance on Dependable Undertaking (Type of Assistance Code 5)”. The amount of the Initial Deposit must equal the total value of the articles and services described in paragraph (a) above, plus the administrative and accessorial charges applicable to those articles and services.

(4) Cash Sale from Stock with Payment on Delivery—Type of Assistance Code 6.

This Type of Assistance applies to cash payment upon delivery of defense articles or initiation of performance of defense services which the implementing agency determines at the time of the offer will be from DOD stocks under Section 21(b) and the first sentence of Section 21(d) of the Arms Export Control Act. The implementing agency may use this Type of Assistance only pursuant to a written statutory determination by the Director, DSAA, that it is in the national interest to do so. The implementing agency will cite the following in the “Terms” block of the Letter of Offer:

(a) For a sale involving only articles to be delivered from DOD stocks, with source of supply code “S”, “E”, or “R” on the Letter of Offer—cite “Payment on Delivery (Type of Assistance Code 6)”.

(b) For a sale involving only DOD services, with source of supply code “S” on the Letter of Offer—cite “Payment on Commencement of Performance (Type of Assistance Code 6)”.

(c) For a sale which involves a combination of the articles and services specified in paragraphs (a) and (b) above—cite “Payment on Delivery/Commencement of Performance (Type of Assistance Code 6)”.

(5) Cash Sale from Procurement with 120 Day Payment—Type of Assistance Code 7.

This Type of Assistance applies to cash payment 120 days after delivery of articles or commencement of performance of services for a Foreign Military Sale which the implementing agency determines at the time

of the offer will be from DOD procurement under Section 22(b) of the Arms Export Control Act. The implementing agency may use this Type of Assistance only if the President makes the determination required by Section 22(b), and submits this determination to Congress with a special emergency request for authorization and appropriation of additional funds to finance the sale. The implementing agency will cite in the “Terms” block of the Letter of Offer: “Dependable Undertaking with 120 Day Payment (Type of Assistance Code 7)”.

(6) Cash Sale from Stock with 120 Day Payment—Type of Assistance Code 8.

This Type of Assistance applies to cash payment 120 days after delivery of articles or commencement of performance of services for a Foreign Military Sale which the implementing agency determines at the time of the offer will be from DOD stock under the last sentence of Section 21(d) of the Arms Export Control Act. The implementing agency may use this Type of Assistance only if the President makes the determination required by the last sentence of Section 21(d), and submits this determination to Congress with a special emergency request for authorization and appropriation of additional funds to finance the sale. The implementing agency will cite the following in the “Terms” block of the Letter of Offer:

(a) For a sale involving only articles to be delivered from DOD stocks, with source of supply Code “S”, “E”, or “R” on the Letter of Offer—cite “Payment 120 Days After Delivery (Type of Assistance Code 8)”.

(b) For a sale involving only DOD services, with source of supply code “S” on the Letter of Offer—cite “Payment 120 Days After Commencement of Performance (Type of Assistance Code 8)”.

(c) For a sale which involves a combination of the articles and services specified in paragraphs (a) and (b) above—cite “Payment 120 Days After Delivery/Commencement of Performance (Type of Assistance Code 8)”.

(7) Foreign Military Sales Order (FMSO) No. 1—Type of Assistance Code U.

This Type of Assistance applies to cash payment for a FMSO No. 1 Supply Support Arrangement authorized by Section 21 of the Arms Export Control Act and described in DOD Instructions 2000.8 and 2140.1. The purchasing government buys equity in a specified dollar amount of DOD stocks. DOD maintains that portion of its stock for eventual delivery to the purchasing government under a FMSO No. 2 requisition agreement. The implementing agency will cite in the "Terms" block of the Letter of Offer: "\$_____ Initial Deposit; Balance as Billed (Type of Assistance Code U)". The amount of the Initial Deposit must equal the value of the on-hand part of the stocks in which the purchaser is buying equity, plus the applicable administrative charge.

(8) Foreign Military Sales Order (FMSO) No. 2—Type of Assistance Code V.

This Type of Assistance applies to cash payment for a FMSO No. 2 Supply Support Arrangement, which permits the purchaser to submit requisitions for common repair parts and secondary items in the DOD stocks of which the purchaser has bought an equity under a FMSO No. 1 agreement. Section 21 of the Arms Export Control Act and DOD Instructions 2000.8 and 2140.1 apply. The implementing agency will cite in the "Terms" block of the Letter of Offer: "\$_____ Initial Deposit; Balance as Billed (Type of Assistance Code V)". The amount of the Initial Deposit must equal the total value of items to be delivered within three months after acceptance of the offer, plus the administrative and accessorial charges applicable to those items.

(9) DOD Direct or Guaranteed FMS Credit—Type of Assistance Code Z.

This Type of Assistance applies to payment in whole or in part with DOD direct or guaranteed credit for a Foreign Military Sale from DOD stocks or procurement, as specified in Sections 23 and 24(a) of the Arms Export Control Act. The implementing agency will cite in the "Terms" block of the

Letter of Offer: "Credit Agreement (insert purchaser) (insert three digit credit agreement number), dated (insert date), (Type of Assistance Code Z)". Example: "Credit Agreement Venezuela 721, dated 15 June 1972, (Type of Assistance Code Z)". If the sale is to be financed only in part by DOD direct or guaranteed FMS credit, the implementing agency will also cite in the "Terms" block of the Letter of Offer the appropriate cash Terms of Sale as indicated in paragraphs (1)-(8) above.

4. Financing and Billing for Foreign Military Sales under Credit Agreements Executed Subsequent to March 1972

a. Applicability

The procedures in this part apply to those credit agreements signed subsequent to March 1972. Procedures for processing earlier credit agreements including allocation of funds, processing of promissory notes, and routing of billings, have been published in DODI 2110.29 and in individual letters which remain in effect. General procedures for processing these earlier credit agreements are explained in paragraph 8 below.

b. Execution of Credit Agreements

(1) DSAA is responsible for negotiating all credit agreements with foreign customers. This includes determining the defense articles and services to be furnished, credit limits, and terms of repayments and interest charges. It also is responsible for obtaining apportionments of foreign military sales appropriation (account 11*1082), obligating these funds based upon signed credit agreements, and maintaining all accounting records for these funds.

(2) The customer has primary responsibility for insuring that the value of orders placed for credit financing do not exceed the amount of available credit. DSAA will monitor orders placed, via the DSAA (AR) 1100 system, and will advise Military Departments and the customers, as required, when the credit is fully utilized.

(3) Comptroller, DSAA responsibilities for maintaining all accounting records for the credit agreements include:

(a) Managing the appropriation account 11*1082.

(b) Causing funds to be disbursed from this account to pay billings which are properly payable under a given credit agreement.

(c) Submitting periodic billings to the customer for repayments of principal and interest, based upon the terms of the credit agreement and the completed promissory notes previously submitted by the customer.

c. Processing DD 1513 Letters of Offer and Purchase Arrangements for Credit Sales

(1) The Military Department involved prepares DD 1513's for FMS cases contemplated for credit financing based upon authorization received from DSAA, or upon advice from the customer that a given case is contemplated for financing under a credit agreement. When it is known that financing of an FMS case is to be from credit funds under an existing credit agreement, the implementing agency will cite the appropriate credit agreement in the "Terms" block of the Letter of Offer as specified in paragraph 3.b. (9), above.

(2) A copy of each DD 1513, which reflects FY 1972 or subsequent credit terms, will be forwarded to Comptroller, DSAA at the time that it is submitted to the country.

(3) Occasionally customers will request coverage, under a designated credit agreement, for FMS cases which previously have been implemented as normal cash sales. Such request may be approved by the Military Department involved, unless existing policy requires DSAA approval of the item content of the credit program involved. The implementing agency will document formal approval of the change in Terms of Sale by use of a DD Form 1513-1, and will forward a copy of this form to Comptroller, DSAA.

d. Processing and Routing Billings

Billing will be in accordance with DOD Instruction 2140.3, "Foreign Military Sales Billing Procedures".

e. Processing Promissory Notes

(1) The customer may satisfy the billing by sending a cash payment directly back to the military department billing office. However, if the customer desires to have the billing paid from DOD direct credit funds available under the credit agreement, he:

(a) Prepares and signs a promissory note for the amount of payment desired.

(b) Designates the date on which the disbursement of DOD direct credit funds is to be made.

(c) Sends the promissory note along with a copy of the billing to Comptroller, DSAA. This data is forwarded by a transmittal letter which specifies the credit agreement under which payment is requested. A copy of the transmittal letter is sent to the military department billing office.

f. Processing of Payments of DOD Direct Credit Funds

(1) Upon receipt of the promissory note and supporting documentation, Comptroller, DSAA verifies that:

(a) The purchase arrangement against which payment is requested has been authorized.

(b) The promissory note is correctly filled out.

(c) Unliquidated obligations under the Credit Agreement are sufficient to permit expenditure.

(d) Billings from Military Departments identify FMS case designations and amounts owed for each credit agreement.

(2) Comptroller, DSAA then causes an expenditure of DOD direct credit funds (account 11*1082), sending checks to the appropriate Military Department billing office, along with a notification identifying the

FMS cases and respective dollar amounts for which the check is drawn. The expenditure of funds should be made on the disbursement date designated by the customer (see paragraph 4.e.(1)(b)).

(3) Military Department billing offices receive the payment from Comptroller DSAA and deposit it to the trust fund account of the customer involved. The trust fund (account XX-11X8242.XX) then is cited for direct payments to suppliers or for reimbursement to the appropriate Military Department appropriation.

g. Processing Billings for Repayment of Principal and Interest

(1) Comptroller, DSAA has responsibility for sending to the customer all billings for the repayment of principal and interest under terms of the credit agreement.

(2) All customer payments of principal and interest will be made to Comptroller, DSAA, who will deposit the payments to appropriate miscellaneous receipts accounts of the U.S. Treasury.

5. Financing and Billing for Military Sales Guaranties

a. General Explanation

(1) Credit agreements occasionally stipulate that all or part of the credit financing is to be provided to the customer from private commercial sources. Under Section 24 of the AECA, the United States Government has authority to guaranty those commercial sources from losses due to default in customer repayment. In addition to the agreement between the U.S. and the customer, guaranty financing requires:

(a) An agreement between the U.S. and the commercial financing source, which outlines the conditions of the guaranty and stipulates the fee which the U.S. will charge for making the guaranty.

(b) An agreement between the commercial financing source and the customer, which outlines terms of repayment of the loan, interest rates, documentation required

to draw down funds under the loan agreement, etc.

(2) DSAA obligates funds, in the amount of 25 percent to 30 June 1974, 10 percent thereafter, of the value of guaranty loans, in the parent account of the FMS credit appropriation. As loan repayments are made by the customer to the commercial source, funds in the guaranty reserve which are in excess of 10 percent of contractual requirements are deobligated and returned to the general fund of the Treasury.

b. Procedures for Processing FMS Cases

(1) Procedures for preparing and routing DD 1513's, coding of documents, and routing of billings are identical to those explained in paragraph 4.c. and 4.d., above.

(2) Upon receipt of the billing, the customer is responsible for furnishing required documentation to the commercial financing source involved. Payments to satisfy the billing are made directly from the commercial financing source to the billing office of the Military Department. Payments are deposited to the trust fund account of the customer, which then is cited for direct expenditure to suppliers or for reimbursement to the appropriate Military Department appropriation.

6. Commercial Contracts Financed from DOD Direct Credit Funds

a. Applicability

The procedures in this part apply to those credit agreements signed subsequent to March 1972. Procedures for processing prior transactions of this type are published elsewhere and remain in effect.

b. Approval Process

(1) Credit agreements normally include provisions to allow DOD direct credit funds to be used to finance approved, specified contracts which have been executed directly between the customer and a contractor. The provisions provide, in general terms, for the customer to receive contractor billings, certify their correctness, and pass

them to DOD for payment to be made directly to the contractor.

(2) Based on formal country request, DSAA Sales Negotiation Directorate approves the commercial purchase from the designated U.S. supplier under a designated credit agreement.

(3) A copy of the Commercial Contract involved is furnished by the Customer to Comptroller, DSAA.

(4) Comptroller, DSAA responsibilities for these transactions are basically the same as those noted in paragraph 4b(4) above, plus those noted in paragraph 6e below.

c. Processing Billings and Promissory Notes

(1) The customer receives invoices from the contractor along with standard form 1034's. The customer then takes the following actions:

(a) Certifies the invoice as proper for payment.

(b) Prepares and signs a promissory note for the amount of payment desired. This normally will be in the amount of the invoice, but will be less than that amount if the customer intends to make partial payments from cash or private credit sources.

(c) Designates the date on which the disbursement of DOD Direct funds is to be made.

(d) Transmits the promissory note, the certification, and copies of the standard form 1034 in quadruplicate, to Comptroller, DSAA. Specifies the credit agreement under which payment is requested.

d. Processing Payments and Billings for Repayments of Principal and Interest

(1) Upon receipt of the promissory note and supporting documentation, Comptroller, DSAA verifies that:

(a) The purchase agreement against which payment is requested has been authorized.

(b) The promissory note is correctly filled out.

(c) Unliquidated obligations under the credit agreement are sufficient to permit expenditure.

(d) The standard form 1034 has been properly filled out in quadruplicate and that proper certification is made.

(2) Comptroller, DSAA then causes an expenditure of DOD direct credit funds, issuing separate checks directly to the contractors concerned.

(3) Billings for repayment of principal and interest are processed in accordance with 4.g., above.

e. Reporting of Transactions

(1) DSAA Comptroller assigns FMS case designators to identify these commercial transactions in the DSAA(AR) 1100 reporting system. To the extent possible, a separate case designator will be assigned to each contract which is to be paid from DOD direct credit funds.

(2) DSAA is responsible for reflecting the FMS case in the reporting system. The value of the case will be the estimated final value of the contract or transaction involved.

(3) Deliveries against each case will be reflected in the amount of disbursements made from DOD direct credit funds.

(4) When no further disbursement action against the case is contemplated, DSAA will take the action required to reflect the case as final in DSAA(AR) 1100 report records.

(4) FINCISCOM will advise, as a part of its report, when disbursements against the case are complete and no further action against the case is contemplated. DSAA will take the action required to reflect the case as final in DSAA(AR) 1100 report records.

7. Commercial Contracts Financed by Guaranty of Private Credit

This method of financing is authorized under Section 24 of the FMSA; this paragraph applies to contracts executed directly between the customer and the supplier. Re-

sponsibilities for executing agreements are the same as those included in paragraph 5a above. Procedures for routing and payment of contractor billings are determined by negotiation among the customer, the supplier, and the source of private credit. DOD financial responsibilities are those agreed in the guaranty agreement between the DOD and the lender, i.e., those required to guaranty the loan.

8. Processing Foreign Military Sales under Credit Agreements Executed Prior to April 1972

a. General Explanation

(1) This paragraph explains those procedures normally used to process credit sales authorized by credit agreements executed prior to April 1972. Legal authority for these sales is included in:

(a) Section 23 of the AECA for credit agreements executed subsequent to 30 June 1968. These sales are financed by the foreign military sales appropriation, account 11*1082.

(b) Section 524 of the Foreign Assistance Act of 1961, as amended, for credit agreements executed prior to 1 July 1968. These sales are financed by the former foreign military sales revolving fund, now termed liquidation of foreign military sales fund, account 11X4117.

(2) DODI 2110.29 establishes general policies for administering these credit agreements and provides detailed instructions for administering the accounts mentioned above.

(3) Variations to the procedures outlined below have been published by individual letters, as required to implement extraordinary transactions. These letters remain in effect.

b. Execution of Credit Agreements

(1) DSAA is responsible for negotiating all credit agreements with foreign customers. This includes determining the defense articles and defense services to be

furnished, credit limits, and terms of repayments and interest charges. It is responsible for obtaining apportionments of the foreign military sales appropriation (account 11*1082); apportionments are not required for the revolving fund (account 11X4117). DSAA obligates these funds based upon signed credit agreements and allocates obligational authority, as required, to the Military Department(s) responsible for supplying the items and services covered by the credit agreement.

(2) DSAA previously has assigned an executive agent for each credit agreement which involved more than one Military Department. However, the functions previously performed by the executive agent now have reverted to Comptroller, DSAA. These responsibilities are specified by individual letter and include:

(a) Preparing promissory notes, forwarding these to the customer, and receiving signed notes from the customer.

(b) Submitting periodic billings to the customer for repayments of principal and interest based upon the terms of the credit agreement and the signed promissory notes received from the customer.

c. Processing DD 1513 Letters of Offer and Acceptance and Obtaining Financing

The Military Department involved prepares DD 1513's for the items covered by the credit agreement. Terms of sale in the DD 1513 cite the applicable credit agreement. The Military Department then requests a transfer of obligational authority by the Comptroller, DSAA, from the appropriate credit account, to the extent that sufficient obligational authority has not previously been allocated to the Military Department. The funds, when received, can be cited for direct expenditures to suppliers or can be reserved to reimburse the appropriate military department appropriation for progress payments/deliveries made.

d. Processing of Payments of DOD Direct Credit Funds

The Military Department responsible for administering the FMS case disburses DOD direct credit funds (account XX-11*1082 or account X-11X4117, as appropriate) as contractor costs are incurred or as deliveries of items are made. The military department accounting and billing office then:

(1) Forwards periodic statements of account to the customer which reflect costs incurred for the FMS case(s) under the given credit agreement.

(2) Advises the Comptroller, DSAA, through the 1002 report, of the amounts and dates of disbursements of DOD direct credit funds for each case.

e. Processing of Promissory Notes and Billings for Repayment of Principal and Interest

(1) Based on information provided under paragraph 8.d.(2) above, the Comptroller, DSAA prepares promissory notes and forwards them to the customer for signature and return.

(2) The Comptroller, DSAA is responsible for sending all billings to the customer for the repayment of principal and interest under the terms of the credit agreement.

(3) The customer is instructed to forward all payments of principal and interest to Comptroller, DSAA, which receives these payments and deposits them to appropriate accounts of the U.S. Treasury.

9. Closing Foreign Military Sales Cases Financed under Credit Agreement Executed Prior to April 1972

a. Applicability

This applies to FMS cases financed from long-term funds under the terms of credit agreements executed prior to April 1972. These cases are reflected under type of finance code Z in the DSAA (AR) 1100 reporting system and in subsidiary military department systems.

b. Purpose

(1) Cash sales cases, and those cases financed from credit sources under the provisions of paragraph(s) 4 and 5, are con-

sidered closed, as far as the military departments are concerned, when delivery has been accomplished and collections of funds for each case equal the final value of materiel/services delivered to the customer for that case. DSAA is responsible for the management of the parent credit agreement and the recovery from the customer of the funds applicable to each credit agreement.

(2) The purpose of this procedure is to separate management of individual FMS cases from the parent credit agreement. Therefore, the military departments should close out all cases, promptly after all materiel/services for each case have been delivered, necessary adjustments have been made and final accounting statements have been issued to the customer.

c. Procedures for Closing Cases

The Military Department responsible for implementing the FMS case will report collections against the case in the DSAA (AR) 1100 report, on receipt of SF 1151 from DSAA. When the FMS case is fully delivered (i.e., supply complete), final pricing adjustments are made, and all disbursements from the appropriate credit transfer account have been made for the case, the Military Department responsible for implementing the case will:

(1) Insure that the total case value equals the final delivered value for the case. Any disagreements should be resolved prior to closing by adjusting the item detail value and total case value to the values delivered.

(2) Insure that any excess of total cost of deliveries over the case value as specified in the pertinent DD-1513 is paid by the country in cash or the country agrees to the use of credit funds are obligated by DSAA to cover the excess.

(3) In the reporting of collections, insure that total collections equal the final delivered value of the case reported in the DSAA (AR) 1100 report.

(4) Issue a final accounting statement for the case to the customer. Do not include any collection information on the statement. Include the following on the face of the statement:

"This case is financed under the terms of credit agreement (number), dated (date of credit agreement). (DSAA) will issue periodic billings for principal and interest, under the terms of the credit agreement, to cover costs of this and all other FMS cases financed under the credit agreement."

(5) Send a copy of the final accounting statement to DSAA and return all funds collected in excess of the delivered value of each case.

(6) To ensure that cases will be reflected as closed in the DSAA (AR) 1100 reporting system, the following checks should be made:

(a) Ensure that each detail record (RSN) reflects deliveries (quantity and value) equal to the purchase information contained in that record and that each record contains a completed line code (c).

(b) Ensure that the total value of all purchases in a case are within \$1 of the case value contained in the case record.

(c) Ensure that the collections are entered in fields to coincide with the fields used to enter case values (e.g., cash, DOD credit, etc.) and that in each instance collections are within \$1 of case values.

(d) Ensure that the record count submitted initially agrees with the number of detail records on file.

(e) If (1)-(4) above are completed, the case status should be C. The final action required at that time is to submit a card A to enter case status F.

d. Processing Discrepancy Report Credits

All outstanding discrepancy reports will be processed against a case prior to closing the case and, as long as the FMS case is open, the discrepancy report adjustment will be recorded against the affected case. When the affected case has been closed, the adjustment will be recorded against the trust fund account of the customer.

10. Multiple Sources of Financing

a. Reasons for Using Multiple Sources of Financing

(1) Customers occasionally finance major sales partially from cash and partially from credit sources. The two primary reasons for use of multiple financing are:

(a) The customer desires to pay cash for the transactions to the maximum extent possible, but must obtain partial credit financing because of inability to pay for the entire transaction on cash terms.

(b) The customer desires to utilize credit for the transaction to the maximum extent possible, but cannot obtain approval for DOD direct credit financing for the entire amount due to insufficient funds in the FMS credit appropriation or for policy reasons.

(2) In either event the customer is obligated to pay cash, under appropriate Terms of Sales as indicated in paragraphs 3.b.(1)-(8) above, for all costs of the sale which exceed the amount of credit authorized in the purchase approval for the sale.

b. Type of Assistance Coding Required for Cases Financed Under Credit Agreements

Type of Assistance coding will be as specified in paragraphs 3.a.(2) and 3.b.(9), above.

c. Criteria for and Routing of Billings for Cases Financed under Credit Agreements Executed Subsequent to March 1972

Billings for multiple financed FMS cases should be prepared and routed as if the cases were financed under normal cash terms. The customer has the option to satisfy each billing by paying cash, by obtaining payment via guaranty credit, or by obtaining payment from DOD direct credit funds.

d. Criteria for and Routing of Billings for Cases Financed under Credit Agreements Executed Prior to April 1972

(1) The customer is furnished only with statements of account for those costs which are covered by DOD direct credit funds, since no action is required by the customer prior to disbursement of these funds.

(2) The customer is provided billings for those costs which are covered either by dependable undertaking or guaranty financing. The billings are prepared and routed as if the cases were financed under normal dependable undertaking terms. The customer can satisfy each billing either by paying cash or by making payment from funds obtained via guaranty credit sources.

11. Overdue Billings and Delinquent Accounts

a. FMS Cash Sales

(1) The terms of sale of each DD 1513 dictate the timing, amounts, and due date for payment of the billings which Military Departments produce for each FMS case. The customer is obligated to make payments against these billings, on time and in full, by the terms of sale of the DD 1513. The Military Departments are obligated, in order to comply with the Foreign Military Sales Act to insure timely collection of funds which are due.

(2) Most problems of collection are due to late payment, rather than to any tendency of FMS customers to default on payments. Late payments frequently result from the customer's misunderstanding of terms of sale, the content of the billings, or the general problems of communication. Each Military Department should establish a procedure which fixes responsibilities for follow-up on overdue billings. Recognition should be given to the problem of improving communications with the customer on financial matters.

(3) Responsibility for collecting overdue debts for FMS cash sales is entirely that of the cognizant Military Department until it has exhausted means of collection available to it. These means include:

(a) Both formal and informal contacts with representatives of customer nation, at appropriate levels.

(b) Requests for collection assistance from the MAAG, or comparable organization, located in the customer nation.

(c) Formal or informal requests for collection assistance from OASD/ISA, as well as informal contacts with State Dept as required in order to determine approaches to be taken.

(4) When all internal means of collection have been exhausted, delinquent accounts should be referred to Comptroller, DSAA for further examination. Comptroller, DSAA then either will recommend further action to be taken by OSD or will cause the debt to be referred officially to the State Department for diplomatic assistance. Data provided by the Military Departments to support the debt referral should include:

(a) Origin and history of the debt including prior effort at collection.

(b) Validity of the claim, i.e., a discussion to identify any elements of the agreement which may be in dispute between the customer nation and the United States.

(c) A statement that the Military Department has exhausted its normal military channel with responsible foreign officials on behalf of the collection.

(d) Assessment of any adverse impact on our foreign policy or military relationships with the foreign customer if the issue is raised at the diplomatic level.

(5) Delinquent accounts receivable will continue to be carried on the accounting records of the cognizant Military Department, even though primary collection responsibility may have been passed to the Department of State.

(a) Sales Financed from DOD Direct Credit Funds

1. Timing, amounts, and due dates for payments of principal and interest, for FMS credit, are dictated by individual FMS Credit Agreements and by paragraph 12 below.

2. Comptroller, DSAA is responsible for initial follow-up of customer arrearages against FMS credit programs. Channels for follow-up are the same as those described in paragraph 11a. When internal means of collection are exhausted, Comp-

troller, DSAA will take action required to refer the indebtedness to the Department of State for diplomatic assistance.

12. Billing for Payments of Principal and Interest for the DOD Direct Credit Program.

a. Basis for Calculating and Submitting Billings

(1) Credit Agreements provide principal repayment schedules (normally semianual), and rates of interest, and interest repayment dates. Basically, Credit Agreements call for charging of interest on the amount by which disbursements of DOD Direct Credit funds exceed the amount of repayments of principal made.

(2) Unless otherwise specified in Credit Agreements, the date of the promissory note indicates the commencement of interest charges, at the rate indicated in the Agreement, against the principal amount reflected in the note. The criteria for dating promissory notes are included in paragraphs 4, 6, and 8.

(3) Billings for repayments of principal and interest will be issued sixty (60) days prior to the due date. The due date will be specified clearly on the billing. In no instance will the due date be less than sixty days subsequent to the date the bill is issued. Interest charges against promissory notes outstanding on the billing date will be projected through the day prior to the payment due date. Interest charges for promissory notes issued between the billing date and the due date will be included in the next subsequent billing.

(4) All payments received will be applied so as to liquidate first the interest included in the billing involved, with the remaining amount of the payment being credited to principal. Any overpayments against a given billing will be credited to principal, and the schedule for repayment of principal will be reduced as provided for in the individual FMS Credit Agreement.

(5) When previously issued promissory notes are adjusted upward or downward:

(a) Any overcollections of interest will be applied to principal, and the schedule for repayment of principal will be reduced as provided for in the individual FMS credit agreement.

(b) Any increased interest costs will be included in the next subsequent billing in the full amount.

b. Overdue Payments

(1) All repayments of principal and interest are due on the due date specified in the billing. Payments which are not received by the due date will continue to accrue interest, at the applicable daily rate.

(2) Any charges for interest which have accrued due to the late payment will be added to the next succeeding billing.

13. Reporting Collections of DOD Direct Credit Funds From DSAA and From Private Guaranty Credit Funds

a. The Military Department concerned with the implementation of the FMS case, upon receipt from DSAA of the cash transfer to DOD Direct Credit Funds, will:

(1) Record the received funds against the respective FMS case, and

(2) Report the funds as a collection against the case in the DSAA (AR) 1100 reporting system. The reported information will include all data from the SF 1151 document issued by DSAA, which identifies the applicable country and credit arrangement, and from the DD Form 645 (submitted by the Military Departments to DSAA) which identifies the applicable FMS case.

b. In the case of private credits or Federal Financing Bank (FFB) credits guaranteed by the Department of Defense, the Military Department concerned, upon receipt of the funds from the country, will:

(1) Record the received funds against the appropriate FMS case, and

(2) Report the funds as a collection against the case in the DSAA (AR) 1100 reporting system.

14. Sale of MAP Owned Property under FMS

MILITARY ASSISTANCE AND SALES MANUAL—PART III

Proceeds from the sale of MAP owned property are properly reimbursable to MAP appropriation 11*1080. The Military Department which transacts the sale should specify to DSAA at the time the DD 1513 letter of offer is prepared, the items being sold and any special conditions of sale. Comptroller, DSAA will issue special instructions required to insure reimbursement to the MAP appropriation.

15. Addresses of Military Department Central Collection and Billing Offices

- a. Department of the Army
U.S. Army International Logistics Command
New Cumberland Army Depot
New Cumberland, Pennsylvania 17070
- b. Department of the Navy
Commanding Officer
Navy International Logistics Control Office
Bayonne, New Jersey 07002
- c. Department of the Air Force

Air Force Accounting and Finance Center
ATTN: ACFR
3800 York Street
Denver, Colorado 80205

16. Addresses of Military Department Central Activities Responsible for Preparation and Issuance of Letters of Offer

- a. Department of the Army
Deputy Chief of Staff for Logistics (DALO-ILS)
Hqrs. Department of Army
Washington, D.C. 20310
- b. Department of the Navy
Chief of Naval Operations (063)
Hqrs. Department of Navy
Washington, D.C. 20350
- c. Department of the Air Force
Director of Military Assistance and Sales (AF/LGF)
Hqrs. U.S. Air Force
Washington, D.C. 20330

Table G-1

**TERMS OF SALE
AND
TYPE OF ASSISTANCE CODES**

<i>Action</i>	<i>Applicable Paragraph of MASM, Part III, Chapter G</i>	<i>Terms of Sale on Letter of Offer</i>	<i>Type of Assistance Code</i>	<i>Applicable Financial Annex of MASM Part III, Appendix D</i>	<i>Applicable Section of the Arms Export Control Act</i>
1. Advance cash payment for articles from DOD stocks, and for DOD services the performance of which is to begin within 3 months after acceptance of the offer.	3.b.(1)(a)	"Cash with Acceptance (Type of Assistance Code 3)"	Cash Sale from Stock with Payment in Advance—Code 3	Figure Appendix D-1 (D-5 for training)	Section 21(b)
2. Advance cash payment for DOD services the performance of which is to begin later than 3 months after acceptance of offer.	3.b.(1)(b)	"Payment Prior to Commencement of Performance (Type of Assistance Code 3)"	Cash Sale from Stock with Payment in Advance—Code 3	Figure Appendix D-2 (D-5 for training)	Section 21(b)
3. Combination of 1 and 2 above.	3.b.(1)(c)	"\$_____ Initial Deposit; Balance Prior to Commencement of Performance (Type of Assistance Code 3)"	Cash Sale from Stock with Payment in Advance—Code 3	Figure Appendix D-2 (D-5 for training)	Section 21(b)
4. Cash sale from source of supply not yet determined at time of offer.	3.b.(2)	"\$_____ Initial Deposit; Balance as Billed (Type of Assistance Code 4)"	Source of Supply Not Predetermined—Code 4	Various	Section 21 and/or 22
5. Advance cash payment for articles and services from DOD procurement to be delivered/begun to be performed within 3 months after acceptance of offer.	3.b.(3)(a)	"Cash with Acceptance (Type of Assistance Code 5)"	Cash Sale from Procurement with Payment in Advance—Code 5	Figure Appendix D-1 (D-5 for training)	Section 22(a)
6. Advance cash payment for articles and services from DOD procurement to be delivered/begun to be performed later than 3 months after acceptance of offer.	3.b.(3)(b)	Dependable Undertaking (Type of Assistance Code 5)"	Cash Sale from Procurement with Payment in Advance—Code 5	Figure Appendix D-6 (D-5 for training)	Section 22(a)
7. Combination of 5 and 6 above.	3.b.(3)(c)	"\$_____ Initial Deposit Balance on Dependable Undertaking (Type of Assistance Code 5)"	Cash Sale from Procurement with Payment in Advance—Code 5	Figure Appendix D-6 (D-5 for training)	Section 22(a)

Table G-1

Action	Applicable Paragraph of MASM, Part III, Chapter G	Terms of Sale on Letter of Offer	Type of Assistance Code	Applicable Financial Annex of MASM Part III, Appendix D	Applicable Section of the Arms Export Control Act
8. Cash payment on delivery of articles from DOD stocks.	3.b.(4) (a)	"Payment on Delivery (Type of Assistance Code 6)"	Cash Sale from Stock with Payment on delivery—Code 6	Figure Appendix D-4	Section 21(b) and first sentence of Section 21(d)
9. Cash payment on commencement of performance of DOD services.	3.b.(4) (b)	"Payment on Commencement of Performance (Type of Assistance Code 6)"	Cash Sale from Stock with Payment on Delivery—Code 6	Figure Appendix D-4 (D-5 for training)	Section 21(b) and first sentence of Section 21(d)
10. Combination of 8 and 9 above.	3.b.(4) (c)	"Payment on Delivery/Commencement of Performance (Type of Assistance Code 6)"	Cash Sale from Stock with Payment on Delivery—Code 6	Figure Appendix D-4 (D-5 for training)	Section 21(b) and first sentence of Section 21(d)
11. Cash payment 120 days after delivery/commencement of performance of articles and services from DOD procurement.	3.b.(5)	"Dependable Undertaking with 120 Day Payment (Type of Assistance Code 7)"	Cash Sale from Procurement with 120 Day Payment—Code 7	Figure Appendix D-6 (D-5 for training)	Section 22(b)
12. Cash payment 120 days after delivery of articles from DOD stocks.	3.b.(6) (a)	"Payment 120 Days After Delivery (Type of Assistance Code 8)"	Cash Sale from Stock with 120 Day Payment—Code 8	Figure Appendix D-4	Last sentence of Section 21(d)
13. Cash payment 120 days after commencement of performance of DOD services.	3.b.(6) (b)	"Payment 120 Days After Commencement of Performance (Type of Assistance Code 8)"	Cash Sale from Stock with 120 Day Payment—Code 8	Figure Appendix D-4 (D-5 for training)	Last sentence of Section 21(d)
14. Combination of 12 and 13 above.	3.b.(6) (c)	"Payment 120 Days After Delivery/Commencement of Performance Type of Assistance Code 8)"	Cash Sale from Stock with 120 Day Payment—Code 8	Figure Appendix D-4 (D-5 for training)	Last sentence of Section 21(d)
15. Foreign Military Sales Order (FMSO) No. 1.	3.b.(7)	"\$_____ Initial Deposit; Balance as Billed (Type of Assistance Code U)"	Foreign Military Sales Order (FMSO) No. 1—Code U	None Required	Section 21
16. Foreign Military Sales Order (FMSO) No. 2.	3.b.(8)	"\$_____ Initial Deposit; Balance as Billed (Type of Assistance Code V)"	Foreign Military Sales Order (FMSO) No. 2—Code V	Figure Appendix D-2	Section 21

Table G-1

Action	Applicable Paragraph of MASM, Part III, Chapter G	Terms of Sale on Letter of Offer	Type of Assistance Code	Applicable Financial Annex of MASM Part III, Appendix D	Applicable Section of the Arms Export Control Act
17. Sale of Articles or services from DOD stocks or procurement, financed entirely or in part by DOD direct or guaranteed FMS credit.	3.b.(9)	"Credit Agreement (insert purchaser) (insert 3 digit credit agreement) dated (insert date), (Type of Assistance Code Z)"	DOD Direct or Guaranteed FMS Credit— Code Z	Figure Appendix D-3	Section . 23 and/or 24
18. Combination of 1-17 above.	3.a.(2) 3.b.(9)	"As required (see MASM Part III, Chapter G, paragraphs 3.a.(2) and 3.b.(9))"	As required (see MASM, Part III, Chapter G, paragraphs 3.a(2) and 3.b.(9))	Various	Section 21, 22, 23, 24, as appropriate

CHAPTER H

FOREIGN MILITARY SALES—COMMERCIAL AVAILABILITY

1. Purpose

This chapter establishes guidelines for sale by the Department of Defense of articles and services which are commercially available. Provisions of this chapter apply to all elements of the Department of Defense.

2. Legislative Provisions

a. The Arms Export Control Act, as amended, states that: "It remains the policy of the United States to facilitate the common defense by entering into international arrangements with friendly countries which further the objective of applying agreed resources of each country to programs and projects of cooperative exchange of data, research, development, production, procurement, and logistic support to achieve specific national defense requirements and objectives of mutual concern," and that "all such sales be approved only when they are consistent with the foreign policy interests of the United States."

b. The Act also states: "No license may be issued under this Act for the export of any major defense equipment sold under a contract in the amount of \$25,000,000 or more to any foreign country which is not a member of the North Atlantic Treaty Organization unless such major defense equipment was sold under this act."

3. Department of Defense Policy

The DOD recognizes that, within the objective and limitation stated in paragraph 2 above, there are cases in which it is advantageous to encourage the use of commercial sources by foreign purchasers.

Responsibility for determining whether, within the context of this chapter, an item or service is to be offered for sale by DOD rests in the first instance with the Military Department processing the foreign government's purchase request. Questions of interpretation should be referred to DSAA for decision.

Nothing in this chapter will be construed as precluding DOD from making any sale, regardless of the defense articles or services involved, that is approved on a case-by-case basis by the Director, DSAA.

4. Guidelines for Determining Commercial Availability

a. It is the responsibility of the commercial source to inform the Department of Defense that items they manufacture are commercially available for sale to foreign countries and that it is their desire that the item not be sold via FMS. DOD components should not solicit such information from commercial sources. After notification by a commercial source that an item is commercially available and provided that such commercial source is fully capable of meeting the foreign countries requirements, the following additional criteria must be met before an item or service will be considered commercially available:

(1) The foreign country has the necessary technical and administrative capability to make a prudent purchase of the item or service directly from U.S. commercial sources. A previous commercial procurement of the same or similar item or service could be one form of evidence of such capability.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(2) There is no specific government-to-government agreement approved by the Director, DSAA, or higher authority, covering such sale.

b. Special Cases. In addition, provided the above criteria are met, an item or service will be considered to be commercially available under any of the following conditions.

(1) The item or service has been determined previously to be commercially available to other foreign purchases; provided, however, that such previous determination shall not be considered as making the same determination mandatory in any given case.

(2) The Military Department concerned is aware of a previous request by the purchasing country for price and availability data from a U.S. commercial source.

(3) The defense item or service requested is covered by a known exclusive licensing arrangement in the territory where the purchasing government is located.

(4) The items are not directly related to a requirement for support or maintenance of military equipment. Examples of items in this category are listed in Part II, Chapter C, paragraph 5.d.(9).

c. Coordination Guidelines. The following type of commercial availability transactions must be coordinated with DSAA Operations:

(1) All notifications to a foreign country that an item is commercially available.

(2) If an item is commercially available but a DOD component has information which would justify the sale of that item via FMS.

(3) If a foreign country has been notified that an item is commercially available, but still insists on and provides justification for an FMS transaction, and the DOD component concerned recommends an exception or non-exception to the above Guidelines for determining commercial availability.

5. Guidelines for Sale Through FMS Procedures

In the absence of special circumstances, the following types of cases normally will be sold through FMS procedures if requested by the foreign purchaser:

a. Classified articles and services.

b. Supply Support Arrangements and similar follow-on support sales arrangements.

c. Surplus personal property including MAP disposable property.

d. Department of Defense long supply stocks when, in the judgment of the Military Department concerned, reduction of such stocks is desirable.

e. Repair parts or components normally carried in DOD stocks, and support services, when, in the judgment of the Military Department concerned, such parts, components or services are required for follow-on support of end items previously sold by the Military Department.

f. All ammunition rounds above 20mm in caliber.

g. All aircraft flares which are not procured in complete form from commercial sources.

h. All defense items which contain components as Government-Furnished Equipment (GFE).

i. Any defense item normally procured by the Military Department which the U.S. producer requests be sold through FMS channels provided that such FMS does not infringe on a known exclusive licensing arrangement covering the territory in which the purchasing government is located.

j. Any defense item not normally procured or type-classified by the Military Departments, when the FMS is requested by a foreign government and the U.S. producer agrees, provided that such FMS does not infringe upon a known exclusive licensing arrangement covering the territory in which the purchasing government is located.

k. Any defense item or service known to be available from two or more producers

which a foreign government insists on procuring through FMS procedures for which the foreign government designates a sole-source producer. In such cases the foreign government will be requested to negotiate its own price directly with the designated sole-source producer. In the event that the foreign government is unable or unwilling to negotiate directly with the producer, the foreign government will not be quoted an option price except when:

(1) The option clause of the contract with the defense contractor specifically includes add-ons for FMS; or

(2) The original contract included consolidated quantities for FMS; or

(3) The defense contractor, after being informed of an add-on for FMS, agrees to its inclusion at the option price, thereby waiving any claims for reimbursement of promotional expenses, fees and additional profit.

1. Those defense articles which, if provided through commercial channels could adversely affect deliveries to a U.S. Military Department or other FMS customers under existing contracts.

6. Special Exception—Federal Republic of Germany

In accordance with a special agreement with the Federal Republic of Germany, any defense article or service that would otherwise be available for sale to Germany may, on request of the FRG, be sold through FMS even though it may qualify as Commercially Available under the criteria set forth in paragraph 4 above.

7. Procedures for Processing Requests for Sale or for Price and Availability Data

a. The Military Department concerned, upon receipt of a request for sale, or a request for price and availability information, will screen the request against the criteria in paragraphs 4 and 5 above to determine if the article is to be considered commercially available. If it is so determined, the Military Department shall promptly inform

the foreign purchaser of such commercial availability and of DOD policy regarding the sale by DOD of such item or service. Delay in providing this information in the past has led to a justified inference by the foreign purchaser that DOD was prepared to sell the item or service requested. Such notification should be provided within two weeks of receipt of the request for sale of the item or service. An information copy of the notification will be provided to DSAA. In the event that the Military Department considers that there are important factors justifying an exception to policy in a specific case, the matter shall be referred to the Director, DSAA, for decision together with the Military Department's recommendation and reasons therefor. Referral to DSAA of matters requiring a decision shall be made within two weeks of receipt of the request from the foreign purchaser.

b. In cases where a request for price and availability data, or a request for a Letter of Offer, is received from a country falling within the area of a known exclusive U.S. license, the following special procedures will apply:

(1) The prospective buyer will be provided with the name of the foreign firm involved and informed that this firm has exclusive rights in that country relating to the sale of the item or service being sought.

(2) In the event the prospective buyer insists that it wishes an FMS transaction, it should be advised that the request should be set forth in a letter from the Minister of Defense or the Deputy Minister of Defense (or the equivalent) outlining the reasons for the desire to purchase by means of an FMS transaction rather than from the foreign licensee.

(3) On receipt of such written request containing justification, the Director, DSAA, will advise the foreign firm involved (or its designated representative in the United States) in writing of such request, provide the foreign firm with a copy of the written request, if unclassified, and of other unclassified records pertinent and material to the

transaction, and give the foreign firm an opportunity to provide data pertinent to the request, including a statement as to the amount of financial return to the U.S. economy should such a sale be made by the foreign firm.

(4) In the event it is determined that price and availability data is to be provided, or that a Letter of Offer and Acceptance (DD Form 1513) is to be issued to the requesting government, the Director, DSAA, will so advise the foreign firm, and will provide upon its request relevant unclassified and non-proprietary pricing and availability data. The foreign firm shall be advised of all renewals, modifications or extensions of such Letter or Offer and Acceptance prior to acceptance by the purchasing country.

c. In implementing these procedures each DOD element or agency involved in processing purchase requests will, to the extent such activities are known, keep the Director, DSAA, the Military Department, and MAAGs or other appropriate in-country DOD representatives informed of significant commercial sales activities.

8. Documents Rescinded

Secretary of Defense memorandum dated 6 August 1970 and Assistant Secretary of Defense memorandum I-12902/69, concerning sale of commercially available items by DOD are hereby rescinded.

CHAPTER J

FOREIGN MILITARY SALES TRAINING (FMST)

1. Purpose and Scope

a. This chapter provides guidance and instructions for providing military training to eligible nations as authorized under the Arms Export Control Act.

b. Basic guidelines applicable to FMST are similar to those prescribed for the IMETP in Chapter E, Part II. Therefore, this chapter addresses those training matters unique to FMST or requiring elaboration/deviation from IMET procedures.

c. Unless otherwise specified in this chapter, FMST is subject to all rules and limitations applicable to FMS generally.

2. General Guidance

a. The Arms Export Control Act (AECA) authorizes the sale of defense articles and defense services to eligible foreign purchasers. The AECA states that defense services include training for FMS purposes.

(1) Training includes both formal and informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, or contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aids, orientation, training exercises, and military advice to foreign military units and forces.

(2) Section 21(c) of the Arms Export Control Act prohibits the performance by personnel performing FMS defense services (including FMS training) of any duties of a combatant nature (including those related to training, advising or otherwise providing

assistance regarding combat activities) outside the United States in connection with the performance of those defense services. This prohibition is applicable only during hostilities involving the country in which the defense services are being performed.

(3) The full cost to the USG of furnishing defense services to a foreign purchaser must be paid by the foreign purchaser. Payment must be cash on acceptance unless a Presidential Determination is made that it is in the national interest that payment be made prior to performance of the defense service (training). For billing purposes, formal training is considered performed the date the student enters the course, or in the case of Mobile Training Teams (MTTs) or Field Training Services (FTS) when the team member departs home station. At all times, there must be cash available in advance of performance of the training. Normally, training beginning in an upcoming fiscal year will not be charged to the training case for the previous year.

(4) Bilateral, combined, or multilateral exercises conducted to test and evaluate mutual capabilities do not require authorization or funding under the Arms Export Control Act. Costs of foreign participation in such exercises may not be directly paid or reimbursed from DOD funds, including O&M funds. DOD funds are to bear only costs of U.S. Armed Forces participation, which would have been incurred in absence of foreign participation in the exercise. The costs of any U.S. support provided to the participating countries or international organizations for training exercises must be reimbursed under an FMS case.

(5) Outside the context of an exercise,

USG costs of providing training for foreign military or paramilitary personnel must be borne by the foreign government or international organization under an FSM case unless there is separate and specific statutory authorization for such training, as in the case of the senior ROTC program or U.S. service academies. Existing authority and regulations do not permit formal and informal training (to include orientation, observation, or familiarization, as opposed to short informal visits) on a non-reimbursable or quid-pro-quo basis.

b. FMST Initiation and Programming Sequence

(1) Although not constrained by country U.S. dollar ceilings as in IMET, the same general initiation and annual programming process applies to FMST. Eligible foreign purchasers may initiate training requests through several channels: designated U.S. defense organizations in-country, responsible for security assistance functions; foreign embassy, purchasing mission or other representative in the U.S. Category "A" countries (Table A-2, Part III, Chapter A) may submit training requests directly to the Military Departments (with information to DSAA and Department of State). Requests from Category "B" countries require submission to and approval of the Departments of State and Defense prior to action within the Military Departments (MilDeps). Requests for establishing new FMST programs in countries where no FMST program previously existed should be made through the American Embassy to the Department of State. With an info copy to SECDEF, foreign purchasers, with assistance of DOD security assistance organizations in-country, are encouraged to develop annual FMS training programs.

(2) Except for countries having large complex FMS programs which can be more efficiently managed by bilateral conferences, annual country programs should be reviewed, and where appropriate, integrated with country IMETP requirements during the training workshop conducted by the Unified Commands. (See Chapter E, para

8.b.(3)). The program presented by the country representatives should be fully coordinated with the host government and, as nearly as possible, represent the country's annual training requirements. FMS programs will be accepted for planning and capabilities and allocating quotas. When appropriate, program may also be accepted as requests for LOAs. Scheduling FMST annually through regular workshop procedures is encouraged.

(3) A 25 percent deposit is normally required for annual training cases using open-end LOAs in excess of \$25,000. Full payment in advance is required on cases less than \$25,000 or 90 days duration. Countries having both IMET and FMST programs should assure that the programs complement each other.

(4) Unprogrammed training requirements, not included in the annual program, are handled on an exception basis. Unscheduled requirements often have an adverse impact on the total training effort, particularly in training courses where quota availability is a major constraint, or those involving short notice assignment of MTT personnel from operational units for specialized requirements and preparation of tailored curricula. In addition, unprogrammed training requirements distort planning and make forecasting ineffective. Annual training programs should, therefore, be adhered to as initially developed and reviewed at workshops with add-ons during the program year being discouraged.

(5) Upon determination of capability, the MilDeps will assign an FMS case identifier number, prepare the LOA and submit it to the appropriate country representative for acceptance and deposit of funds as required. The MilDep will implement (authorize issuance of ITOs or travel orders) only after the case has been accepted and funded, and obligation authority has been granted by the Security Assistance Accounting Center (SAAC). Any exception to this must be approved by DSAA, Comptroller.

(6) After implementation, increases in the scope of definitive training require-

ments must be made using DD Form 1513-1 (Amendment to Offer and Acceptance). Customer requested changes for addition/deletion of programmed students or courses for a signed FMS case are not considered a change of scope if the same general area of training and the number of students are not substantially changed as stated in the DD Form 1513 and formal amendments. However, all changes which reflect an increase in price of \$50,000 must be coordinated with DSAA. For deletions and for changes not affecting scope, the DD Form 1513-2 (Notice of Modification of Offer and Acceptance) should be used. (See para 10, Chapter D, Part III).

(7) Changes in requirements within the dollar ceiling of annual open-end training cases do not require the use of DD Form 1513-1 or DD Form 1513-2. Such changes to these cases may be made administratively.

(8) The IMET 5th quarter planning and programming concept is not applicable to FMST.

c. Training Requirements Related to the Purchase of Major Equipments

(1) Training is an essential and often key element in the successful introduction of a new end item or weapons system. The time required to conduct adequate training should be given careful consideration when requesting delivery dates of equipment. In developing a training plan for a particular end item of equipment or weapons system, the needs of each country must be considered individually. While general training requirements can be determined for any item, the exact composition and duration of the training program will vary based on the individual requirements and capabilities of the country.

(2) Training programs must be planned realistically, taking into account the skills that must be developed, the background and experience of the individuals selected for the training, and the time required to plan, implement, and complete the program. In the final analysis, the success of any training program will depend upon student capability

and potential for success. The individual and collective performance of the students will set the pace and measure the true progress of a program.

(3) Training in support of FMS equipment purchases should normally be programmed and accomplished as separate FMS training cases; however, when more appropriate, training may be included as part of the overall equipment sales case. Training under the IMETP will not be employed to support equipment purchases. Requests for exceptions to this policy should be referred to DSAA with appropriate justification for consideration on a case-by-case basis.

3. English Language Training

It is the responsibility of the foreign country to assure that trainees meet the English comprehension level (ECL) required for direct entry into the DOD school system. In-country English language training programs (ELTP) should be used. Countries without an adequate ELTP should be encouraged to develop a program to qualify trainees for direct course entry or as a minimum for entry into the Defense Language Institute English Language Center (DLIELC). Minimum ECL score for entry into DLIELC is 55. Conditional entry is authorized for students with an ECL of 45-55 when authorized by U.S. representatives in-country. Where clearly justified, on a case-by-case basis, exceptions to these requirements may be approved by the cognizant Military Department.

4. FMST Tuition Rates

a. Pricing of FMST tuition rates will be in accordance with DODI 2140.1. Certain costs, such as students' meals, custodial fees for quarters, medical care and transportation are not included in tuition rates but are paid through the LOA, or other means, by the purchaser.

b. The extracurricular activities related to the Information Program (IP) are considered an integral part of the foreign training effort and therefore costs thereof will be

included as part of the tuition rate. Funds for FMS students are generated by including appropriate expenses in the course tuition rate and are made available to the training activities through reimbursement from the FMS case.

c. An asset use charge of 2 percent will be applied to the total of all tuition rates (other than flying courses for which 4 percent will be applied). The asset use charge is reimbursement for the use of installed U.S. facilities and equipment, and will be computed after all other direct and indirect costs have been determined. Asset use charge must be deposited into Miscellaneous Receipts and legally may not be used to reimburse specific Service appropriations. (DOD Instruction 2140.1)

5. Cancellation of Training—Penalty Charge

a. Purchasers must submit rescheduling or cancellation requests at least 60 days in advance of the scheduled course start date. In the event cancellation or rescheduling is requested less than 60 days prior to the scheduled student report date, the FMS case will be billed for 50 percent of the cost of the course(s) which commence within that 60 day period. The date the request is received from the country by the duly appointed and recognized United States representative will constitute the official notification date. The cancellation penalty will not be applied when (1) cancellation is due to the fault of the U.S. (deletion of classes, rescheduling, etc.), (2) when the cancellation is due to unavoidable circumstances within country, such as national disaster, or (3) cancellation entails no loss to the U.S. in terms of cost or training capability. The 60-day penalty provisions will be effective upon the date the LOA is signed by the country.

b. FMS countries will be charged a proportionate share, but not less than 50 percent of the tuition rate for trainees not completing a course of instruction.

6. Training at Civilian Institutions

a. Although Section 47 of the Arms Export Control Act authorized foreign students to attend civilian institutions under FMS, normally this type of training requirement is more appropriately handled by direct negotiation between the civilian institution and the purchasing country. Training at civilian institutions, therefore, generally will not be accomplished under FMS. Requests for exceptions to this policy should be addressed to DSAA, Comptroller.

b. Training by Contractors

(1) Foreign military personnel receiving training directly negotiated between the purchasing country and a contractor are not authorized use of U.S. military facilities in support of commercial training.

(2) Room and board, medical care and related support arrangements for students are to be arranged between the contractor and the purchasing country. Administrative support for direct contractor training normally is not provided through an FMS case.

7. Transportation and Travel

a. The purchasing country is responsible for all transportation and travel costs for FMS students. These costs are not included in the LOA.

b. Although any desired mode of travel or carrier can be used, use of U.S. civilian carriers is encouraged. Trainees are authorized to travel by Military Airlift Command (MAC) aircraft if so stated in their ITO. Reimbursement for MAC travel will be on a direct billing basis at the non-government rate.

c. Since baggage shipping costs are paid by the purchasing country, no limitation is established; however, students are encouraged to limit baggage and instructional material to a minimum. Cost of baggage is not included in the FMS case.

8. Living Allowances/Privileges

a. **Living allowances** of FMS students are defrayed by the student or by his government. The purchasing country should assure that students receive sufficient allowances to meet all mandatory living costs and personal expenses. Allowance costs are not included in tuition course costs, nor are they included in the FMS case.

b. **Subsistence.** Officers and enlisted personnel will pay for meals taken in government dining facilities at the rate prescribed by the Military Departments.

c. **Quarters.** All FMST students who occupy military quarters must personally pay the service charge or custodial fee as established by the installation commander.

d. **Privileges.** Foreign military personnel involved in security assistance training, on competent orders (ITOs) authorized by the Military Departments, and *bona fide* dependents, will be extended commissary, exchange and similar privileges ordinarily available to military personnel of the U.S. Armed Forces of similar rank. Equivalent rank assigned in the ITO must be based on U.S. Armed Forces grade structure, reflecting time in service, experience and age—not the rank title of the foreign country.

e. **Medical care.** Foreign personnel (involved in security assistance training, on competent orders (ITOs) authorized by the Military Departments, and *bona fide* dependents are eligible for care in DOD medical (to include dental) facilities.

(1) Foreign Military trainees of non-NATO nations and all related civilian trainees will be provided medical care on a space-available, reimbursable basis at rates established by DOD.

(2) Foreign military trainees from NATO countries will be furnished medical care in the same scope and same costs as for U.S. military personnel and their dependents.

9. Training of Civilians Under FMS

a. Foreign civilian personnel may receive training provided they are Ministry of Defense (MOD) employees of eligible FMS

countries. Civilians must meet the normal course requirements, including proper security clearance when necessary.

b. Civilians are generally afforded the same protocol status as their equivalent military counterparts as shown in the ITO.

c. Civilians are not authorized commissary and exchange privileges. However, MilDeps may grant exceptions to this policy where warranted by unusual circumstances.

10. FMS Orientation Training Courses and Visits

a. Orientation training and visits as described in Chapter E, Part II are available to FMS purchasers on a full reimbursable basis to include expenses for a U.S. escort officer(s), CONUS travel of tour participants, local project officers, extraordinary expense and asset use charges. U.S. organizations in-country responsible for security assistance will plan orientation visits far enough in advance to permit adequate planning, and during the negotiation phase, will specify any unusual tour requirements.

b. Each orientation tour will be covered by a separate FMS case except when an open-end FMS training case exists against which, with the consent of the country, the cost of the tour is to be applied.

11. Mobile Training Teams (MTTs), and Field Training Services (FTS)

MTT and FTS as described in Chapter E, Part II are available to FMS purchasers on a fully reimbursable basis in accordance with DODI 2140.1, to include those costing factors for IMET as well as full pay and allowances of team's member. Planning and funding are as indicated for tours in paragraph 10, above. MTT and FTS should be included as a separate training item.

12. Training Relations

DOD organizations in foreign countries responsible for managing security assistance activities have the same responsibilities for FMST as for IMET, where practical, the

foreign governments will be encouraged to the maximum in supervising and administering their training programs (e.g., language testing, preparation of ITOs, pre-departure briefing, etc.).

13. Restrictions on Transfer of Training

Purchasing governments may not transfer training related to the use of U.S. materiel or services to other countries or organizations, or to anyone not an officer, employee, or agent of the purchasing government, nor use or permit the use of such training for purposes other than those for which furnished, without the consent of the USG. Therefore, technical skills and information acquired through U.S. training may not be used by the purchasing country to train personnel from a third country unless approved in advance. Countries should submit, via diplomatic note to the Department of State, requests for USG consent to transfer of training to third parties. If such requests are received by the Military Departments, they should be referred to DSAA, Comptroller for forwarding to the Department of State.

a. DOD policy on the sale of police training is as stated in para 3a(23), Chapter B, Part III based upon the restrictions placed on such training under IMET by Section 660 of the Foreign Assistance Act of 1961, as

amended. (See Chapters C and E, Part II). Training on a sales basis must be in support of military missions, including internal security, and not related to civilian law enforcement. Any request for training of units or individuals engaged in on-going civilian police functions will be reviewed by DSAA, Comptroller on its own merits. Major consideration is given to the type of training requested, purpose of training, functions the individual or unit will perform and organizational structure of the unit. Generally, the organization or individual must be under the control of the Ministry of Defense and not be engaged in on-going civilian police functions. (See para 3a(23), Chapter B, Part III).

14. Intelligence Training

Military intelligence training is a component of professional command staff training programs. The scope of military intelligence training normally available under FMST is limited to that which is directly related to combat or operational intelligence. All training requirements will be reviewed carefully by the Military Department and, wherever determined to be potentially sensitive, prior approval of DSAA will be obtained.

CHAPTER K

FOREIGN MILITARY SALES REPORTING SYSTEM

1. Purpose

The purpose of this chapter is to provide a general description of the concept and characteristics of the FMS reporting system and provide rules and instructions for preparing data cards used in the system.

2. Concept

a. An automated data base is maintained by DSAA containing information on country requests, on status of cases and associated detail data when a case is offered and subsequently implemented.

b. The reporting system covers the status of sales negotiations as well as the execution of accepted sales cases. Reporting commences as soon as a valid Letter of Request (LOR) is received by the Implementing Agency and continues until the final delivery is made; final statement of accounts is rendered; and final collection of funds is received from the foreign government. Offers which are withdrawn by the U.S. or declined by a foreign government or accepted cases which are subsequently cancelled by either the foreign government or the U.S. are not deleted from the master file, but are retained as inactive records for a period of time after the initial offer date.

c. The FMS reporting system contains three types of records, Letter of Request, case and item detail:

(1) A Letter of Request (LOR) record contains the case, country and IA, several critical dates and a brief description of the LOR. If the IA does not include a suspense date when the LOR card is initially provided to DSAA, a suspense date of 60 days from IA receipt of request will be automatically

established. As offers are transmitted to DSAA the LOR record is updated to indicate that the case is in offer status.

(2) A case record contains the identification of the sales case, a description of the contents of the case, the important transaction dates, the case value, a major defense equipment code, security classification and ceiling management related codes. Case records are created when DSAA countersigns the DD Form 1513 and an offer is first made, and are maintained in the file permanently, unless deleted by a specific transaction. One case record will be established for each sales agreement between the U.S. government and a foreign government or international organization as documented by DD Form 1513 or other equivalent documents.

(3) A series of item detail records is established at the time a case is offered to specify the materiel and services contained within the case. Item detail records reflect the identification of materiel and services, the quantities and/or values purchased, delivery commitments, delivery forecasts and the cumulative deliveries made. Item detail records are established at the level prescribed by the Military Articles and Services List (MASL).

3. Reporting Frequency

The FMS reporting system operates under the following reporting cycle:

a. Data cards for valid Letters of Request must be submitted to DSAA within 10 calendar days of receipt of the request by the IA. If the established suspense (TENDER OFFER NLT date) cannot be completed on or before the suspense date then an extension card must be forwarded to DSAA prior to

the suspense date to preclude the LOR's appearance on the LOR EXCEPTION REPORT. On requests where it is anticipated that the DD Form 1513 cannot be completed and forwarded in 60 or less days, such as cases greater than \$25 million, the IA should provide a suitable suspense date in the initial LOR card submission to DSAA.

b. Data cards required to establish case records are entered into the system within five working days after the formal offer is countersigned and tendered. Likewise, changes in case status or case value must also be reported within five working days of such actions.

c. Item detail cards are required within five working days after receipt of case offer documentation by SAAC. Corrections or adjustments of item detail records are reported as they occur.

d. Item deliveries are reported monthly not later than 25 calendar days after the month's end.

4. Master File Update

a. LOR data from the implementing agencies and case and item detail data prepared manually or mechanically by SAAC and within DSAA is processed in weekly updates. Monthly submissions of delivery data from SAAC are processed in the applicable weekly update cycle.

b. During each weekly update, input will be edited and the rejected cards will be returned to the change originator via AUTODIN for correction and resubmission. Rejected cards will contain an action code to identify the error conditions. All rejected cards should be corrected and resubmitted immediately. In no case should delivery data errors be held until the next monthly processing cycle.

5. Major Features

a. An FMS delivery data base reflecting major item deliveries by country, implementing agency, selected item description number

and fiscal year is maintained as a complement to the basic FMS data base.

b. Codes have been assigned to each case in support of the President's directives with respect to establishment and administration of the ceiling on Foreign Military Sales activity.

c. A peripheral data file to the basic data system has been developed to provide automated reporting to the Congress on cases falling within the reporting provisions of Sec. 36(b) of the Arms Export Control Act.

6. Military Articles and Services List (MASL)

The MASL is maintained by DSAA as a portion of the FMS data base. It contains the NSN and generic codes (see Part I, Appendix A) of materiel and services available through FMS. The MASL is used by DSAA during the weekly FMS update as indicated below:

(1) To screen incoming detail (4 and D) cards to ensure correct NSN and generic codes. Detail cards which do not match are rejected and the appropriate reporting element is so notified.

(2) To provide a description of the item for use in subsequent reporting.

7. Preparation of FMS Data Cards

a. The standard card input formats used to establish and maintain the FMS system are discussed in detail below. The cards with numeric codes in column 2 are used to add or delete either case records or item detail records. The cards with alpha card codes are generally used to change or augment data previously submitted for case or item detail records. The one exception to the above is the LOR subsystem's Q card which accomplishes all three functions, i.e., additions, changes and deletions.

b. Data may be submitted to DSAA in any one of three different ways. Actual punched cards may be submitted by AUTODIN or messenger. Otherwise data may be submitted on transcript sheets and the key

punching will be performed by DSAA. Pre-printed transcript sheets are available in DSAA. Voluminous data submissions may be submitted on magnetic tape. If this method is preferred, SAAC and Military Departments must make special arrangements with DSAA as to tape characteristics.

c. (1) While the LOR data reporting originates at the responsible implementing agency in each instance, the basic 1100 System input data is reported from the Ceiling Management Division (CMD) within DSAA

and from the Security Assistance Accounting Center (SAAC) in Denver, Colorado.

(2) SAAC will enter all item detail data (4, D and 6 cards) into the 1100 system but the CMD and SAAC will share the responsibility for entering 1/2, A/B and 5 cards into the system.

(3) The following table has been prepared to facilitate an understanding of the responsibilities for data preparation and submission of case level transactions entering the 1100 system.

IDENTIFICATION OF CASE LEVEL INPUT TRANSACTION RESPONSIBILITIES TO DSAA 1100 DATA SYSTEM

Incoming DD Form	Year of Basic Case		Change in Value		Input to 1100 System	
	Prior	Current	Increase		SAAC	CMD
			Greater than \$50,000	\$50,000 or less		
1513		X				"1/2" cards—case level
1513-1	X		X	X	X	"1/2" cards w/suffix "B" card
	X	X	X	X		
1513-2	X		X	X	X	"B" card
		X	X	X		

NOTE: 5 cards (case delete transactions) will be entered into the 1100 system by the CMD with information extracted from hard copy documents furnished by SAAC.

d. Specific instructions for preparation of each data card are contained in the following paragraphs. (Card formats follow)

(1) Card 1 (Case Card)

Abbreviation Title of Field	Field Name	Card Column	Number Columns in Field	Type of Character	Instruction
S	System Code	1	(1)	Alpha	Must be filled. Punch "S".
Y					
C	Card Code	2	(1)	Numeric	Must be filled. Punch "1".
D					
CC	Country/Activity Code	3-4	(2)	Alpha/Numeric	Must be filled.
I	Implementing Agency Code	5	(1)	Alpha	Must be filled.
A					
CSE	Case Designator	6/8	(3)	Alpha/Numeric	Must be filled.
C	Case Suffix Code	9	(1)	Numeric	May be blank if suffix not needed.
S					
	Blank	10-12	(3)		Must be blank.
A	Action Code	13	(1)	Alpha	Leave blank.
C					

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(1) Card 1 (Case Card)—Continued

Abbreviation Title of Field	Field Name	Card Column	Number Columns in Field	Type of Character	Instruction
C	Change Originator	14	(1)	Alpha	Must be filled.
O	Code				
	Blank	15-16	(2)		Must be blank.
S	Status Code	17	(1)	Alpha	Must be filled.
T					
OFFER YR DAY	Offer Date	18-22	(5)	Numeric	Must be filled.
ACCPT YR DAY	Acceptance Date	23-27	(5)	Numeric	Leave blank.
IMPLT YR DAY	Implementation Date	28-32	(5)	Numeric	Leave blank.
MDE	Major Defense Equipment Code	33	(1)	Alpha	Must be alphabetic or blank.
	(DSAA use only)	34-35	(2)		Do not enter data in this field.
DESCRIP- TION	Case Description	36-75	(40)	Alpha/ Numeric/ Special Char- acters	15 characters must be entered. Left justify. (Blanks are not counted.)
OED	Offer Expiration Date	76-80	(5)	Numeric	Must be filled. Punch OED based on DD Form 1513 date.

(2) Card A (Case Card—Change)

Abbreviation Title of Field	Field Name	Card Column	Number Columns in Field	Type of Character	Instruction
S Y	System Code	1	(1)	Alpha	Must be filled. Punch "S".
C D	Card Code	2	(1)	Alpha	Must be filled. Punch "A".
CC	Country/Activity Code	3-4	(2)	Alpha/ Numeric	Must be filled.
I A	Implementing Agency Code	5	(1)	Alpha	Must be filled.
CSE	Case Designator	6-8	(3)	Alpha/ Numeric	Must be filled.
C S	Case Suffix Code	9	(1)	Numeric	May be blank if suffix not needed.
	Blank	10-12	(3)		Must be blank.
A C	Action Code	13	(1)	Alpha	Leave blank.
C O	Change Originator Code	14	(1)	Alpha	Must be filled.
	Blank	15-16	(2)		Must be blank.
S T	Status Code	17	(1)	Alpha	May be blank.
OFFER YR DAY	Offer Date	18-22	(5)	Numeric	Should be blank unless offer date initially submitted in Card 1 is wrong and must be corrected.

(2) Card A. (Case Card—Change)—Continued

Abbreviation Title of Field	Field Name	Card Column	Number Columns in Field	Type of Character	Instruction
ACCP YR DAY	Acceptance Date	23-27	(5)	Numeric	May be blank. Must be filled if status code S is punched in column 17. Should be filled if status code A or I is punched in column 17 and acceptance date not previously recorded.
IMPL YR DAY	Implementation Date	28-32	(5)	Numeric	May be blank. Must be filled if status code I is punched in column 17.
MDE	Major Defense Equipment Code	33	(1)	Alpha or *	Must be alphabetic or blank. To void a previous entry punch*.
	Blank	34-35	(2)		Must be blank.
DESCRIP- TION	Case Description	36-75	(40)	Alpha/ Numeric/ Special Char- acters	Should be blank unless description initially furnished on Card 1 is being corrected or improved. If filled, a minimum of 15 characters must be entered. Left justify.
OED	Offer Expiration Date	76-80	(5)	Numeric	May be blank. Used to change the Offer Expiration Date.

(3) Card 2 (Case Trailer Card—Addition)

Abbreviation Title of Field	Field Name	Card Column	Number Columns in Field	Type of Character	Instruction
S Y	System Code	1	(1)	Alpha	Must be filled. Punch "S".
C D	Card Code	2	(1)	Numeric	Must be filled. Punch "2".
CC	Country/Activity Code	3-4	(2)	Alpha/ Numeric	Must be filled.
I A	Implementing Agency Code	5	(1)	Alpha	Must be filled.
CSE	Case Designator	6-8	(3)	Alpha/ Numeric	Must be filled.
C S	Case Suffix Code	9	(1)	Numeric	May be blank if suffix not needed.
	Blank	10-12	(3)		Must be blank.
A C	Action Code	13	(1)	Alpha	Leave blank.
C O	Change Originator Code	14	(1)	Alpha	Must be filled.
	Blank	15-18	(4)		Must be blank.
CL	Classification	19	(1)	Alpha	Must be filled.
CA	Ceiling Account	20	(1)	Numeric	Must be filled.
CP	Ceiling Percentage	21-22	(2)	Numeric	Must be filled.
	Blank	23	(1)		Must be blank.
C V	Case Value	24-33	(10)	Numeric	Must be numeric.
	Blank	34-80	(47)		Must be blank.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(4) Card B (Case Trailer Card—Change)

<i>Abbreviation Title of Field</i>	<i>Field Name</i>	<i>Card Column</i>	<i>Number Columns in Field</i>	<i>Type of Character</i>	<i>Instruction</i>
S Y C D CC	System Code	1	(1)	Alpha	Must be filled. Punch "S".
I A CSE	Card Code	2	(1)	Alpha	Must be filled. Punch "B".
C S	Country/Activity Code	3-4	(2)	Alpha/ Numeric	Must be filled.
A C	Implementing Agency Code	5	(1)	Alpha	Must be filled.
C S	Case Designator	6-8	(3)	Alpha/ Numeric	Must be filled.
A C O	Case Suffix Code	9	(1)	Numeric	May be blank if suffix not needed.
C L CA	Blank	10-12	(3)		Must be blank.
C L CA	Action Code	13	(1)	Alpha	Leave blank.
C L CA	Change Originator Code	14	(1)	Alpha	Must be filled.
C L CA	Blank	15-18	(4)		Must be blank.
C L CA	Classification	19	(1)	Alpha	Must be alpha or blank.
C L CA	Ceiling Account	20	(1)	Numeric	Must be numeric or blank.
C L CA	Ceiling Percentage	21-22	(2)	Numeric	Must be numeric or blank.
C L CA	Blank	23	(1)		Must be blank.
C L CA	Case Value	24-33	(10)		May be numeric or blank.
C L CA	Blank	34-80	(47)		Must be blank.

(5) Card (Item Detail Card—Addition)

<i>Abbreviation Title of Field</i>	<i>Field Name</i>	<i>Card Column</i>	<i>Number Columns in Field</i>	<i>Type of Character</i>	<i>Instruction</i>
S Y C D CC	System Code	1	(1)	Alpha	Must be filled. Punch "S".
I A CSE	Card Code	2	(1)	Numeric	Must be filled. Punch "4".
C S	Country/Activity Code	3-4	(2)	Alpha/ Numeric	Must be filled.
A C	Implementing Agency Code	5	(1)	Alpha	Must be filled.
C S	Case Designator	6-8	(3)	Alpha/ Numeric	Must be filled.
A C O	Case Suffix Code	9	(1)	Numeric	May be blank if suffix not needed.
C L CA	Record Serial Number	10-12	(3)	Alpha/ Numeric	Must be filled.
C L CA	Action Code	13	(1)	Alpha	Leave blank.
C L CA	Change Originator Code	14	(1)	Alpha	Must be filled.

(5) Card (Item Detail Card—Addition)—Continued

Abbreviation Title of Field	Field Name	Card Column	Number Columns in Field	Type of Character	Instruction
RE CH	Reason for Change Code	15	(1)	Alpha	Must be filled.
	Blank	16			Must be blank.
GEN CDE	Generic Code	17-19	(3)	Alpha/ Numeric	Must be filled. 1st character always alpha, 2nd always numeric and 3rd always alpha.
NATIONAL STOCK NO	National Stock Number	20-32	(13)	Alpha/ Numeric Special Char- acters	Must be filled and match MASL. No alpha O's or alpha I's will be used. (0 & 1 numerics will be used in lieu thereof.)
S P	Spare Parts Code	33	(1)	Alpha	May be blank. Punch only if line item is CSP or AGE.
QTY PUR	Quantity Purchased	34-39	(6)	Numeric	May be blank. Must be filled in if MASL unit of issue is not XX. If filled, right justify, zero fill to left.
TOTAL PRICE	Total Sales Price	40-49	(10)	Numeric	Must be filled. Right justify, zero fill to left.
DEL COM	Delivery Commitment Code	50-52	(3)	Numeric	May be blank. If filled, enter date based on DD Form 1513.
DEL FOR	Delivery Forecast Code	53-55	(3)	Numeric	May be blank.
	Blank	56-62	(7)		Leave blank.
C L	Completed Line Item Code	63	(1)	Alpha	May be blank. If filled punch "C".
P S	Partial Shipment Code	64	(1)	Alpha	May be blank. If filled punch "P".
QTY DEL	Quantity Delivered	65-70	(6)	Numeric	May be blank. If entered, right justify.
VALUE DEL	Value Delivered	71-80	(10)	Numeric	May be blank. If entered, right justify.

(6) Card D (Item Detail Card—Change/Delivery)

Abbreviation Title of Field	Field Name	Card Column	Number Columns in Field	Type of Character	Instruction
S Y	System Code	1	(1)	Alpha	Must be filled. Punch "S".
C D	Card Code	2	(1)	Alpha	Must be filled. Punch "D".
CC	Country/Activity Code	3-4	(2)	Alpha/ Numeric	Must be filled.
I A	Implementing Agency Code	5	(1)	Alpha	Must be filled.
CSE	Case Designator	6-8	(3)	Alpha/ Numeric	Must be filled.
C S	Case Suffix Code	9	(1)	Numeric	May be blank if suffix not needed.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(6) Card D (Item Detail Card—Change/Delivery)—Continued

Abbreviation Title of Field	Field Name	Card Column	Number Columns in Field	Type of Character	Instruction
RSN	Record Serial Number	10-12	(3)	Alpha/ Numeric	Must be filled.
A C	Action Code	13	(1)	Alpha	Leave blank.
C O	Change Originator Code	14	(1)	Alpha	Must be filled.
RE	Reason	15	(1)	Alpha	Must be filled.
	Blank	16	(1)		Must be blank.
CH GEN CDE	Change Code/ Generic Code	17-19	(3)	Alpha/ Numeric	May be blank. Fill only to change item identification and description. If filled, 1st character always alpha, 2nd always numeric and 3rd always alpha. On Card D, if generic code is filled NSN must also be filled and vice versa. Also, spare parts code must be punched if line is CSP or AGE.
NATIONAL STOCK NO	National Stock Number	20-32	(13)	Alpha/ Numeric/ Special Char- acters	May be blank. If filled, no alpha O's or alpha I's to be used. (0 & 1 numerics will be used in lieu thereof.)
S P	Spare Parts Code	33	(1)	Alpha	May be blank.
QTY PUR	Quantity Purchased	34-39	(6)	Numeric	May be blank. Fill only to correct error or if case is modified by renegotiation. If filled, right justify, zero fill to left.
TOTAL PRICE	Total Sales Price	40-49	(10)	Numeric	May be blank. Fill only to correct error or if case is modified by renegotiation. If filled, right justify, zero fill to left.
DEL COM	Delivery Commitment Code	50-52	(3)	Numeric or *	May be blank. If filled, enter date based on DD Form 1513. To void previous entry, punch * in units position.
DEL FOR	Delivery Forecast Code	53-55	(3)	Numeric or *	May be blank. For definitized lines, submit data when forecast is available from supply planning. To void previous entry, punch * in units position.
	Blank	56-62	(7)		Leave blank.
C L	Completed Line Item Code	63	(1)	Alpha or *	May be blank. If filled Punch "C". To void previous entry, punch * in units position.
P S	Partial Shipment Code	64	(1)	Alpha or *	May be blank. If filled Punch "P". To void previous entry, punch * in units position.
QTY DEL	Quantity Delivered	65-70	(6)	Numeric or *	May be blank. If filled, right justify. To void previous entry, punch * in units position.
VALUE DEL	Value Delivered	71-80	(10)	Numeric or *	May be blank. If filled, right justify. To void previous entry, punch * in units position.

(7) Card 5 (Case Delete Card)

Abbreviation Title of Field	Field Name	Card Column	Number Columns in Field	Type of Character	Instruction
S Y	System Code	1	(1)	Alpha	Must be filled. Punch "S".
C D	Card Code	2	(1)	Numeric	Must be filled. Punch "5".
CC	Country/Activity Code	3-4	(2)	Alpha/ Numeric	Must be filled.
I A	Implementing Agency Code	5	(1)	Alpha	Must be filled.
CSE	Case Designator	6-8	(3)	Alpha/ Numeric	Must be filled.
C S	Case Suffix Code	9	(1)	Numeric	May be blank if suffix not needed.
A C	Blank Action Code	10-12 13	(3) (1)	Alpha	Must be blank. Leave blank.
C O	Change Originator Code	14	(1)	Alpha	Must be filled.
	Blank	15-80	(66)		Leave blank.

(8) Card 6 (Item Delete Card)

Abbreviation Title of Field	Field Name	Card Column	Number Columns in Field	Type of Character	Instruction
S Y	System Code	1	(1)	Alpha	Must be filled. Punch "S".
C D	Card Code	2	(1)	Numeric	Must be filled. Punch "6".
CC	Country/Activity Code	3-4	(2)	Alpha/ Numeric	Must be filled.
I A	Implementing Agency Code	5	(1)	Alpha	Must be filled.
CSE	Case Designator	6-8	(3)	Alpha/ Numeric	Must be filled.
C S	Case Suffix Code	9	(1)	Alpha/ Numeric	May be blank if suffix not needed.
RSN	Record Serial Number	10-12	(3)	Alpha/ Numeric	Must be filled.
A C	Action Code	13	(1)	Alpha	Leave blank.
C O	Change Originator Code	14	(1)	Alpha	Must be filled.
	Blank	15-80	(66)		Leave blank.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(9) Card Q (Letter of Request Data)

Abbreviation Title of Field	Field Name	Card Column	Number Columns in Field	Type of Character	Instruction
S Y	System Code	1	(1)	Alpha	Must be filled. Punch "S".
CD	Card Code	2	(1)	Alpha	Must be filled. Punch "Q".
CC	Country Activity Code	3-4	(2)	Alpha/ Numeric	Must be filled.
IA	Implementing Agency	5	(1)	Alpha	Must be filled.
CD	Case Designator	6-8	(3)	Alpha/ Numeric	Must be filled.
CSE	Case Suffix	9	(1)	Numeric	May be blank.
CO	Change Originator	10	(1)	Alpha	Must be filled.
TC	Transaction Code	11	(1)	Alpha	Must be filled.
					Where A = Add a new record. D = Logically delete the record. E = Extend or "change" the Re- quest. Suspense "RS" date. C = Change data in file. X = Physically delete the record.
DQ	Date of Request	12-16	(5)	Numeric	Must be filled on original (A) card. All dates are entered as Julian dates in the LOR system.
DR	Date IA Received Request	17-21	(5)	Numeric	Must be filled on original (A) card.
RS	Request Suspense	22-26	(5)	Numeric	Optional or "A" card. A suspense of 60 calendar days will be assigned if left blank on original (A) card. Mandatory with "E" card.
C V	Case Value	27-33	(7)	Numeric	Estimated value of the LOR/Proposed case. (\$ in 000's)
EXT NMB	Extension Number	34-35	(2)	Numeric	Used by reporting elements to extend the suspense date on an LOR.
CLASS	Classification	36	(1)	Alpha	Must be filled on original (A) card.
CEIL ACT	Ceiling Account	37	(1)	Numeric	Must be filled on original (A) card.
	(Reserved)	38-40	(3)	Alpha/ Numeric	Reserved for DSAA use.
FY OF ACPT	Fiscal Year of Acceptance	41-42	(2)	Numeric	Must be filled on original (A) card.
REQ DES	Request Description	43-79	(37)	Alpha/ Numeric	Must be filled with original (A) card entry; when an extension (E card) is entered with a brief reason for extension; and to indicate why an offer is not tendered (D card).
IA USE	FOR IMPL- MENTING AGENCY USE	80	(1)	Alpha/ Numeric	May be blank.

8. Control Fields

a. Letter of Request (LOR) System

(1) Data submitted for processing in the LOR system are distinguished from one another by information entered in the control fields (card cols 3-9) of each input card.

(2) Data in these control fields may not be changed by submission of a change transaction, i.e., a "C" entered in card column 11, the transaction code field of a Q card.

(3) In order to correct an error in any of these fields it is necessary to code a "delete" transaction to remove the erroneous record and an "add" transaction to enter the correct data.

b. FMS 1100 System

(1) Individual FMS transactions are distinguished, one from another, by data punched in columns two through twelve of the FMS data cards. As in the case of LOR records, control fields may not be changed by submission of change cards. In order to correct an error in any of these fields it is necessary that the erroneous case or item detail record be deleted and the corrected case or item detail record be added back to the FMS master file. In order that these control fields may be used consistently throughout the FMS master file, the following rules will be applied in processing card input.

(2) The case suffix code should not be entered in the case and item detail records unless the case in question has a suffix other than Ø. When blank, this field will be zero-filled during the DSAA update.

(3) The case suffix should only be utilized to designate certain case amendments under guidelines issued by the Comptroller, DSAA.

(4) The Record Serial Number (RSN) field must be filled for all item detail records (added by 4 Card, changed by D Card, or deleted by 6 Card).

9. Changing Fields to Blank

a. A number of fields in the FMS master file will normally remain blank permanently,

or may be temporarily blank pending posting of the first delivery transaction. If data is erroneously entered in one of these fields, and must be corrected by changing the field to a blank condition, it is done by submitting the appropriate change card with an asterisk (*) in the units position (extreme right-hand column) of the field to be blanked. The fields listed for the cards indicated below may be changed in this fashion:

<i>Card</i>	<i>Field Name</i>
A	Major Defense Equipment Code
D	Delivery Commitment
	Delivery Forecast
	Completed Line Item
	Quantity Delivered
	Value Delivered
	Partial Shipment Code

b. Data fields are controlled to a certain extent by the case's status code. Transaction input dates are ignored if they do not agree with the case's current status. If a case retreats to an earlier status code of P, O or E, the acceptance date and implementation dates in the master file record are blanked out automatically. When the status code is changed to an A from an I, the implementation date is changed to a blank. When the status code is changed to an X, the acceptance date or implementation date will remain if they were present prior to cancellation.

c. The quantity purchased field of the item detail record is controlled by the unit of issue code obtained from the MASL. If the unit of issue for the line item is XX, the quantity field is automatically made blank. If the unit of issue is not XX, the quantity field must be numeric and may not be changed to blank.

10. Increase or Decrease of Numbers

The fields in the FMS report cards used for recording quantities or dollar values may occasionally require correction by upward or downward adjustment, or figures for deliveries will frequently be increased as additional transactions are posted. These changes are never made by punching plus or minus amounts in the change card submission. The

MILITARY ASSISTANCE AND SALES MANUAL—PART III

changes are always made by submission of data in the change cards which restate the new or corrected figures. The fields listed in the cards indicated below must always show the revised or corrected amounts to be posted to the FMS master file.

<i>Card</i>	<i>Field Name</i>
B	Case Value
D	Quantity Purchased
	Total Sales Price
	Quantity Delivered
	Value Delivered
Q	LOR Estimated Value

11. Inter-Relationship of Card Fields

Certain card fields in the FMS reporting system are interrelated and are treated together during card edit or updating of the master file. The most significant of these inter-relationships are described below:

a. Dates in case records are directly related to the status of the case. The offer date must be included when the initial case record is established by Card 1. When the status becomes S the acceptance date must be included in the same card which reports the status change. If the status becomes I, the implementation date must be included in the card changing the status code. Conversely, if a status code is corrected to an earlier status position, unneeded date information is automatically blanked in the master file record.

b. The generic code and NSN, in an item detail record, must match a valid MASL line. If the line item is for CSP or AGE, the match cannot take place unless the appropriate code is punched in the spare parts column. If the item identification is to be changed, it is necessary that both the generic code and NSN be punched in the D Card. If the line is being changed to a CSP or AGE line (or CSP or AGE for a different end item), the spare parts code and the generic code and NSN of the major item must be punched in the D Card.

c. There is also a relationship between partial shipment code and unit of issue. When

deliveries are posted for other than dollar lines and delivery cost is reported without a quantity, the value delivered will be rejected unless a partial shipment code (P) is entered in the D Card.

d. Only DSAA, which has a change originator of Q, will be allowed to add or change the following data fields:

- (1) ceiling account number
- (2) ceiling percent
- (3) offer date (countersignature date)
- (4) offer expiration date
- (5) major defense equipment code
- (6) case description
- (7) status code of P or S
- (8) classification code

12. Card Processing

a. The following rules govern the acceptance and processing of FMS data system cards, received during the same cycle, which contain identical data in control fields:

(1) Card 1 must be accompanied by Card 2, and vice versa. Single cards of the required pair will be rejected, or if one is rejected during edit, the second will be rejected also.

(2) Duplicate add cards (1, 2 and 4) will be rejected.

(3) Card A may be submitted at the same time as Card 1, e.g., Card 1 and Card A may be processed in the same cycle if column 17 of the A card contains a "C".

(4) Two A cards may be submitted at the same time if one contains a "C" in column 17 to close the case.

(5) Card B may be submitted at the same time as Card 2.

(6) Card D may be submitted at the same time as card 4.

b. The following rules govern the acceptance and processing of cards whenever received:

(1) Card Q (LOR) should always precede 1, 2 and 4 card submissions into the update process.

(2) Add card (1, 2 and 4) which match the control fields of records already posted to the FMS master file will be rejected.

(3) Change cards (A, B, and D) which do not match the control fields of records already posted to the FMS master file will be rejected, except as noted in paragraph a, above.

(4) Duplicate D card submissions are allowed provided they have different reason for change codes.

13. FMS Administrative Surcharges

a. The Military Departments shall use generic code L6A (Logistics Management Expenses) to submit FMS administrative surcharges to the 1100 System, and shall insure that only FMS administrative surcharges are included within generic L6A when submitting to the 1100 System.

b. Item detail cards to initially establish item detail records (or to correct or adjust item detail records) will show assessed FMS

administrative surcharges as displayed in block 23 of DD Form 1513 Offer and Acceptance document. For amendments use block 24 of DD Form 1513-1 and for modifications use block 18 of DD Form 1513-2.

14. Special Characters

In the FMS reporting system only ten special characters may be used. These characters must be punched as prescribed below:

<i>Characters</i>	<i>Name</i>	<i>Punching Instructions</i>
-	Minus (Dash) -----	11
+	Plus -----	12
.	Period -----	12, 3, 8
,	Comma -----	Ø, 3, 8
/	Slash (Diagonal) -----	Ø, 1
\$	Dollar -----	11, 3, 8
*	Asterisk -----	11, 4, 8
(Parenthesis (Left) -----	Ø, 4, 8
)	Parenthesis (Right) -----	12, 4, 8
=	Equal -----	3, 8

CHAPTER I

FMS REPORTS

1. Purpose

The purpose of this chapter is to provide users of the FMS data system with a description of the various reports which can be produced from the system and to outline the procedure to be used when requesting such reports.

2. Source of FMS Data

FMS reports are developed from Letter of Request (LOR) records, case data and item detail records established and maintained by SAAC and the Implementing Agencies from credit data records provided by DSAA, Financial Reports and Credit Programs Division.

a. A single case record which describes the items or services contained in each case is established by entry of a 1 and 2 card pair (see Figure K-1).

b. A series of item detail records are established for each implemented FMS case by entry of 4 and D cards which depict items ordered (purchased) under a case and deliveries against the orders.

c. DSAA records the total allocation of FMS credit in addition to the disbursement and reservation of credit by case and implementing agency. These data are used in producing the summary credit management reports described herein.

3. Categories of FMS Reports

Reports are structured to provide management data in five primary categories.

a. Letter of Request Reports

Report NEWREQ—Weekly New Requests/Amendment Summary

Report OFFERS—Offers Tendered Summary

Report EXCEPT—Exception Summary

Report CNTRYREQ—Country Request Summary

b. Item Detail Level

Report DELVRYPRD (E)—Item Purchase—Delivery Status

Report NSNPURCHS (I)—Item Purchases by NSN

c. Item Detail Data Summarized into Categories

Report PURCHASES (D)—Summary of Purchases

Report SIPURCHES (G)—Selected Item Summary

Report DELIVRIES (H)—Status of Purchases and Deliveries

d. Case Level

Report CASE (C)—Foreign Military Sales Case Listing

Report CASESUM (L)—FMS Case Level Summary

e. Summary Management and Credit Reports

Report CREDIT (A)—Status of Credit Programs

Report CCACTIVE (B)—Fiscal Year Activity

Report (M)—Credit Program Status, Credit Arrangement Summary

Report (N)—Credit Program Status, Case Summary

4. Requests for FMS reports

a. Requests for FMS reports described in this chapter will be honored by DSAA if a valid requirement is established. Requesting agencies should insure that requirements are carefully screened prior to submission. In those instances where assistance is required in selecting proper reports, telephone or written inquiries will be given prompt attention by the Data Management Division of the DSAA Comptroller.

b. All requests for reports should be submitted to DSAA, ATTN: Data Management Division. Each request must specify the report(s) desired and the specific sort or select option(s) required by the individual user. Requests which do not contain sufficient justification and identifying data will be returned for clarification. Requests will be honored as rapidly as possible after receipt of request. Normal processing time (after receipt of the request) is between 1 and 2 weeks. Subordinate elements of the Military Departments should submit requests through appropriate departmental channels.

c. Reports described herein will be classified in accordance with guidelines set forth in Part I, Chapter G.

5. FMS Reports

a. Availability of Reports

(1) The following paragraphs outline the specific reports available. To the extent possible, applicable sort and select options have been grouped together for a series of reports which are controlled similarly. A sample of each report is shown at Figure L-1 to L-15. These sample reports are to be viewed as samples for format purposes only. All codes referred to in sort and select options may be found in Part I, Appendix A. Agencies requesting reports must express a sort sequence and must address those select options which are preceded by an asterisk. If more than one copy is desired, the number desired must be indicated. All other select options should be reviewed carefully in order to limit the data addressed. Normally, data

will only be provided on a need-to-know basis, i.e., Unified Commands will receive data for their area of concern, a MAAG will only receive data for its country, etc.

(2) FMS classification downgrading criteria and FMS reports selection are printed on the second and third page, respectively, of each report.

b. Report Descriptions

(1) Report CREDIT (A)—STATUS OF CREDIT PROGRAMS (Figure L-1).

Report A is designated primarily for Management use at OSD and Military Department level. This summary report shows:

(a) The value of each credit arrangement with a breakout of allocations to each Military Department, allocations for commercial sales, and the portion of each credit arrangement remaining in the parent account;

(b) The value and status of cases financed under each allocation;

(c) The difference between the total value of DD 1513s outstanding for all services and the value of the credit arrangement is reflected in the "undistributed" column. This represents the value of additional DD 1513s which can be processed against this credit arrangement.

SORT OPTIONS

- Area, Country
- Unified Command, Country
- Country (alphabetical)

SELECT OPTIONS

- Area
- Unified Command
- Country

(2) Report CCACTIVE (B)—FISCAL YEAR ACTIVITY (Figure L-2).

This report summarizes (by country and FY) cash and credit values contained in the case records. The data are added to a FY based on the acceptance date of the case in question. Totals are provided by country, area or Unified Command, and worldwide.

SORT OPTIONS

- Area, Country
- Unified Command, Country
- Country
- Country, Implementing Agency

SELECT OPTIONS

Area
Unified Command
Country
Implementing Agency
Fiscal Year

(3) Report CASE (C) — FOREIGN MILITARY SALES CASE LISTING (Figure L-3).

This report portrays cash and/or credit financing for FMS cases. The total value of case financing is shown in the right-hand field of the report. In the far right-hand field case classification is indicated by "C" (Confidential) wherever necessary. Totals are provided for each country by cash, credit and total values of each case.

*SORT OPTIONS*¹

Area, Country
Unified Command, Country
Area, Country, Implementing Agency
Unified Command, Country, Implementing Agency
Area, Country, FY, Implementing Agency
Area, Country, Acceptance Date, Implementing Agency
Area, Country, Offer Date, Implementing Agency, Case No.
Country, Implementing Agency

¹ In each sort, records are listed by Case Designator within the minor sort requested.

SELECT OPTIONS

Area
Unified Command
Country
Implementing Agency
Case Designator
Case Status
Fiscal year

* Page Break
First Sort Position
First and Second Sort Positions
First, Second, and Third Sort Positions
First, Second, Third, and Fourth Sort Positions

(4) Report PURCHASES (D)—SUMMARY OF PURCHASES (Figure L-4).

Report DELVYRPRD (E) — ITEM PURCHASE/DELIVERY STATUS (Figure L-5)

Report SIPURCHES (G)—SELECTED ITEM SUMMARY (Figure L-6)

Report DELIVRIES (H)—STATUS OF PURCHASES AND DELIVERIES (Figure L-7)

Report NSNPURCHS (I)—ITEM PURCHASES BY NSN (Figure L-8)

This series of reports is drawn from the detail records. Sort and select options listed below pertain to all of these reports. Following the sort and select options is a description of each report.

*SORT OPTIONS*¹

Area, Country
Unified Command, Country
Area, Country, Implementing Agency, Case No.
Unified Command, Country, Implementing Agency, Case No.
Sub-Area, Country
Country, Implementing Agency, Case No.
Country, FY, Case No. (E only)

¹ For Report E the individual lines are listed by Case Designator and Record Serial Number within the minor sort selected.

SELECT OPTIONS

Area
Unified Command
Country
Implementing Agency
Case Designator
Case Status
Generic Code (first, or up to 7, 3 position generics)
Beginning and Ending Date—FY and Quarter to be included
Method of Shipment

* Page Break
First Sort Position
First and Second Sort Positions
First, Second, and Third Sort Positions
First, Second, Third, and Fourth Sort Positions

(a) Report PURCHASES (D) — SUMMARY OF PURCHASES (Figure L-4).

Report D itemizes purchase quantities by general categories and fiscal year with total purchase values shown for each category as a whole. Selection of the FY array for this report is similar to the selection process described below for Report G. However, Report D contains 9 FY columns in addition to the left-hand column which combines all purchases from 1950 to the year shown in the heading.

(b) Report DELVRYPRD (E) — ITEM PURCHASE-DELIVERY STATUS (Figure L-5).

Report E contains one printed line for each detail record which portrays the quantity and value purchased, delivered, and

MILITARY ASSISTANCE AND SALES MANUAL—PART III

undelivered for each line. Case and country totals are provided.

(c) Report SIPURCHES (G)—SELECTED ITEM SUMMARY (Figure L-6).

This report summarizes purchase quantities and associated values into general categories and portrays the purchases by fiscal year. Year of Purchase is determined by the acceptance date of the case. The left-hand column combines all purchases from 1950 to the year shown in the heading. The number of years to be accumulated in this column is variable. The other 6 FY columns contain data for the 6 FYs following the final year indicated in the left-hand column. When requesting Report G, indicate the most recent year desired in the cumulative (left most) column. For example, if 1967 is requested as the most recent year in the cumulative column, the data will be presented as follows from left to right: FY 50-67, FY 68, FY 69, FY 70, FY 71, FY 72 and FY 73.

(d) Report DELIVRIES (H)—STATUS OF PURCHASES AND DELIVERIES (Figure L-7).

This report summarizes purchases and deliveries into general categories. Purchases for the FY to date are based upon fiscal year of acceptance of the case. Cumulative deliveries are based upon delivery data received from the Military Departments for FY50 to the current period of the FY to date.

1. Fiscal Year: Select beginning and ending FY and quarter. This selection is based upon acceptance date of the case, not upon delivery date. If all data are to be included normal dates would be FY 50 (1st quarter) to current FY (current reporting period).

(e) Report NSNPURCHS (I) — ITEM PURCHASES BY NSN (Figure L-8).

This report summarizes purchases and deliveries by Generic Code—National Stock Number, country and Implementing Agency. The report will only be prepared for selected Generics—NSN's in order to limit the page volume in the report.

(5) Report CASESUM (L) — FMS CASE LEVEL SUMMARY (Figure L-9).

This report draws upon both case and detail records. Following the sort and select options listed below is a description of the report.

*SORT OPTIONS*¹

Area, Country, Implementing Agency
Unified Command, Country, Implementing Agency
Area, Country, FY, Implementing Agency
Country, Implementing Agency

SELECT OPTIONS

Area
Unified Command
Country
Implementing Agency
Case Designator
Case Status
FY (based on acceptance date of case)

* Page Break
First Sort Position
First and Second Sort Positions
First, Second, and Third Sort Positions
First, Second, Third and Fourth Sort Positions

¹ Report L is sorted by case identifier within each sort shown.

(a) Report CASESUM (L) — FMS CASE LEVEL SUMMARY (Figure L-9).

This report consists of a listing containing selected items of data drawn from both case and detail records. The data is portrayed at the case level to provide an overall view of the status of each case. The field, undefined purchases, is computed by subtracting total purchases (derived from detail records) from case value (derived from case records). The undelivered balance field is computed by subtracting total deliveries (derived from detail records) from total purchases. Items in file refers to the number of detail records entered into the system.

(6) REPORT (M) CREDIT PROGRAM STATUS, CREDIT ARRANGEMENT SUMMARY (Figure L-10).

This report displays disbursements to the Military Departments at the country, credit arrangement, Implementing Agency and case level of detail and is compared to the value of credit reserved for the case by DSAA, Financial Reports and Credit Programs Division, in order to derive a computed undis-

bursed amount. The report also displays a computed uncommitted credit balance which is the difference between the Total Credit Program and aggregate of the reserved amounts for each case.

(7) Report (N)—CREDIT PROGRAM STATUS, CASE SUMMARY (Figure L-11).

This report provides summary credit data by country on a case-by-case basis within each Implementing Agency. Each case is shown with the credit arrangement, total credit value, reserved amount, amount disbursed to the Military Departments and the undisbursed portion.

(8) Report NEWREQ — WEEKLY NEW REQUEST / AMENDMENT SUMMARY (Figure L-12).

Report OFFERS — OFFERS TENDERED SUMMARY (Figure L-13)

Report EXCEPT—EXCEPTION SUMMARY (Figure L-16)

(a) Report NEWREQ — WEEKLY NEW REQUESTS/AMENDMENT SUMMARY (Figure L-12).

This report displays requests received weekly by DSAA from the Implementing Agencies (IA) during the time period as shown in the lower left hand section of the report. A suspense date for completing the Letter of Offer is established at either 60 days from the date received or as determined by the IA.

(b) Report OFFERS — OFFERS TENDERED SUMMARY (Figure L-13).

Prepared weekly, this report shows the Offers processed by the DSAA in the current weekly update. It provides a brief description of the case including the cash and credit amount. The computed time to process the Offer is also included when a matching Letter of Request transaction was previously received by DSAA.

(c) Report EXCEPT—EXCEPTION SUMMARY (Figure L-14).

This weekly report provides a summary of the status of cases by Implementing

Agency. It reflects when an Offer should be tendered, the number of days the Offer is delinquent and provides a warning as to when the Offer must be accomplished. In addition, it provides a record of all transactions received which change the suspense or delete records. This report provides a brief summary of an Implementing Agency's overall status and identifies cases where the process leading to a Letter of Offer is taking substantially greater time than expected.

(d) Report CNTRYREQ — COUNTRY REQUEST SUMMARY (Figure L-15).

This summary report is a weekly comprehensive listing of pertinent case information based upon all Letters of Request received as of a specified date. Under each Implementing Agency, all cases are listed showing FY dates of request, receipt and offer, status, processing time and brief descriptions of each.

6. Abbreviated Titles

Abbreviated titles are used in column headings of the various reports prepared from the FMS master file. The most common of these abbreviations are as follows:

<i>Abbreviation</i>	<i>Meaning</i>
ACCPT DATE	Acceptance Date
A C	Action Code
CASE NO	Case Number
CC C	Country/Activity Code Card Code
D CDT	Credit Arrangement Number
ARR C	Classification
L C	Completed Line Item Code (Item Detail Reports Only)
L C	Case Suffix Code
S CSE	Case Number
C O	Change Originator
DEL COM	Delivery Commitment Code

MILITARY ASSISTANCE AND SALES MANUAL—PART III

<i>Abbreviation</i>	<i>Meaning</i>	<i>Abbreviation</i>	<i>Meaning</i>
DEL	Delivery Forecast Code	OED	Offer Expiration Date
FOR		P	Partial Shipment Code
DESCRIPTION	Case or Item Description	S	
FY	Fiscal Year	Q	Fiscal Quarter
FYQ	Fiscal Year & Quarter of Acceptance	QTY	Quantity
GEN	Generic Code	RE	Reason for Change Code
CDE		CH	
I	Implementing Agency Code	RSN	Record Serial Number
A		S	Spare Parts Code
IMPLT	Implementation Date	P	
DATE		S	Status Code
LOR	Letter of Request	T	
MDE	Major Defense Equipment	S	System Code
NSN	National Stock Number	UI	Unit of Issue Code
OFFER	Offer Date	VALUE	Cost Expressed in Dollars
DATE			

Figure L-1

UNCLASSIFIED							
DSAA - FOREIGN MILITARY SALES							
STATUS OF CREDIT PROGRAMS							
DOLLAR AMOUNTS				SEQUENCE/ SUB AREA, ETC			
CTRY/COT ARR/STATUS	ARMY	NAVY	AIR FORCE	COMMERCIAL	TOTAL IA'S UNDISTRIBUTED	TOTAL CRED PROGRAM	
ARGENTINA							
632 OFFERED (P, O, E)							
ACCEPTED (S, A, I, C)	5,191,482	581,326			5,772,808		
CANCELLED (X)							
TOTAL	5,191,482	581,326			5,772,808		5,772,808
661 OFFERED (P, O, E)							
ACCEPTED (S, A, I, C)		7,869,560			7,869,560		
CANCELLED (X)							
TOTAL		7,869,560			7,869,560	3,598,154	11,467,714
662 OFFERED (P, O, E)							
ACCEPTED (S, A, I, C)		1,220,907			1,220,907		
CANCELLED (X)							
TOTAL		1,220,907			1,220,907	14,505	1,235,412
671 OFFERED (P, O, E)							
ACCEPTED (S, A, I, C)	2,509,231	62,771	6,057,559	133,473	8,763,034		
CANCELLED (X)							
TOTAL	2,509,231	62,771	6,057,559	133,473	8,763,034	8,262,181-	500,853
681 OFFERED (P, O, E)							
ACCEPTED (S, A, I, C)			3,921,622	67,593	3,989,215		
CANCELLED (X)							
TOTAL			3,921,622	67,593	3,989,215	1,664	3,990,879
682 OFFERED (P, O, E)							
ACCEPTED (S, A, I, C)		2,995,193			2,995,193		
CANCELLED (X)							
TOTAL		2,995,193			2,995,193		2,995,193
683 OFFERED (P, O, E)							
ACCEPTED (S, A, I, C)	642,051	262,737	316,787	436,568	1,658,143		
CANCELLED (X)							
TOTAL	642,051	262,737	316,787	436,568	1,658,143	145,780	1,843,923
RCS 1100-CREDIT (A)-AA					DATE 17 JAN 78 PAGE 1		
UNCLASSIFIED							

MILITARY ASSISTANCE AND SALES MANUAL-PART III

Figure L-2

UNCLASSIFIED

DSAA - FOREIGN MILITARY SALES

FISCAL YEAR ACTIVITY

SEQUENCE: SUB AREA, CC

IMPLEMENTING AGENCY: ALL

UNIFIED COMMAND: SOUTHERN COMMAND

AREA:

CTRY/PROG YR	CASH	CREDIT	TOTAL
EQUADOR			
63 + PRIOR	2,619		2,619
64	34		34
66	120		120
67	111		111
68	758	638	1,397
69	14		14
70	20		20
71	411		411
72			
75	15,183		15,183
76 + 77	2,550	373	2,923
77	24,864	206	25,070
78	9,214	1,640	10,854
TOTAL	55,904	2,857	58,761
EL SALVADOR			
63 + PRIOR	874		874
64	3		3
65	18		18
66	35		35
67	15		15
68	514		514
69	6		6
71	2		2
72	**		**
73	52		52
74	326	59	385
75	302	130	432
76 + 77	443	357	799
77	306		306
78	75		75
TOTAL	2,971	546	3,517

DOLLARS IN THOUSANDS, ** LESS THAN 500 DOLLARS

RCS 1100-CC ACTIVE (R)-BT

AS OF 10 APR 78 PROCESSED 17 APR 78 PAGE 5

UNCLASSIFIED

MILITARY ASSISTANCE AND SALES MANUAL-PART III

Figure L-3

UNCLASSIFIED

DSAA - FOREIGN MILITARY SALES

CASE LISTING

COUNTRY: EL SALVADOR		SEQUENCE: IA, SUB AREA, CC, CASE NO.		IMPLEMENTING AGENCY: ALL							
UNIFIED COMMAND: SOUTHERN COMMAND				AREA:							
GC	A	NO	FY	S	OFFER	ACCP	IMPL	M	CASH	CREDIT	TOTAL C
					DATE	DATE	DATE		AMOUNT	AMOUNT	VALUE L
DESCRIPTION								MDE			
ES	B	UDL0	75	I	13 JUN 74	22 JUL 74	22 JUL 74	000 1	15637		15637
ES	B	UDN0	75	I	05 APR 74	03 SEP 74	03 SEP 74	000 1	6743		6743
ES	B	UDP0	75	I	02 AUG 74	14 AUG 74	14 AUG 74	000 1	11684		11684
ES	B	UDR0	75	I	02 AUG 74	14 AUG 74	14 AUG 74	000 1	1052		1052
ES	B	UDU0	75	I	02 JAN 75	11 JAN 75	11 JAN 75	000 2		67144	67144
ES	B	UDV0	75	I	01 NOV 74	30 DEC 74	30 DEC 74	000 1	14127		14127
ES	B	UDW0	75	I	03 FEB 75	25 FEB 75	25 FEB 75	000 2		19767	19767
ES	B	UDX0	75	I	05 FEB 75	25 FEB 75	25 FEB 75	000 1	3344		3344
ES	B	UEA0	75	I	21 MAY 75	28 MAY 75	28 MAY 75	000 2		43527	43527
ES	B	UEE0	75	I	30 APR 75	07 MAY 75	07 MAY 75	000 1	3399		3399
ES	B	UEG0	76	I	11 JUL 75	18 JUL 75	18 JUL 75	000 1	49456		49456
ES	B	UEI0	76	I	07 AUG 75	24 SEP 75	08 OCT 75	000 3	2	36609	36611
ES	B	UEJ0	76	I	16 JUL 75	21 JUL 75	21 JUL 75	000 1	2157		2157
ES	B	UEK0	76	I	17 SEP 75	22 OCT 75	22 OCT 75	000 2		80657	80657
ES	B	UEL0	77	I	20 SEP 76	30 SEP 77	30 SEP 77	000 1	32866		32866
ES	B	UEN0	76	I	27 FEB 76	15 MAR 76	15 MAR 76	000 1	621		621
ES	B	UEQ0	77	I	17 NOV 76	11 JAN 77	17 FEB 77	000 1	1897		1897
ES	B	UER0	77	I	16 NOV 76	14 DEC 76	16 MAY 77	000 1	2086		2086
ES	B	UES0	77	I	14 NOV 76	04 JAN 77	28 MAR 77	000 1	5275		5275
ES	B	UET0	77	I	18 JAN 77	22 AUG 77	17 OCT 77	000 1	34235		34235
ES	B	UEV0	77	I	22 MAR 77	22 MAR 77	02 JUL 77	000 1	3204		3204
ES	B	UEV0	77	I	04 APR 77	30 AUG 77	01 SEP 77	000 1	1846		1846
COUNTRY TOTAL									636585	280436	917021
GT	B	BAN0	72	I	09 JUN 72	08 JUN 72	08 JUN 72	000 1	137570		137570
GT	B	BAO0	74	I	14 AUG 73	18 AUG 73	18 AUG 73	000 1	261875		261875
GT	B	BAR0	74	I	07 NOV 73	08 NOV 73	08 NOV 73	000 1	171875		171875
GT	B	BAS0	75	I	24 JAN 75	07 APR 75	07 APR 75	000 1	200000		200000
GT	B	BAT0	75	I	24 JAN 75	07 APR 75	07 APR 75	000 1	183783		183783
GT	B	BAU0	76	I	11 JUN 75	18 JUL 75	18 JUL 75	000 1	175001		175001
GT	B	BAV0	76	I	29 DEC 75	25 FEB 76	25 FEB 76	000 1	300000		300000
GT	B	BAW0	76	I	12 DEC 75	12 FEB 76	12 FEB 76	000 1	180000		180000
GT	B	BAX0	77	I	26 OCT 76	22 MAR 77	31 MAR 77	000 1	300000		300000
GT	B	BAY0	77	I	26 DEC 76	08 FEB 77	31 MAR 77	000 1	300000		300000
GT	B	BAZ0	77	I	17 DEC 76	04 JAN 77	09 FEB 77	000 1	50000		50000
GT	B	BBA0	78	I	12 OCT 77	17 NOV 77	07 DEC 77	000 1	50000		50000
GT	B	SKZ0	75	I	03 OCT 74	15 NOV 74	15 NOV 74	000 1	527		527
GT	B	SVB0	76	I	04 JUN 76	11 JUL 76	11 JUL 76	000 1	1182		1182

MILITARY ASSISTANCE AND SALES MANUAL - PART III

Figure L-4

U N C L A S S I F I E D

DSAA - FOREIGN MILITARY SALES
SUMMARY OF PURCHASES

COUNTRY: EL SALVADOR UNIFIED COMMAND:	SEQUENCE: SUB AREA,CC		IMPLEMENTING AGENCY: ALL IA'S AREA:						CUMULATIVE		
CATEGORIES/DESCRIPTIONS	FY 50-69	FY 70	FY 71	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78	FY 50-78
AIRCRAFT TRAINER T-41								3			3
TOTAL AIRCRAFT (+ SP)							85	420			505
TOTAL SHIPS (+ SP)			12			14		45	48		119
TRUCKS 1/4T ALL TYPES							114				114
TRUCKS 3/4T ALL TYPES					20			150			170
TRUCKS 21/2T ALL TYPES								2			2
FIRE TRUCKS							2				2
MACHINE GUNS								6			6
TOTAL VEH + WPNS (+ SP)						84	63	174	3		324
CART UP THRU 20MM (THOUS)								50	341		391
CART 37MM TO 75MM (THOUS)						**					**
CART 75MM TO 90MM (THOUS)						1					1
GRENADES (THOUS)							**				**
TOTAL AMMUNITION						19	1	3	35		57
TELEPHONE SETS								100			100
TEL+TEL TERMINL+TRANS EQP								230			230
TOTAL COM EQPT (+ SP)							81	18	2		100
CRANES							1				1
TOTAL OTHER EQPT (+ SP)						6	172	66	173		417
TOTAL REP + REHAB EQPT								28			28
TOTAL SUPPLY OPER				1		8	29	43	14	1	96
TOTAL TRAINING								1	14	20	35
TOTAL OTHER SERVICES						1			12		13
TOTAL NON-SPEC REQMTS							**	**			**
COUNTRY TOTAL				12		133	431	796	301	21	1694

IN THOUSANDS OF DOLLARS ** LESS THAN \$500 FY 1976 INCLUDES 77 QTY IS MISSILES VALUE INCLUDES SUPPORT EQUIP

RCS 1100-PURCHASES(D)-DI

U N C L A S S I F I E D

AS OF 05 APR 78 PROCESSED 18 APR 78 PAGE 13

Figure L-5

UNCLASSIFIED

OSAA - FOREIGN MILITARY SALES
ITEM DELIVERY STATUS

COUNTRY:		SEQUENCE: IA, SUB AREA, CC		IMPLEMENTING AGENCY: ARMY		AREA: AMERICAN REPUBLICS									
UNIFIED COMMAND:															
CG A	I CASE NO	GEN RSN	GEN CDE	NSN	DESCRIPTION	UI TLP	SCF FYQ	DEL COM	DEL FOR	PURCHASED QTY	VALUE	DELIVERED QTY	VALUE	UNDELIVERED QTY	VALUE
BR B UGRD	000	J6Q4910000	183246		TK 2A ECH M108-109 GUN	EA I	724 724 000			7	1394	7	1267		127
BR B UGRD	009	J6Q4910000	183245		TK 2B ECH M106-109 GUN	EA I	724 724 000			4	2440	4	2438		2
BR B UGRD	010	J6Q4910000	183244		TK FIELD MAINT 3 ECH	EA I	724 724 000			1	1396	1	1272		124
BR B UGRD	011	J6Q4910000	183242		TK 4 ECH M108-109 GUN	EA I	724 724 000			1	2300	1	2058		242
BR B UGRD	012	J6Z9J6Z00SPTEQPT			OTHER SUPPORT EQUIPMENT	XX I	724 724 000				19290		24529		5289
CASE TOTALS											1379526		1382494		2968
BR B UGRD	L00	L00C000000	000000		SUPPLY OPERATIONS	XX I	724 000 000				395427		245872		149555
BR B UGRD	L6A	L6A015100L	06XPN		LOGISTIC MANAGEMENT EXP	XX I	724 000 000				242405		241171		1234
BR B UGRD	001	01A2350006	291294		CARR PERS ARMO M113	EA I	724 733 000			122	2277153	122	2277153		
BR B UGRD	002	01A2350006	291294		CARR PERS ARMO M113	EA I	724 731 000			207	3807699	207	3807699		
BR B UGRD	003	01A2350006	291294		CARR PERS ARMO M113	EA I	724 723 000			96	1659134	96	1659134		
BR B UGRD	004	01A2350006	291294		CARR PERS ARMO M113	EA I	724 741 000			40	1168588	40	1168588		
BR B UGRD	005	01A2350006	291294		CARR PERS ARMO M113	EA I	724 742 000			4	111944	4	111944		
BR B UGRD	006	01A2350006	291294		CARR PERS ARMO M113	EA I	724 733 000			20	425548	20	425548		
BR B UGRD	007	H9A580000C	OMPART		COMMUNICTN EQP SPARE P CSPXX I		724 733 732				43507		41010		2577
BR B UGRD	008	H9A580000C	OMPART		COMMUNICTN EQP SPARE P CSPXX I		724 733 732				66090		2541		63549
BR B UGRD	009	H9A580000C	OMPART		COMMUNICTN EQP SPARE P CSPXX I		724 733 732				10419		3088		7331
BR B UGRD	010	H9A580000C	OMPART		COMMUNICTN EQP SPARE P CSPXX I		724 733 732				73894		18267		55627
BR B UGRD	011	H9A580000C	OMPART		COMMUNICTN EQP SPARE P CSPXX I		724 733 732				27353		4026		23327
BR B UGRD	012	H9A580000C	OMPART		COMMUNICTN EQP SPARE P CSPXX I		724 733 732				1767		652		1145
BR B UGRD	013	H9A580000C	OMPART		COMMUNICTN EQP SPARE P CSPXX I		724 733 732				9921		8556		1365
BR B UGRD	014	H9A580000C	OMPART		COMMUNICTN EQP SPARE P CSPXX I		724 733 732				6183		1281		4982
BR B UGRD	015	H9A580000C	OMPART		COMMUNICTN EQP SPARE P CSPXX I		724 733 732				3482		6		3476
BR B UGRD	016	F9A9F9A00	OMPARTS		WEAPON SPARE PARTS CSPXX I		724 724 723				88214		23844		64378
BR B UGRD	017	K8A9K8A00	AUTOMTV		AUTOMTV SUPP AND EOP P CSPXX I		724 731 000				1824004		2042307		218223
BR B UGRD	018	K8A9K8A00	AUTOMTV		AUTOMTV SUPP AND EOP PTS XX I		724 731 000				33229		30208		3921
BR B UGRD	019	K8A9K8A00	AUTOMTV		AUTOMTV SUPP AND EOP PTS XX I		724 731 000				113399		100100		13299
BR B UGRD	020	K8A9K8A00	AUTOMTV		AUTOMTV SUPP AND EOP PTS XX I		724 731 000				153836		139851		13985
BR B UGRD	021	K8A9K8A00	AUTOMTV		AUTOMTV SUPP AND EOP PTS XX I		724 731 000				115495		104995		10500
BR B UGRD	022	K8A9K8A00	AUTOMTV		AUTOMTV SUPP AND EOP PTS XX I		724 731 000				74837		57594		17243
BR B UGRD	023	J6Z9J6Z00SPTEQPT			OTHER SUPPORT EQUIPMENT	XX I	724 731 000				6362		5784		578
BR B UGRD	024	J6Q4910000	679Z263		TK 2E ECH M113 CARRIER	EA I	724 731 000			25	5088	25	4625		463
BR B UGRD	025	J6Q4910000	679Z264		TK 3 ECH M113 CARRIER	EA I	724 731 000			10	4804	10	3640		364
BR B UGRD	026	J6Q4910000	679Z265		TK FIELD MAINT 4 ECH	EA I	724 731 000			5	4010	5	3645		365
BR B UGRD	027	J6Q4933007	265830		TS FM MG CAL 50	SE I	724 723 000			20	6226	20	5660		566
BR B UGRD	028	J6Z9J6Z00SPTEQPT			OTHER SUPPORT EQUIPMENT	XX I	724 724 000				626		226		400
BR B UGRD	029	J6Z9J6Z00SPTEQPT			OTHER SUPPORT EQUIPMENT	XX I	724 724 723				18		18		18
BR B UGRD	030	J6Z9J6Z00SPTEQPT			OTHER SUPPORT EQUIPMENT	XX I	724 724 723				18		18		18
BR B UGRD	031	J6Z9J6Z00SPTEQPT			OTHER SUPPORT EQUIPMENT	XX I	724 724 723				18		18		18
BR B UGRD	032	J6Z9J6Z00SPTEQPT			OTHER SUPPORT EQUIPMENT	XX I	724 724 723				18		18		18
BR B UGRD	033	J6Z9J6Z00SPTEQPT			OTHER SUPPORT EQUIPMENT	XX I	724 724 000				2648		2640		
BR B UGRD	034	J6Z9J6Z00SPTEQPT			OTHER SUPPORT EQUIPMENT	XX I	724 724 000				419		84		335
BR B UGRD	999	R9B C792000	NONSPEC		NON-SPECIFIC REQUIREMENTS	XX I	724 724 000				1		118		117
CASE TOTALS											12763136		12541857		221279

MILITARY ASSISTANCE AND SALES MANUAL - PART III

UNCLASSIFIED

Figure L-6

UNCLASSIFIED

OSAA - FOREIGN MILITARY SALES
SELECTED ITEM SUMMARY

CATEGORIES/DESCRIPTIONS	CUM THRU FY 1972		FY 1973		FY 1974		FY 1975		FY 1976		FY 1977		FY 1978	
	QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE
AIRCRAFT TRAINER T-41									3	220				
AIRCRAFT SPARE PARTS							85			200				
TOTAL AIRCRAFT (+ SP)							85			420				
SHIP SPARE PARTS			12		14					45		48		
TOTAL SHIPS (+ SP)			12		14					45		48		
TRUCKS 1/4T ALL TYPES							114	36						
TRUCKS 3/4T ALL TYPES					28	68			150	68				
TRUCKS 2 1/2T ALL TYPES									2	2				
FIRE TRUCKS								2	5					
MACHINE GUNS									6	13				
OTHER WPNS + ORDNANCE EQP									6	3		3		
WEAPONS SPARES					7			15		6				
AUTOMV SUPP + EQP SPARES					9			4		82				
TOTAL VEH + WPNS (+ SP)					84			63		174		3		
CART UP THRU 20MM (THOUS)										50	3	341	33	
CART 37MM TO 75MM (THOUS)					**	12								
CART 75MM TO 90MM (THOUS)					1	7								
GRENADES (THOUS)							**	1						
OTHER AMMO AND COMPONENTS													2	
TOTAL AMMUNITION					19			1		3		35		
TELEPHONE SETS								100	16					
TEL+TEL TERMINL+TRANS EQP								230	23					
OTHER COMMUNICATIONS EQP									32	18		2		
COMMUNICATION EQP SPARES									10					
TOTAL COM EQPT (+ SP)								81		18		2		
CRANES								1	1					
MISC OTHER SUPPORT EQP					6			153		66		164		
OTHER SUPPLIES					**			17	**			9		
TOTAL OTHER EQPT (+ SP)					6			172		66		173		
REPAIR AND REHABILITATION										28				
TOTAL REP + REHAB EQPT										28				

IN THOUSANDS OF DOLLARS ** LESS THAN \$500 FY 1976 INCLUDES 7T = QTY IS MISSILES VALUE INCLUDES SUPPORT EQUIP

RCS 1100-SIPURCHES(16)-61

UNCLASSIFIED

AS OF 05 APR 78 PROCESSED 18 APR 78 PAGE 18

Figure L-7

Figure L

UNCLASSIFIED

OSAA - FOREIGN MILITARY SALES
FMS STATUS OF PURCHASES AND DELIVERIES

CATEGORIES/DESCRIPTIONS	SEQUENCE: SUB AREA, CC		IMPLEMENTING AGENCY: ALL IA'S AREA:						
	CUMULATIVE		PURCHASES		DELIVERIES		UNDELIVERED		
	QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE	
COUNTRY: EL SALVADOR UNIFIED COMMAND:									
AIRCRAFT TRAINER T-41	3	220					3	220	
AIRCRAFT SPARE PARTS		285				188		97	
TOTAL AIRCRAFT (+ SP)		505				188		317	
SHIP SPARE PARTS		119				43		76	
TOTAL SHIPS (+ SP)		119				43		76	
TRUCKS 1/4T ALL TYPES	114	36			114	36		**	
TRUCKS 3/4T ALL TYPES	170	135			20	68	150	67	
TRUCKS 2 1/2T ALL TYPES	2	2			2	2			
FIRE TRUCKS	2	5					2	5	
MACHINE GUNS	6	13					6	13	
OTHER WPNS + ORDNANCE EQP		12				6		6	
WEAPONS SPARES		29				49		20	
AUTOMTY SUPP + EQP SPARES		92				76		16	
TOTAL VEH + WPNS (+ SP)		324				237		87	
CART UP THRU 20MM (THOUS)	391	35					391	35	
CART 37MM TO 75MM (THOUS)	**	12			**	12	**		
CART 75MM TO 90MM (THOUS)	1	7			**	7	**		
GRENADES (THOUS)	**	1			**	1	**		
OTHER AMMO AND COMPONENTS		2				**		2	
TOTAL AMMUNITION		57				20		37	
TELEPHONE SETS	100	16					100	16	
TEL+TEL TERMNL+TRANS EQP	230	23			80	4	150	19	
OTHER COMMUNICATIONS EQP		51				27		24	
COMMUNICATION EQP SPARES		10				5		5	
TOTAL COM EQPT (+ SP)		100				37		64	
CRANES	1	1			1	1			
MISC OTHER SUPPORT EQP		389				262		127	
OTHER SUPPLIES		26				24		2	
TOTAL OTHER EQPT (+ SP)		417				288		129	

IN THOUSANDS OF DOLLARS ** LESS THAN \$500 QTY IS MISSILES VALUE INCLUDES SUPPORT EQUIP

RCS 1100-DELIVERIES(H)-HI AS OF 05 APR 78 PROCESSED 18 APR 78 PAGE 18

UNCLASSIFIED

MILITARY ASSISTANCE AND SALES MANUAL-PART III

L-3

Figure L-8

UNCLASSIFIED

OSAA - FOREIGN MILITARY SALES
ITEM PURCHASES BY NSN

COUNTRY:		SEQUENCE: GEN/NSN,CC,CASE NO		IMPLEMENTING AGENCY: ALL IA'S				
UNIFIED COMMAND:				AREA:				
I CASE	GEN	SCP	DEL DEL	PURCHASED	DELIVERED	UNDELIVERED		
CG A NO	RSN CDE	UI TLP	FYQ COM FOR	QTY	VALUE	QTY	VALUE	
*KS P	SALO 461 C560000000000000	CARGO SHIPS LIGHT	EA CC	752 753 753	4	240000	4	240000
*NSN TOTALS					6	565000	6	565000
*AR P	SANO 562 C5H0000000000000	AUXILIARY OCEAN TUGS	EA CC	753 754 754	2	190000	2	190000
*AR P	Z630 009 C5H0000000000000	AUXILIARY OCEAN TUGS	EA CC	634 000 000	2	88190	2	88190
*CI P	Z630 003 C5H0000000000000	AUXILIARY OCEAN TUGS	EA CC	634 000 000	1	88190	1	88190
*TM P	SAZO 281 C5H0000000000000	AUXILIARY OCEAN TUGS	EA CC	744 751 751	1	90000	1	90000
*CO P	Z630 004 C5H0000000000000	AUXILIARY OCEAN TUGS	EA CC	634 000 000	1	26126	1	26126
*EC P	Z630 003 C5H0000000000000	AUXILIARY OCEAN TUGS	EA CC	634 000 000	1	44862	1	44862
*HX P	BA00 001 C5H0000000000000	AUXILIARY OCEAN TUGS	EA CC	694 000 000	6	300000	6	300000
*MX P	Z630 004 C5H0000000000000	AUXILIARY OCEAN TUGS	EA CC	634 000 000	1	50000	1	50000
*PE P	SANO 282 C5H0000000000000	AUXILIARY OCEAN TUGS	EA CC	744 751 751	1	60000	1	60000
*PE P	Z630 005 C5H0000000000000	AUXILIARY OCEAN TUGS	EA CC	634 000 000	1	88190	1	88190
*TK P	SAVO 781 C5H0000000000000	AUXILIARY OCEAN TUGS	EA CC	741 742 742	1	45000	1	45000
*NSN TOTALS					18	1070558	18	1070558
*AR P	SAZO 661 C5H192500C003ATA	TUG OCEAN AUX ACT/OV/MOD	EA I	754 762 771	1	150000		1 150000
*TM P	SBE0 263 C5H192500C003ATA	TUG OCEAN AUX ACT/OV/MOD	EA I P	764 771 771	2	300000	2	300000
*CO P	SAGO 661 C5H192500C003ATA	TUG OCEAN AUX ACT/OV/MOD	EA IC	754 761 761	1	82000	1	82000
*NSN TOTALS					4	532000	3	382000 1 15000
*BR P	SANO 681 C5K000000000000	SUBMARINE RESCUE SHIPS	EA CC	734 742 742	1	75000	1	75000
*NSN TOTALS					1	75000	1	75000
*IT P	Z630 008 C5L000000000000	SEAPLANE TENDERS	EA CC	634 000 000	1	250000	1	250000
*NO P	BAPO 001 C5L0000000000000	SEAPLANE TENDERS	EA CC	691 000 000	1	85000	1	85000
*NSN TOTALS					2	335000	2	335000
*AR P	S8G0 661 C5H192500C005YTL	TUG HARBOR SML ACT/OV/MOD	EA I	773 782 782	6	108000		6 108000
*PA P	SAAO 462 C5H192500C005YTL	TUG HARBOR SML ACT/OV/MOD	EA I	772 000 774	2	36000		2 36000
*PA P	SAAO 463 C5H192500C005YTL	TUG HARBOR SML ACT/OV/MOD	EA I	772 000 774	1	100000		1 100000
*NSN TOTALS					9	244000		9 244000
*PI B	UEQ0 001 C5H1925003753003	TUG HARBOR 100 FT LT	EA CC	763 000 764	1	35000	1	35000
*NSN TOTALS					1	35000	1	35000
*AT B	W8Y0 001 C5N00000000000000	RESCUE BOATS	EA CC	683 000 000	1	500	1	500
*BR B	UJRO 001 C5N00000000000000	RESCUE BOATS	EA CC	721 732 732	19	6954	19	6954
*BR B	ULAO 001 C5N000000000000000	RESCUE BOATS	EA CC	731 732 732	100	36600	100	36600
*CN B	UQRO 001 C5N000000000000000	RESCUE BOATS	EA CC	652 000 000	40	26160	40	26160
*CN B	UYGO 001 C5N000000000000000	RESCUE BOATS	EA CC	661 000 000	80	52320	80	52320
*NSN TOTALS					240	122534	240	122534
*AR P	BBU0 001 C5P000000000000000	LANDING CRAFT MECHANIZED	EA CC	704 704 000	4	22000	4	22000

Figure L-9

U N C L A S S I F I E D

OSAA - FOREIGN MILITARY SALES

FMS CASE LEVEL SUMMARY

COUNTRY: EL SALVADOR

SEQUENCE: CC,FY,IA,CASE NO.

IMPLEMENTING AGENCY: ALL

UNIFIED COMMAND:

AREA:

CC	I	CASE	S	M	ITEMS	CASE	TOTAL	UNDEFINED	TOTAL	UNDELIVERED
A	NO	FY	I	F	IN FILE	VALUE	PURCHASES	PURCHASES	DELIVERIES	BALANCE
ES	P	UPAG	73	I	1	003	12,356	12,356	12,356	
FY TOTAL						12,356	12,356		12,356	
ES	B	SJLQ	74	I	1	003	1,027	1,027	1,027	10-
ES	B	UDBG	74	I	1	003	5,827	5,827	4,948	879
ES	B	UDEF	74	I	1	003	7,911	7,911	7,911	
ES	B	UDCG	74	I	1	014	81,577	81,577	82,065	1,288-
ES	B	UDKG	74	I	1	008	21,773	21,773	25,079	3,306-
ES	P	JAAC	74	I	1	003	15,000	15,000	9,695	5,305
FY TOTAL						133,115	133,115		131,535	1,580
ES	B	BACQ	75	I	1	004	150,233	150,234	136,568	13,666
ES	B	UDLG	75	I	1	003	15,637	15,637	43,022	27,387-
ES	B	UDND	75	I	1	004	6,743	6,744	6,841	97-
ES	B	UDPR	75	I	1	004	11,684	11,684	12,151	467-
ES	B	UDRQ	75	I	1	003	1,052	1,052	934	118
ES	B	UDUQ	75	I	2	016	67,144	67,144	16,319	50,825
ES	B	UDVQ	75	I	1	003	14,127	14,127	14,128	1-
ES	B	UDWG	75	I	2	004	19,767	19,767	62	19,705
ES	B	UDXC	75	I	1	003	3,344	3,344	1,458	1,886
ES	B	UEAD	75	I	2	003	43,527	43,527	42,810	717
ES	B	UEEG	75	I	1	003	3,399	3,399	3,399	
ES	D	RAAQ	75	I	1	003	89,467	89,467	89,279	188
ES	R	AAAQ	75	I	1	001	4,680	4,680		4,680
FY TOTAL						430,804	430,806		366,973	63,833
ES	B	BADQ	76	I	1	004	70,000	70,001	98,648	28,647-
ES	B	SJQJ	76	I	1	003	169	169	169	
ES	B	SJQJ	76	I	1	003	2,976	2,976		2,976
ES	B	SJQJ	76	I	2	007	32,732	32,732	15	32,717
ES	B	UEGQ	76	I	1	005	49,456	49,458	64,652	15,196-
ES	B	UEIQ	76	I	3	003	36,611	36,610	10,963	25,647
ES	B	UEJU	76	I	1	003	2,157	2,157	2,121	36
ES	B	UEKQ	76	I	2	003	80,657	80,657		80,657
ES	B	UENG	76	I	1	003	621	621		621
ES	D	PALQ	76	I	1	002	100	100	96	4
ES	D	PALQ	76	I	1	002	66	66	70	4

U N C L A S S I F I E D

MILITARY ASSISTANCE AND SALES MANUAL - PART III

Figure L-10

L-16

MILITARY ASSISTANCE AND SALES MANUAL—PART III

UNCLASSIFIED									
QUARTERLY REQUEST				DSAA - FOREIGN MILITARY SALES					
CREDIT PROGRAM STATUS REPORT									
CREDIT ARRANGEMENT SUMMARY									
COUNTRY: GUATEMALA				SEQUENCE: CTY, CDT ARR, IA, CASE			IMPLEMENTING AGENCY: ALL + COMMERCIAL		
CREDIT ARR-NO	IMPL ACCT	CASE NO	S	TOTAL CRED PROG	RESERVED AMOUNT	DISBURS TO MIL DEPS	UNDISBUR AMOUNT	UNCOMMITTED CREDIT	
711	NAVY	ARG	I		17,556	17,244	312		
		UPA	I		1,439	1,439			
		USA	I		1,726	1,726			
TOTAL NAVY					65,337	65,025	312		
TOTAL 711				4,980,000	2,682,142	2,714,206	32,064	1,317,858	
731	A F	S86	I		2,588,778	2,588,778			
TOTAL A F					2,588,778	2,588,778			
TOTAL 731				2,680,000	2,588,778	2,588,778		11,222	
TOTAL Z									
TOTAL 751				2,380,000				2,300,000	
761	ARMY	UJZ	I		1,333,747	1,333,746	1		
		UKG	X		6,279	6,279			
		ULH	E		2,812		2,812		
		ULI	O		68,920		68,920		
TOTAL ARMY					1,411,758	1,340,025	71,733		
TOTAL 761				1,500,000	1,411,758	1,340,025	71,733	88,242	
COUNTRY TOTAL				18,827,363	7,110,041	7,070,372	39,669	3,717,322	

Figure L-11

UNCLASSIFIED

USAA - FOREIGN MILITARY SALES

CREDIT PROGRAM STATUS REPORT
CASE SUMMARY

COUNTRY: BRAZIL				SEQUENCE: CTY, IA, CASE, CDT ARR	IMPLEMENTING AGENCY: ALL			
CC	I	CASE NO	S	CDT	CASE CREDIT	RESERVED AMOUNT	DISBURS TO MIL DEPT	UNDISBUR AMOUNT
A				ARR				
BR	B	UBDU	C	662	2,129,460	2,129,460	2,129,460	
BR	B	UBKU	C	662	177,725	177,725	177,725	
BR	B	UBLU	C	662	456,594	456,594	456,594	
BR	B	UGYU	I	671		554,750	554,749	1
BR	B	UGYD	I	672		2,500,000	2,500,000	
CASE TOTAL					3,054,750	3,054,750	3,054,749	1
BR	B	UIYD	C	671	425,016	425,016	425,016	
I/A TOTAL					6,243,545	6,243,545	6,243,544	1
BR	D	AAAD	C	681	34,888	34,888	34,888	
BR	D	DAAO	C	681	2,977,879	2,977,879	2,977,879	
BR	D	SAAO	C	681	5,965,111	5,965,111	5,965,111	
BR	D	SGTD	C	661	1,067,169	1,067,169	1,067,169	
BR	D	SGMO	C	661	122,598	122,598	122,598	
BR	D	SGYD	C	661	106,799	106,799	106,799	
BR	D	SHBD	C	661	5,970	5,970	5,970	
BR	D	SHCO	C	661	190,574	190,574	190,574	
BR	D	SHBO	C	661	2,850,000	2,850,000	2,850,000	
BR	D	SHJO	C	674	6,988,951	6,988,951	6,988,951	
BR	D	SQRD	C	674	44,667	44,667	44,667	
I/A TOTAL					20,354,606	20,354,606	20,354,606	
BR	P	BALD	C	663		3,000,000	3,000,000	
BR	P	BALU	C	672		2,399,003	2,399,003	
CASE TOTAL					5,399,003	5,399,003	5,399,003	

Figure L-12

UNCLASSIFIED

DSAA - FOREIGN MILITARY SALES (LOR SUB-SYSTEM)

WEEKLY NEW REQUESTS/AMENDMENT SUMMARY

AIR FORCE

CC	FY	CASE	I A	DATE OF REQUEST	DATE IA RECEIVED	DATE DSAA RECEIVED	TENDER OFFER NLT	QUANTITY	DESCRIPTION	C L
***AT	77	SCD0	F	24 FEB 77	25 FEB 77	06 APR 77	03 JUN 77		PEACE KOALA C-130 LC:SCD	03E U
AT	77	SDB0	F	24 FEB 77	01 APR 77	06 APR 77	03 JUN 77		MATERIAL STAGING AREA	E U
CN	77	MAT0	F	24 MAR 77	05 APR 77	06 APR 77	03 AUG 77		TACAN MAINT	A U
CN	77	PBZ0	F	21 MAR 77	05 APR 77	06 APR 77	03 AUG 77		TECH DATA	A U
EC	77	PAH0	F	24 MAR 77	05 APR 77	06 APR 77	03 AUG 77		STD PUBS	A U
GR	77	FAP0	F	18 FEB 77	28 FEB 77	06 APR 77	29 APR 77		TRAINING FILM	F U
GR	77	GCK1	F	28 MAR 77	05 APR 77	06 APR 77	03 AUG 77		ADD \$ TO GCK0	A U
GR	77	MAT0	F	10 MAR 77	05 APR 77	06 APR 77	03 AUG 77		ENG OVRHL	A U
GR	77	YAN0	F	05 APR 77	05 APR 77	06 APR 77	04 JUL 77		QEC KITS	U
GT	77	MAR0	F	22 MAR 77	05 APR 77	06 APR 77	03 AUG 77		ENG OVRHL	A U
GY	77	CAW0	F	27 MAR 77	05 APR 77	06 APR 77	03 AUG 77		TO REPLACE GY-D-CAKO	A U
GY	77	NAAD	F	23 FEB 77	01 MAR 77	06 APR 77	30 MAY 77		DEPOT SUPPORT FOR RADAR	W U
GY	77	NAB0	F	10 MAR 77	15 MAR 77	06 APR 77	13 JUN 77		DEPOT SUPPORT FOR RADAR	W U
IN	77	TAA0	F	02 MAR 77	04 MAR 77	06 APR 77	02 JUL 77		FLT SAFETY OFF TNG	T U
IS	77	FCP0	F	15 MAR 77	18 MAR 77	06 APR 77	17 MAY 77		TRAINING FILM	F U
IT	77	FAHQ	F	26 JAN 77	28 FEB 77	06 APR 77	29 APR 77		TRAINING FILM	F U
JA	77	RBE0	F	29 MAR 77	05 APR 77	06 APR 77	03 AUG 77		HISAWA ANNUAL REQ CASE	A U
JA	77	RBE0	F	29 MAR 77	05 APR 77	06 APR 77	03 AUG 77		ANNUAL REQ CASE	A U
JA	77	TBF0	F	30 JAN 77	30 JAN 77	06 APR 77	30 MAY 77		ACSC	T U
K2	77	BUY0	F	22 MAR 77	05 APR 77	06 APR 77	03 AUG 77		F-104 SPARES	A U
KS	77	LDL0	F	22 FEB 77	05 APR 77	06 APR 77	03 AUG 77		PMEL LAB	A U
KS	77	LON0	F	04 MAR 77	05 APR 77	06 APR 77	03 AUG 77		ENG OVRHL AGE	A U
MF	77	VAC0	F	28 MAR 77	05 APR 77	06 APR 77	03 AUG 77		CLASS IV MOOS	A U
NE	77	KAU1	F	22 MAR 77	05 APR 77	06 APR 77	03 AUG 77		SSA FMSO I	A U
NO	77	CBT0	F	16 MAR 77	05 APR 77	06 APR 77	03 AUG 77		CAD/PAD ITEMS	A U
PE	77	GBL0	F	31 JAN 77	05 APR 77	06 APR 77	03 AUG 77		CAD/PAD ITEMS	A U
PE	77	GAE1	F	10 MAR 77	05 APR 77	06 APR 77	03 AUG 77		TECH ASSIST	A U
PE	77	LBS0	F	29 MAR 77	05 APR 77	06 APR 77	03 AUG 77		T37B ENG	A U
PE	77	MAD0	F	29 MAR 77	05 APR 77	06 APR 77	03 AUG 77		ENG OVRHL	A U
PT	77	FAB0	F	18 MAR 77	23 MAR 77	06 APR 77	22 MAY 77		TRAINING FILM	F U
SN	77	PAB0	F	29 MAR 77	05 APR 77	06 APR 77	03 AUG 77		TECH ORDRS	A U
SN	77	PAC0	F	29 MAR 77	05 APR 77	06 APR 77	03 AUG 77		STD FORMS	A U
SN	77	PAD0	F	29 MAR 77	05 APR 77	06 APR 77	03 AUG 77		USAF STKLST & CAT	A U
SN	77	PAE0	F	29 MAR 77	05 APR 77	06 APR 77	03 AUG 77		ENG DRNGS	A U
SN	77	TAG0	F	31 MAR 77	31 MAR 77	06 APR 77	29 JUL 77		FLT SAFETY OFF TNG	T U
SP	77	LGZ0	F	24 MAR 77	05 APR 77	06 APR 77	03 AUG 77		GRND EQUIP	A U
TW	77	BAT0	F	04 MAR 77	05 APR 77	06 APR 77	03 AUG 77		BAK-12 SYSTEM	A U
UK	77	NAA0	F	10 MAR 77	11 MAR 77	06 APR 77	10 MAY 77		DEPOT SUPPORT FOR RADAR	W U
UK	77	NAB0	F	10 MAR 77	11 MAR 77	06 APR 77	10 MAY 77		NOTAM SERVICE	W U
VE	77	TAR0	F	29 MAR 77	31 MAR 77	06 APR 77	29 JUL 77		OPEN END TNG CASE	T U

TOTAL AIR FORCE REQUESTS THIS PERIOD - 40 TOTAL TO DATE - 2469

*** = AMENDMENT

RCS 1100-NEWREQ

FROM 31 MAR 77 THRU 06 APR 77

PROCESSED 07 APR 77

PAGE 1

UNCLASSIFIED

MILITARY ASSISTANCE AND SALES MANUAL - PART III

L-18

Figure L-13

UNCLASSIFIED

OSAA FOREIGN MILITARY SALES (LOR SUB-SYSTEM)

OFFERS TENDERED SUMMARY

AIR FORCE

CC	FY	CASE	DATE OF REQUEST	DATE IA RECEIVED	OFFER DATE	PROC TIME	QUANT-ITY	CASH AMT	CREDIT AMT	TOTAL VALUE	DESCRIPTION
AT	75	CAPD			05	MAR	75	70532		70532	CLASS C EXPLOSIVES
AT	75	TCAO			05	MAR	75	10506		10506	USAF MOBILE TNG TEAM FOR P-4FIRE TRUCKS
IR	75	GFKD			28	FEB	75	71400		71400	SERVICES OF 1 J85 JET ENGINEER
IT	75	LHHO			07	MAR	75	71670		71670	SPEAKER ASSY/LOUDMAILER SET
JA	75	TAZO			07	FEB	75	16830		16830	DEPCT LEVEL RADAR TNG
KS	75	LAVO			28	FEB	75	71464		71464	STAND FLOWMETERS
KS	75	MAJO			28	FEB	75	428400		428400	PERIODIC DEPOT MAINT F4D ACFT
K2	75	PAGO			03	JAN	75	26		26	STANDARD AIR FORCE PUBLICATIONS
MO	75	LCKO			28	FEB	75	8093		8093	TDU 11B TARGET ROCKET ASSY
NE	75	CAMD	11 JAN 75	15 JAN 75	05	MAR	75	26411	49	26411	CTG IMPULSE M91/DELAY M90
PE	75	LBJD	10 JAN 75	13 JAN 75	06	MAR	75	14217	52	14217	RACK BOMB MA48/SIGHT AMPLIFIER
SP	75	AAVO			07	MAR	75	7140		7140	PERSONNEL DISTRESS KIT
SP	75	MAEO			06	MAR	75	1445490		1445490	RELOAD MK-17 ROCKET MOTOR
**	TOTAL**							2242179		2242179	

UNCLASSIFIED

L-19

MILITARY ASSISTANCE AND SALES MANUAL - PART III

UNCLASSIFIED

OSAA FOREIGN MILITARY SALES (LOR SUB-SYSTEM)

EXCEPTION SUMMARY

AIR FORCE

CC	FY	CASE	EXT	DATE OF REQUEST	DATE OF RECEIPT/ EXTENSION	TENDER OFFER NLT	DAYS EXCEEDED	DESCRIPTION	REMARKS
MF	75	UAA0	00	21 NOV 74	06 JAN 75	17 FEB 75	032	BLANKET ORDER AERO CHARTS & FLIPS	EXCEED WARNING 05 TIMES
MO	75	LCK0						TDU 118 TARGET ROCKET ASSY	** 1 CARD WITH NO MATCH **
NE	75	ACZ0	00	25 NOV 74	29 JAN 75	12 MAR 75	009	EXPLCSIVE KIT MLU 58	EXCEED WARNING 02 TIMES
NE	75	A0A0	00	27 JAN 75	31 JAN 75	14 MAR 75	007	FUZE BOMB NOSE/BOOSTERS/DELAY ELEMENTS	EXCEED WARNING 02 TIMES
NE	75	A0B0	00	27 JAN 75	02 FEB 75	17 MAR 75	004	WARHEADS MK 61 INERT	EXCEED WARNING 01 TIMES
NE	75	LCT0	00	27 JAN 75	31 JAN 75	14 MAR 75	007	TEST SET SAS NF5	EXCEED WARNING 02 TIMES
NE	75	LCU0	00	23 JAN 75	31 JAN 75	14 MAR 75	007	CONTROL TRANSPONDER SET	EXCEED WARNING 02 TIMES
NI	75	UAB0	00	13 DEC 74	28 JAN 75	11 MAR 75	010	MISCELLANEOUS CHARTS	EXCEED WARNING 02 TIMES
NO	75	ACPD	00	05 FEB 75	13 FEB 75	27 MAR 75	000	MISC BOMB CARTRIDGES	06 DAY WARNING
NO	75	ACRD	00	05 FEB 75	13 FEB 75	27 MAR 75	000	MARKER LOCATION MAR MK25	06 DAY WARNING
NO	75	ACSD	00	05 FEB 75	13 FEB 75	27 MAR 75	000	ROCKET MOTORS AND IGNITER	06 DAY WARNING
NO	75	CAT0	00	08 JAN 75	13 JAN 75	10 FEB 75	039	MISC ACTUATED DEVICES AND COMP	EXCEED WARNING 06 TIMES
NO	75	CAU0	00	08 JAN 75	13 JAN 75	18 FEB 75	031	SQUIE ELECTRIC	EXCEED WARNING 05 TIMES
NO	75	CAV0	00	08 JAN 75	30 JAN 75	13 MAR 75	008	ACTIVATING DEVICE AND SQUIB	EXCEED WARNING 02 TIMES
NO	75	CAW0	00	27 JAN 75	04 FEB 75	18 MAR 75	003	MISC CARTRIDGE DEVICES	EXCEED WARNING 01 TIMES
NO	75	CAX0	00	05 FEB 75	13 FEB 75	27 MAR 75	000	CARTRIDGE IMPULSE	06 DAY WARNING
NO	75	LELO	00	30 DEC 74	13 JAN 75	03 FEB 75	046	TESTSTAND HYDRAULIC	EXCEED WARNING 06 TIMES
NO	75	LEMO	00	08 JAN 75	13 JAN 75	10 FEB 75	039	TESTER CABIN LEAKAGE	EXCEED WARNING 06 TIMES
NO	75	LEND	00	08 JAN 75	13 JAN 75	10 FEB 75	039	UHF RADIO-TRANSMITTER-CONTROL	EXCEED WARNING 06 TIMES
NO	75	LEPD	00	03 FEB 75	10 FEB 75	24 MAR 75	000	ANTI-G-SUITS	03 DAY WARNING
NO	75	LER0	00	03 FEB 75	10 FEB 75	24 MAR 75	000	RATEGYRO AND ATTITUDE DIRECTOR IND	03 DAY WARNING
NU	75	MAB0	00	19 DEC 74	08 JAN 75	15 FEB 75	034	CLASS IV MODS T33 ACFT	EXCEED WARNING 05 TIMES
N4	75	BNX0	00	28 JAN 75	04 FEB 75	18 MAR 75	003	MISC ELECTRICAL SUPPLIES	EXCEED WARNING 01 TIMES
N4	75	CAP0	00	30 JAN 75	31 JAN 75	14 MAR 75	007	SPRING INITIATORS	EXCEED WARNING 02 TIMES
N4	75	LCB0	00	07 FEB 75	13 FEB 75	27 MAR 75	000	SIDEWINDER TEST SET MK 342	06 DAY WARNING
PE	75	LBK0	00	13 NOV 74	11 FEB 75	25 MAR 75	000	MACHINE GUN 50 CALIBER	04 DAY WARNING
PK	75	LHM0	00	09 JAN 75	20 JAN 75	03 MAR 75	018	PLA CATA-LETTER OF OFFER-13 FEB 75	EXCEED WARNING 03 TIMES
SP	75	AAV0						FERSCNEL DISTRESS KIT	** 1 CARD WITH NO MATCH **
SP	75	AAX0	00	22 JAN 75	26 JAN 75	09 MAR 75	012	CTG MK4 SIGNAL & BDU-33 E/B	EXCEED WARNING 02 TIMES
SP	75	AAZ0	00	05 FEB 75	05 FEB 75	19 MAR 75	002	2.75 IN ROCKET WARHEAD & FUZE	EXCEED WARNING 01 TIMES
SP	75	LST0	00	16 JAN 75	16 JAN 75	27 FEB 75	022	AMERICAN LANGUAGE COURSE MATLS	EXCEED WARNING 02 TIMES
SP	75	MAE0						RELOAD MK-17 ROCKET MOTOR	** 1 CARD WITH NO MATCH **
SR	75	LEZ0	00	18 DEC 74	24 JAN 75	07 MAR 75	014	VIBREX TRACKER/BALANCE KIT HELICOPTERS	EXCEED WARNING 02 TIMES
TK	75	SAD0	00	27 JAN 75	29 JAN 75	12 MAR 75	009	REPAIR SHOP EQUIPMENT	EXCEED WARNING 02 TIMES
UK	75	CAG0	00	14 JAN 75	24 JAN 75	07 MAR 75	014	CARTRIDGE IMPULSE MK 8 MCD 0	EXCEED WARNING 02 TIMES
UK	75	LBV0	00	30 JAN 75	14 FEB 75	28 MAR 75	000	ECH EQUIPMENT AN/ALT 32	07 DAY WARNING

C
L

MILITARY ASSISTANCE AND SALES MANUAL-PART III

RCS EXCEPT FROM 13 MAR 75 THRU 20 MAR 75

PROCESSED 21 MAR 75

PAGE 2

UNCLASSIFIED

Figure L-15

UNCLASSIFIED

DSAA FOREIGN MILITARY SALES (LOR SUB-SYSTEM)

COUNTRY-REQUEST SUMMARY

AIR FORCE

IA	CC	FY	CASE	EXT NMB	DATE OF REQUEST	DATE IA RECEIVED	TENDER OFFER DLT (OFFER DATE)	STATUS	DAYS SINCE IA RECEIPT/ PROCESSED	QUANT-ITY	DESCRIPTION/REMARKS	C	
												L	U
D	AR	77	ABJO	00	30 JUN 77	1 JUL 77	2 SEP 77	OPEN	290	30	AIM-9JIR SIDEMINDER	E	U
D	AR	77	ABJO	01		25 AUG 77	2 NOV 77	EXTENDED	235		AWAITING STATE APPROVAL	E	U
D	AR	77	ABJO	02		20 OCT 77	16 DEC 77	EXTENDED	179		NO CHANGE	E	U
Q	AR	77	ABJO	03		15 DEC 77	4 FEB 78	EXTENDED	123		NO CHANGE	E	U
D	AR	77	ABJO	04		2 FEB 78	18 MAR 78	EXTENDED	74		NO CHANGE	E	U
D	AR	77	ABJO	05		16 MAR 78	29 MAY 78	EXTENDED	32		NO CHANGE	E	U
D	AR	77	ABKO	00	15 JUL 77	29 JUL 77	30 SEP 77	OPEN	262		BOMB COMPONENTS	E	U
D	AR	77	ABKO	01		23 SEP 77	30 OCT 77	EXTENDED	206		AWAITING STATE APVL	E	U
D	AR	77	ABKO	02		20 OCT 77	16 DEC 77	EXTENDED	179		NO CHANGE	E	U
D	AR	77	ABKO	03		15 DEC 77	4 FEB 78	EXTENDED	123		NO CHANGE	E	U
D	AR	77	ABKO	04		2 FEB 78	18 MAR 78	EXTENDED	74		NO CHANGE	E	U
Q	AR	77	ABKO	05		16 MAR 78	29 MAY 78	EXTENDED	32		NO CHANGE	E	U
D	AR	77	ABRD	00	11 MAY 77	20 MAY 77	30 SEP 77	OPEN	332		MISC MUNITIONS	E	U
D	AR	77	ABRD	01		23 SEP 77	30 OCT 77	EXTENDED	206		AWAITING STATE APVL	E	U
D	AR	77	ABRD	02		20 OCT 77	16 DEC 77	EXTENDED	179		NO CHANGE	E	U
D	AR	77	ABRD	03		15 DEC 77	4 FEB 78	EXTENDED	123		NO CHANGE	E	U
D	AR	77	ABRD	04		2 FEB 78	18 MAR 78	EXTENDED	74		NO CHANGE	E	U
D	AR	77	ABRD	05		16 MAR 78	29 MAY 78	EXTENDED	32		NO CHANGE	E	U
D	AR	78	RAKO	00	11 JAN 78	17 JAN 78	17 APR 78	OPEN	90		SPARE PARTS	A	U
D	AR	78	RAKO	01		6 APR 78	19 JUN 78	EXTENDED	11		FNO TO CMD 10 MAR 78	A	U
D	AR	78	TAPD	00	30 JAN 78	31 JAN 78	10 MAY 78	OPEN	76		BLANKET ORDER TNG CASE	T	U
Q	AT	78	AEYD	00	1 DEC 77	2 DEC 77	5 MAR 78	OPEN	136	1117	SIGNAL FLARE BANDOLIERS	E	U
D	AT	78	AEYD	01		27 FEB 78	15 APR 78	EXTENDED	49		AWAITING PLA	E	U
D	AT	78	AEYD	02		14 APR 78	3 JUN 78	EXTENDED	3		CNX ITEMS NOT AVAILABLE	E	U
D	AT	78	AFAO	00	26 JAN 78	31 JAN 78	1 APR 78	OPEN	76	700	FUZE ARMING DRIVE SHAFTS	E	U
D	AT	78	AFAO	01		24 MAR 78	15 MAY 78	EXTENDED	24		LOA IN PROCESS	E	U
D	AT	78	AFCO	00	25 NOV 77	29 NOV 77	15 MAR 78	OPEN	139	6000	SGNL ILLUM RED STAR FLARES	E	U
D	AT	78	AFCO	01		3 MAR 78	15 APR 78	EXTENDED	45		AWAITING &&A DATA	E	U
D	AT	78	AFCO	02		14 APR 78	3 JUN 78	EXTENDED	3		CNX ITEMS NOT AVAILABLE	E	U
D	AT	78	AFOO	00	13 MAR 78	15 MAR 78	15 MAY 78	OPEN	33	312	BOMB FIN ASSEMBLY	E	U
D	AT	78	AFOO	00	13 MAR 78	16 MAR 78	15 MAY 78	OPEN	32	640	PHOTO FLASH CARTRIDGE	E	U
D	AT	78	AFOO	00	8 NOV 77	7 MAR 78	3 JUN 78	OPEN	41	600	L00-2A/B PARACHUTE FLARES	E	U
D	AT	78	CBXO	00	16 JAN 78	31 JAN 78	1 MAY 78	OPEN	76		CAD/PAD ITEMS	A	U
Q	AT	78	CBYO	00	21 FEB 78	28 FEB 78	29 MAY 78	OPEN	48		CAD/PAD	A	U
D	AT	78	GBE0	00	26 JAN 78	21 MAR 78	19 JUN 78	OPEN	27		ENGINEERING SERVICES	A	U
D	AT	78	HBA0	00	13 MAR 78	11 APR 78	11 JUL 78	OPEN	6		OVERHAUL OF ACTUATOR VALVES	A	U
D	AT	78	PDU0	00	5 APR 78	11 APR 78	11 JUL 78	OPEN	6		H051 PRODUCTS	A	U
Q	AT	78	TEFO	00	15 FEB 78	17 FEB 78	25 APR 78	OPEN	59		AGSC	T	U
D	AT	78	TEGO	00	16 MAR 78	17 MAR 78	30 APR 78	OPEN	31		AN/TPS-43 MAINT TNG	T	U
D	AT	78	VBE0	00	8 FEB 78	14 FEB 78	15 MAY 78	OPEN	62		B.O. CLASS IV MOOS	A	U
D	AT	78	VBF0	00	6 MAR 78	21 MAR 78	19 JUN 78	OPEN	27		CLASS IV MOOS	A	U
D	AT	78	VBG0	00	31 MAR 78	11 APR 78	11 JUL 78	OPEN	6		MOD KIT FOR F111C BIRT	A	U

ISC 1100(LOR)-CNTRYREQ AS OF 12 APR 78

PROCESSED 17 APR 78

PAGE 1

UNCLASSIFIED

MILITARY ASSISTANCE AND SALES MANUAL-PART III

CHAPTER M

MANAGEMENT OF THE CEILING ON WEAPONS AND WEAPONS RELATED ITEMS

1. Purpose

This chapter prescribes the management policies and procedures to account for and control U.S. transfers of weapons and weapons related items in consonance with the President's policy to reduce the volume of such transactions.

2. Policy Guidance

The President's policy for all transfers of weapons and weapons related items (except to NATO countries/agencies, Japan, Australia, and New Zealand) requires that the dollar volume in constant FY 1976 dollars of new orders under Foreign Military Sales and Military Assistance Programs in FY 1978 be less than the FY 1977 total. To this end, the Office of the Secretary of Defense has established the procedures within this chapter for managing a ceiling on Weapons and Weapons Related Items and has made DSAA the responsible agency for its implementation.

3. Description of the Ceiling

The annual ceiling applies to FMS and MAP and covers only weapons and weapons related items (Figure M-1) for all countries except NATO countries/agencies, Japan, Australia, and New Zealand. Items which are not weapons or weapons related are listed in Figure M-2. The procedures pertaining to the control of MAP transactions are contained in Part II of the MASM.

4. Allocation Accounting System

a. DSAA has developed an allocation accounting system to provide the positive con-

trols required to assure that sales of weapons and weapons related items do not exceed the annual ceiling established by the President. The DSAA/TC Ceiling Management Division is responsible for maintaining the allocation accounting system which provides:

(1) Prompt recording of the dollar value of all Letters of Offer issued. At the time the case is entered into the 1100 system, it will be coded to enable management to identify that portion of each case associated with weapons and weapons related items and services.

(2) Assurance that Letters of Offer for weapons and weapons related items will not be issued in excess of ceiling dollars allocated.

(3) Priority tracking of all reservations against the annual fiscal year ceiling for accounts 2 and 3 (see para 5a); i.e., positive control over the value of all sales offers issued together with control over the fiscal year in which each sales agreement may be accepted by the purchaser.

(4) The same control over issuance of scope change amendments to prior year programs. Such changes will be counted in the fiscal year in which they are accepted.

(5) Ability to respond accurately to requests for reporting the value of Letters of Offer issued in relation to the annual fiscal year ceiling.

(6) Recording the value of accepted sales agreements as soon as possible with the goal of doing so within five days after signature by the purchaser.

b. Section 36(b), Arms Export Control

MILITARY ASSISTANCE AND SALES MANUAL—PART III

Act, cases will continue to be reported as outlined in Part III. The following additional information is also required for Section 36(b) cases:

(1) A breakout of the items by dollar value into either the category "weapons and weapons related items" or "items not weapons or weapons related".

(2) An indication of whether the country may only accept the case in the current fiscal year so as to preclude program disruption, or whether country acceptance could be delayed until the next fiscal year without causing difficulty.

(3) A description of what problems would occur if the case was not accepted until the next FY.

(4) An indication of whether the program should be broken into several support cases and the FY in which the country must accept each case in order to avoid program disruption.

5. Description of the Allocation Accounting System

a. Upon receipt of the fiscal year ceiling, the dollar value thereof will be reduced by

the amount reserved for MAP weapons and weapons related items. The remaining balance for the fiscal year will then be set aside for the following three accounts:

(1) Account 1 — cases not requiring Section 36(b) notification (any Letter of Offer for major defense equipment less than \$7 million and all other Letters of Offer less than \$25 million).

(2) Account 2 — Section 36(b) follow-on support cases directly related to weapons systems previously provided.

(3) Account 3 — all other Section 36 (b) cases.

b. Each military department and other defense agency preparing Letters of Offer, including scope changes to offers previously accepted, will provide DSAA/TC by 15 September of each year with a forecast of cases falling within each of the accounts addressed in para 5a which are expected to be offered in the next fiscal year. Each submission should show the basis of arriving at the forecast amount in sufficient detail to permit an analysis of the judgements and assumptions used. The formats to be used are as follows:

Account 1 FY—Estimate				
<u>Country</u>		<u>Estimated Value</u>	<u>Basis for Estimate</u>	
Account 2/3 FY—Estimate				
<u>Country</u>	<u>Item</u>	<u>Estimated Value</u>	<u>Basis for Estimate</u>	<u>Estimated 36(b) Submission Date to DSAA</u>

c. At the beginning of each fiscal year, the annual dollar ceiling set aside for FMS will be allocated to the three accounts.

(1) Account 1 — allocate a specified amount for ceiling related cases in this category, based on an estimate by DSAA considering experience of prior years and the report specified in para 5b.

(2) Account 2 — allocate a specified

amount for ceiling related follow-on support 36(b) cases identified at the beginning of the fiscal year as required to support weapons systems previously provided.

(3) Account 3 — allocate the remainder of the ceiling available for all other ceiling related cases.

d. At the time DOD receives authorization to issue an advance Section 36(b) notifica-

tion to Congress, DSAA will reserve the applicable dollar value of the notification in the appropriate fiscal year ceiling account.

(1) Account 1 — not applicable.

(2) Account 2 — reserve the value of ceiling related items in the advance notification; reduce unused allocation by the same amount.

(3) Account 3 — reserve the value of ceiling related items in the advance notification; reduce unused allocation by the same amount.

e. The Military Departments and Defense Agencies are responsible for inserting the appropriate MASL line data for each line item on each Letter of Offer (DD Form 1513). Should there not be an applicable line in the MASL, it is the responsibility of the department or agency preparing the DD Form 1513 to establish a line in accordance with the procedures outlined in Chapter H and Appendix A, Part I. Upon receipt of the DD Form 1513, the DSAA Ceiling Management Division will verify that these lines are properly completed. The DD Form 1513 will not be processed and will be returned to the preparing agency if line items contain incorrect MASL data.

f. When the Letter of Offer is approved for release, it will be countersigned by DSAA/TC.

(1) Account 1 — commit the value of ceiling related items contained in each Letter of Offer countersigned; reduce unused allocation by the amount of the commitment.

(2) Account 2 — commit the value of ceiling related items contained in each Letter of Offer countersigned; adjust reservation made for advance Section 36(b) notification to reflect amount of commitment recorded; adjust unused allocation by the amount of the adjustment to the reservation.

(3) Account 3 — commit the value of ceiling related items contained in each Letter of Offer countersigned; adjust reservation made for advance Section 36(b) notification

to reflect amount of commitment recorded; adjust unused allocation by the amount of the adjustment to the reservation.

g. The DSAA/TC Ceiling Management Division will also stamp the DD Form 1513 to indicate that the LOA must be accepted not later than or, as applicable not prior to a certain date. In addition, the stamp will also require that DSAA be notified by the requesting country, either directly or as prescribed in paragraph 5k, within 5 days after acceptance or rejection of the offer; if such notice is not received ten days after the expiration date of the DD Form 1513, the Letter of Offer, even though accepted, will be automatically cancelled. The Allocation Accounting System ledgers will be adjusted accordingly.

h. All requests for extensions of expiration dates on all Letters of Offer as well as revisions, prior to acceptance, to the DD Form 1513 which result in increases to the case's value must be submitted to DSAA/TC (ATTN: Ceiling Management Division) for approval. Strict adherence to the expiration date of the Letter of Offer is required; e.g., if FY 1978 ceiling dollars are committed to the transaction, the expiration date must fall within FY 1978; commitment of FY 1979 ceiling dollars requires that the Letter of Offer will not be valid before 1 October 1978. Exigencies within the ceiling management program could impact upon offer expiration dates in block #8 of the DD Form 1513, particularly during the latter months of the FY. Required changes to the offer expiration date resulting from ceiling constraints will be made by DSAA and coordinated with the cognizant military activity or agency.

i. After the DOD receives the release authority from the Department of State, the Ceiling Management Division will return the original copy of the DD Form 1513 to the preparing agency for further processing to the prospective customer, forward a copy to the SAAC, and retain a copy for its files. When the Letter of Offer is accepted, distribution of the DD Form 1513 will be made in accordance with the instructions contained in

MILITARY ASSISTANCE AND SALES MANUAL—PART III

the DD Form 1513. In addition, the applicable Military Department or agency is responsible for furnishing a signed copy to the Ceiling Management Division.

j. Acceptances will be recorded against the appropriate fiscal year ceiling when a Letter of Offer is signed by an authorized representative of the foreign country to which the offer was made.

(1) Account 1 — record the value of ceiling related items contained in each Letter of Offer accepted; if necessary, adjust unused allocation and the commitment recorded at the time of offer to reflect USG authorized changes made to the Letter of Offer by the foreign government.

(2) Account 2 — record the value of ceiling related items contained in each Letter of Offer accepted; if necessary, adjust unused allocation, the reservation, and the commitment recorded at the time of offer to reflect USG authorized changes made to the Letter of Offer by the foreign government.

(3) Account 3 — record the value of ceiling related items contained in each Letter of Offer accepted; if necessary, adjust unused allocation, the reservation and the commitment recorded at time of offer to reflect USG authorized changes made to the Letter of Offer by the foreign government.

k. Each MAAG, ODC, or similar organization will immediately advise DSAA/TC, SAAC, and the Military Department or other agency issuing the Letter of Offer by priority message when each Letter of Offer has been signed or rejected by the host country. In those instances when Letters of Offer are processed by the foreign country without MAAG, ODC, or similar organization involvement, the Letter of Offer will have an annotation requiring the signature authority to immediately notify DSAA, SAAC, and the appropriate organization issuing the Letter of Offer by message when signed by an authorized representative of the purchaser.

l. The allocation accounting system will be maintained on a daily basis and reconciled with the data in the 1100 system to insure

compatibility and accuracy of actual data. See Figure M-3 for an illustration of FMS ceiling allocation transactions.

m. Reference to a Letter of Offer (DD Form 1513) includes an amendment to a Letter of Offer (DD Form 5131-1) for purposes of paragraph 4 and all above subparagraphs of this paragraph. Notifications of price increases issued on DD Form 1513-2 to cases accepted during the same fiscal year will be provided by the issuing authority immediately after issuance to the DSAA Ceiling Management Division for adjustment of the appropriate Allocation Accounting System accounts.

6. Estimated Ceiling Activity

The Ceiling Management Division will be in a position to provide estimates of ceiling activity based upon the information submitted in accordance with paragraph 5 above and required updates. The accuracy of these estimates will be dependent upon:

a. Analysis of computer records of reservations and commitments pertaining to ceiling activity including revalidation of specified reserves in accounts 2 and 3.

b. Analysis of the status of Letters of Offer outstanding, to revise forecasts for current and next fiscal year.

c. Analysis of Section 36(b) notifications which are under or have completed Congressional review, but for which Letters of Offer have not been issued.

d. Identification of cases not yet authorized for advance Section 36(b) notification to Congress and their potential impact on the ceilings for the current and next fiscal year.

e. Identification of programs in which recipients are known to have an interest for possible impact on the ceilings for the current and next fiscal year.

7. Monthly Report

A monthly report is required from each Military Department which indicates the

MILITARY ASSISTANCE AND SALES MANUAL—PART III

status of preparation of Letters of Offer which must undergo Congressional Review under provisions of Section 36(b), Arms Export Control Act. Reports are due in DSAA/TC by the 20th of each month. Specific information required is:

a. A listing, by country, items and esti-

mated dollar value, of LOAs in preparation which must be submitted to the DSAA Comptroller for initiation of the Congressional review process.

b. An estimate of the date when each of these LOAs will be submitted to the DSAA Comptroller.

WEAPONS AND WEAPONS RELATED ITEMS

All aircraft	Gun, 105mm
Aircraft modifications	Gun, 155mm
Aircraft spare parts	Gun, 175mm
All Ships	Howitzers, 75mm
Ship cost sharing	Howitzers, 105mm
Ship space parts	Howitzers, 155mm
All missiles	Howitzers, 8 inch
Missile system components	Mortars, 60mm
Missile modifications	Mortars, 81mm
Missile spare parts	Mortars, 107mm—4.2 inch
Armored cars	Mortars, 120mm
Carrier, Cargo, Armored	Rifles, recoilless, 75mm
Carrier, personnel, armored, full track	Rifles, recoilless, 90mm
Carrier, personnel, armored, half track	Rifles, recoilless, 105mm
Carrier weapons	Rifles, recoilless, 106mm
Tanks	Rifles, recoilless, 120mm
Tank recovery vehicles	Rifles, recoilless, 155mm
Miscellaneous combat vehicles	Subcaliber weapons
Artillery, self-propelled, anti-aircraft	Other weapons up to 75mm
Artillery, self-propelled, anti-tank	Other weapons 76mm + over
Artillery, self-propelled, 105mm howitzer	Mounts, 20mm
Artillery, self-propelled, 155mm howitzer	Mounts, 40mm
Artillery, self-propelled, 4.2 mortar	Mounts, 4 inch/50
Artillery, self-propelled, 8 inch howitzer	Mounts, 5 inch/25
Artillery, self-propelled, 175mm gun	Mounts, 5 inch/38
Artillery, self-propelled, other	Mounts, 5 inch/54
Semi-trailers, all types*	Launchers, depth charge
Trailers, all types*	Launchers, rocket
Trucks, 1/4 ton, all types*	Launchers, torpedo
Trucks, 3/4 ton, all types*	Loading machines
Trucks, 1 ton, all types*	Fire control directors
Trucks, 2 1/2 ton, all types*	Fire control computers
Trucks, 5 ton, all types*	ASW fire control systems
Fire trucks*	Gunfire control systems
Other trucks*	Torpedo fire control systems
Carbines	Submarine fire control systems
Pistols	Vehicles, miscellaneous types
Rifles	Other weapons + ordnance equipment
Submachine guns	Weapons, spares
Machine guns	Automotive supplies + equipment spares
Gun, anti-aircraft	Artillery charges (thousand)
Gun, riot-control	Artillery projectives 5 inch + over (thousand)
Gun, 75mm	Bombs (thousand)
Gun, 76mm	Cartridges up through 20mm (thousand)
Gun, 90mm	Cartridges, 37mm to 75mm (thousand)

* Built to Military Specification (Mil Specs)

Figure M-1

MILITARY ASSISTANCE AND SALES MANUAL—PART III

Cartridges, 75mm to 90mm (thousand)	Radio receiving equipment
Cartridges, 105mm—155mm (thousand)	Radio relay equipment
Grenades (thousand)	Radios, tactical
Mines (thousand)	Radio transmitting equipment
Mortar rounds, 60mm (thousand)	Other communications equipment
Mortar rounds, 81mm—4.2 inch (thousand)	Communications equipment spares
Riot control gun ammunition (thousand)	Military bridges
Rockets (thousand)	Tractors, crawlered + wheeled
Torpedos	Fork lift trucks
Other ammunition and components	Tool kits and sets
Electronic Countermeasures equipment	Petroleum oil lubricants, gases and fuels
Radar air search equipment	Repair and rehabilitation
Radar ground control (GCA) equipment	Research and development
Radar mortar tracking equipment	Ship overhauls
Radar Surveillance equipment	Training aids and publication FMS
Radio ground-air communications equipment	Training FMS
Radio mobile + transportable equipment	Technical Assistance
Radios, non-tactical	Technical Assistance Field Team (TAFT)
Radio-radar equipment, airborne	Weapons production project

Figure M-1
(continued)

ITEMS NOT WEAPONS OR WEAPONS RELATED

Cranes	Other supplies
Major construction equipment items	Miscellaneous material
Generators, 30kw + larger	Construction
Compressors, 100 cem + larger	Supply operations
Prefabricated buildings	Packing, crating, handling and transportation
Station wagons	Operation and maintenance of MAP installations
Sedans	Storage + maintenance of stockpiles
Buses	Logistics management expenses
Motorcycles/motor scooters	Training aids and publications IMET
Commercial ambulances	Training IMET
Commercial trucks	Infrastructure
Other commercial vehicles	Other services
Public address equipment	International military headquarters
Recorder, reproducer equipment	IG state and other expenses
Telephone sets	Administration expenses
Tel+Tel terminal + transportation equipment	FMSO No. 1 agreement
Miscellaneous, other support equipment	

ILLUSTRATION OF FMS CEILING

	<i>Unused Allocation</i>	<i>Reservation</i>	<i>Commitment</i>	<i>Acceptance</i>
<i>ACCOUNT 1—NON-36(b) CASES</i>				
Opening Balance	1,000	Not Used		
Case AAA Offer	998		2	
Case AAA Accept	999		—1	1
<i>ACCOUNT 2—36(b) FOLLOW-ON SUPPORT CASES</i>				
Opening Balance	2,000			
Case AAB Advance 36(b)	1,990	10		
Case AAB Offer	1,990		10	
Case AAB Accept	1,991	—1	—1	9
<i>ACCOUNT 3—OTHER 36(b) PROGRAMS</i>				
Opening Balance	7,000			
Case AAC Advance 36(b)	6,500	500		
Case AAC Offer	6,520	—20	480	
Case AAC Accept	6,520			480

Figure M-3

APPENDIX A

MAJOR DEFENSE EQUIPMENT LIST

CATEGORY I—FIREARMS

Rifle, 5.56MM, M-16 (A)

CATEGORY II—ARTILLERY AND PROJECTORS

Gun, 20MM (AF)

Gun, GAU-8, 30MM (AF)

CATEGORY III—AMMUNITION

Cartridge, 20MM (N) (AF)

Cartridge, 30MM (AF)

Cartridge, 40MM (HE) (A)

Cartridge, 60MM (HE) (A)

Cartridge, 81MM (HE) (A)

Cartridge, 105MM (HE) (A)

Cartridge, 4.2 inch (A)

Projectile, 5"/38 Cal (N)

Projectile, 5"/54 cal (N)

Projectile, 155MM (HE) (A)

Projectile (XM712) (A)

Projectile, 175MM (A)

Projectile, 8 inch (HE) (A)

CATEGORY IV—LAUNCH VEHICLES, GUIDED MISSILES, BALLISTIC MISSILES, ROCKETS, TORPEDOES, BOMBS AND MINES

ASROC (Anti-Submarine Rocket) (N)

Guided Bomb Unit (GBU 12) (AF)

Guided Bomb Unit (GBU 15) (AF)

Bomb, Combined Effects Bomblett
(CBU 87) (AF)Bomb, MK-20, Cluster Bomb, Rockeye
(N)Bomb, MK-82, 500#, General Purpose
(AF)Bomb, MK-83, 1,000#, General Purpose
(N) (A)Bomb, MK-84, 2,000#, General Purpose
(AF)Bomb, M-117, 750#, General Purpose
(AF)Fuel Air Explosive Weapons (FAE II)
(AF)

Launcher, TOW (A)

Light, Anti-Tank Weapon 66MM
(LAW) (A)

Mine, Naval Warfare

(QUICKSTRIKE—MK-62 Mod O,
MK-63 Mods 0 and 1, MK-64 Mods
O and 1, MK-65 Mods O and 1) (N)
Mine, Naval Warfare, MK-68, Mod O
(PRAM) (N)Missile, Advanced Strategic Air
Launched, ASALM (AF)

Missile, AIM-4, Falcon (AF)

Missile, AIM-7, Sparrow (N) (AF)

Missile, AIM-9, Sidewinder (N) (AF)

Missile, AGM-12, Bullpup (N)

Missile, AGM-45, Shrike (N) (AF)

Missile, AGM-65A, E/O, Maverick
(AF)

Missile, AGM-65C (AF)

Missile, AGM-69A, Short Range
Attack, SRAM (AF)

Missile, Chaparral (A)

Missile, Cruise (AF)

Missile, Dragon (A)

Missile, Harm (N) (AF)

Missile, Harpoon (N)

Missile, Hawk (A)

Missile, Improved Hawk (A)

Missile, Lance (A)

Missile, Pershing (A)

Missile, Phoenix (N)

Missile, Redeye (A)

Missile, Walleye (N)

Missile, Nike Hercules (A)

Missile, Roland (A)

Missile, Standard Arm (N) (AF)

Missile, Standard ER RIM-67A (N)

Missile, Standard MR RIM-65A (N)

MILITARY ASSISTANCE AND SALES MANUAL—PART III

Missile, Tartar (N)
Missile, Terrier (N)
Missile, Tomahawk (N)
Missile, TOW (A)
Missile, M-65 Airborne TOW (A)
Rocket, 2.75 inch (A) (AF)
Torpedo, MK-46 (N)
Torpedo, MK-48 (N)

CATEGORY V—PROPELLANTS, EXPLOSIVES AND INCENDIARY AGENTS

Items in this category which meet the dollar criteria for major defense equipment are not significant combat equipment as defined in the U.S. Munitions List.

CATEGORY VI—VESSELS OF WAR AND SPECIAL NAVAL EQUIPMENT

CC—Guided Missile Cruiser (N)
DD-963—Destroyer (SPRUANCE Class) (N)
DD—Destroyer (N)
DDG—Guided Missile Destroyer (N)
FFG—Guided Missile Frigate (N)
LCM/LCU/LCVP—Amphibious Landing Craft (N)
LPD—Amphibious Transport Dock (N)
LSD—Dock Landing Ship (N)
LST—Tank Landing Ship (N)
LKA—Amphibious Cargo Ship (N)
LPA—General Purpose Amphibious Assault Ship (N)
MSO—Minesweeper, Ocean (Non-Magnetic) (N)
PHM—Patrol Combatant Missile (Hydrofoil) (N)
SS—Submarine (Conventionally Powered) (N)

CATEGORY VII—TANKS AND MILITARY VEHICLES

Armored Reconnaissance Airborne Assault Vehicle M-551 (A)
Carrier, Armored Personnel, M-113 (A)
Carrier, Command Post, M-577 (A)
Carrier, Cargo, M-548 (A)
Combat Engineering Vehicle, M-728 (A)
Gun, Self-Propelled, 175MM, M-107 (A)

Howitzer, Self-Propelled, 8-inch, M-110 (A)
Howitzer, Self-Propelled, 155MM, M-109 (A)
Howitzer, Med, Towed, 155MM, M-198 (A)
Mechanized Infantry Combat Vehicle, XM-723 (A)
Tank, M-48 Series (A)
Tank, M-60 Series (A)
Tank, XM-1 (A)
Vehicle, Recovery, M-88A1 (A)
Vehicle, Amphibious, LVTP (Marine Corps)
Vulcan Air Defense System (A)

CATEGORY VIII—AIRCRAFT, SPACECRAFT, AND ASSOCIATED EQUIPMENT

Advanced Tanker Cargo Aircraft (ATCA) (AF)
A-4 (N)
A-6 (N)
A-7 (N)
A-10 (AF)
A-37 (AF)
AH-1S (A)
AMST (AF)
C-5 (AF)
C-130 (AF)
C-141 (AF)
CH-47 (A)
E-2C (N)
E-3A (AF)
E-4 (AF)
EA-6 (N)
F-4 (A) (AF)
F-5 (AF)
F-8 (N)
F-14 (N)
F-15 (AF)
F-16 (AF)
F-18 (N)
F-100 (AF)
F-101 (AF)
F-102 (AF)
F-104 (AF)
F-106 (AF)
F-111 (AF)
H-3 (N) (AF)

MILITARY ASSISTANCE AND SALES MANUAL—PART III

H-46 (N)
H-53 (N) (AF)
H-65 (N)
OV-1 (A)
OV-10 (N)
P-3 (N)
S-2 (N)
S-3 (N)
S-60B (Lamps MARK III) (N)
S-65 (N)
SH-2D/F (Lamps MARK I) (N)
T-2 (N)
T-33 (AF)
T-37 (AF)
UH-1H (A)
UH-1N (N)
UH-60A (UTTAS) (A)

Engines

F-100 (AF)
F-401 (N)
F-404 (N)
J-47 (AF)
J-52 (N)
J-57 (N) (AF)
J-75 (AF)
J-79 (AF)
J-85 (AF)
P-100 (AF)
T-33-P-100 (AF)
T-53 (A) (N) (AF)
T-55 (A)
T-56 (N) (AF)
T-58 (N) (AF)
T-64 (A) (N) (AF)
T-700 (A)
TF-30 (N) (AF)
TF-34 (N) (AF)
TF-39 (N)
TF-41 (N) (AF)

CATEGORY IX—MILITARY TRAINING EQUIPMENT

No items in this category are defined in the U.S. Munitions List as significant combat equipment.

CATEGORY X—PROTECTIVE PERSONNEL EQUIP-

MENT

No items in this category are defined in the U.S. Munitions List as significant combat equipment.

CATEGORY XI—MILITARY AND SPACE ELECTRONICS

Air Weapons Control System, 412L (AF)
AN/TTC-39 (A)
Backup Interceptor Control, 416M (AF)
BEACON, AN/TRN-26 (AF)
Combat Operations Center, 425L (AF)
Combat Operations Center, 427L (AF)
DOD AIMS, 499L (N)
ECM, ALQ-94 (N) (AF)
ECM, ALQ-119 (AF)
ECM, AN/SLQ-32(v)1, (v)2 (N)
Joint Tactical Information Distribution System (JTIDS) (AF)
Over-the-Horizon Backscatter Radar (AF)
Radar, AM-389/FPS (AF)
Radar, AN/MPS-11 (AF)
Radio, AN/ARA-54 (N)
Radio, AN/VCR-12 (A)
Single Channel Ground and Airborne System (SINGARS) (A)
TACAN, AN/TRN-26 (AF)
Tactical Air Control System, 417L (AF)
Tactical Air Control System, 485L (AF)

CATEGORY XII—FIRE CONTROL, RANGE FINDER, OPTICAL AND GUIDANCE AND CONTROL EQUIPMENT

Computer, Fire Control MK1A (N)
Close In Weapon System (CIWS), PHALANX (N)
Director, Fire Control, MK 51-2 (N)
Goggles, Night Vision, AN/PVS-5 (A)
Gunsight, MK-14 (N)
Gunsight, MK-15 (N)
Position Location Reporting System (PLRS) (A)
Radar, AN/TPQ-36 (A)
Radar, AN/TPQ-37 (A)
Radar, APG-63 (AF)

MILITARY ASSISTANCE AND SALES MANUAL—PART III

Radar, Fire Control, MK-25 (N)
System, Fire Control, MK-86 (N)
System, Fire Control, MK-105 (N)
System, Missile Fire Control, MK-76
(N)
System, Fire Direction, AN/GSS-
10(V) (A)
System, Gun Fire Control, MK-56 & 63
(N)

Tactical Operations System (TOS) (A)
Target Designator AN/AVQ-26 (AF)
TSEC/KY 57 (A)

**CATEGORY XIII—AUXILIARY MILITARY EQUIP-
MENT**

No items in this category are defined in the U.S. Munitions List as significant combat equipment.

APPENDIX B

PROCEDURES FOR PROCESSING FMS LETTERS OF OFFER
WHICH MUST BE REPORTED TO CONGRESS

The following procedures will be followed in preparing and processing Letters of Offer for \$25 million or more, or for the sale of major defense equipment for \$7 million or more.

(1) An advance notification will be provided to DSAA in the format shown at Figure App. B-1 for any current case projected to be in the amount of \$25 million or more or for any current case for the sale of major defense equipment for \$7 million or more, for which either:

(a) A Letter of Offer/Acceptance (LOA) is under preparation; or

(b) A Letter of Intent (pursuant to DSAA memorandum I-12188/75, 24 November 1975) is authorized to be accepted by a military department.

The advance notification will be submitted to DSAA/TC through DSAA/TS within 10 working days after preparation of an LOA is initiated, or whenever an LOA already under preparation appears likely to exceed the \$25 million or \$7 million for major defense equipment threshold. This advance notification will be treated as Confidential; however, the formal submission of the LOA will remain in accordance with established classification procedures. No statutory notification will be submitted to the Congress until the advance notification has been provided. Any exception must be for extraordinary circumstances and must be fully justified.

(2) Following the submission of the advance notification provided for in para 1

above, a copy of each letter of offer for \$25 million or more or for major defense equipment for \$7 million or more, will be furnished to Comptroller, DSAA, after coordination by the Directorate of Operations, DSAA, when the letter of offer is in such form that it would be signed and issued to the purchaser but for these requirements. Blocks 5 and 6 will be left incomplete on the original and on all copies of the DD Form 1513 at this stage of processing. Block 4 (Offer Expiration Date) should be completed with a date no earlier than 90 days after the date on which the copy of the letter of offer is provided through DSAA Operations to Comptroller, DSAA. A memorandum in the form of Figure App. B-2 will be provided concurrent with the copy of the Letter of Offer.

The Military Department will furnish one copy of the unsigned Letter of Offer to the purchaser as an enclosure to a transmittal letter in the format of Figure App. B-3. This will be done only after receiving express authority from the Comptroller, DSAA.

Concurrent with the transmittal of the unsigned copy of the letter of offer to the purchaser, the Director, DSAA, will on the same date, in satisfaction of the requirements of Section 36, notify the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate, respectively.

Upon the expiration of the statutory 30 days waiting period, the Comptroller DSAA, will, if Congress has not during that period

MILITARY ASSISTANCE AND SALES MANUAL—PART III

adopted a concurrent resolution objecting to the proposed sale, authorize the applicable Military Department to sign the DD Form 1513. The Military Department will forward the signed LOA to the Joint Financial Management Office, DSAA for counter-signature prior to release to the purchaser by the Military Department. If the Congress adopts a concurrent resolution objecting to a proposed sale, the Director, DSAA, will promptly notify the applicable Military Department of that fact, and in view of the President's Signing Statement of 1 July 1976 on H.R. 13680, 94th Congress (P.L. 94-329), seek the guidance of the President as to the course of action which should be taken. The

provisions of Section 36 of the foregoing implementing procedures also apply to any amendment totalling \$25 million or more to an existing FMS case unless such amendment results solely from identifiable cost increases, and to any amendment adding a major defense equipment for \$7 million or more. The provisions also apply in the case of any amendment which would increase the value of an existing case from under \$25 million to a value over \$25 million. Such amendments will not be issued unless absolutely necessary. Instead, new letters of offer will be processed to cover the new requirement which normally would be covered by amendment.

**Advance Notification of Possible
Section 36(b) Statements
Foreign Military Sales**

- a. *Prospective Purchaser:*
- b. *Description and Quantity or Quantities of Articles or Services under Consideration for purchase:*
- c. *Estimated Value(s) of This Case:*
- d. *Description of Total Program of which This Case is a Part (including any associated weapons, training, construction, logistical support, or other direct supply implications not included in the case itself):*
- e. *Estimated Value of Total Program of which This Case is a Part (including the estimated number and dollar value of any increments and the duration of the total program, if it is a multi-year project):*
- f. *Prior Related Cases, if any (including dates, values, descriptions, etc.):*
- g. *Military Department:*
- h. *Estimated Date Letter of Offer/Acceptance (LOA) Ready for Statutory Notification to Congress:*
- i. *Case Designator:*
- j. *A Description of Each Payment, Contribution, Gift, Commission or Fee Paid or Offered or Agreed to be Paid in order to Solicit, Promote or Otherwise to Secure Such Letter of Offer. Description Should Include:*
 - (1) Name of person who made such a payment, contribution, gift, commission, or fee;
 - (2) The name of any sales agent or other person to whom such payment, contribution, gift, commission or fee was paid;
 - (3) The date and amount of such payment, contribution, gift, commission, or fee;
 - (4) A description of the sale in connection with which such payment, contribution, gift, commission or fee was paid;
 - (5) The identification of any business information considered confidential by the person submitting the information under section 39 of the Arms Export Control Act to the Secretary of State.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

MEMORANDUM FOR THE COMPTROLLER, DSAA

SUBJECT: FMS Letters of Offer Which Total \$25 Million or More, or \$7 Million or More for Major Defense Equipment

The following information is provided in accordance with the reporting requirement of Section 36(b) of the Arms Export Control Act.

- a. Country:
- b. Military Department:
- c. Case Designator:
- d. Total Value:
- e. Type and Quantity of Equipment:
- f. Security Classification of Sale:
- g. Sales Commission, Fee, etc. Paid, Offered, or Agreed to be Paid:*
- h. The impact of such sales or transfers on the current readiness of United States forces:
- i. The adequacy of reimbursements to cover, at the time of replenishment to United States' inventories, the full replacement costs of those items sold or transferred:
- j. If reimbursements are inadequate, explain impact and justification for such disparity:

*Information supplied under g. above shall be in the same detail as is required to be supplied under paragraph 10 of Figure App B-1.

The following additional information, as requested by the House Armed Services Committee, is provided:

- a. Effect of proposed sale on U.S. readiness posture (materiel—personnel—other).
- b. Effect of the proposed Foreign Military Sale on current Department of Defense procurement programs (costs—deliveries—etc.).
- c. Is this foreign military sale item one which must be offered by the Defense Department, or can it be procured commercially in direct negotiations between a U.S. contractor and the foreign government involved?
- d. If known, what impact will this foreign military sale have on arms control considerations (international impact, regional impact, etc.)?
- e. What will be the monetary impact of this foreign military sale to the United States Government (net loss or profit, balance of payments implications, etc.)?

Dear

Enclosed for consideration and analysis by your government is an unsigned advance copy of "United States Department of Defense Offer and Acceptance" (DD Form 1513) for FMS case

Section 36 of the Arms Export Control Act requires that notification be given to the Congress of the United States before the Department of Defense issues any offer to: (1) sell defense articles and services, the estimated total costs of which are \$25,000,000 or more, or (2) sell major defense equipment, the estimated total costs of which are \$7,000,000 or more. Section 36 further provides that the offer to sell not be issued if the Congress, within thirty (30) calendar days after receiving such notification, adopts a concurrent resolution stating in effect that it objects to the proposed sale. (Under the Constitution of the United States, a concurrent resolution of the Congress does not require Presidential approval and is not subject to veto by the President).

The Department of Defense is this date transmitting to the Congress the required notification of the enclosed proposed FMS case . Assuming that the Congress does not object to this proposed FMS case, the enclosed DD Form 1513 will be signed and issued to your Government by the authorized Department of Defense representative on or about , 197 . In the event that the Congress should object to this proposed sale, you will be promptly notified of that fact.

Should your Government wish to accept this proposed FMS case, it should await receipt of the signed DD Form 1513 and complete Blocks 23, 28, and 29 on the original and top three copies of the signed DD Form 1513 only. Completion by your Government of Blocks 23, 28, and 29 on the enclosed unsigned advance Copy of the DD Form 1513 will not be deemed to be valid.

Sincerely yours,

APPENDIX C

FINANCIAL ANNEXES TO LETTERS OF OFFER

1. Introduction

This chapter prescribes the requirement for a Financial Annex in each Letter of Offer. The purpose of the Financial Annex is to supplement and amplify terms included in Paragraph B "The Purchaser" of Annex A of the Letter of Offer and Acceptance (DD Form 1513), and to provide clear understanding between the USG and the purchaser as to the rate and timing of the payments to be made by the purchaser. This appendix also prescribes the criteria to be used when forecasting payment schedules to be included in the Financial Annex.

2. Purpose of Financial Annexes

The Financial Annexes specify the purchaser's projected payment dates and amounts, and describe the interface of the payment schedule with the FMS billing system. Thus, misunderstandings as to when payments are expected to be made to the USG should be eliminated. The Annexes also provide budgetary planning data for the purchaser. It is necessary to accept a degree of uncertainty in financial forecasting to achieve these goals.

3. Policies

a. All Letters of Offer except FMSO I will include a Financial Annex.

b. Depending on the Terms of Sale and Method of Funding of the Letter of Offer, Financial Annexes in the form of Figures App C-1 through App C-8 will be used.

c. Each Financial Annex financed under Terms of Sale of dependable undertakings or

FMS credit will include a payment schedule. This payment schedule will:

(1) Include specific calendar dates when each payment is anticipated.

(2) Include specific amounts due on each calendar date. These amounts will be equal in total to the amount reflected in the estimated total cost block (26) of the DD Form 1513 for the case involved.

d. The Security Assistance Accounting Center (SAAC) will issue billings in amounts and at times as needed to assure sufficient trust fund monies are on hand to meet military department and contractor claims for payment regardless of payment schedules.

e. Revisions to the payment schedule of the financial annex are mandatory when:

(1) Price increases cause substantive revisions of the rates of payment from that shown on the existing Financial Annex. The revised payment schedule to the Financial Annex should be included on the price increase notification (DD Form 1513-2) to the purchasing country.

(2) Actual cash expenditures for FMS transactions exceed the cash flow received from the purchasing country in accordance with the payment schedule on the financial annex. Every effort should be made to estimate initial cash flow requirements accurately to avoid continual revision to the payment schedule.

(3) A formal amendment (DD Form 1513-1) to the case is made which adjusts the total estimated costs of the case. Such amendments should reflect the revised payment schedule to the financial annex.

(4) Adjustments are made to multi-year

(normally done annu-

As noted above, the DD Form of Modification, should be advise the purchasing country of to the payment schedule of the annex.

Preparation of Payment Schedules

a. The preparation of payment schedules require budgetary estimates under conditions of inflationary uncertainty and uncertainty as to the specific dates when:

(1) Purchasers will accept and return the Letter of Offer for implementation;

(2) Requisitions for items will be initiated;

(3) Contracts will be let;

(4) Progress payments must be made to contractors;

(5) Deliveries of items, particularly spare parts and support equipment, will occur; and

(6) Personnel costs will be incurred.

b. Actual outlays therefore can be expected to vary from initial payment schedules. This does not negate, however, the requirement to develop a payment schedule for each case. In general, payment schedules will include estimates of outlays for sales from DOD stocks, sales from procurement, DOD services and training, administrative charges, accessorial and transportation charges. The paragraphs that follow provide criteria for developing payment schedules in anticipation of these costs.

(1) All payment dates on Financial Annexes other than initial deposits should be 30 days after the end of each calendar year quarter. Payment amounts should equal the anticipated outlays for the next 90 days after payment date. The timing and amounts of claims for payment will coincide with existing FMS billing procedures as described in DODI 2140.3. The payment schedule should specify the initial deposit required at the time of case acceptance. The amount of initial deposit must be sufficient to cover outlays/deliveries anticipated until the first follow-on payment is scheduled for receipt.

(2) When the exact date a purchaser will accept a Letter of Offer is uncertain, and a payment is needed a specific number of days after that acceptance, assume that the purchaser will accept the Letter of Offer 60 days after it is offered, and specify the first payment date accordingly.

(3) The schedule for payments related to materiel to be sold from stock will be based on estimated deliveries during each 90 day period cited in paragraph 4.b.1 above. The basis of forecasting anticipated delivery will be the use of historical delivery information of specific generic codes or other materiel categories and should be supported by an analysis showing the means of forecasting.

(4) Payment schedules for materiel obtained through procurement requiring progress payments to the contractors will be estimated based on historical cost curves. These curves should be systematically developed for all major DOD weapon systems and should be reviewed periodically for validity. Payment schedules should include both the estimated disbursements to contractors as well as appropriate contract holdback percentage.

(5) For case lines involving concurrent spare parts, estimate dollar deliveries consistent with the delivery of the end items being supported.

(6) For cases involving purchaser-initiated requisitions (i.e. open-end or blanket order cases expressed in dollars) over a 1-year period, phase payments quarterly for one-fourth of the estimated case value. The first payment should be scheduled 90 days after the estimated date of case acceptance and initial deposit.

(7) For cases involving personal services, develop a monthly phasing based upon the scheduled dates and elements of cost of services being provided.

(8) For training cases involving foreign student entry into courses, schedule the payment in consonance with known or estimated entry into the training courses involved. Open-end or blanket order training cases will require an initial deposit of 25% when the case exceeds \$25,000.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(9) For cases involving royalties or pro-rata nonrecurring costs or asset use charges, schedule the payment in consonance with production schedules of the end item for which the payment is being collected.

(10) Schedule administrative and accessorial costs in consonance with payment

schedules for the primary items or services being provided under the case.

c. Chapter G, Part III should be consulted for Terms of payment to be cited on page 1 of the DD Form 1513.

d. If the Terms of payment indicate the use of more than one financial annex, attach each appropriate annex.

Case _____

**SUPPLEMENTARY FINANCIAL TERMS AND CONDITIONS—
CASH WITH ORDER AND ACCEPTANCE**

Financing terms of this transaction require 100% of the case value to be deposited with acceptance of the Letter of Offer and Acceptance (DD Form 1513) (LOA) under Section 21(b) or 22(a) of the Arms Export Control Act. This document supplements the obligation of the Purchaser under Paragraph B.3.a. of Annex A of the LOA.

Quarterly statements for deliveries under this LOA will be forwarded by the Security Assistance Accounting Center (SAAC). The Statement of Foreign Military Sales Transactions, DD Form 645, will be issued quarterly and will serve as a statement of account. Two attachments to the statement will be provided. Attachment 1 will be an "FMS Delivery Listing". Attachment 2 will be an "FMS Expenditure Listing". All requests for billing or supply adjustments should be submitted to the SAAC.

It is emphasized that the deposit of \$_____ must accompany the purchaser's acceptance of this LOA as an integral element of acceptance. In the event the funds required exceed those available, additional billings will be presented based on actual cash requirements. In such case, the United States will use its best efforts to provide a Notice of Modification (DD Form 1513-2) at least 45 days prior to the next payment due date.

It is understood also that the values reflected on the LOA are estimates, and that the final amount to be charged for items or services, furnished will be equal to the final total cost to the United States. When final deliveries are made, and all costs are known, the SAAC will provide a "Final Statement of Account" which will indicate final costs of the case. Should this amount be more than funds collected, a final billing (immediately due and payable) will be concurrently provided. Should the amount be less than funds collected, such funds will be refunded upon subsequent request, or otherwise disposed of at the option of the purchaser, unless payments are overdue against other Foreign Military Sales cases.

Case _____

**SUPPLEMENTARY FINANCIAL TERMS AND CONDITIONS—
CASH PRIOR TO DELIVERY**

Financial terms for this case require payment in advance of materiel delivery or service performance pursuant to Section 21(b) of the Arms Export Control Act. This document supplements the obligation of the Purchaser under paragraph B.3.b. of Annex A of the Letter of Offer and Acceptance (DD Form 1513).

The Purchaser agrees to make payments in such amounts and at such times as may be specified by the U.S. Government (including any initial deposit) in order to meet payment requirements arising from this case.

Quarterly billings for amounts due under this case will be forwarded by the Security Assistance Accounting Center (SAAC), and payments (in U.S. dollars) will be forwarded to that organization in time to meet prescribed due dates. The Statement of Foreign Military Sales Transactions, DD Form 645, will serve as a statement of account and as a billing statement. Two attachments to the statement will be provided. Attachment 1 will be an "FMS Delivery Listing". Attachment 2 will be an "FMS Expenditure Listing". Billings will be forwarded by the SAAC not later than 45 days before such payments are due. All requests for billing or supply adjustments should be submitted to the SAAC.

To assist the Purchaser in developing fiscal plans and annual budgets, the U.S. Government provides its best estimate to anticipated costs of this case in the following estimated payment schedule:

ESTIMATED PAYMENT SCHEDULE

<u>Payment Date</u> <u>Initial Deposit</u>	Amount
---	--------

It is emphasized that the initial deposit of \$_____ must accompany the purchaser's acceptance of this LOA as an integral element of acceptance. The above estimated payment schedule is provided for the convenience of the purchaser—it is neither binding on the U.S. Government nor will it be used as a basis for requesting payment from the purchaser. The purchaser will be required to make payments in accordance with quarterly billings (DD Form 645) issued by the SAAC. In the event that actual cash requirements differ materially from the estimated payment schedule, the United States will use its best efforts to provide a revised payment schedule (DD Form 1513-2) at least 45 days prior to the next payment due date.

It is understood that the values reflected on the Letter of Offer and Acceptance are estimates, and that the final amount to be charged for items or services furnished will be equal to the final total cost to the United States. When final deliveries are made, and all costs are known, the SAAC will provide a "Final Statement of Account," which will indicate final costs of the contract. Should this amount be more than funds collected, a final billing (immediately due and payable) will be concurrently provided. Should the amount be less than funds collected, such funds will be refunded upon subsequent request, or otherwise disposed of at the option of the purchaser, unless payments are overdue against other Foreign Military Sales cases.

Case _____

**SUPPLEMENTARY FINANCIAL TERMS AND CONDITIONS—
FMS CREDIT**

This transaction is financed under FMS credit terms of sale, under Section 23 or 24 of the Arms Export Control Act. This document supplements the obligation of the Purchaser under paragraph B.3.e. of Annex A of the Letter of Offer and Acceptance (DD Form 1513).

As prescribed in the LOA terms, this case will be billed on a dependable undertaking basis. The Purchaser agrees to pay to the USG such amounts at such times as may be requested by the USG (including any initial deposit set forth under "Terms") in order to meet payments required by contracts under which items are being procured.

Quarterly billings for amounts due under this case will be forwarded by the Security Assistance Accounting Center (SAAC), and payments (in U.S. dollars) will be forwarded to that organization in time to meet prescribed due dates. The Statement of Foreign Military Sales Transactions, DD Form 645, will serve as a statement of account and as a billing statement. Two attachments to the statement will be provided. Attachment 1 will be an "FMS Delivery Listing". Attachment 2 will be an "FMS Expenditure Listing". Billings will be forwarded by the SAAC not later than 45 days before such payments are due. All requests for billing or supply adjustments should be submitted to the SAAC.

To authorize payments of the billing from credit funds available under the appropriate Credit Agreement, the Purchaser is requested to forward a copy of the billing without attachments directly to the Defense Security Assistance Agency, Credit Programs Division, 1400 Wilson Boulevard, Suite 535, Architect Building, Arlington, VA 22209. The request for payment by the Purchaser from credit funds should identify the Credit Agreement from which the payment is to be made and the appropriate disbursement date. Specific instructions as to how to process payment requests are included in applicable provisions of the Credit Agreement.

In the event full payment is not made by the prescribed due date, interest shall be charged as outlined in General Conditions, paragraph B.3.g. of Annex A of the Letter of Offer (DD Form 1513). The principal of the arrearage shall be computed as the excess of total financial requirements shown in column 12 over cumulative collections (cash or credit) shown in column 13 of the Statement of Foreign Military Sales Transactions after the payment due date. Interest that is assessed on FMS payment arrearages is in addition to any interest that may accrue pursuant to FMS Credit Agreements.

To assist the Purchaser in developing fiscal plans and annual budgets for use of credit resources, the U.S. Government provides its best estimate of anticipated costs of this case in the following estimated payment schedule:

ESTIMATED PAYMENT SCHEDULE

Payment Date Initial Deposit	Amount
---------------------------------	--------

It is emphasized that the initial deposit of \$_____ must accompany the purchaser's Letter of Acceptance as an integral element of acceptance. The above estimated

MILITARY ASSISTANCE AND SALES MANUAL—PART III

payment schedule is provided for the convenience of the purchaser—it is neither binding on the U.S. Government nor will it be used as a basis for requesting payment from the purchaser. The purchaser will be required to make payments in accordance with quarterly billings (DD Form 645) issued by the SAAC. In the event the actual cash requirements differ materially from the estimated payment schedule, the United States will use its best efforts to provide a revised payments schedule (DD Form 1513-2) at least 45 days prior to the next payment due date.

It is understood that the values reflected on the Letter of Offer and Acceptance are estimates and the final amount to be charged for items or services furnished will be equal to the final total cost to the United States. When final deliveries are made, and all costs are known, the SAAC will provide a "Final Statement of Account" which will indicate final costs of the case. Should this amount be more than funds collected, a final billing (immediately due and payable) will be concurrently provided. Should the amount be less than funds collected, such funds will be available for payment of other unpaid billings for other cases or will be otherwise disposed of at the mutual agreement of the Purchaser and the Comptroller, DSAA.

Figure App C-3
(Continued)

Case_____

**SUPPLEMENTARY FINANCIAL TERMS AND CONDITIONS—
PAYMENT AND DELIVERY**

This case is financed under Terms of Sale of payments upon delivery of each item or service involved under Section 21(d) of the Arms Export Control Act. This document supplements the obligation of the Purchaser under paragraph B.3.d. of Annex A of the Letter of Offer and Acceptance (DD Form 1513).

Billings for amounts due under this case will be forwarded by the Security Assistance Accounting Center (SAAC), and payments (in U.S. dollars) will be forwarded to that organization in time to meet prescribed due dates. Either the billing itself, or the letter which transmits the billing will prescribe the date upon which the payment is due.

The billing will include a priced listing of items and services which have been delivered and for which payment is required. The Purchaser will make full payment for such billing by the prescribed due date, whether or not the listed items actually have been received at the final in-country destination before the payment is due.

Claims resulting from discrepant shipments will be settled separately in accordance with Paragraph A3 and B6 of Annex A of the Letter of Offer and Acceptance (DD Form 1513). Payments for billings otherwise due will not be withheld pending settlement for such claims.

In the event full payment is not made by the prescribed due date, interest shall be charged as outlined in General Conditions, paragraph B.3.g. of Annex A of the Letter of Offer (DD Form 1513).

It is understood that the values reflected on the Letter of Offer and Acceptance are estimates, and that the final amount to be charged will be equal to the cost to the United States in fulfilling this case. When final deliveries are made, and all costs are known, the SAAC will provide a "Final Statement of Account" which will indicate final costs of the case. Should this amount be more than funds collected, a final billing (due upon receipt) will be provided concurrently. Should the amount be less than funds collected, such funds will be refunded upon subsequent request, or otherwise disposed of at the option of the purchaser, unless payments are overdue against other Foreign Military Sales cases.

Case _____

**SUPPLEMENTARY FINANCIAL TERMS AND CONDITIONS—
FMS TRAINING**

Financing terms for this case require payment prior to student entry into training program under Section 21(b) of the Arms Export Control Act. This document supplements the obligation of the Purchaser under paragraph B.3.b. of Annex A of the Letter of Offer and Acceptance (DD Form 1513).

The Purchaser agrees to make payments in such amounts and at such times as may be specified by the U.S. Government (including any initial deposit) in order to meet financial payment requirements arising from this training case.

Quarterly billings for amounts due under this case will be forwarded by the Security Assistance Accounting Center (SAAC), and payments (in U.S. dollars) will be forwarded to that organization in time to meet prescribed due dates. The Statement of Foreign Military Sales Transactions, DD Form 645, will serve as a statement of account and as a billing statement. Two attachments to the statement will be provided. Attachment 1 will be an "FMS Delivery Listing", showing performance based upon student entry into training courses. Attachment 2 will be an "FMS Expenditure Listing". Billings will be forwarded by the SAAC not later than 45 days before such payments are due. All requests for billing adjustments should be submitted to the SAAC.

To assist the Purchaser in developing fiscal plans and annual budgets, the U.S. Government provides its best estimate of anticipated costs of this case in the following estimated payments schedule:

ESTIMATED PAYMENT SCHEDULE

Payment Date Initial Deposit	Amount
---------------------------------	--------

It is emphasized that the initial deposit of \$_____ must accompany the purchaser's acceptance of this LOA as an integral element of acceptance. The above estimated payments schedule is provided for the convenience of the purchaser—it is neither binding on the U.S. Government nor will it be used as the basis for requesting payment from the purchaser. The purchaser will be required to make payments in accordance with quarterly billings, DD Form 645, issued by the SAAC. In the events the actual cash requirements differ materially from the Estimated Payment Schedule the United States will use its best efforts to provide a revised payment schedule (DD Form 1513-2) at least 45 days prior to the next payment due date.

It is understood that the values reflected on the Letter of Offer and Acceptance are estimates, and that the final amount to be charged for training services furnished will be equal to the final total cost to the United States. When all training has been performed, and all costs are known, the SAAC will provide a "Final Statement of Account" which will indicate final costs of the agreement. Should this amount be more than funds collected, a final billing (immediately due and payable) will be concurrently provided. Should the amount be less than funds collected, such funds will be refunded upon subsequent request, or otherwise disposed of at the option of the purchaser, unless payments are overdue against other Foreign Military Sales cases.

Case _____

**SUPPLEMENTARY FINANCIAL TERMS AND CONDITIONS—
PROCUREMENT FOR CASH SALES (DEPENDABLE UNDERTAKINGS)**

This transaction is financed under dependable undertaking terms of sale pursuant to Section 22(a) of the Arms Export Control Act and predecessor legislation. This document supplements the obligation of the Purchaser under paragraph B.3.c. of Annex A of the Letter of Offer and Acceptance (DD Form 1513).

The Purchaser agrees to pay to the USG such amounts at such times as may be required by the U.S. Government (including any initial deposit set forth under "Terms") in order to meet payments required by contracts under which items are being processed.

Quarterly billings for amounts due under this agreement will be forwarded by the Security Assistance Accounting Center (SAAC), and payments (in U.S. dollars) will be forwarded to that organization in time to meet prescribed due dates. The Statement of Foreign Military Sales Transactions, DD Form 645, will serve as a statement of account and as a billing statement. Attachment 1 will be an "FMS Delivery Listing". Attachment 2 will be an "FMS Expenditure Listing". Billings will be forwarded by the SAAC not later than 45 days before such payments are due. All requests for billing or supply adjustments should be submitted to the SAAC.

In the event full payment is not made by the prescribed due date, interest shall be charged as outlined in General Conditions, paragraph B.3.g. of Annex A of the Letter of Offer (DD Form 1513).

To assist the Purchaser in developing fiscal plans and annual budgets, the U.S. Government provides its best estimate of anticipated costs of this case in the following payments schedule:

ESTIMATED PAYMENT SCHEDULE

Payment Date Initial Deposit	Amount
---------------------------------	--------

It is emphasized that the initial deposit of \$_____ must accompany the purchaser's Letter of Acceptance as an integral part of acceptance. The above estimated payments schedule is provided for the convenience of the purchaser—it is neither binding on the U.S. Government nor will it be used as the basis for requesting payments from the purchaser. The purchaser will be required to make payments in accordance with quarterly billings, DD Form 645, issued by the SAAC. In the event the actual cash requirements differ materially from the Estimated Payments Schedule, the United States will use its best efforts to provide a revised payments schedule (DD Form 1513-2) at least 45 days prior to the next payment due date.

It is understood that the values reflected on the Letter of Offer and Acceptance are estimates, and the final amount to be charged for items or services furnished will be equal to the final total cost to the United States. When final deliveries are made, and all costs are known, the SAAC will provide a "Final Statement of Account" which will indicate final costs of the case. Should this amount be more than funds collected, a final billing (immediately due and payable) will be concurrently provided. Should the amount be less than funds collected, such funds will be refunded upon subsequent request, or otherwise disposed of at the option of the purchaser, unless payments are overdue against other Foreign Military Sales cases.

Case _____

**SUPPLEMENTARY FINANCIAL TERMS AND CONDITIONS—
PAYMENT 120-DAYS AFTER DELIVERY**

The transaction is financed under payment 120-days after delivery terms of sale pursuant to Section 21(d) (last sentence) and Section 22(b) of the Arms Export Control Act and predecessor legislation. This document supplements the obligation of the Purchaser under paragraph B.3. of Annex A of the Letter of Offer and Acceptance (DD Form 1513).

Billings for amounts due under this case will be forwarded by the Security Assistance Accounting Center (SAAC), and payments (in U.S. dollars) will be forwarded to that organization in time to meet prescribed due dates. Either the billing itself, or the letter which transmits the billings will prescribe the date upon which the payment is due.

The billing will include a priced listing of items and services which have been delivered and for which payment is required. The Purchaser will make full payment for such billings by the prescribed due date, whether or not the listed items actually have been received at the final in-country destination before the payment is due.

Claims resulting from discrepant shipments will be settled separately in accordance with paragraph A3 and B6 of Annex A of the Letter of Offer and Acceptance (DD Form 1513). Payments for billing otherwise due will not be withheld pending settlement for such claims.

In the event full payment is not made by the prescribed due date, interest shall be charged as outlined in General Conditions, paragraph B.3.g. of Annex A of the Letter of Offer (DD Form 1513).

To assist the Purchaser in developing fiscal plans and annual budgets, the U.S. Government provides its best estimate of anticipated costs of this case in the following payments schedule:

ESTIMATED PAYMENT SCHEDULE

Payment Date	Amount
--------------	--------

The above estimated payments schedule is provided for the convenience of the purchaser—it is neither binding on the U.S. Government nor will it be used as the basis for requesting payment from the purchaser. The purchaser will be required to make payments in accordance with FMS billing, DD Form 645, issued by SAAC. In the event the actual cash requirements differ materially from the Estimated Payments Schedule, the United States will use its best efforts to provide a revised payments schedule (DD Form 1513-2) at least 45 days prior to the next payment due date.

It is understood that the values reflected on the Letter of Offer and Acceptance are estimates, and the final amount to be charged for items or services furnished will be equal to the final total cost to the United States. When final deliveries are made, and all costs are known, the SAAC will provide a "Final Statement of Account" which will indicate final costs of the case. Should this amount be more than funds collected, a final billing (immediately due and payable) will be concurrently provided. Should the amount be less than funds collected, such funds will be refunded upon subsequent request, or otherwise disposed of at the option of the purchaser, unless payments are overdue against other Foreign Military Sales cases.

Case _____

**SUPPLEMENTARY FINANCIAL TERMS AND CONDITIONS—
SOURCE NOT PREDETERMINED**

This transaction may be subject to financing under Section 21 and/or Section 22 of the Arms Export Control Act, since the source of materiel/services cannot be predetermined. This document supplements the obligations of the purchaser under paragraph B.3. of Annex A of the Letter of Offer and Acceptance (DD Form 1513).

Purchaser agrees to make payments in such amounts and at such times as may be specified by the U.S. Government (including any initial deposit) in order to meet payment requirements arising from this case.

Quarterly FMS billings for amounts due under this case will be forwarded by the Security Assistance Accounting Center (SAAC), and payments (in U.S. dollars) will be forwarded to that organization in time to meet prescribed due dates. The Statement of Foreign Military Sales Transactions, DD Form 645, will serve as a statement of account and as a billing statement. Two attachments will be provided with the statement. Attachment 1 will be an "FMS Delivery Listing". Attachment 2 will be an "FMS Expenditure Listing". Billings will be forwarded by the SAAC not later than 45 days before such payments are due. All requests for billing or supply attachments should be submitted to the SAAC.

To assist purchaser in developing fiscal plans and annual budgets, the U.S. Government provides its best estimate to anticipated costs of this case in the following estimated payments schedule:

ESTIMATED PAYMENT SCHEDULE

Payment Date Initial Deposit	Amount
---------------------------------	--------

The initial deposit of \$_____ must accompany the purchaser's acceptance of this LOA as an integral element of acceptance. The above estimated payment schedule is provided for the convenience of the purchaser—it is neither binding on the U.S. Government nor will it be used as a basis for requesting payment from the purchaser. The purchaser will be required to make payments in accordance with quarterly billings (DD Form 645) issued by the SAAC. In the event the actual case requirements differ materially from the estimated payment schedule, the United States will use its best efforts to provide a revised payments schedule (DD Form 1513-2).

It is understood that the values reflected on the Letter of Offer and Acceptance are estimates, and that the final amount to be charged for items or services furnished will be equal to the final total cost to the United States. When all costs are known, the SAAC will provide a "Final Statement of Account" which will indicate final costs of the contract. Should this amount be more than funds collected, a final billing (immediately due and payable) will be provided concurrently. Should the amount be less than funds collected and payments are not overdue on the other MS cases, such funds will be refunded upon subsequent request, or otherwise disposed of at the option of the purchaser.