



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, D. C. 20301

1 June 1979

In reply refer to:  
Transmittal No. 2  
DOD 5105.38-M

MEMORANDUM FOR RECIPIENTS OF DOD 5105.38-M, MILITARY ASSISTANCE  
AND SALES MANUAL - PARTS I, II, AND III

SUBJECT: MASM I, II, and III Transmittal

Attached are revisions to the MASM which incorporate previously issued guidance.

Highlights of this transmittal include chapters on Glossary of Terms and Abbreviations; Military Articles and Services List (MASL) Guidance; Machine Readable Codes; Eligibility; Military Education and Training; Program Submission and Management; Eligibility for FMS; General Procedures; Preparation and Processing of FMS Transactions; Implementation of FMS; and Procedures for Processing FMS Letters of Offer Which Must be Reported to Congress.

Update the portions of your current MASM in accordance with the List of Changes. Specific changes are indicated by a broken line in the margin of the chapter.

This transmittal supersedes the following correspondence/messages:

Messages:

SECDEF 2647/DTG 050505Z DEC 78, subj: (Part II) Chapter E, Military Education and Training - Costs Involved in the Programming of MTT Requirements  
SECDEF 3738/DTG 092358Z FEB 79, subj: (Part III) Appendix B, Procedures for Processing FMS Letters of Offer Which Must be Reported to Congress  
(Transmitted Memorandum Change No. 6)

Correspondence:

DSAA Memorandum I-10216/78, dated 13 January 1979, subj: (Part III) Appendix B, Procedures for Processing FMS Letters of Offer Which Must be Reported to Congress (MEMORANDUM CHANGE NO. 6)

2  
DSAA Memorandum I-2/79, dated 3 February 1979, subj: (Part III) Appendix B, Procedures for Processing FMS Letters of Offer Which Must be Reported to Congress (MEMORANDUM CHANGE NO. 7)

DSAA Memorandum I-100/79, dated 14 February 1979, subj: (Part III) Chapter C, General Procedures (MEMORANDUM CHANGE NO. 8)

DSAA Memorandum I-1915/79, dated 21 March 1979, subj: (Part I) Glossary of Terms and Abbreviations (Part III) Chapter F, Implementation of FMS (MEMORANDUM CHANGE NO. 9)

DSAA Memorandum I-1894/79, dated 22 March 1979, subj: (Part III) Chapter D, Preparation and Processing of FMS Transactions; Chapter M, Management of the Ceiling on Weapons and Weapons Related Items (MEMORANDUM CHANGE NO. 10)

DSAA Memorandum I-1885/79, dated 22 March 1979, subj: (Part III) Appendix A, Major Defense Equipment List

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ERNEST GRAVES

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Attachments

- (1) List of Changes
- (2) MASM Update Materiel

NOTE: Corrections to List of Changes:

PART I - delete "App A-30 - App A-31" from both columns.

Pen and ink changes:

(1) Part II - page F-10 - "para 3.f.(3)(d) and (c)" should read "para 3.f.  
(3)(d) and (e)".

(2) Part III - page App A-3 - "Category XI" should read "Category XII".

LIST OF CHANGES

Remove and insert the following portions of your current MASM:

REMOVE

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pages xi - xix

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Glossary of Terms  
and Abbreviations

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App A-17 - App A-18

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F-1 - F-2c

Appendix B

In addition to the above, post the following pen and ink changes:

PART I -

(1) Chapter H - Page H-8 - Card Format 1 - the numbers listed on right - change "28" to "27". Page H-10 - add Generic Code A4A as follows: "A4A Attack FSC 1520 program as major item". Page H-11 - Generic Code A9C - delete "FSG 1377".

(2) Appendix A - Page App A-2 - para 3.a.(2) - change Action Code C to read "Change pending (record after change has been applied)". Add Action Code D after Action Code C as follows: "3-4-R D Change pending (record before change has been applied)". Page App A-16 - para 30 - add the following at end of para: "A 9" indicates funding from the 1979 appropriation.". Page App A-23 - para 33 - top of 2nd column - add Generic Code "R9H Asset Use Charges".

PART II -

(1) Chapter C - Page C-1 - para 2.a. - 10th line from bottom of para - change "biweekly" to "monthly". Page C-19 - para 7.f. - delete colon at end of title.

(2) Chapter F - Page F-1 - para 2.a. - second column - 6th line from top - change "September" to "August". Page F-7 - para 2.c.(2)(a) - last two lines - change "biweekly" to "monthly". Page F-9 - para 3.e. - 4th and 5th lines from bottom of para - delete the words "and anticipated recoupments". Page F-10 - para 3.f.(3)(d) and (c) - eliminate in its entirety. Para 3.g. - change title to read "g. Types of Changes to Current Year Funded Programs". Page F-11 - para 3.g.(1)(d) through e.g.(1)(d)2. - eliminate in its entirety. Para 3.g.(1)(e) - change to read para 3.g.(1)(d). Page F-13 - para 3.g.(2)(b)4.b. - second column - 5th through 9th lines from bottom of para - delete the sentence "Increases to a single ... assigned to these deviations.".

PART III -

(1) Chapter M - Page M-4 - para 5.m. - add the following at end of para - "See paragraph 10, Chapter D, Part III, for countersignature requirements for DD Forms 1513-2.".

(2) Appendix A - Page App A-1 - Category III - capitalize "cal" for Projectile, 5"/54. Category IV - add the following - "Bomb, Cluster, TMD/Gator Mines (CBU 89)(AF)" /after "Bomb, Combined ... (CBU 87)(AF)"/; "Gun Mount, 5 inch, 54 MK-45 (N)" /after "Fuel Air ... (FAE II)(AF)"/; "Launcher, Missile, MK-13 (N)" /after "Launcher, TOW (A)"/; and "Missile, Stinger (N)" /after "Missile, Redeye

(A)"/. Change "Missile, AGM-65A, E/O, Maverick (AF)" to read "Missile, AGM-65, Maverick (AF)". Page App A-2 - Category VI - add "CIWS-Close In Weapon System (N)" after "CC-Guided Missile Cruiser (N)". Page App A-3 - Category VIII - add "T-38 (AF)" after "T-37 (AF)", under "Engines" add "F-101 (AF)" after F-100 (AF)". Category XI - delete "Close In Weapon System (CIWS), PHALANX (N)". Page App A-4 - Category XII - change "System, Fire Direction, AN/GSG-10(V)(A)" to read "System, Fire Direction, AN/GSG-10 (TACFIRE)(A)". Delete "Target Designator AN/AVQ-26 (AF)" and "TSEC/KY 57 (A)".

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## GLOSSARY OF TERMS AND ABBREVIATIONS

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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.

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\* 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. (See Part III, Chapter C, paragraph 9 for appropriate percentage.) Specifically excluded are 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 FMS Case

An agreement between a foreign customer and the U.S. Government for a specific category of items or services (including training) with no definitive listing of items or quantities. The case specifies a dollar ceiling against which orders may be placed throughout the ordering period, 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-

Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
<b>J</b>					
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	Publications for Training -----	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	

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Figure H-2 (continued)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
<b>J</b>					
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	
8	<i>Books, Maps, and Publications</i>				
A	Books, Maps, and Publications -----	FSG 76 -----		X	
<b>K</b>					
<b>SUPPLIES</b>					
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	

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<i>Code</i>	<i>Commitment</i>
5 -----	The U.S. commitment requires that this article or service must be furnished on or before the required date. Price and source adjustments can be made in the normal manner.
6 -----	No U.S. commitment involved. This article or service is not to be delivered prior to the required delivery date.
9 -----	No U.S. commitment involved, unit price,

<i>Code</i>	<i>Commitment</i>
	supply source, and leadtime for this article or service is based on price and availability data received from the implementing agency.

**17. Communications / Ancillary Item / CSP  
Code—1000 System** :

This code is used in column 54 of program



sequence is segregated by area and is listed by alphabetic name.

**Footnote:** Certain country/activity codes listed below and prescribed for use are at variance with the DOD/FIPS standard for Countries of the World (CO-XV) contained in DOD 5000.12M.

**I. Alphabetic**

**a. Countries**

Country	Code	Unified Command Cognizance	Area/Congressional Grouping
Afghanistan	AF	PA	NESA
Algeria	AG	EU	NESA
Andorra	AN	EU	EUR
Argentina	AR	SO	AR
Australia	AT	PA	EAP
Austria	AU	EU	EUR
Bahamas	BF	SO	AR
Bahrain	BA	EU	NESA
Bangladesh	BG	PA	NESA
Barbados	BB	SO	AR
Belgium	BE	EU	EUR
Benin	DA	EU	AFR
Bhutan	BT	EU	NESA
Bolivia	BL	SO	AR
Botswana	BC	EU	AFR
Brazil	BR	SO	AR
Brunei	BX	PA	EAP
Burma	BM	PA	EAP
Burundi	BY	EU	AFR
Cameroon	CM	EU	AFR
Canada	CN	NR	AR
Central African Emp.	CT	EU	AFR
Chad	CD	EU	AFR
Chile	CI	SO	AR
China (Taiwan)	TW	PA	EAP
Colombia	CO	SO	AR
Congo	CF	EU	AFR
Costa Rica	CS	SO	AR
Cuba	CU	SO	AR
Cyprus	CY	EU	EUR
Denmark	DE	EU	EUR
Dominican Republic	DR	SO	AR
Ecuador	EC	SO	AR
Egypt	EG	EU	NESA
El Salvador	ES	SO	AR
Equatorial Guinea	EK	EU	AFR
Ethiopia	ET	EU	AFR
Fiji	FJ	PA	EAP
Finland	FI	EU	EUR
France	FR	EU	EUR
Gabon	GB	EU	AFR
Gambia	GA	EU	AFR
Germany (Bonn)	GY	EU	EUR
Ghana	GH	EU	AFR
Greece	GR	EU	EUR

Country	Code	Unified Command Cognizance	Area/Congressional Grouping
Guatemala	GT	SO	AR
Guinea	GV	EU	AFR
Haiti	HA	SO	AR
Honduras	HO	SO	AR
Iceland	IL	EU	EUR
India	IN	PA	NESA
Indochina	IC	PA	EAP
Indonesia	ID	PA	EAP
Iran	IR	EU	NESA
Iraq	IQ	EU	NESA
Ireland	EI	EU	EUR
Israel	IS	EU	NESA
Italy	IT	EU	EUR
Ivory Coast	IV	EU	AFR
Jamaica	JM	SO	AR
Japan	JA	PA	EAP
Jordan	JO	EU	NESA
Kampuchea (Cambodia)	CB	PA	EAP
Kenya	KE	EU	AFR
Korea (Seoul)	KS	PA	EAP
Kuwait	KU	EU	NESA
Laos	LA	PA	EAP
Lebanon	LE	EU	NESA
Lesotho	LT	EU	AFR
Liberia	LI	EU	AFR
Libya	LY	EU	NESA
Liechtenstein	LS	EU	EUR
Luxembourg	LX	EU	EUR
Madagascar	MA	EU	AFR
Malawi	MI	EU	AFR
Malaysia	MF	PA	EAP
Maldives	MV	EU	NESA
Mali	RM	EU	AFR
Malta	MT	EU	EUR
Mauritania	MR	EU	AFR
Mauritius	MP	EU	AFR
Mexico	MX	SO	AR
Monaco	MN	EU	EUR
Morocco	MO	EU	NESA
Nepal	NP	PA	NESA
Netherlands	NE	EU	EUR
New Zealand	NZ	PA	EAP
Nicaragua	NU	SO	AR
Niger	NK	EU	AFR
Nigeria	NI	EU	AFR
Norway	NO	EU	EUR
Oman	MU	EU	NESA
Pakistan	PK	PA	NESA
Panama	PN	SO	AR
Paraguay	PA	SO	AR
Peru	PE	SO	AR
Philippines	PI	PA	EAP
Portugal	PT	EU	EUR
Qatar	QA	EU	NESA
Rwanda	RW	EU	AFR

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<i>Country</i>	<i>Code</i>	<i>Unified Command Cognizance</i>	<i>Area/Congressional Grouping</i>	<i>Activity</i>	<i>Code</i>	<i>Unified Command Cognizance</i>	<i>Area/Congressional Grouping</i>
San Marino	SM	EU	EUR	MAP Owned Materiel (MAPOM)	M3	NR	NR
Saudi Arabia	SR	EU	NESA				
Senegal	SK	EU	AFR	MAP Property Sales and Disposal (MAPSAD)	M2	NR	NR
Sierra Leone	SL	EU	AFR				
Singapore	SN	PA	EAP				
Somalia	SO	EU	AFR	North Atlantic Treaty Organization (NATO)	N2	NR	NR
South Africa	UA	EU	AFR				
Spain	SP	EU	EUR	NATO Airborne Early Warning and Control Program Management Office (NAPMO)	N1	NR	NR
Sri Lanka	CE	PA	NESA				
Sudan	SU	EU	AFR				
Suriname	NS	SO	AR				
Swaziland	WZ	EU	AFR	NATO Headquarters	N6	NR	NR
Sweden	SW	EU	EUR	NATO Infrastructure	N5	NR	NR
Switzerland	SZ	EU	EUR				
Syria	SY	EU	NESA	NATO Integrated Communications System Management Agency (NICSMA)	K4	NR	NR
Tanzania	TZ	EU	AFR				
Thailand	TH	PA	EAP	NATO Maintenance and Supply Agency—General (NAMSA-GENERAL)	N4	NR	NR
Togo	TO	EU	AFR				
Tonga	TN	PA	EAP				
Trinidad-Tobago	TD	SO	AR	NATO Maintenance and Supply Agency—F104 (NAMSA-F104)	K2	NR	NR
Tunisia	TU	EU	NESA				
Turkey	TK	EU	EUR	NATO Maintenance and Supply Agency—HAWK (NAMSA-HAWK)	N7	NR	NR
Uganda	UG	EU	AFR				
United Arab Emirates	TC	EU	NESA				
United Kingdom	UK	EU	EUR	NATO Missile Fire Installation (NAMFI)	N9	NR	NR
Upper Volta	UV	EU	AFR				
Uruguay	UY	SO	AR	NATO Multi-Role Combat Aircraft (MRCA) Development & Prod. Agency (NAMMA)	K3	NR	NR
Venezuela	VE	SO	AR				
Vietnam	VS	PA	EAP				
Western Somoa	WS	PA	EAP	NATO Mutual Weapons Development Program (MWDP)	N8	NR	NR
Yemen (Aden)	YS	EU	NESA				
Yemen (Sana)	YE	EU	NESA				
Yugoslavia	YU	EU	EUR	NATO Seasparrow	N3	NR	NR
Zaire	CX	EU	AFR	NATO—Weapons Production Program (NATO-WPP)	K1	NR	NR
Zambia	ZA	EU	AFR	Near East and South Asia Region (NESA)	R3	EU	NESA

**b. Activities**

<i>Activity</i>	<i>Code</i>	<i>Unified Command Cognizance</i>	<i>Area/Congressional Grouping</i>	<i>Activity</i>	<i>Code</i>	<i>Unified Command Cognizance</i>	<i>Area/Congressional Grouping</i>
				Organization of American States (OAS Hq)	A1	NR	AR
				South East Asia Treaty Organization (SEATO Hq)	T4	NR	NR
				Supreme Allied Commander Atlantic (SACLANT)	K5	NR	NR
Africa Region	R6	EU	AFR	Supreme Headquarters, Allied Powers, Europe (SHAPE)	A2	EU	EUR
American Republic Region	R5	SO	AR				
Central Treaty Organization (CENTO Hq)	T3	NR	NR	United Nations (UN)	T9	NR	NR
Department of Defense (DoD)	00	NR	NR				
East Asia/Pacific Region	R4	PA	EAP				
European Region	R2	EU	EUR				
International Civil Aviation Organization (ICAO Hq)	T7	NR	NR				
MAP ICP—U.S. Army Logistics Depot, Japan (USALDJ)	D4	PA	NR				

**II. Alphabetic by Country/Activity Code**

<i>Code</i>	<i>Country/Activity Name</i>	<i>Unified Command Cognizance</i>	<i>Area/Congressional Grouping</i>
00	Department of Defense (DOD)	NR	NR

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Code	Country/Activity Name	Unified Command Cognizance	Area/Congressional Grouping	Code	Country/Activity Name	Unified Command Cognizance	Area/Congressional Grouping
A1	Organization of American States (OAS)	NR	AR	IC	Indochina	PA	EAP
A2	Supreme Hqe, Allied Forces (SHAPE)	EU	EUR	ID	Indonesia	PA	EAP
AF	Afghanistan	PA	NESA	IL	Iceland	EU	EUR
AG	Algeria	EU	NESA	IN	India	PA	NESA
AN	Andorra	EU	EUR	IQ	Iraq	EU	NESA
AR	Argentina	SO	AR	IR	Iran	EU	NESA
AT	Australia	PA	EAP	IS	Israel	EU	NESA
AU	Austria	EU	EUR	IT	Italy	EU	EUR
BA	Bahrain	EU	NESA	IV	Ivory Coast	EU	AFR
BB	Barbados	SO	AR	JA	Japan	PA	EAP
BC	Botswana	EU	AFR	JM	Jamaica	SO	AR
BE	Belgium	EU	EUR	JO	Jordan	EU	NESA
BF	Bahamas	SO	AR	K1	NATO—Weapons Production Program (NATO-WPP)	NR	NR
BG	Bangladesh	PA	NESA	K2	NATO Maintenance and Supply Agency—F104 (NAMSA-F104)	NR	NR
BL	Bolivia	SO	AR	K3	NATO Multi-Role Combat Aircraft (MRCA) & Prod Agency (NAMMA)	NR	NR
BM	Burma	PA	EAP	K4	NATO Integrated Communications Systems Management Agency (NICSMA)	NR	NR
BR	Brazil	SO	AR	K5	Supreme Allied Commander Atlantic (SACLANT)	NR	NR
BT	Bhutan	EU	NESA	KE	Kenya	EU	AFR
BX	Brunei	PA	EAP	KS	Korea	PA	EAP
BY	Burundi	EU	AFR	KU	Kuwait	EU	NESA
CB	Kampuchea (Cambodia)	PA	EAP	LA	Laos	PA	EAP
CD	Chad	EU	AFR	LE	Lebanon	EU	NESA
CE	Sri Lanka	PA	NESA	LI	Liberia	EU	AFR
CF	Congo	EU	AFR	LS	Liechtenstein	EU	EUR
CI	Chile	SO	AR	LT	Lesotho	EU	AFR
CM	Cameroon	EU	AFR	LX	Luxembourg	EU	EUR
CN	Canada	NR	AR	LY	Libya	EU	NESA
CO	Colombia	SO	AR	M2	MAP Property Sales & Disposal (MAPSAD)	NR	NR
CS	Costa Rica	SO	AR	M3	MAP Owned Materiel (MAPOM)	NR	NR
CT	Central Republic Emp	EU	AFR	MA	Madagascar	EU	AFR
CU	Cuba	SO	AR	MF	Malaysia	PA	EAP
CX	Zaire	EU	AFR	MI	Malawi	EU	AFR
CY	Cyprus	EU	EUR	MN	Monaco	EU	EUR
D4	MAP ICP (USALDJ)	PA	NR	MO	Morocco	EU	NESA
DA	Benin	EU	AFR	MP	Mauritius	EU	AFR
DE	Denmark	EU	EUR	MR	Mariritania	EU	AFR
DR	Dominican Republic	SO	AR	MT	Malta	EU	EUR
EC	Ecuador	SO	AR	MU	Oman	EU	NESA
EG	Egypt	EU	NESA	MV	Maldives	EU	NESA
EI	Ireland	EU	EUR	MX	Mexico	SO	AR
EK	Equatorial Guinea	EU	AFR	N1	NATO Airborne Early Warning and Control Program Management Office (NAPMO)	NR	NR
ES	El Salvador	SO	AR	N2	North Atlantic Treaty Organization (NATO)	NR	NR
ET	Ethiopia	EU	AFR				
FI	Finland	EU	EUR				
FJ	Fiji	PA	EAP				
FR	France	EU	EUR				
GA	Gambia	EU	AFR				
GB	Gabon	EU	AFR				
GH	Ghana	EU	AFR				
GR	Greece	EU	EUR				
GT	Guatemala	SO	AR				
GV	Guinea	EU	AFR				
GY	Germany (Bonn)	EU	EUR				
HA	Haiti	SO	AR				
HO	Honduras	SO	AR				

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Code	Country/Activity Name	Unified Command Cognizance	Area/Congressional Grouping	Code	Country/Activity Name	Unified Command Cognizance	Area/Congressional Grouping
N3	NATO Seasparrow	NR	NR	T7	International Civil Aviation Organization (ICAO HQ)	NR	NR
N4	NATO Maintenance and Supply Agency—General (NAMSA-GENERAL)	NR	NR	T9	United Nations (UN)	NR	NR
N5	NATO Infrastructure	NR	NR	TC	United Arab Emirates	EU	NESA
N6	NATO Headquarters	NR	NR	TD	Trinidad-Tobago	SO	AR
N7	NATO Maintenance and Supply Agency—HAWK (NAMSA-HAWK)	NR	NR	TH	Thailand	PA	EAP
N8	NATO Mutual Weapons Development Program (MWDP)	NR	NR	TK	Turkey	EU	EUR
N9	NATO Missile Firing Installation (NAMFI)	NR	NR	TN	Tonga	PA	EAP
NE	Netherlands	EU	EUR	TO	Togo	EU	NESA
NI	Nigeria	EU	AFR	TU	Tunisia	EU	EAP
NK	Niger	EU	AFR	TW	China (Taiwan)	PA	AFR
NO	Norway	EU	EUR	TZ	Tanzania	EU	AFR
NP	Nepal	PA	NESA	UA	South Africa	EU	AFR
NS	Suriname	SO	AR	UG	Uganda	EU	AFR
NU	Nicaragua	SO	AR	UK	United Kingdom	EU	EUR
NZ	New Zealand	PA	EAP	UV	Upper Volta	EU	AFR
PA	Paraguay	SO	AR	UY	Uruguay	SO	AR
PE	Peru	SO	AR	VE	Venezuela	SO	AR
PI	Philippines	PA	EAP	VS	Vietnam	PA	EAP
PK	Pakistan	PA	NESA	WS	Western Somoa	PA	EAP
PN	Panama	SO	AR	WZ	Swaziland	EU	AFR
PT	Portugal	EU	EUR	YE	Yemen (Sana)	EU	NESA
QA	Qatar	EU	NESA	YS	Yemen (Aden)	EU	NESA
R2	Europe Region	EU	EUR	YU	Yugoslavia	EU	EUR
R3	Near East/South Asia Region	EU	NESA	ZA	Zambia	EU	AFR
R4	East Asia/Pacific Region	PA	EAP				
R5	American Republic Region	SO	AR				
R6	Africa Region	EU	AFR				
RM	Mali	EU	AFR				
RW	Rwanda	EU	AFR				
SK	Senegal	EU	AFR				
SL	Sierre Leone	EU	AFR				
SM	San Marino	EU	EUR				
SN	Singapore	PA	EAP				
SO	Somalia	EU	AFR				
SP	Spain	EU	EUR				
SR	Saudi Arabia	EU	NESA				
SU	Sudan	EU	AFR				
SW	Sweden	EU	EUR				
SY	Syria	EU	NESA				
SZ	Switzerland	EU	EUR				
T3	Central Treaty Organization (CENTO HQ)	NR	NR				
T4	South East Asia Treaty Organization (SEATO HQ)	NR	NR				

### III. Area Listing

#### 1. East Asia and Pacific (EAP)

Australia	AT
Burmei	BX
Burma	BM
China (Taiwan)	TW
East Asia/Pacific Region	R4
Fiji	FJ
Indochina	IC
Indonesia	ID
Japan	JA
Kampuchea (Cambodia)	CB
Korea (Seoul)	KS
Laos	LA
Malaysia	MF
New Zealand	NZ
Philippines	PI
Singapore	SN
Thailand	TH
Tonga	TN
Vietnam	VS
Western Somoa	WS

#### 2. Near East & South Asia (NESA)

Afghanistan	AF
Algeria	AG
Bahrain	BA
Bangladesh	BG
Bhutan	BT

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Egypt	EG	Central African Emp	CT
India	IN	Chad	CD
Iran	IR	Congo	CF
Iraq	IQ	Equatorial Guinea	EK
Israel	IS	Ethiopia	ET
Jordan	JO	Gabon	GB
Kuwait	KU	Gambia	GA
Lebanon	LE	Ghana	GH
Libya	LY	Guinea	GV
Maldines	MV	Ivory Coast	IV
Morocco	MO	Kenya	KE
Nepal	NP	Lesotho	LT
Near East & South Asia Region	R3	Liberia	LI
Oman	MU	Madagascar	MA
Pakistan	PK	Malawi	MI
Qatar	QA	Mali	RM
Saudi Arabia	SR	Mauritania	MR
Sri Lanka	CE	Mauritius	MP
Syria	SY	Niger	NK
Tunisia	TU	Nigeria	NI
United Arab Emirates	TC	Rwanda	RW
Yemen (Aden)	YS	Senegal	SK
Yemen (Sana)	YE	Sierre Leone	SL
		Somalia	SO
3. Europe (EUR)		South Africa	UA
Andora	AN	Sudan	SU
Austria	AU	Swaziland	WZ
Belgium	BE	Tanzania	TZ
Cyprus	CY	Togo	TO
Denmark	DE	Uganda	UG
European Region	R2	Upper Volta	UV
Finland	FI	Zaire	CX
France	FR	Zambia	ZA
Germany (Bonn)	GY		
Greece	GR	5. American Republic/Latin America (AR)	
Iceland	IL	American Republic Region	R5
Ireland	EI	Argentina	AR
Italy	IT	Bahamas	BF
Liechtenstein	LS	Barbados	BB
Luxembourg	LX	Bolivia	BL
Malta	MT	Brazil	BR
Monaco	MN	Chile	CI
Netherlands	NE	Colombia	CO
Norway	NO	Costa Rica	CS
Portugal	PT	Cuba	CU
San Marino	SM	Dominican Republic	DR
Spain	SP	Ecuador	EC
Supreme Headquarters, Allied Powers, Europe (SHAPE)	A2	El Salvador	ES
Sweden	SW	Guatemala	GT
Switzerland	SZ	Haiti	HA
Turkey	TK	Honduras	HO
United Kingdom	UK	Jamaica	JM
Yugoslavia	YU	Mexico	MX
		Nicaragua	NU
4. Africa (AFR)		Organization of American States (OAS)	A1
Africa Region	R6	Panama	PN
Benin	DA	Paraguay	PA
Botswana	BC	Peru	PE
Burundi	BY	Suriname	NS
Cameroon	CM	Trinidad-Tobago	TD

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Uruguay	UY
Venezuela	VE
6. Canada	
Canada	CN
7. Non-Regional (NR)	
Central Treaty Organization (CENTO HQ)	T3
Department of Defense (DOD)	ØØ
International Civil Aviation Organization (ICAO Hq)	T7
MAP ICP—U.S. Army Logistics Depot, Japan (USALDJ)	D4
MAP Owned Materiel (MAPOM)	M3
MAP Property Sales and Disposal (MAPSAD)	M2
NAMSA F-104 Procurement Center	K2
North Atlantic Treaty Organization (NATO)	N2
NATO Airborne Early Warning and Control Program Management Office (NAPMO)	N1
NATO Headquarters	N6
NATO Infrastructure	N5
NATO Integrated Communications System Management Agency (NICSMA)	K4
NATO Maintenance and Supply Agency—General (NAMSA- GENERAL)	N4
NATO Maintenance and Supply Agency—F104 (NAMSA-F104)	K2
NATO Maintenance and Supply Agency—HAWK (NAMSA- HAWK)	N7
NATO Missile Firing Installation (NAMFI)	N9
NATO Multi-Role Combat Aircraft (MRCA) Development & Prod. Agency (NAMMA)	K3
NATO Mutual Weapons Development Program (MWDP)	N8
NATO Seasparrow	N3
NATO—Weapons Production Program (NATO-WPP)	K1
Supreme Allied Commander Atlantic (SACLANT)	K5
South East Asia Treaty Organization (SEATO Hq)	T4
United Nations (UN)	T9

**NOTE:**

EU	European Command
PA	Pacific Command
SO	Southern Command
AFR	Africa Region
AR	American Republic Region
EAP	East Asia and Pacific Region
EUR	European Region
NESA	Near East and South Asia Region
NR	Non-Regional

## 22. CRA Code—1000 System

All program lines must contain a CRA code. The CRA codes listed below indicate that amount of "Continuing Resolution" funds required to preclude disruption of essential activities of a continuing nature. These codes are used in conjunction with Funding Priority codes to determine: (a) the Program Lines to be funded, and (b) the percentage of each line to be funded. Training "each" lines must contain the code Ø for program years prior to 78. For IMET PY 78 and subsequent years funding priority code will be entered in this field—See para 32.

Code	Amount Required
Ø	None
1	10%
2	20%
3	30%
4	40%
5	50%
6	60%
7	70%
8	80%
9	90%
T	Total
M	Used for prior years
O	Used for prior years

## 23. Credit Arrangement Number—1100 System

A three digit number assigned by DSAA to each agreement with, or commitment to, a foreign government that the U.S. will advance or guarantee a stipulated amount of credit for the financing of Foreign Military Sales to that government; the first two digits represent the fiscal year of the agreement, and the third digit is a serial number identifying credit agreements made with the country for the indicated fiscal year.

## 24. Customer Within Country Code—1000 System

A one-digit alphabetic or numeric MILSTRIP code that identifies the final recipient and port of discharge within the country. The current listing contained in the following Military Department implementations of MILSTRIP will be used:

<i>Code</i>	<i>Explanation</i>
PP or P ----	For use by DSAA—Indicates a summary line.
RR or R ---	Prior authority to program must be obtained by separate correspondence between the MAAG and DSAA.
S -----	Program by component. This item is listed for program planning only. Refer to appropriate supply manual for determining MASL detail required.
TT -----	For use in processing records in the Republic of Korea Equipment Transfer Program.
W -----	Special Navy requisitioning procedures apply.
XX -----	Items available for sales only.

### 32. Funding Priority Code—1000 System

The funding priority code identifies the order in which items and services (or groups of interrelated items and services) are to be funded in the event limited funds are available. All program lines other than training and supply operations must contain this code. The code consists of two alphabets indicating the sequence of funding. For example:

<i>Funding Priority</i>	<i>Code</i>
1 -----	AA
2 -----	AB
3 -----	AC
26 -----	AZ
27 -----	BA

### 33. Generic Code—All Systems

A three digit alpha/numeric code, assigned in the MASL which represents the type of materiel or services according to budget activity/project account classification. The first digit of the generic code is an alphabetic identifying one of the following Budget Activities:

- A. Aircraft
- B. Missiles
- C. Ships
- D. Combat Vehicles
- E. Tactical and Support Vehicles
- F. Weapons
- G. Ammunition
- H. Communications Equipment

- J. Other Support Equipment
- K. Supplies
- L. Supply Operations
- M. Maintenance of Equipment
- N. Training
- P. Research and Development
- Q. Construction
- R. Special Activities
- T. Administration

The second digit is numeric and represents the budget project. The third digit is alphabetic and is assigned each generic grouping of articles and services with similar characteristics:

#### EXAMPLE

(A1A Attack Aircraft)

First Digit—A—Budget Activity (Aircraft)

First and Second digits—A1—Budget Project (Combat Aircraft)

First, second and third digits—A1A—Generic Code (Attack Aircraft)

A complete listing of Generic Codes follows: (See MASL definitization guide in Chapter H, Part I to obtain federal stock groups and classes for each generic code A thru K).

#### A. AIRCRAFT

1. Combat Aircraft
  - A. Attack
  - B. Bomber
  - F. Fighter
  - S. Anti-Submarine
  - V. VTOL and STOL
2. Airlift Aircraft
  - C. Cargo/Transport
3. Trainer Aircraft
  - H. Trainer
4. Helicopters
  - C. Cargo/Transport
  - H. General Purpose
  - L. Observation
  - S. Anti-submarine
  - T. Trainer
  - U. Utility
5. Other Aircraft
  - E. Special Electronic Installation
  - G. Glider
  - K. Tanker
  - L. Observation
  - P. Patrol

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- U. Utility
  - X. Research
  - Z. Airship
6. Modification of Aircraft
    - A. Class IV
    - B. Class V
  7. Aircraft Support Equipment
    - A. Ground Handling Equipment
    - B. Arresting, Barrier and Barricade Equipment
    - C. Launching Equipment
    - D. Specialized Trucks and Trailers
  9. Aircraft Spares and Spare Parts
    - A. Gasoline Reciprocating Engines, Complete
    - B. Gas Turbines and Jet Engines, Complete
    - C. Aircraft Components, Parts and Accessories
- B. MISSILES**
1. Ground Launched Missiles and Support Equipment
    - A. Nike
    - B. Redeye
    - C. Hawk
    - D. Mauler
    - E. Jupiter
    - F. Sergeant
    - G. Pershing
    - H. Entac
    - J. Tow
    - K. Dragon
    - L. Lacrosse
    - M. Thor
    - N. Lance
    - P. Stinger
    - R. Chapperal
    - S. Shillelagh
    - V. Viper
  2. Air Launched Missiles and Support Equipment
    - A. Shrike AGM-45-3A
    - D. Standard
    - F. Aerial Target Missile
    - G. Maverick
    - H. Falcon
    - R. Sidewinder
    - S. Bullpup
    - T. Phoenix
    - V. Corporal
    - W. Sparrow
    - Y. Matador
  3. Sea Launched Missiles and Support Equipment
    - K. Polaris
    - P. Terrier
    - Q. Tartar
    - R. Harpoon
    - W. Seasparrow
4. Drones
    - A. Drones
  8. Multi Purpose Missile Equipment (incl FAAR)
    - A. Multi Purpose Missile Equipment (incl FAAR)
    - B. Multi Purpose Missile Eqmt Parts (incl FAAR)
  9. Missile Spares and Spare Parts
    - A. Guided Missile Parts
    - B. Guided Missile Warhead Components
    - C. Free Missile Parts
- C. SHIPS**
1. Warships
    - A. Destroyer (DD)
    - B. Submarine (SS)
    - C. Ocean Escort (DE)
    - D. Light Aircraft Carrier (CVL)
    - E. Light Cruiser (CL)
    - F. Guided Missile Frigate
  2. Amphibious Ships
    - A. Tank Landing Ship (LST)
    - B. Medium Landing Ship (LSM/LSSL)
    - C. Medium Landing Ship, Rocket (LSMR)
    - D. Utility Landing Craft (LCU)
    - E. Transport (AKA/AP/APA/APC/APD)
  3. Mine Warfare Ships
    - A. Coastal minelayer (MMC)
    - B. Ocean minesweeper (MSO)
    - C. Coastal minesweeper (MSC)
    - D. Inshore minesweeper (MSI/MSB)
    - E. Fleet minesweeper (MSF)
    - G. Mine countermeasure support (MCS)
    - H. Auxiliary mineplanter (YMP)
  4. Patrol Ships
    - A. Patrol frigate (PF)
    - B. Patrol craft/boat (PC)
    - C. Patrol craft escort (PCE)
    - D. Patrol gunboat (PGM)
    - E. Seaward defense craft (SDC)
    - F. Fast patrol boat (FPB)
    - G. Patrol torpedo (PT)
  5. Auxiliaries and Crafts
    - A. Net laying ship (AN)
    - B. Oiler (AO)
    - C. Gasoline tanker (AOG)
    - D. Fuel oil barge (YO/YSR)
    - E. Gasoline barge (YOG)
    - F. Water barge (YW)
    - G. Light cargo ship (AKL)
    - H. Auxiliary ocean tug (ATA/ATR)
    - K. Submarine rescue ship (ASR)
    - L. Seaplane tender (AVP)
    - M. Small harbor tug (YTL)
    - N. Rescue boat (AVR)
    - P. Mechanized landing craft (LCM)
    - Q. Vehicle/Personnel landing craft (LCVP)
    - R. Surveying ship (AGS)



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2. Radio Communication Equipment (see note for assignment of generic code)
3. Radio Navigation Equipment (see note for assignment of generic code)
4. Radar Equipment (see note for assignment of generic code)
5. Underwater Sound Equipment (see note for assignment of generic code)
6. Other Communications Equipment (see note for assignment of generic code)

NOTE: The following alphabets identify the type of installation

- A. Airborne
- F. Fixed
- G. Ground, general ground use
- K. Amphibious
- P. Pack or Portable
- V. Ground, Vehicular
- W. Water, surface and underwater

9. Communications Equipment Spare Parts and Electronic Supplies
  - A. Communications equipment spare parts and electronic supplies

### J. SUPPORT EQUIPMENT

1. Chemical Equipment
  - A. Decontaminating and Impregnating equipment
2. Construction Equipment
  - A. Full track tractors
  - B. Wheeled tractors
  - C. Earthmoving and excavating equipment
  - D. Cranes and crane-shovels
  - E. Road clearing equipment
  - F. Military bridging
  - Z. Miscellaneous construction equipment
3. Materials Handling Equipment
  - A. Conveyors, cranes and derricks
  - Z. Other materials handling equipment
4. Photographic Equipment
  - A. Cameras
  - B. Projection equipment
  - C. Developing and finishing equipment
  - Z. Other photographic equipment supplies and spare parts
5. Training Aids and Devices (Use for PY 76 & prior; see N9 for other years.)
  - A. Training Aids
  - B. Armament training devices
  - C. Operational training devices
  - D. Communication training devices
  - V. Publications for Training
  - Z. Other training aids and devices, and spare parts
6. Other Equipment
  - A. Parachutes and aerial delivery equipment

- D. Power Transmission Equipment
- E. Woodworking machinery and equipment
- F. Metal working machinery
- G. Special industrial machines
- N. Safety and rescue equipment
- P. Steam plant and drying equipment
- Q. Maintenance and Repair Shop equipment
- R. Power and distribution equipment to include batteries
- T. Instruments and laboratory equipment, other than aircraft
- Z. Other support equipment

### 7. Other Support Equipment

- A. Medical/Surgical Equipment
- B. Dental Equipment
- C. X-Ray Equipment
- D. Hospital Equipment
- E. Chemistry/Laboratory Equipment
- F. Laundry & Dry Cleaning Equipment
- G. Shoe Repair Equipment
- H. Service & Trade Equipment
- K. Office Machines
- L. Pumps and Compressors
- M. Plumbing and Heating Equipment
- N. Engines
- P. Prefab and Portable Structures
- Q. Mine Drilling Equipment
- R. Refrigeration and Air-Conditioning Equipment
- S. Firefighting Equipment
- Z. Other Support Equipment

### 8. Books, Maps, and Publications

- A. Books, Maps, and Publications

### K. SUPPLIES

1. Clothing and Textile Supplies
  - A. Clothing, textiles and individual equipment
2. Medical Supplies
  - A. Drugs, biologicals and surgical dressings
  - Z. Other dental and medical supplies
3. Subsistence
  - A. Human subsistence
4. General Supplies
  - A. Hand and measuring tools
  - Z. General Supplies
5. Industrial Supplies
  - A. Industrial Supplies
6. Fuels, Oils and Chemicals
  - A. Jet fuel
  - B. Aviation gasoline
  - C. Automotive gasoline
  - D. Diesel fuel
  - E. Navy special fuel oil
  - F. Chemicals
  - G. Solid fuel
  - H. Fuel gasses
  - Z. Other petroleum, oil and lubricants
7. Construction Supplies

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- C. Lumber and related products
- Z. Other construction supplies
- 8. Automotive Supplies
  - Z. Automotive supplies and equipment parts
- L. SUPPLY OPERATIONS
  - 1. Transportation Costs
    - A. Inland Transportation
    - B. Ocean Transportation
    - C. Air Transportation
    - D. Parcel Post
  - 2. Packing, Crating, Handling, Port Loading and Unloading Costs (see note)
    - A. Packing, crating and handling
    - B. Port Loading
    - C. Port Unloading
  - 3. Operation and Maintenance of MAP Installations
    - A. Operation and maintenance costs
    - F. MAAG Housing
    - G. Maintenance and repair of real property, MAP installations
  - 4. Storage and Maintenance of Stockpiles
    - A. Storage and maintenance of stockpiles
  - 5. Offshore Procurement Expenses
    - A. Offshore procurement expenses
  - 6. Logistic Management Expenses
    - A. Logistic management expenses
- M. MAINTENANCE OF EQUIPMENT
  - 1. Technicians and Allied Services
    - A. Aircraft technical assistance
    - B. Missile technical assistance
    - C. Communications technical assistance
    - D. EAM services
    - E. Other technical assistance
    - F. Technical Data Package (TDP)
    - G. Engineering Technical Assistance
    - H. Technical Coordination Program (TCP)
    - J. Aircraft Structural Integrity Program (ASIP)
    - K. Non-Standard Item Support
    - L. PMEL Calibration
    - M. Engine CIP
    - N. Technical Data Publications
  - 2. Repair & Rehabilitation of MAP Equipment
    - A. Repair & rehabilitation of aircraft and aircraft engine overhauls (includes aircraft IRAN).
      - B. Overhaul of ships
      - C. Repair & rehabilitation, other
    - D. Combat Vehicles
    - E. Tactical/Support Vehicles
    - F. Weapons
    - G. Ammunition
    - H. Communication/Electronics Meteorological Equipment
    - J. Support Equipment
    - K. Missiles
  - 3. Repair & Rehabilitation of Excess Material (FY 63 & prior year only)
    - A. Repair & rehabilitation of aircraft and aircraft engine overhaul (includes aircraft IRAN).
      - B. Overhaul of ships
      - C. Repair & rehabilitation, other
- NØO—Training (FMS 1100 System Only)
- N. TRAINING (MAP 1000 System Only)
  - 1. Student Training
    - A. Flying Training, CONUS
    - B. Operations Training, CONUS
    - C. Communications/Electronics Training, CONUS
    - D. Maintenance Training, CONUS
    - E. Logistics Training, CONUS
    - F. Administrative Training, CONUS
    - G. Professional/Specialist Training, CONUS
    - H. Orientation Training, CONUS
    - J. Missile Training, CONUS
    - N. Flying Training, Overseas
    - P. Operations Training, Overseas
    - Q. Communications/Electronics Training, Overseas
    - R. Maintenance Training, Overseas
    - S. Logistics Training, Overseas
    - T. Administrative Training, Overseas
    - U. Professional/Specialist Training, Overseas
    - V. Orientation Training, Overseas
    - W. Missile Training, Overseas
    - Z. Special Training Program
  - 2. Mobile Training Teams
    - A. Aviation, CONUS
    - B. Combat Operations/Intelligence, CONUS
    - C. Communications/Electronics, CONUS
    - D. Supply Maintenance, CONUS
    - E. Personnel/Administration, CONUS
    - F. Counterinsurgency, CONUS
    - G. English Language, CONUS
    - H. Missiles, CONUS
    - J. Other, CONUS
    - M. Aviation, Overseas
    - N. Combat Operations/Intelligence, Overseas
    - P. Communications/Electronics, Overseas
    - Q. Supply/Maintenance, Overseas
    - R. Personnel/Administration, Overseas
    - S. Counterinsurgency, Overseas
    - T. English Language, Overseas
    - U. Missiles, Overseas
    - V. Other, Overseas
  - 3. Field Training Services
    - A. Aircraft Engine/Airframes
    - B. Communications/Electronics
    - C. Radar Systems
    - D. Armament
    - E. Maintenance
    - G. English Language
    - H. Missiles
    - J. Other

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 September 1978, placed a limit of \$150 million on the aggregate acquisition cost of excess defense articles that may be issued under MAP and FMS in any fiscal year after FY 1979.

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-

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

substantial benefits or is sold at property disposal sale.

**CHAPTER E**  
**MILITARY EDUCATION AND TRAINING**

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**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 Hawaii; the term "United States", or U.S., includes both 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.

**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,**

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.

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(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) When programming MTT requirements only the cost to cover transportation (including authorized excess baggage) and living allowance (TLA) for team members will be programmed in columns 51 through 56 of country program. Costs for deployment orientation/training and training aids (including PCH&T) that are necessary to accompany MTT to properly carry out their function will be programmed as follows:

(a) Predeployment orientation/training costs for team members will be reflected as "unit cost" and programmed in columns 36 through 43 of country program.

(b) Training aids (including PCH&T) will be programmed separately in country program under Generic Code N2, description: MTT-TRNG AIDS (MASL Item-ID 309000-CONUS, 319000-O/S). This program line will show next appropriate "alpha" in column 65 of worksheet control number. Only those training aid requirements for use by MTT that cannot be predetermined and programmed under Generic Code N9 will be

included under this procedure.

### 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)



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In-Country Travel  
Station Allowance (military or civilian)  
Overseas Allowance (military or civilian)  
Excess Official Baggage, if justified  
Salaries of DOD civilians

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.

(b) Transocean travel costs will be

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 \$150 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 5c 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 5c(3) below). The procedure for programming items that become excess for Southeast Asia is described in paragraph 5d 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.

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(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.

### d. MAPEX Procedures

(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 MAPEX 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 in 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 \$150 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 \$150 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 \$150 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 \$150 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 1979, a "9" will appear in column 71 to indicate funding from the 1979

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 or 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

## 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 (see paragraph 10, this chapter, for those notices requiring countersignature)). FMS cases must contain, as 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 submission of the Offer or Amendment to DSAA for coordination and/or countersignature 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 certain 1513-2 Notices) (see paragraph 10, this chapter) 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, for coordination and/or 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

(7) Minor increases in quantity of a definitive quantity case.

(8) Changes in description which increase 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 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, except for decreases in scope due to a deletion of an item. (See paragraph c. and d. below for modifications which must be accomplished on a DD Form 1513-2.) Modifications which do affect the scope of the offer and acceptance (other than decreases) 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 acknowledgment of receipt to ensure that the Notice of Modification has been received by an authorized official. The DD Form 1513-2 should be used for changes in data which may be made unilaterally under an offer and acceptance (non-scope change).

c. The following modifications to a LOA or Amendment must be accomplished by use of a DD Form 1513-2. Such modifications require DSAA coordination and countersignature prior to dispatch to the foreign country.

(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.



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For such 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:

(a) The detailed reason for the increase.

(b) Status of contracting for this purchase—e.g., contract completed, contract still being negotiated, etc.

(c) The options that the country has, if any, with respect to avoiding the price increase (e.g., contract termination or reduction of quantities).

(d) The estimated financial consequences of selecting such options.

(e) Any time limits for notifying the USG of purchaser desire to cancel or reduce quantities.

(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 the "total estimated costs" of over 10 percent or \$50,000 or more.

(3) 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).

d. The following additional modifications to a Letter of Offer or Amendment must be made on a DD Form 1513-2, but such modifications do not require DSAA coordination or countersignature prior to dispatch to the foreign country.

(1) Changes or extensions exceeding 90 days of the delivery commitment date.

(2) Extensions of the ordering period for a blanket order type case provided there is no increase in the total estimated cost.

(3) Changes to transportation codes due to the requirement to use the DTS (e.g., shipment of hazardous and sensitive cargo, Chapter D., paragraph 6.a.), provided there is no increase in the total estimated cost.

(4) Clarifying notes which do not involve a change in the total estimated cost of the case.

(5) Changes in payment schedules to LOAs or Amendments on which the "total estimated costs" remain the same.

e. 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.

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 unchanged 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 20) should a percentage rate be applicable.)

h. 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.)

i. 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.

j. 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,

## 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 ACT <sup>1</sup>

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
China, Rep of	New Zealand
Fiji	Philippines
Indonesia	Singapore
Japan	Thailand
Kampuchea	Vietnam, Rep of*
(Cambodia)*	

*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 December 1978

\* Sales to these countries have been suspended.

MEMORANDUM FOR THE COMPTROLLER, DSAA

SUBJECT: Reporting Requirement of Section 813 of the Department of Defense Appropriation Authorization Act 1976, as amended (P.L. 95-79, Approved July 30, 1977)

The following is provided in accordance with the Congressional reporting requirement, above subject:

- a. Purchasing Country:
- b. Selling Military Department:
- c. Type of Quantity of Equipment:
- d. Total Estimated Value:
- e. Source of Supply:
- f. Impact of Sale of Articles on Current Readiness of U.S. Forces:
- g. Adequacy of Reimbursements to Cover Replacement Cost:
- h. (1) The Initial Issue Quantity (IIQ) requirement for U.S. Forces:  
(2) Percentage of such requirement already delivered to U.S. Forces or contracted for at this time:  
(3) The timetable for meeting the requirement absent the proposed sale:  
(4) The timetable for meeting the requirement if the sale is approved:

The above report applies to any Letter of Offer, meeting the reporting criteria (\$25 million in defense articles) not signed and dated by a U.S. official as of 30 July 1977.

Figure App B-5

## 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. Standard Foreign Military Sales Cases**

Eligible FMS customers 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 for materiel, class availability for training and personnel assignment lead

time for technical, and training team support. The standard sales case is also used to provide training or any other authorized defense service such as repair parts, publications, quality assurance, maintenance support, etc.

Standard FMS cases are divided into Defined Order Cases, Blanket Order FMS cases, and Cooperative Logistics Supply Support Arrangements.

**a. Defined Order Cases** normally require complete price and availability studies. These cases are defined in the P&A and on a Letter of Offer and Acceptance by separately deliverable line items which specify the defense service, weapon system, major equipment or end item and related requirements such as concurrent initial spare parts, test equipment, support equipment, training, etc.

**b. Blanket Order FMS Cases**

(1) Blanket Order FMS cases represent an agreement between a foreign customer and the U.S. Government (DD Form 1513) for a specific category of material or services with no definitive listing of items or quantities. Utilization of Blanket Order FMS cases does not change the requirement for authorization/approval of material, training or services which may be required by other provisions of the MASM or by other DOD directives. Blanket Order FMS cases are not to be used as a substitute for needed Cooperative Logistics Supply Support Arrangements. Blanket Order FMS cases are established to facilitate and simplify procedures for foreign customers. In addition, DOD components are enabled to standardize operations and promote operational economies for commodities most susceptible to high volume processing. The foreign customer or DOD component may place orders during the ordering period of the case, which normally will not exceed 12 months. (See Chapter D, paragraph 2.a.). Orders which would exceed the established dollar ceiling will not be processed. When established, the Blanket Order FMS case permits the customer to submit either MILSTRIP or letter requests for items or services directly to the cognizant Military Department ILCO or appropriate Defense Agency without a DD Form 1513 being prepared on

each occasion. Related administrative lead time is substantially reduced.

(2) Material and/or services described in subparagraph (4) below lend themselves to Blanket Order FMS case processing. It is not intended, however, that such material/services be restricted solely to Blanket Order FMS case use. When it becomes more advantageous to the parties concerned, a firm order case may be established.

(3) Price & Availability information for Blanket Order FMS cases is not required because the customer normally estimates requirements and requests an appropriate case value. In certain instances, however, when the requested case value or requirements definition is not specified, the aforementioned policy may be waived at the discretion of the cognizant DOD component. Implementation of Blanket Order FMS cases is accomplished by establishing case records and awaiting submission of requirements generally forwarded by the foreign customer but may occasionally be generated by the DOD component concerned. Requirements for defense items (excluding services and training) should be transmitted in MILSTRIP format but may be forwarded using other means when advantageous and acceptable to the foreign customer and the DOD component concerned. Requisitions are recorded, edited and processed to the inventory manager. Transmission will be via AUTODIN whenever possible. Stock levels are mechanically reviewed and issue from stock is made if above reorder point or procurement actions are initiated depending on inventory availability. Billing data processed by DOD component activities are furnished to SAAC, Denver, and supply/shipment status is also furnished to the customer or his authorized representative. Billings are processed against the case in accordance with standard practice and USG appropriations are credited accordingly.

(4) Blanket Order FMS cases are limited to the following general categories of items/services:

(a) Spares and Repair Parts—Consumable or reparable items which become part of a higher assembly during periods of

use. Items are normally listed in Allowance Part Lists, Initial Spares Support Lists, Initial Outfitting Lists, and the Provisioning Master Data Record.

(b) Publications — Forms, catalogs, manuals, stock lists, technical orders, engineering drawing specifications, reports, books, maps, etc., required to order, maintain and support defense items and services.

(c) Support Equipment—Repair parts assemblies, components, special tools, test equipment, supplies and/or material recommended and/or allocated for supply and maintenance support of a weapon or end item. Types of support equipment and services are identified in paragraph 33J, Appendix A, Part I, Military Assistance and Sales Manual.

(d) Minor Modifications/Alterations Performed at U.S. Installations—Changes to an existing configuration as authorized by the Military Department concerned. The level of services must be specified in the case.

(e) Technical Assistance Services—Services in the form of technical advice or performance of actions which require the expertise of a specialist. Technical assistance services include such processes as: determining the economy and feasibility of repair; estimating the level and nature of repair to be accomplished; analyzing feasibility to update the configuration of items; determining the range and depth of spare parts needed to sustain repair at various levels; establishing failure rates and analyzing reported failure data to make adjustments.

Examples are: Technical Data Package development; Site Survey Teams; installation and checkout of major items; systems evaluation; study groups to develop such essentials as engineering requirement plans; systems integration and training programs; Program Activation Teams and Technical Assistance Teams.

(f) Training—Formal (classroom) or informal (on the job) instruction of foreign students by DOD components, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational or informational publications and media of all kinds.

Some examples are: established DOD management, language, technical, maintenance or supply subjects/courses. OJT is generally structured to suit individual customer requirements related to some form of experience which the student seeks. Contractor training is used to supplement or replace training which may not be available in the USG at the time the training is requested; i.e., flight training at a contractor's facilities. Correspondence courses cover the range of courses being offered by each of the Military Departments.

(g) Training aid devices are used principally to supplement information and/or training programs which the foreign customer uses for educational purposes. Examples are: video tapes, slides, 8/16 film, microfiche, transparencies, and aperture cards.

(h) Repairables—Any items of supply of a durable nature which when unserviceable normally can be economically restored to a serviceable condition through regular repair procedures. Repairable items may be repaired at the request of the customer and with the approval of the appropriate military service inventory manager. Some examples are: communications equipment, radar, sonar, etc.

(5) Under Blanket Order FMS cases certain restrictions are imposed. The following specific types of requirements may not be ordered under Blanket Order FMS cases:

Commercial type items except medical supplies/drugs (see MASM Part III, Chapter H)

Classified material (except Air Force)

Classified publications (Navy only)

Explosive ordnance items

Major Defense Equipment (see MASM Part III, Appendix A) and initial logistics support which is normally ordered for concurrent delivery with such items

Lumber

Nonstandard items except for medical supplies/drugs (Army only)

Obsolete items (except Air Force)

Technical Data Packages (TDPs)

Excess defense articles (except DLA)

(6) Letter of Offer (LOA) preparation will be in accordance with the MASM, Part

III, Chapter D. Supplementary notes will be incorporated in each LOA to sufficiently elaborate on the duration of the case and input of requirements, as well as delivery instructions where necessary. LOAs will normally cite type of assistance to permit maximum flexibility to either allow stock issue or procurement. Pricing individual Blanket Order FMS case requirements—Estimated prices for items identified by NSN can be obtained from the applicable U.S. Military Services' Management List. Normally two factors will influence this price; one is a high probability that procurement will be required and the second is a price escalation will be very likely. To avoid long and costly delays, customers should be encouraged to include a cost escalation factor to current management list prices. Requisition preparation and formats are contained in the MIL-STRIP.

**c. 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-

## APPENDIX B

PROCEDURES FOR PROCESSING FMS LETTERS OF OFFER  
WHICH MUST BE REPORTED TO CONGRESS**1. Section 36(b) Procedures under the  
Arms Export Control Act**

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 in Figures App. B-1 and B-2 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 equip-

ment 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-3 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-4. 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 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 Mili-

tary 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 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 of \$25 million or more, and any amendment which would increase the value of major defense equipment in an existing case from under \$7 million to a value of \$7 million or more. Such amendments will not be issued unless absolutely necessary. Instead, new Letters of Offer will be processed to cover the new requirements which normally would be covered by amendment.

The following are examples of major defense equipment FMS cases that must be reported under Section 36(b):

(1) A single line item of an FMS case of major defense equipment totalling \$7 million or more.

(2) Two or more line items of an FMS case of major defense equipment totalling \$7 million or more.

(3) An amendment to an FMS case for additional units of major defense equipment if the major equipment portion of the amendment totals \$7 million or more.

Major defense equipment FMS cases that do *not* require reporting under Section 36(b) are:

(1) One line item of an FMS case of major defense equipment totalling less than \$7 million. No other major defense equipment in the case; however, other defense items are included which bring the total case value to more than \$7 million but less than \$25 million.

(2) One line item of an FMS case of major defense equipment totalling less than \$7 million. No other major defense equipment in the case; however, spare parts, publications, and training associated with the major defense equipment which brings the total case value to more than \$7 million but less than \$25 million.

All cases (\$7 and \$25 million) to be reported under Section 36(b) of the Act must clearly identify the value of major defense equipment.

## **2. Section 813 Procedures under the DOD Appropriation Authorization Act, 1976**

At the time of the statutory notification as required by Section 36(b), a statutory notification under Section 813, the Department of Defense Appropriation Authorization Act, 1976, as amended (P.L. 95-79, approved July 30, 1977) is also required. This applies to any LOA to sell (FMS) or any proposal to transfer defense articles which are valued at \$25 million or more from U.S. active forces' inventories or from current production. A memorandum in the form of Figure App B-4 will be provided to DSAA at the same time as the Letter of Offer is forwarded as prescribed in para 1, Appendix B.

**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.

Figure App B-1

Change 2, 1 June 1979

App B-3

## MILITARY JUSTIFICATION

One-sentence paragraph identifying the major defense articles and services proposed for sale and their estimated cost.

One or two-sentence paragraph describing broadly the contribution which the sale will make toward achieving the foreign policy and national security objectives of the United States.

A short paragraph on foreign policy and military developments in the region affecting the sale, whether comparable weapons exist in the region, and the effect of the sale on the regional military balance.

A short paragraph describing why the purchasing country needs the articles and how it intends to use them. This paragraph should address the ability of the purchasing country to absorb the articles and the effect of the sale on the country's military capabilities. If the sale was due in part to the results of a U.S. survey, this should be brought out in this paragraph.

Identification and location of the prime contractor, if known.

Estimate of the number of additional U.S. Government and contractor personnel required in the purchasing country to implement the proposed sale and the time during which they will be needed.

Any impact on U.S. defense readiness which would result from the proposed sale.

Statement as to whether the value of the weapons and weapons-related portion of the proposed sale will be charged against the Administration's arms transfer ceiling for the fiscal year in which the purchasing company signs the Letter of Offer and Acceptance.

(The above outline is a guide for preparing the typical justification, but need not be followed rigidly when variations will produce a clearer presentation. Each aspect listed should be considered, but need not be included if there is nothing pertinent to say on that particular point.)

Figure App B-2

## 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.)?

Figure App B-3

Change 2, 1 June 1979

App B-5

**MILITARY ASSISTANCE AND SALES MANUAL—PART III**

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,

**Figure App B-4**

**App B-6**

Change 2, 1 June 1979

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

(1) The recoupment of a pro rata share of nonrecurring development and production costs relating to product sales to non-U.S. Government customers is required as outlined in DOD Directive 2140.2, 5 January 1977. The objective of this requirement is to ensure that a purchasing customer pays a fair price for the value of DOD R&D investment costs. The charge is to be included in the FMS or direct commercial sales price of the product or technology unless reduced or waived as described in paragraph (8) below.

(2) In accordance with the provisions of DODD 2140.2, DOD military components are responsible for determining recoupment charges for all items of defense equipment having a total nonrecurring development and production cost of \$5 million or more. Nonrecurring development costs are those defined in para. III, F, DODD 2140.2. Nonrecurring production costs are defined in paragraph III, G, DODD 2140.2. DOD components should use actual, not program, cost data and may use estimates where the development of more precise data is not possible; however, in the latter case, it must be demonstrated that a reasonable approach was used.

(3) Prior to applying pro rata recoupment charges to sales of items on the Major

Defense Equipment List (MDEL), components will insure that the proposed charge has been approved by the Director, DSAA, in accordance with the revised policies and procedures set forth in DODD 2140.2, 5 January 1977. Approval will be requested only for those items which are (a) on the latest edition of the MDEL (see Appendix A, Part III), (b) for which there exists a current FMS or commercial sales demand, and (c) for which there has not been an approved nonrecurring costs pro rata charge established since 5 January 1977.

(4) Requests for approval of pro rata charges will be submitted on the format shown at Figure C-1. Total U.S. Government nonrecurring RDT&E and total U.S. Government nonrecurring production costs, as defined in (2) above, will be shown separately. The total of these two entries, i.e. the total U.S. Government nonrecurring investment in the item, will be prorated against the past and projected production quantities for U.S. Government, FMS, MAP and direct commercial sales. Actual past and projected production quantities will be depicted and a country breakout for FMS/MAP and direct commercial sales projections will be shown. Five year Defense Program (FYDP) forecasts will normally be used to indicate the U.S. military service production quantities; however, for those items for which Selected Acquisition Reports (SARs) are required, the latest SAR data will be used.

(5) If the pro rata charge was determined prior to 5 January 1977, it will be reviewed to identify any significant changes. Changes requiring approval by DSAA will be submitted to Director, DSAA, as outlined in paragraph (3) above.

(6) DOD Directive 2140.2, 5 January 1977 requires that, in the case of direct commercial sales of eligible defense items to foreign customers, the U.S. contractor must collect and pay to the cognizant military component the appropriate nonrecurring cost recovery charge for the items being sold. Military Departments will insure that they have in place an operative system for monitoring and reporting the collection of these recoupments



in order to insure that all appropriate payments are in fact made to the DOD. This system will provide for the following actions to be taken:

(a) The development of complete lists of all items under the cognizance of the Military Department which are eligible for assessment of a nonrecurring cost recovery charge in accordance with DODD 2140.2.

(b) The cross-referencing of all export license requests processed by the Military Department against these lists to determine whether the commercial sale is eligible for a nonrecurring cost recovery charge assessment.

(c) For each eligible item, the editing of the munitions license to indicate this eligibility, showing the amount of nonrecurring cost recovery charge which the contractor is required to collect, and the office within the Military Department to which the payment is to be made. It is emphasized that this process should in no way delay the expeditious handling of export licenses. In the event that appropriate nonrecurring cost recovery charges have not been determined for a particular item, the munitions license should be annotated only to show that a charge may be required, and the contractor directed to contact a designated Military Department office to ascertain the amount. Recommendation for approval of an export license request may not be conditioned upon an agreement by the license applicant to pay such a charge to the United States Government in a case in which the Military Department knows that the applicant does not have a current contractual obligation with the United States Government to make such payments.

(d) Reporting of payments made by contractors, together with information as to the disposition of the funds so collected.

(e) The monitoring of these collections, to include follow-up with contractors if payments are not forthcoming within an appropriate length of time.

(7) Collections received from both FMS and commercial transactions will be reported in the DSAA(Q)1112 report required by DODD 2140.2.

(8) Reduction or waiver of charges for nonrecurring development and production costs may be requested by the DOD components, customers or defense contractors. These waivers and reductions will normally be considered when it is clearly in the best interest of the United States, gaining advantage for DOD or other U.S. Government agencies, or when it is necessary to satisfy the demonstrable right of the customer or manufacturer. Items on the MDEL can only be waived or reduced as specified in Section 21(e)(2) of the Arms Export Control Act. Requests for waivers or reductions relating to product sales will be submitted to the Director, DSAA, in accordance with DODD 2140.2.

**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

**RECOUPMENT OF NONRECURRING COSTS ON  
SALES OF MAJOR DEFENSE EQUIPMENT**

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Weapon System or Component	Nonrecurring Costs (\$ Thousands)			Production Quantity					Recommended Pro Rata Unit Charge (\$ Dollars)			Previous Unit Charge																				
	RDT&E	Production	Total	Army	Navy	A/F	MAP/FMS/Di- rect Sale *	Total	RDT&E	Production	Total	(\$ Dollars)																				
<p>* Breakout of quantities by country for FMS/MAP/Direct Commercial Sales:</p> <table border="1"> <thead> <tr> <th><u>Country/Int'l Org</u></th> <th><u>Quantity</u></th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>													<u>Country/Int'l Org</u>	<u>Quantity</u>																		
<u>Country/Int'l Org</u>	<u>Quantity</u>																															

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Figure C-1