



UNCLASSIFIED ONLY

DEFENSE SECURITY ASSISTANCE AGENCY
SECURITY ASSISTANCE OPERATIONS DIRECTORATE
WASHINGTON, D.C. 20301-2800

FACSIMILE TRANSMISSION

TO: Mrs. V. Ebert
(NAME)

DSN 785 2924 DISAM DIRP
(PHONE NUMBER) (OFFICE SYMBOL)

513 255 4319
(TELECOPIER PHONE NUMBER)

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 4

DATE/TIME SENT: 11/21/91

REMARKS, INSTRUCTIONS, COMMENTS:

Vicki,

Please include attached for SAMM change 4. I will try to minimize these changes, especially as we get further along (when changes will create confusion).

*Thanks,
Wayne Wilko
DSAA/OPS-E
227 8108*

FROM: _____
(NAME)

(PHONE NUMBER) (OFFICE SYMBOL)

TELECOPIER NUMBER -- (703) 697-1656 (COMMERCIAL ONLY)

VERIFICATION# AV 227-1056 COMMERCIAL (703) 697-1056/9324

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SECTION 804 - AMENDMENTS AND MODIFICATIONS

80401 GENERAL.

A. **Use of DD Form 1513, 1513-1, or 1513-2.** In general, DD Forms 1513-2 are faster and simpler to develop and process than DD Forms 1513-1 which are faster and simpler than DD Forms 1513. Conversely, use of DD Forms 1513-1 or 1513-2 makes long term accounting more difficult, makes program reconciliation more cumbersome, and delays LOA closeout. FMS programs are best served through use of the DD Form which best safeguards U.S. and non-U.S. interests while most efficiently accomplishing the needed program change within the constraints of Paragraphs 80402 and 80403. This must include both short and long term considerations. If there is doubt as to whether to use the DD Form 1513, 1513-1, or 1513-2, the issue should be referred to DSAA Operations for resolution.

B. **Major Changes in Scope.** Major changes in scope normally require the preparation of a new LOA, DD Form 1513. Examples include addition of SME, including MDE, or a substantial expansion after the program has matured.

C. **General Conditions.** All DD Forms 1513-1 and 1513-2 will contain the following note:

'Except as expressly amended hereby, all terms and conditions of the subject LOA (including without limitation the General Conditions) continue in full force and effect.'

D. **Identification of Percentage Rate for Certain Costs.** Percentage rates, such as those used for determining PC&H, general administrative, or other costs should not be shown on LOAs, amendments, or modifications.

E. **\$50,000 Break Point for Recording Amendments.** The DSAA data base will record amendments reflecting net increases of more than \$50,000 in the fiscal year the DD Form 1513-1 is accepted. DD Forms 1513-1 which reflect net increases of \$50,000 or less will be recorded in the year of the basic FMS case.

F. **Pen and Ink Changes.** Except for DSAA-issued changes to financing terms, pen and ink changes to DD Forms 1513-2 are not authorized. Pen and ink changes to DD Forms 1513 or 1513-1 may only be accomplished prior to case acceptance. Pen and ink changes are authorized when the changes are minor, administrative, or corrective in nature, such as extension of the offer expiration date or adjustment to the initial deposit or payment date. If the change provides for an increase in scope or revision of the terms of sale or total costs, the IA must obtain the concurrence of DSAA FMS Control Division and the Operations Directorate Regional Division prior to IA authorization. The IA must authorize all pen and ink changes, prior to the expiration date, by message or letter to the purchaser with a copy to SAAC/FRS. The IA must submit appropriate changes to the 1200 System data base in the S3 transaction type format (Chapter 15) whenever a pen and ink change to the expiration date of LOAs is authorized. Extensive changes must be made by issuance of a restated DD Form 1513-1. Copies of LOAs and amendments, including revised TLWs if applicable, that have been modified by authorized pen and ink changes must be distributed by the IA to SAAC and other organizations following customer signature.

*
*
Replace with next under

77a

(80401.F)

Change 4

F. Pen and Ink Changes. Except for DSAA issued changes to financing terms, and minor arithmetic errors discussed below, pen and ink changes to DD Forms 1513-2 (Modifications) are not authorized. Pen and ink changes to DD Forms 1513 (LOA) or 1513-1 (Amendment) are only authorized prior to acceptance; and only when the changes are minor, administrative, or corrective in nature, such as extension of the offer expiration date or adjustment to the initial deposit or payment date. Extensive changes and those affecting the scope or terms of sale are made by issuance of a DD 1513-1. As an exception, if the change provides for correction of a minor arithmetic error (e.g., addition, multiplication, transposition) that will result in either no change or a decrease to total value, DSAA will authorize pen and ink changes to LOAs, Amendments and Modifications not yet implemented by DFAS-DE. Pen and ink changes to correct arithmetic errors that result in an increase to the total value are not authorized. The IA must obtain the concurrence of DSAA FMS Control Division (who will coordinate with the DSAA Operations ~~Department, Regional~~ Directorate) prior to authorization.

and other appropriate coordination points

The IA must confirm all authorized pen and ink changes, prior to the expiration date, by message or letter to the purchaser with a copy to DFAS-DE and DSAA. The IA must submit appropriate changes to the 1200 System in the S3 transaction type format (Chapter 15) whenever a pen and ink change to the expiration date of LOAs is authorized. Copies of LOAs, Amendments, and Modifications, including revised TLWs if applicable, that have been altered by authorized pen and ink changes must be distributed by the IA to DFAS-DE and other organizations following purchaser signature of acceptance or acknowledgement of receipt.

FmsCD 11/18/91 new 1/19 Was changed 11/19

FMD 11/18/91 11-18

77b
 Rich Bennis
 Wayne Wells
 OPS-E

JOINT STAFF
INFO SERVICE CENTER

*AL [unclear]
Paula
Change A
Backups*

ROUTINE
R 110138Z OCT 91
FM SECDEF WASHINGTON DC//USDP:DSAA//
TO CDRUSASAC ALEXANDRIA VA// NAVY IPO WASHINGTON DC//
HQ USAF WASHINGTON DC//SAF/1A// DFAS DE DENVER CO//SAAC//
DMACSA WASHINGTON DC// DLA CAMERON STATION VA//
INFO AFLC WRIGHT PATTERSON AFB OH//ILC//
DA WASHINGTON DC//DALO-SA//
CDRUSASAC NCAD NEW CUMBERLAND PA//

UNCLAS

FROM: DSAA/COMPT-FMD

SUBJ: PEN AND INK CHANGES TO DD 1513 LETTER OF OFFER AND
ACCEPTANCE (LOA), DD 1513-1 (AMENDMENT) AND DD 1513-2
(NOTICE OF MODIFICATION)

REF: DOD 5105.38M SECURITY ASSISTANCE MANAGEMENT MANUAL (SAMM),
CHAPTER 8, SECTION 804, PARAGRAPH 80401F.

1. THIS MESSAGE REVISES REFERENCED GUIDANCE REGARDING PEN AND INK
CHANGES TO CORRECT MINOR ARITHMETIC DOLLAR VALUE ERRORS RESULTING IN
DECREASES TO THE TOTAL CASE VALUE OF LOAS, CASE AMENDMENTS AND
MODIFICATIONS. FOR EXAMPLE: ADDITION, MULTIPLICATION AND
TRANSPOSITION.

2. IN CONJUNCTION WITH RECENT PROCESS ACTION TEAM ASSESSMENTS OF
SECURITY ASSISTANCE PROCESSES, REVIEW OF AMENDMENT/MODIFICATION
GUIDANCE SHOWED CASE WRITING WORKLOAD COULD BE REDUCED BY PERMITTING
PEN AND INK CHANGES TO CORRECT MINOR ERRORS, RATHER THAN CONTINUING
OUR CURRENT FORMAL NOTIFICATION PROCESS.

3. WHEN SUCH ARITHMETIC ERRORS ARE DISCOVERED PRIOR TO CASE/
AMENDMENT ACCEPTANCE, PEN AND INK CHANGES ARE AUTHORIZED AND THE
APPLICABLE CASE/AMENDMENT MAY BE IMPLEMENTED BY DFAS-DE IN ACCORDANCE
WITH REFERENCED GUIDANCE.

4. PEN AND INK CHANGES TO CORRECT SUCH MINOR ARITHMETIC ERRORS ON
MODIFICATIONS, NOT YET IMPLEMENTED BY DFAS-DE, WHICH ARE EQUAL TO OR
LESS THAN THE DD 1513-2 IN QUESTION ARE NOW AUTHORIZED.

5. PEN AND INK CHANGES TO CORRECT SUCH MINOR ARITHMETIC ERRORS ON
ACCEPTED (BUT NOT YET IMPLEMENTED BY DFAS-DE) CASES/AMENDMENTS WHICH
ARE EQUAL TO OR LESS THAN THE DOCUMENT IN QUESTION ARE ALSO NOW
AUTHORIZED.

6. IN EVERY INSTANCE, THE IMPLEMENTING AGENCY (IA) WILL WRITE A
MESSAGE CONFIRMING AUTHORIZED PEN AND INK CHANGES AND NOTIFYING
COUNTRY OF THE CHANGE. THESE PEN AND INK CHANGES MUST BE COORDINATED
WITH DSAA/COMPT-FMS CONTROL AND REPORTS DIVISION (COMM (703) 697-
6326, DSN 227-6326) PRIOR TO IA MESSAGE CONFIRMING AUTHORIZED PEN AND
INK CHANGE. THIS WILL INSURE ALL DOCUMENTATION, INCLUDING MAP/FMS
CREDIT COMMITMENTS, IS ACCURATE.

7. PEN AND INK CHANGES TO CORRECT MINOR ARITHMETIC ERRORS WHICH
RESULT IN AN INCREASE TO THE TOTAL CASE VALUE ARE NOT, REPEAT NOT,
AUTHORIZED. CASE AMENDMENTS/MODIFICATIONS MUST BE PROCESSED BY THE
IA TO REFLECT THESE CORRECTIONS.

8. THE ABOVE GUIDANCE WILL BE INCORPORATED INTO THE NEXT ROUTINE
REVISION OF THE SAMM. HOWEVER, ADDRESSEES ARE ENCOURAGED TO MAKE
EVERY EFFORT TO INSURE THAT SUCH ERRORS ARE KEPT TO AN ABSOLUTE
MINIMUM.

9. THE POINT OF CONTACT IN DSAA/COMPT-FINANCIAL MANAGEMENT DIVISION
IS ACTION OFFICER RESPONSIBLE FOR THE FMS CASE. THE PHONE
NUMBERS ARE DSN 224-3330/7097 OR COML (703) 614-3317/3332. BT

1513-1 Prior acceptance

1513-2

1513-1 Pen implementation

Change already done!

JOINT STAFF
ACTION USDP:DSAA (1) (D,6,7,8,F)
INFO QUAL CONTROL (1) SECDEF-N (1) USDP:FILE (1) USDP:IA (1)

6 November 1991

SUBJECT: Publication of Change 4 to the SAMM

The more significant changes in the attached package are listed below:

<u>Tab</u>	<u>Description of Change</u>	<u>Page</u>
1	Access, during maintenance, to classified hardware	3
2	AECA Sec 21 reports to Congress (clarification)	7
3	Move AECA Sec 26 Survey Team guidance to Chap 4 and add "SA in Wartime" to Chap 4	9
4	Clarify guidance on release of information	18
5	Rewrite section 600 (Export Policy) to improve organization, condense, and clarify guidance such as for third party transfers. Table 600-1 adds Burundi, Congo, Lesotho, and Namibia as AECA-eligible based on Presidential Determinations; removes Yemen Arab Republic due to name change to Republic of Yemen and no Presidential Determination to date.	22
6	MDE List Update, Table 700-6	32
7	Offset administrative costs	47a
8	Clarify maintenance of LOA records	48
9	Consolidate logistics guidance in section 802	57
10	Expand EDA guidance in new section 803	74
11	Clarify pricing of training	82
12	Clarify MAP disposal	91
13	Refine lease guidance	94
14	Clarify/update waiver of certain charges	101
15	Recognize Finland is authorized Dependable Undertaking LOAs	107
16	Provide certain coproduction data to OUSDA(IP)	109
17	Update Appendices A through F	112



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

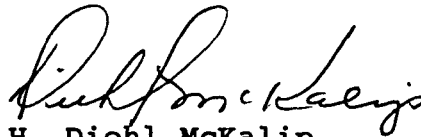
20 NOV 1991

In reply refer to:
I-04914/91

MEMORANDUM FOR COMMANDANT, DEFENSE INSTITUTE OF SECURITY
ASSISTANCE MANAGEMENT

SUBJECT: Publication of Change 4 to the SMM

The attachment is provided for publication as Change 4 to DOD
5105.38-M, Security Assistance Management Manual. Questions may
be directed to Mr. Wells, DSAA/OPS-E, DSN 227-8108.



H. Diehl McKalip
Director
Security Assistant Operations

Attachment
as

Pre'd by: MR. WELLS/11d/x78108
DSAA/OPS-E
Distribution: Orig Addee & cc

USDP
DSAACHRON
CMD(1) CC:
OPS-E SUBJ
OPS-E CHRON
OPS CHRON

pscmi

DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

DISAM will
add the date
at time of
publication.

Letter of Transmittal

Change 4, attached, includes a number of refinements to the 1 October 1988 Security Assistance Management Manual. It is recommended that the package be reviewed prior to collation into the manual in order that policy and procedure changes may be noted. Any comments, questions, or suggestions pertaining to the SAMM may be submitted as shown in chapter 1, section 10008.



GLENN A. RUDD
DEPUTY DIRECTOR

Attachment
As stated

USD/P INTEROFFICE COORDINATION SHEET

DATE (YYMMDD)
911105

1-04914/91

SUBJECT

SAMM Change 4 Letter of Transmittal

CURRENT SUSPENSE DATE (YYMMDD)

SUMMARY (Describe briefly the origin, purpose, action recommended and coordination - (Attach original tasking - SD Form 14, etc.))

Background. SAMM Change 4 at Tab A is a mix of edit and policy refinements that have been developed since publication of Change 3 (Mar 91). A summary of the most significant changes is included. Some changes are difficult to decipher and I will work with DISAM to make certain the changes are added as we expect. The proposed cover Letter of Transmittal at the Signature Tab is needed to complete the package. Recommendation. Sign Letter of Transmittal at the Signature Tab.

SEQ NO.	DIR / OFC	INITIAL	DATE (Mo, Day)	SEQ NO.	DIR / OFC	INITIAL	DATE (Mo, Day)	SEQ NO.	DIR / OFC	INITIAL	DATE (Mo, Day)
	OUUSD/P				ISP (Continued)				PDUSD / S&R (Cont'd)		
	USD/P				DIR EUR POL				ADUSD(SEE)		
	AT USDP								ADUSD(R&P)		
	MA				DASD /NF&ACP				D /CSO		
	SA				MA				NET ASSESSMENT		
	ADMIN				TNF				NA		
	COMM MGT				STRAT FORCES				ODUSD /SP		
	ISA				SACP				DUSD /SP		
	ASD /ISA								MA		
	MA				DASD /SDS&VP				ADUSD /CI&S		
	SA				MA				DIS		
	PDASD /ISA				VERIF POL				POL SUPPORT		
	MA				SD & SPACE				EMERG PLAN		
	FMRA				SPACE POLICY				CCC		
									SPEC ADV STF		
	DASD /AFR				DASD /CF&ACP				PSYOP		
	AFR				MA				ODUSD /TSP		
					EUR SEC NEGOT				DUSD /TSP		
	DASD /EAP				MULTI-NEGOT				MA		
	EAP				SO-LIC				ADUSD /TSP		
	PW /MIA				ASD /SO-LIC				DTSA		
					MA				DIR		
	DASD /I-A				PDASD /SO-LIC				DEP DIR		
	I-A				MA				RESOURCE MGT		
									IGA		
	DASD /NESA				DASD /F&R				MUNITIONS		
	NESA				DIR, PA				MUN TECH		
					DIR, B&E				WPNS SEC PLAN		
	DASD /GA				DIR, A				STRAT TRADE		
	HUMAN ASSIST								TECH COOP & SEC		
	NON-PROLIF				DASD /P&R				TECH SEC OPS		
	ISP				DIR, PP				DSAA		
	ASD /ISP				DIR, R			X	DIR		
	MA							X	DEP DIR		
	SEC DEF REPS				DASD /M&A				EXEC OFFICER	W	11-18
	PDASD /ISP				DIR, MA				COUNSEL		
	MA				DIR, CT				PLANS		
					PDUSD /S&R				CONG REL		
	DASD /EUR-NATO				PDUSD /S&R				COMPT		
	EXEC OFFICER				AT PDUSD /S&R			X	OPS	W	11-18-91
	PD EUR-NATO				MA						
	DIR NATO POL				ADUSD(PP)			X	OPS-E	W	11/18/91

NAME OF ORIGINATOR <i>Wells</i>	DIRECTORATE / OFFICE <i>OPS-E</i>	EXTENSION <i>78108</i>	SIGNATURE <i>Wayne Wells</i>
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DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

20 NOV 1991

MEMORANDUM FOR CHIEF, COMMUNICATIONS MANAGEMENT DIVISION, OUSD(P)

SUBJECT: Request for Use of Express Mail

This request is provided in accordance with the Policy Cluster Postal Guide, June 1989, in order to justify use of USPS Express Mail. The Pentagon Post Office has previously confirmed that Express Mail is available to the destination zip code.

The document to be mailed consists of substantial changes to a Department of Defense manual. The document is in final draft form and is being mailed for publication. The manual to be changed provides day-to-day operating guidance for 5,000 DoD recipients and is a reference for an additional 2,000 paying commercial subscribers. Considerable effort is expended in keeping it current since prompt changes reduce the added work and confusion which would be involved in numerous messages, memoranda, or other less formal change notices. It is also important that the document not go astray in the mailing process. Fast and verifiable mailing is required to avoid a gap in the preparation process and to help ensure that the change is published in a timely manner.

Susan C. Ludlow-MacMurray
Division Chief
Operations Management Division

Pre'd by: MR. WELLS/11d/x78108

DSAA/OPS-E

Distribution: Orig Addee & cc

USDP

DSAACHRON

CMD(1)

CC:

OPS-E SUBJ

OPS-E CHRON

OPS CHRON

psrmo

authority to travel first-class within country on Saudi Airlines. This is necessary because only a first-class ticket guarantees a seat on Saudi Airlines.

(2) In those instances where (a) the travel is being charged to a specific FMS LOA which is wholly financed with customer national funds and (b) the LOA provides for the utilization of a designated air carrier whenever possible and authorizes a class of service other than economy (or the FMS customer has dictated these travel arrangements in a separate written document such as a memorandum of agreement, etc.), the military or civilian traveler is expected to comply with the contractual arrangement. (Note: Insertion of designated foreign air carriers in new FMS LOAs wholly financed with customer national funds is discouraged unless the customer insists.)

4. Financing of Sales.

a. **U.S. Guaranties.** Financing by any individual, corporation, partnership, or other judicial entity doing business in the U.S. (excluding USG agencies other than the Federal Financing Bank) may be guaranteed by the USG if such financing is in connection with FMS or FMCS or direct commercial sales of defense items. Fees shall be charged for such guaranties. (Sec. 24, AECA)

b. **Export-Import Bank.** Export-Import Bank financing of sales of defense items to economically less developed countries is prohibited. (Sec. 32, AECA).

D. Logistics Support

1. DOD considers the support of U.S. origin defense articles to be critical to the success of the SA Program.

2. Systems in use with U.S. forces will be supported through the normal procurement system of the MILDEP (also see Paragraph 6003.F).
Section 802

3. When a system is to be phased out of the DOD inventory, countries which have acquired the system under FMS will be given the opportunity to determine support item requirements and to place final orders designed to maintain the capabilities of the system through the remainder of its service life. These orders will be consolidated to ensure the most economical final buys (also see Section 80205).

4. DOD will take reasonable steps to support systems which are not used by U.S. forces. This policy may also apply to items which were never adopted by U.S. forces.

a. Support should be provided for these items when mutually satisfactory arrangements can be made with the country involved and supply sources are available.

b. Support items which continue to be stocked, stored, and issued due to common application with end items remaining in use should continue to be routinely provided even though supported end items may have been acquired commercially or system support buyout has been completed.

c. As an exception to policy, special efforts should be made to support non-standard items, whether acquired commercially or through FMS, when circumstances dictate these efforts in order to best service U.S. interests (also see Paragraph 70002.C.4).

~~RETRACTED~~

20303.A.2.

single individual can obtain unescorted or unobserved access to MANPADS storage facilities.

2. Accountability:

a. A 100 percent physical inventory of weapons and gripstocks, when applicable, will be taken monthly by the purchaser. A 100 percent physical inventory by serial number shall be taken quarterly of weapons issued at the operational unit level. A 100 percent physical inventory by serial number shall be taken semiannually of weapons stored or retained at installation, depot, post, or base level. All inventories must be conducted by two authorized persons to ensure verification. Weapons expended during peacetime will be accounted for by serial number.

b. The (insert appropriate foreign country Security Assistance Organization) will be permitted to conduct a U.S. inspection and inventory by serial number annually. Inventory and accountability records maintained by the purchaser will be made available for review.

3. Transportation: Movements of MANPADS will meet U.S. standards for safeguarding classified materiel in transit as specified by the U.S. Government in DOD 5100.76-M, *Physical Security of Sensitive Conventional Arms, Munitions, and Explosives* (standards of which will be provided to the purchaser), and paragraph 8 below.

4. Access to Hardware and Classified Information:

a. Access to hardware and related classified information will be limited to military and civilian personnel of the purchasing government (except for authorized U.S. personnel as specified herein) who have the proper security clearance and who have an established need to know the information in order to perform their duties. Information released will be limited to that necessary to perform assigned functions/operational responsibility and, where possible, will be oral/visual only.

~~b. Maintenance which requires access to the interior of the operational system, beyond that required of the operator, will be performed under U.S. control.~~

Replace with circled para. next under

5. Compromise, Loss, Theft, and Unauthorized Use: The purchaser will report to the U.S. Army by the most expeditious means any instances of compromise, unauthorized use, loss or theft of any MANPADS materiel or related information. This will be followed by prompt investigation and the results of the investigation will be provided to the U.S. Army.

6. Third-Party Access: The recipient will agree that no information on (insert appropriate missile) will be released to a third-country government, person or other third-country entity without U.S. approval.

7. Damaged/Expended Materiels: Damaged systems, launchers, and/or gripstocks will be returned to the U.S. Army for repair or demilitarization.

8. Conditions of Shipment and Storage for STINGER and STINGER Variants: The two principal components of the (insert appropriate missile) system, the gripstock, and the missile in its disposable launch tube, will be stored in separate locations and will be shipped in separate containers. The two storage locations will be

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DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

17 JUN 1991

In reply refer to:
I-002980/91

MEMORANDUM FOR ASSISTANT DEPUTY CHIEF OF STAFF FOR LOGISTICS
(ADCSLOG) (SECURITY ASSISTANCE)
DEPARTMENT OF THE ARMY

SUBJECT: Security Requirements for STINGER

The memorandum of May 7, 1991, from the USASAC Director for Policy, Plans, and Operational Support, which you forwarded to this office, recommended that subparagraph A.4.b. of paragraph 20303 of Chapter 2, DODD 5105,38-M, be changed to read as follows:

b. Maintenance which requires access to the interior of the operational system, beyond that required of the operator, and maintenance/repair which requires access to the interior of the guidance assembly of the tracking head trainer or captive flight trainer, beyond the bench test set capability, will be performed under U_XS_X control.

The Office of the Under Secretary of Defense for Security Policy (International Security Policy), OUSDP(SP)/CIS/ISP, has concurred in adoption of the proposed language for subparagraph A.4.b. DODD 5105.38-M will be changed accordingly. You are authorized to use this revised clause as of the date of this memorandum. You are also authorized to modify existing FMS cases to include the revised paragraph, using a 1513-2.

OUSDP(SP)/CIS/ISP is also concerned about those STINGER missiles which are not subject to FMS cases because they are being produced by the European Stinger Production Group (ESPG). Paragraph II.10.3.b. of the Implementing Arrangement to the Memorandum of Understanding between the Federal Republic of Germany and the United States for Dual Production and Sale of the STINGER Weapon System, March 27, 1986, provides that "All maintenance performed requiring access to the interior of the guidance section shall be conducted at the single approved European maintenance facility designated by the SPG nations."

In order to weigh the political and security risks associated with attempting to impose this condition on the ESPG, request the Army inform us of the extent to which the ESPG has expended effort or funding to establish the single maintenance facility discussed in paragraph II.10.3.b. and provide Army's view of the wisdom of imposing this security condition on the ESPG. A reply by July 3, 1991, is requested.

Glenn A. Rudd

GLENN A. RUDD
ACTING DIRECTOR

20303.A.9.

physically separated sufficiently so that a penetration of the security at one site will not place the second at risk.

9. **Conditions of Use:** Assembly of the system will not be permitted for field exercises or deployments wherein the use of the (insert appropriate missile) system is simulated. In such cases, inert training devices may be used. The recipient will use information on the (insert appropriate missile) only for the purpose for which it was given."

B. All sales of MANPADS to nations other than those identified in Paragraph A will include all of the Paragraph A notes, but paragraph 9, "Conditions of Use," will be replaced with the revision below:

"9. **Conditions of Use:**

a. The two principle components of the (insert appropriate missile) system, the gripstock and missile launch tube, may be brought together and assembled under the following circumstances: (Note: When the system is REDEYE, delete the previous text and insert at a. the following: 'REDEYE may be deployed:')

(1) In the event of hostilities or imminent hostilities.

(2) For firing as part of regularly scheduled training; however, only those rounds intended to be fired will be withdrawn from storage and assembled.

(3) For lot testing; however, only rounds to be tested will be withdrawn from storage and assembled.

(4) When systems are deployed as part of the point defenses of high priority installations or activities (e.g., key government buildings, military headquarters, essential utilities, air defense facilities).

b. The purchaser will advise the U.S. Security Assistance Organization in advance of any assembly of the various missile and gripstock for the STINGER and its variants for training or lot testing.

c. The U.S. Government will be notified of deployments through the Security Assistance Organization."

C. ~~Section 506(a) Transfers~~. ^{DoS} The Department of State will ensure that transfers of MANPADS under Section 506(a) include the security requirements as previously mentioned in this paragraph. ←

D. The following procedures apply after an LOA for the purchase of a MANPADS has been accepted by a foreign government and if MANPADS are provided under the authority of Section 506(a). ←
OR

1. The U.S. Army will provide a copy of the LOA to the in-country SAO.

2. U.S. Army personnel will inspect the physical security arrangements prior to the delivery of the first shipment of MANPADs to ensure that security meets U.S. requirements.

3. The U.S. Army will notify the SAO when delivery of the missiles has begun; serial numbers will be provided to the SAO for missiles received by the foreign government.

20303.D.4.

4. The STINGER system and all its variants shall be accounted for by verifying receipt of the gripstock and missile.

5. The SAO will arrange with the purchasing government to verify by serial number receipt in country of the missiles. The first annual physical inventory should occur after the U.S. Army notifies the applicable SAO of final delivery of missiles, ~~under the LOA~~. Yearly requirements for U.S. inspection and inventory will begin from that date. ←

6. Except for those that are deployed to hostile areas, the SAO must physically inspect and inventory all MANPADS by serial number. This requirement cannot be satisfied by the foreign government, or through a review of host nation records of inspection, missile accountability, security, or storage records.

7. The SAO must, at least once a year, randomly review the recipient government's records of monthly, two-man verifications.

8. A report of the SAO findings shall be sent to DSAA-OPS and U.S. Army (USASAC), with an information copy to the applicable Unified Command.

20304 SUSPENSIONS AND CANCELLATIONS OF SECURITY ASSISTANCE.

A. If the Department of State determines that it is necessary to suspend FMS or GA to a particular country, the Director, DSAA, will issue instructions to the appropriate MILDEP. The following procedures normally will be employed:

1. All deliveries of defense articles to the embargoed country will be stopped immediately. No release of new LOAs will be made. No material will be released to the country's freight forwarder or to the country. There should be no new contracting actions for an embargoed country; on-going contracting actions should be suspended.

2. If FMS or GA funded procurements have been started, but contracts have not been awarded, the appropriate MILDEP should inform the DSAA of the details and ask for guidance.

3. Normally, contracts that have been awarded should continue. However, the DSAA should be informed when deliveries are ready to be made so that the possible diversion of the material to another country, or to a DOD component, or to storage can be decided. The Director, DSAA, will issue appropriate instructions once the decision is made.

4. Shipments of defense articles, where the materiel is under USG control, will not be loaded at the ports of embarkation. Materiel already enroute to the country will not be delivered; it will be retained under USG control. Defense articles that fit these categories should be stored by the appropriate DOD component using the most economical storage until further DSAA instructions arrive.

5. Materiel ready for shipment from a contractor should be shipped to an appropriate DOD facility for segregated storage until DSAA disposition instructions arrive. Arrangements for storage at the contractor's facility may be made if that is the most economical storage.

6. Requisitions submitted against either a CLSSA or a blanket order FMS case will be held by the receiver. Requisitions from an embargoed country will not be filled.

7. With regard to training funded through an FMS case or under IMET, students in training before the suspension date notification may complete their course. Sequential training

19 June 1991

To: Defense Institute of Security Assistance Management

Subject: SAMM Change 4

Add the following to Section 30002.C.12:

"i. Procedures for implementing AECA Sec 21(c)(2) require a report to Congress, under certain conditions, within 48 hours of the existence or change in status of significant hostilities or terrorist acts, or a series of such acts, that may endanger American lives or property.

(1) The report is required when all the following criteria are met, *including instances where there is doubt in this regard:*

(a) U.S. military or U.S. civilian personnel are in-country performing services under the AECA or the FAA of 1961, other than those assigned to SAOs. The term "defense services", as defined in the act, does not include administrative services performed by the SAO assigned with the U.S. diplomatic mission to manage SA. The term "U.S. civilian personnel" means USG civilian employees and United States employees of U.S. firms under DoD contracts financed by SA funds, including FMS customer funds. If the SAO is the subject of hostile or terrorist acts, but there is no one else in country performing defense services, a report to Congress is not required.

(b) The existence or the change in status of hostilities or terrorist acts from the previous situation must be of a meaningful nature.

(c) The hostilities or terrorist acts constitute a general threat to American lives or property.

(2) Responsibility for identifying these situations rests with the Chief, SAO. The SAO will transmit a message by the most rapid means available to USDP; DoD General Counsel (GC); CJCS; CINC UCOM; Director, DSAA; Director, DIA; and Secretary of State.

(3) The SAO report must show the identity of the country; description of the hostilities or acts, including an explanation of how they constitute a meaningful change in the existing situation; the estimated number of U.S. personnel present in country; and any additional information needed to assist report recipients in evaluating the situation.

(4) Upon receipt of a report, the Director, DSAA, through DSAA GC, will consult immediately with the DoD GC, providing relevant facts and a recommendation as to whether a report to Congress under Sec 21(c)(2) should be made. DoD GC will then consult with USDP, CJCS, DoS, and others as appropriate, to determine whether a report to Congress will be made and will advise the SecDef or DepSecDef of the conclusion.

(5) If a report to Congress is required, DoD GC will advise the Director, DSAA, and provide an approved draft of the report. The Director, DSAA, will submit the required report to Congress. If a report is not required, DoD GC will prepare a memorandum for record and provide a copy to Director, DSAA."



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

19 June 1991

Memorandum for Mr. Rudd *OK GRD*
Through Mr. McKalip *6-18-91*
Mr. Tyler
Mrs. Ludlow-MacMurray *LM*

Subject: SAMP Change 4 Item

In discussing the attached ^(next under) change among OPS-E, DoD GC, and DSAA GC, it was suggested that DoD GC should make the decision of whether to report to Congress under Sec 21. DoD GC is still interested in receiving a report from the SAO even when there is no one, other than the SAO, in country performing defense services. On that basis, the compromise words "to Congress" were added to Tab A as shown in the requested change next under.

If you agree, Tab A will be included in Change 4 to the SAMP.

Wayne Wells
Wayne Wells
OPS-E, 78108

Attachments
As stated

dsawd

11. Observe and report on the utilization by the host country of defense articles, defense services, and training of U.S. origin. This function should be carried out as a ~~secondary~~ ^{an ongoing} duty. How and to what extent such observation and reporting should and can be done will vary considerably from country to country, and thus no standard procedures are prescribed. The process for accumulation of information should use all available resources (e.g., country reporting or documentation, TDY personnel assigned in country performing other duties, other elements of the U.S. Diplomatic Mission, and spot checks during the normal course of SAO duties and travel). Reporting should be done on an exception basis through established security assistance channels. Records, as accumulated, should be kept on file at the SAO. *duty, similar to security*
12. Assist the host government in the identification, administration, and proper disposition of security assistance materiel that is in excess of current needs.
13. Provide input to the Chief of the U.S. Diplomatic Mission for preparation of the Annual Integrated Assessment of Security Assistance and the Consolidated Data Report.
14. Coordinate and supervise the activities of all personnel, other than those assigned to the SAO under the authority of Section 515 of the FAA, who are in country under DOD sponsorship (excluding DIA) or other SA authority.
15. When authorized, coordinate and facilitate the interface between U.S. defense industry representatives and the host nation defense establishment, and provide oversight for in-country RSI and DIC agreements and initiatives.
16. Manage the C-12 aircraft activities, when assigned to the SAO.
17. Perform SAO administrative functions to include preparing and administering the SAO budget and continuously reviewing SAO organizational and manning requirements consistent with U.S. law and DOD manning criteria.

TABLE 300-4. SAO Security Assistance Program Management and Oversight Functions. (Continued)

Whether or not a JMC is involved, the SAOs have ~~both preparatory and interim~~ tasks that have to get done if the "~~Washington Team~~" visit is to be a success.
team

B. Interrelated Nature of Planning. All three tracks are interrelated. Table 401-2 lays out the cross-cutting nature of the SA and arms sales process.

C. Non-Linear Process. The entire SA community is always engaged in the different stages associated with three fiscal years' worth of planning, budgeting, legislating, etc. As explained above, there is a constant interaction between the three planning tracks. It requires effort to follow the entire process, and to fully understand what is happening at any given time. For the sake of simplicity, a linear layout of the budget and procurement process is presented in Table 401-3, in the case where financing is required. This illustration is useful--as a time line--but one must bear in mind each of the separate planning track discussions.

D. Planning Instruments. Several planning tools already exist for use by the three planning communities.

1. Annual Integrated Assessment for Security Assistance. The single most important planning instrument is the AIASA which is prepared by the country team. The shape and form of the AIASA reflect the information needs of both Washington and the unified commands in the decision-making communities. The AIASA also provides certain information required as part of the federal budget development process. If the annual AIASA submission is timely and complete it has a strong impact. If the AIASA is late or incomplete, it has reduced effect. Subsequent to submission of the AIASAs and the completion of initial staffing by the Departments of State, Defense, Treasury, etc., the Security Assistance Program Review Working Group (SAPRWG), meets to review the SA programs for the budget year. After this staff effort, formal interagency coordination takes place before State submits the budget to OMB. If State and OMB disagree, resolution of issues may take place in the White House Budget Review Board.

~~2. Security Assistance Defense Analysis Papers. For selected countries, a SADAP is written each year. These present an analysis of the threat, force structure trends, and other analysis elements that are useful in the planning process. The SADAPs have a financial analysis counterpart done by the Treasury Department. Both analyses are presented to the State Department, the OMB, and the NSC during the annual budget development process. The SADAPs present a unique overview of defense programs with a particular country.~~

[2., etc., all next under]

change 4
(plans approved 11/91
MILDEP 11/91)
4 November 1991

Memo to DISAM: SAMP, Chapter 4 Changes

1. In section 40102, delete para D.2.

2. Add new paras D.2. and D.3. as follows:

"2. SA AECA Sec 26 Survey Teams. Teams consisting of USG personnel, along with host country, commercial contractor, or other representatives, conduct surveys in a country, as requested by the country. These teams review country military capabilities and deficiencies, generally or in a specific area, and make recommendations on how to meet SA objectives. These include defense requirements surveys, site surveys, general surveys or studies, and engineering assessment surveys. Logistics conferences for program definitization, as discussed in section 701, are excluded. A comprehensive survey of a country's military capabilities may be requested at the time a new SA program is initiated in order to provide a baseline for program development. More often, surveys are conducted in the context of on-going programs to address specific needs. Additional information on survey teams is provided in Table 401-4.

3. Materiel Notices. These notices are to inform countries of events which will have an impact on their ability to acquire or support an item through FMS, such as a scheduled termination of production. They may require a country to submit an LOR by a certain date to ensure its ability to acquire the item or associated support.

a. IAs may consider preparation of notice messages or letters under conditions such as when US production for the items is scheduled to end (for support items, also see section 80204) or the US is making a periodic buy of items for which there is known foreign demand.

b. Notices will be disseminated only to those countries that have previously shown an interest in the item. Interest might include purchase, request for P&A data or an LOA for which data has been released, or purchase of weapon systems which utilize the item. IAs will assure that countries addressed on the Notices are eligible to purchase the item under the NDP. The final eligibility determination will be made by DSAA in coordination with DoS.

c. Notices will initially be developed within the cognizant MILDEP. The MILDEP will coordinate proposed notices with other involved DoD Components and then with DSAA, through DSAA/OPS-E, prior to dispatch.

change 4

d. Notice correspondence must include rationale for issuing the notification, the final date for receipt of an LOR, and the final date for acceptance of the LOA."

3. Add new section 40103 as follows:

"40103 SECURITY ASSISTANCE IN WARTIME

A. Under normal FMS procedures, we are precluded from making commitments which would extend into wartime. The US will continue SA programs to the extent that US national security requirements permit.

B. The following AECA Sec 42(e)(1) provision is contained in each LOA:

'Each contract for sale entered into under Secs 21, 22, 29, and 30 of this Act, and each contract entered into under Sec 27(d) of this Act, shall provide that such contract may be cancelled in whole or in part, or its execution suspended, by the United States at any time under unusual or compelling circumstances if the national interest so requires.'

C. While FMS arrangements may be cancelled in certain situations, it may be in the US interest to continue some or all of the arrangements. It is probable that assets will be insufficient to meet all requirements. Since we cannot plan for each type of scenario, the specific situation will determine how we proceed. Outlined below are some of the considerations and a summary of possible alternatives.

1. DSAA, through the IAs, will identify materiel in the FMS pipeline and the Director, DSAA, in consultation with OJCS, will reallocate this materiel among FMS countries. OJCS will consult with the UCOMs as necessary.

2. In most situations, SA will continue. It may increase for some countries directly involved in the emergency.

3. Assets may be allocated between US and FMS requirements based on the level of conflict and other pertinent factors.

4. The OJCS Joint Materiel Priorities and Allocation Board (JMPAB) may review requirements based on MILDEP/UCOM input and recommend to the SECDEF a worldwide Allocation Plan. At some point, the US and FMS logistics flow may be merged into a single pipeline allocated to the theater by the JMPAB. Within theater, the UCOM may allocate to US, allied, and friendly forces.

5. A Presidential Determination might be proposed to exercise emergency authorities; e.g. waiver of AECA Sec 36(b)

Change 4

pre-sale notification requirements or authority to bill after delivery (AECA Sec 21(d)).

6. After consultation between DoS and DoD, emergency legislation might be presented to Congress to meet the needs of the situation; e.g., modification of Congressional reporting requirements or a supplemental SA funding request."

Change 4

TABLE 401-4
SECURITY ASSISTANCE SURVEY TEAMS (Under AECA Sec 26)

I GENERAL

A. OASD(ISA) coordinates DoD actions relating to AECA Sec 26 surveys to assess country or international organization capabilities and to identify future needs. This includes the required interface with DoS, ACDA, and other agencies. Survey actions, including personnel details, also are coordinated with OJCS and DSAA.

B. The decision to dispatch a survey team will include an assessment of US and country impact of funding the program for which the survey is being conducted, the program's regional arms control implications, interface with current arms sales policies, and pertinent data beyond strictly military considerations, such as human rights factors. This information will be reflected in the Terms of Reference developed by the UCOM or lead agency and provided to the team.

C. Teams normally will be led by DoD, with DoS invited to provide a deputy team chief of roughly comparable rank. MILDEP affiliation shall be determined by the purpose of the survey. For surveys to meet a requirement rather than to evaluate overall capabilities, the lead agency will be identified during initial staffing of the requirement. When a joint team is required, the team chief will be determined on the basis of the MILDEP having predominant interest. DoD participation shall be limited to the minimum number required to gather effectively the technical information necessary to prepare the report. Teams will contain representatives from other agencies as necessary to ensure the success of the information-gathering effort. The Secretary of State will have final authority to rule on the participation on the survey team by agencies other than DoD, although these decisions normally are reached by DoD-DoS consensus. Concerns of other agencies will be carefully considered in determining team composition.

D. DSAA will, based on AECA Sec 26(b) and as part of the overall Sec 36(a) quarterly report to Congress, include a list of SA Surveys authorized during the preceding calendar quarter. The report will include the information in paragraph IV below.

1. The lead MILDEP is responsible for submitting the report to DSAA/OPS-E not later than 30 days after the end of each quarter. The report will identify SA Surveys conducted during the preceding quarter. Negative replies are required.

2. DSAA/OPS-E will review each submission and, after any required staffing, provide a consolidated report of all SA Survey teams to DSAA/COMPT/FMSCRD for transmission with the quarterly report to Congress.

change 4

E. Necessary staffing should be accomplished before finalization of aforementioned survey reports to assure that each report reflects a coordinated USG position. Coordination with DSAA/OPS is required for each draft survey report within 30 days of its preparation. Consistent with AECA Sec 26(c), individual SA Survey reports should not be provided to Congress unless a specific request is received. Copies of SA Surveys will be provided only upon receipt of a request of the Chairman of the Committee on Foreign Affairs of the House of Representatives or the Chairman of the Committee on Foreign Relations of the Senate. The lead MILDEP should ensure that a copy of each such request is forwarded to the Director, DSAA for submission to Congress.

II GENERAL TERMS OF REFERENCE

A. Teams will report to the US Ambassador, or in his absence, the *charge d'affaires* upon arrival in country, and will serve under the overall supervision of the Ambassador. All formal consultations with the host country will be conducted subject to the concurrence of the US Ambassador, with the participation of such Embassy staff as he may direct. Prior to departure, the team will brief the Ambassador on its preliminary conclusions.

B. The team recommendations should reflect the total package concept: end-item, ancillary equipment, and training and logistics. Recommendations should not mirror-image US force solutions. At least three levels of funding alternatives should be presented in the report.

C. The team should evaluate the military manpower base, its absorptive capacity, the existing logistics support capability, the capability of the country to prevent compromise of sensitive data and equipment, training requirements, and compatibility of recommended equipment with that currently in the host country inventory.

D. The team will make no comment to host governments concerning possible availability of USG resources in any form.

E. The team will not give host government any P&A data, DoD lead times on equipment, or indicate any prospects for accelerated deliveries. The team, however, may provide general orders of magnitude information concerning P&A for illustrative purposes. Firm estimates can be provided only through normal channels and only in response to specific requests conveyed through the US Embassy, not through the survey team.

F. The team will not oblige the USG to the sale of any specific defense article or service.

change 4

G. The team will not provide any kind of independent assessment or confirmation of the external threat as perceived by the host country. Release of classified information will be in accordance with NDP-1.

H. The team will not provide military advice concerning tactics, doctrine, basing, combat planning, or operations.

I. The team will avoid any possible indication that the USG would assist in construction of airfields, camps, or other military facilities.

J. The team will make no commitment to follow-up technical discussion or further surveys.

K. The team will not undertake to provide the host country with an interim report.

L. The team will debrief the appropriate UCOM on its preliminary findings prior to its return to the US.

III SECURITY ASSISTANCE TEAM CHECKLIST

A. Consideration of providing an SA Survey normally is a result of presenting the USG with a significant defense sales request, or requesting the USG survey defensive capabilities and requirements. Also, the USG may, at its own initiative, propose a survey team.

B. The normal response to the initial request for a survey shall be that the scope of the request requires review before a decision on the survey can be given. A comprehensive review of current defense sales restraint policies, regional arms control considerations, potential economic impacts, and human rights implications of defense sales is then initiated.

C. DoS, DoD, and ACDA shall review the defense sales request within the context of policy guidance, highlighting areas requiring policy decisions. DoD will prepare a preliminary assessment of the availability of the requested equipment or services, as well as the requesting nation's requirement for and technical ability to absorb the items in question. DoS will review the FMF situation for the host country, where applicable. Any statement regarding FMF beyond the current fiscal year's approved budget must receive Executive Office clearance by NSC and OMB. Future financing contributions can only be made in accordance with prevailing procedures.

D. DoS and AID will estimate the extent of the ability of the host country to devote its economic resources to defense purchases without an unduly deleterious effect on the host country economy. Needs for additional information will be identified during this review.

E. Simultaneously with the above review, the US Embassy will be instructed by the DoS to contact appropriate host country ministries to ascertain the extent to which the host country is willing to commit its own resources to military purposes over the next three-five years, noting that financial parameters are essential ingredients in a realistic survey effort.

F. The Director of Central Intelligence will be requested to produce an interagency threat assessment.

G. Information gathered above is incorporated by DoS (PM) into an Action Memorandum to the Secretary of State, coordinated with ACDA, DoD, OMB, and NSC, to determine: (1) whether to send a survey team; and (2) the mission of the team. In the event a decision is made to send the team prior to completion of the information gathering process outlined above, as many of the above steps as are possible will nevertheless be completed prior to the departure of the team. Affirmative decisions will be reported to Congress by DSAA as required by AECA Sec 26(b).

H. If the decision is made to dispatch a survey team, TOR and team composition will be developed by DoD in coordination with DoS, ACDA, and AID, if appropriate. The NSC and OMB must clear TOR and team composition. The US Embassy will ensure that the host government understands and accepts the projected scope of the survey. If a decision is made not to dispatch the survey team, the US Embassy, by direction of DoS, will convey this decision to the host government with explanatory rationale.

I. Pre-departure briefings for survey teams will take place in the Washington, DC area, to include:

1. Scope and mission of the survey, Congressional or legal considerations, and arms control considerations (DoS/DoD).
2. Condition of the host country economy (DoS/AID)
3. Political situation in the host country and personal conduct in-country (DoS).
4. Threat assessment and armed forces (CIA/DIA).

J. In-country gathering of information. Conduct of the survey team will be in accordance with the TOR.

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K. Within ten duty days after returning to CONUS, a preliminary briefing will be given by the team chief for relevant DoS, DoD, ACDA, AID, NSC, OMB, CIA, and DIA personnel, with special attention to issues requiring high level policy review.

L. Within 30 days of its return to CONUS, the team will provide the draft report for review.

M. All appropriate agencies will simultaneously review the draft report. The Arms Transfer Management Group (ATMG) will serve as the interagency forum for the coordination of the report and the formulation of policy issues. The NSC staff, as necessary, will review the survey findings and make recommendations to the President.

N. The approved report will be presented to the host country and to Congress, if requested, pursuant to AECA Sec 26(c).

IV SURVEY TEAM REPORTS Reports shall be submitted using the following format:

(date/quarter)

RCS: DSAA(Q)1137

<u>Country</u>	<u>Inclusive Dates of Survey</u>	<u>Purpose of Survey</u>	<u>No. of USG Personnel Participating</u>
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3. **Coproduction.** For all countries and international organizations, information which indicates by specific type any item of MDE (e.g., F-16 aircraft) is classified in coproduction proposals only. Such information will be declassified upon termination of negotiations. Such information will be marked:

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

4. **NRC Recoupment Charges.** Worksheets showing calculations which contain projections of dollar levels of future U.S. investment in the development of a defense item and projections of future multiple foreign requirements will be classified (see Chapter Seven of this Manual). Worksheets will be declassified when the defense item becomes obsolete to U.S. requirements. Worksheets will be marked:

"CLASSIFIED BY SAMM (DOD 5105.38-M), DECLASSIFY UPON NOTIFICATION BY THE ORIGINATOR"

5. **Section 36(b) Notifications and Section 1135 Reports.** Specific classification directions and guidelines for Section 36(b) notifications, ~~Section 118 reports~~, and input data elements for these documents are specified in Chapter Seven of this Manual.

50203 RELEASE OF INFORMATION.

A. ~~Unclassified.~~

1. **Public.** In accordance with the AECA, Section 21(f), it is DOD policy to maximize to the fullest extent consistent with national security the amount of information available to the public. Further, it is the policy of DOD to comply fully with both the specified provisions and the general intent of the Freedom of Information Act, as amended. Release of information will be in accordance with procedures established by DOD Directive 5400.7 and DOD Instruction 5400.10.

DISAM: Replace with circled portion next under.

3. ~~The DSAA 1200 FMS information system is a frequent source for providing information to the public. DSAA maintains a consolidated data base which contains information about each FMS case by collecting essential data from a variety of sources over the life of each case. The 1200 system is the exclusive source for such consolidated data and contains records from the inception of the FMS program.~~

Add circled Foreign Government and International Organizations (Access under)

B. **Classified** 1. **Compilation of Program Data.** A large percentage of individual records in the ~~case~~ 1200 system are unclassified. They may, however, when grouped, produce a complete or virtually complete compilation of data. These kinds of groupings include but are not limited to: all current LORs, current undelivered balances of MDE, or groupings of generic classes of items such as "all surface to air missile sales". Such groupings may then reveal concepts about a country's order of battle plans or current or planned defense posture of a country, region, or geographical area and result in a Confidential classified compilation of individually unclassified data. Such a compilation then, by DOD 5200.1-R, paragraph 2-211, would be denied public release.

Classification and denial of release to the public on this basis shall be fully supported by a documentary explanation that will identify with the specific criteria which resulted in such a judgment.

2. **Compilation of FMS Case-Level Data.** On June 25, 1985, the SECDEF decided that a compilation of FMS case-level data should be classified Confidential. For this purpose, a compilation is defined as consisting of data provided to the Congress quarterly pursuant

50203 RELEASE OF INFORMATION

A. Unclassified. It is DoD policy to comply fully with both the specified provisions and the general intent of the Freedom of Information Act (FOIA), as amended. Release under the FOIA of records containing SA-related information, including LOAs and FMS procurement contracts, will be in accordance with procedures established by DODD 5400.7-R and DODI 5400.10.

1. Under exemption (B)(4), commercial or financial information provided to the USG in confidence by a person (including a foreign government or a US or foreign business) may be exempt from disclosure to the public if it is not the type of information that is usually released by the originator, if disclosure is likely to cause substantial competitive harm to the originator, if disclosure is likely to impair the ability of the USG to obtain necessary commercial or financial information in the future, or if disclosure is likely to impair some other legitimate USG interest.

2. Any request under the FOIA for an LOA or FMS procurement contract should be referred to the appropriate counsel of the DoD component for action. If a DoD component determines that it may be required to disclose commercial information obtained in confidence from a person, corporation, or foreign government, it shall notify the submitter of the information in accordance with DODD 5400.7-R. Final decisions to withhold or release, in whole or in part, LOAs already accepted or in preparation shall be coordinated with DSAA.

50203

50203.A.2.a.

to paragraphs (1) and (2) of section 36(a) of the AECA that covers a single period longer than five consecutive calendar quarters.

a. Since a quarterly report covers FMS case-level data for the entire fiscal year through the date of the report, the report for the fourth quarter covers a period of four consecutive calendar quarters. Therefore, a classified compilation could consist, for example, of the data contained in the reports for the fourth quarter of FY 1985 and the second quarter of FY 1986 for one or more purchasers.

b. The Data Management Division, Office of the DSAA Comptroller, ensures that quarterly reports of FMS case-level data are provided only to persons having a need-to-know who hold a current personnel security clearance if such persons already possess sufficient numbers of quarterly reports so that the provision of additional reports would constitute a compilation thereof.

c. This classification shall only be applicable to compilations of quarterly reports prepared after June 25, 1985.

Add to
50203.
A. 2.
Delete
here

~~4.2.X~~ **Foreign Governments and International Organizations.** Unclassified information may be released to the concerned country or international organization as appropriate for purposes related to security assistance. Price data may be released to MAP and IMET recipient countries and international organizations, subject to recipients' understanding that prices are provided for procurement planning and related purposes only, and that prices quoted are estimates and are not necessarily those which have been or will be applied to articles delivered or services rendered or training furnished to the country or organization as Grant Aid.

~~4.2.X Classified.~~

~~3.X~~ **Tentative Security Assistance Plans and Programs.** Classified information as to tentative plans and programs for the budget and future years may be released to an involved foreign government or international organization to the extent necessary for its effective participation in the security assistance planning process or its effective development of related defense plans, and to the extent that it can be relied upon to maintain adequate security precautions and to use the information only for the purposes for which provided. Classified dollar levels of tentative country or organization programs may be released only with the specific permission of the Director, DSAA, with the concurrence of the Department of State. U.S. officials who release information under this paragraph will ensure that the recipient government or international organization clearly understands that such release does not constitute a commitment by the United States.

~~4.X~~ **FMS Agreements.** Classified information as to the quantity and projected delivery schedules for articles and services in FMS agreements may be released to the concerned country or international organization to facilitate appropriate planning by the recipient, subject to assurance by the recipient that it will maintain adequate security precautions and will use the information only for the purposes for which provided.

~~5.X~~ **Procedures for Release.** Release of classified information under paragraphs a. and b. above is subject to the provisions of DOD Directive 5230.11 (*Disclosure of Classified Military Information to Foreign Governments and International Organizations*), and DOD 5200.1-R, paragraph 8-104. Release will be made only to officials of the country or international organization involved who require the information in their official capacity.

C. Approval of Chief of Diplomatic Mission. In-country release of all security assistance information to a foreign government or international organization will be made through or with the approval of the Chief of the U.S. Diplomatic Mission to the government or organization

UNCLASSIFIED

JOINT STAFF
INFO SERVICE CENTER

*Change 4
Background
cy ea det
/ 7*

ROUTINE
R 020014Z AUG 91
FM SECDEF WASHINGTON DC//USDP:DSAA//
TO AIG 8797

ZYUW RUEKJCS6869 2140014

UNCLAS

FROM DSAA

SUBJECT: RELEASE OF SECURITY ASSISTANCE-RELATED RECORDS UNDER THE
FREEDOM OF INFORMATION ACT

REFS: SECDEF MESSAGE DTG 220919Z DEC 90, SUBJECT, RELEASE OF LOAS,
CONTRACTOR AND OTHER DATA

1. GUIDANCE CONTAINED IN THIS MESSAGE SUPERSEDES THAT OF
REFERENCE.

2. IT IS DOD POLICY TO COMPLY FULLY WITH BOTH THE SPECIFIED
PROVISIONS AND THE GENERAL INTENT OF THE FREEDOM OF INFORMATION ACT,
AS AMENDED (FOIA). UNDER EXEMPTION (B) (4) OF THE FOIA, AND IN
ACCORDANCE WITH DOD DIRECTIVE 5400.7-R, "DOD FREEDOM OF INFORMATION
ACT PROGRAM," HOWEVER, COMMERCIAL OR FINANCIAL INFORMATION PROVIDED
TO THE USG IN CONFIDENCE BY A PERSON (E.G., A FOREIGN GOVERNMENT OR A
U.S. OR FOREIGN BUSINESS) MAY BE EXEMPT FROM DISCLOSURE TO THE PUBLIC
IF IT IS NOT THE TYPE OF COMMERCIAL OR FINANCIAL INFORMATION THAT IS
USUALLY RELEASED TO THE PUBLIC BY THE ORIGINATOR OF THE INFORMATION,
IF DISCLOSURE IS LIKELY TO CAUSE SUBSTANTIAL COMPETITIVE HARM TO THE
ORIGINATOR, IF DISCLOSURE IS LIKELY TO IMPAIR THE ABILITY OF THE USG
TO OBTAIN NECESSARY COMMERCIAL OR FINANCIAL INFORMATION IN THE
FUTURE, OR IF DISCLOSURE IS LIKELY TO IMPAIR SOME OTHER LEGITIMATE
USG INTEREST. ANY REQUEST UNDER THE FOIA FOR AN LOA OR FMS
PROCUREMENT CONTRACT SHOULD BE REFERRED TO THE APPROPRIATE COUNSEL OF
THE DOD COMPONENT FOR ACTION.

3. IN ACCORDANCE WITH EXECUTIVE ORDER 12600, "PREDISCLOSURE
NOTIFICATION PROCEDURES FOR CONFIDENTIAL COMMERCIAL INFORMATION," IF
A DOD COMPONENT DETERMINES THAT IT MAY BE REQUIRED TO DISCLOSE
COMMERCIAL INFORMATION OBTAINED IN CONFIDENCE FROM A BUSINESS OR
FOREIGN GOVERNMENT, THAT BUSINESS OR FOREIGN GOVERNMENT WILL BE
NOTIFIED OF THE REQUEST FOR INFORMATION UNDER THE FOIA AND AFFORDED A
REASONABLE TIME TO PRESENT ANY OBJECTIONS TO THE RELEASE.

4. FINAL DECISIONS UNDER THE FOIA TO WITHHOLD OR RELEASE, IN
WHOLE OR IN PART, LOAS, WHETHER IN PREPARATION OR ACCEPTED, WILL BE
COORDINATED WITH DSAA.

5. DSAA POC IS MR. J. SILBER, GENERAL COUNSEL, DSN 227-8000,
(C.) (703) 697-8000. BT

JOINT STAFF

ACTION J5 (3) USDP:DSAA (1) DIA (1) (U, A, 6, F)
INFO CJCS (1) VCJCS (1) J3 (4) NIDS (1) J4 (7) J4:MILSEC-J (1)
J4:SUSD-J (1) QUAL CONTROL (1) J4:MRD-J (1) SECDEF-N (1)
USDA:ADMIN (1) ED (1) RTS-1 (1) RTS-2A (1) DA-SA (1)
DIO-WE (1) CS-2B (1)
+SAFE

31

21

*Change 4
Background*

*I think you
should pick
up any action
on this.*

M/7-22-91

**DEFENSE SECURITY ASSISTANCE AGENCY
General Counsel**

July 22, 1991

MEMO FOR LTG Allen

THROUGH: Mr. McKalip _____

SUBJECT: FOIA Requests for FMS Procurement Contractual Data

Last December DSAA/OPS-A drafted the attached general message on this subject in order to ensure that the Mildepts, CINCs and SAOs do not routinely release LOAs under FOIA nor release a DoD procurement contract implementing either LOAs with more than one purchaser or the combined requirements of DoD and one FMS purchaser.

However, it now appears that the second sentence of the message is too broad. The Air Force is now referring their FOIA requests for their FMS procurement contracts to DSAA for coordination (e.g., a contract implementing a stand alone Taiwan LOA). DSAA has no competence or other basis to coordinate on release of procurement contractual data pertaining to implemented FMS cases -- beyond SAMP 50205 and 50206.

Recommend DSAA issue a revised restated message that can be incorporated into the SAMP.

Jerome H. Silber
Jerome H. Silber

Atchs

Change 4 (Replace Section
600, including Tables)
(Staffed w/ MILDEPO, DLA, DSAA-15)

CHAPTER SIX

MILITARY EXPORT SALES POLICIES AND CONSIDERATIONS

Section 600 - Policy Considerations

60001 GENERAL Basic sales policy is as outlined in Chapter Two.

A. Benefits FMS supports US foreign policy and security objectives. Historically, FMS has improved internal order; increased prospects for regional stability and reduced the likelihood of U.S. military involvement; increased standardization of materiel, doctrine, and training among our allies and friends; helped sustain the US production base; increased US employment; reduced research, development, and unit production costs; and facilitated forward materiel support.

B. Eligibility Eligible countries and international organizations, determined by the President, are listed in Table 600-1. Sales to certain customers may be suspended for legal or policy reasons. Questions relative to eligibility should be referred to DSAA Operations Directorate.

C. USML The US Munitions List is shown in Table 202-1. SME items are highlighted with an asterisk ("*").

D. Neutrality Except as described in Section 601, the Purchaser has the option to buy defense articles or services commercially or through FMS channels. In some instances, such as for certain GFE and GFM, controls provided within AECA Sec 38(a)(3) are applied and items are sold only via FMS.

E. Marketing In accordance with FAA Sec 515, "The President shall continue to instruct US diplomatic and military personnel in the US missions abroad that they should not encourage, promote, or influence the purchase by any foreign country of US-made military equipment, unless they are specifically instructed to do so by an appropriate official of the executive branch." Section 602 provides general instructions to SAOs and DoS has furnished similar guidance to country teams as a whole. Additional instructions may be provided for specific programs.

F. Constraints In general the USG offers to sell equipment to eligible countries and international organizations after a case-by-case review of each request. Factors considered include:

1. Legislative Restraints. See examples in SAMM Section 203.
2. Type of Equipment. Sales of small numbers of low technology items which are in use by US forces are normally easiest to approve.

3. Country and Region. The requirement, threat being faced, impact on capability to participate in collective security efforts with the US, ability to maintain and use the item, compatibility with existing inventory, and impact on the perceptions or actions of neighbors are considered.

4. World Situation. Changes in terms of foreign policy, diplomacy, economy, finances, and security reflecting the changing world-wide situation can cause adjustments in the overall US approach to foreign sales.

5. National Disclosure Policy. NDP-1 shows levels of classification which the USG is willing in general to release to specific countries. Requests for exceptions to policy established by this document are handled by the National Disclosure Policy Board, which is chaired by DoD at the Under Secretary level.

6. Counterbalancing of Positive and Negative Factors. Positive contributions to US interests and objectives must more than offset detrimental effects of the transfer.

G. Consultation The USG welcomes consultation with our friends and allies regarding planning to meet their defense needs or to undertake research, development, production, and logistic support programs of mutual interest. Information obtained through consultation is important in the planning process (Chapter Four).

60002 DISBURSING AGENT/NON-US ADMINISTRATIVE SUPPORT COSTS The USG does not serve as the disbursing agent for funds received under LOAs unless those funds are required for materiel or services provided by DoD, another Federal agency, or through a DoD procurement contract. LOAs will not include transportation, lodging, per diem, or other administrative expenses of foreign government representatives, even though such expenses may be relatable to the materiel or service being provided. In exceptional situations, DSAA may specifically authorize an LOA to include the payment of travel and living allowances for International Military Students.

60003 PROPER USE OF US-ORIGIN ITEMS The US overseas military SAO will assist the host country in observing and reporting on the utilization of defense articles and services acquired through sale or lease from the United States. The following applies to FMS items, including those financed by MAP Merger funds. Items furnished under MAP prior to FY 1982 or Sections 506, 516, 517, 518, and 519 FAA are discussed in Section 1101.

A. Country Responsibility Each country receiving US defense articles is responsible for adherence to agreements under which transfers are made. These agreements were established to assure

compliance with US legislation and policy in order to protect the US, recipient country, other countries in the region, and private citizens against non-approved use of the articles. US policy is designed to allow transfers only to those countries with the capability and intent to utilize equipment in accordance with established agreements.

B. SAO Monitoring Although controls established by the receiving country will continue to be the primary means for assuring that defense articles are used, from receipt to final disposition, according to agreements with the US, the SAO and others with knowledge of usage should be alert to indications of unauthorized use and report such use to the appropriate host country or US country team organization.

C. Disposal When a US-origin defense article has fulfilled its requirement and the recipient country desires to dispose of the article, there are three proper methods to use:

1. The item may be destroyed (e.g., incinerated, controlled deep water dumping) with no recognizable residue.

2. The military capability may be removed, whereby the item becomes eligible for transfer to a third party (e.g., a scrap dealer) within the recipient country or another country.

3. The item may retain its military capability and be transferred to another country. It will normally be the responsibility of the transferring country to locate a purchaser from among countries and international organizations listed in Table 600-2.

Methods 2 and 3 require DoS approval. Because the military capability, potential for unauthorized disclosure of classified or sensitive information, safety concerns, and other factors vary among countries, adherence to DoD procedures for disposal is encouraged.

D. Special Item Disposal Classified, sensitive, or dangerous features must be neutralized prior to or during the disposal process in order to eliminate potential for military or other unauthorized use. Disposal remains the responsibility of the recipient country; however, the SAO should be aware of methods used by the country for disposal of defense articles and whether a viable process exists for proper demilitarization.

E. Demilitarization If in-country demilitarization practices do not appear to meet US standards, the recipient country should be encouraged to use US demilitarization guidance in DOD 4160.21-M-1 which may be obtained through FMS publications LOAs. Assistance for specific types of items may also be obtained from the DoD integrated materiel managers or DRMS for those items. A disposal process which fails to meet US standards should be discussed with other principal members of the country team and raised to the

appropriate US level of the command chain, either within the host country or in the US, for resolution.

60004 THIRD PARTY TRANSFER CERTIFICATION Retransfer of defense articles, which were provided by the US under MAP, FMS, or commercial export license issued pursuant to AECA Sec 38, from the recipient to anyone not an officer, employee, or agent of the recipient must be approved by the DoS, on behalf of the President. The third party recipient must provide appropriate security and retransfer assurances before the Department of State will consent to such transfers [FAA, 505(a); AECA, Section 3(a)].

A. DoS Approval Requests to DoS for transfer can be made only by the country in possession of the equipment. Formal processing of such requests require approximately 60 days; therefore, requests for advisory opinions, clearly described as such, may be submitted when the matter is sensitive or the outcome is uncertain. DoS has provided the following guidance for requesting third party transfer approval:

approval of *to a third government:*

1. Requests should be made by cable from the Embassy to the DoS, PM/DRSA, with information copies to DSAA and the potential third party recipient. This constitutes a record copy of the host government formal request for transfer; therefore, requests should not be submitted by telefax. Telefax is acceptable for follow-up communication.

2. Requests must include--

- a. The source of the defense equipment proposed for transfer by the host government; e.g., MAP, FMS, commercial sale.
- b. The original acquisition cost or best estimate of that cost.
- c. Confirmation by the host government that the new recipient has agreed to acquire the items.
- d. Identity of the MOD of the new recipient.
- e. The use to which the defense equipment will be put.

3. Following review, DoS will transmit a message to the country team, normally advising that the transfer is approved in principle pending receipt of end-user and retransfer assurances, and requesting end-use and retransfer assurances from the new recipient post. These assurances are mandatory and no transfer may be undertaken until they are obtained. If disapproved, further guidance or the basis for disapproval will be provided.

4. When the new recipient country team receives end-use and retransfer assurances from the host government and they do not deviate from the DoS-supplied text, post should notify PM/DRSA by

Change 4

cable that language requirements have been met. The cable, with information copies to DSAA and the transferring country, should provide the new recipient correspondence's pouch registration number and date of transmission. Where language supplied to the new recipient-country post does not appear to meet USG requirements, the supplied language should be relayed to DoS for review.

5. Assurances must be binding on the entire government of the new recipient. Typically, statements made by a Minister of Foreign Affairs (MFA) to another government are binding on the entire government. Country teams should determine, based on a review of the domestic legal system, whether assurances issued by a ministry other than MFA are considered binding. For example, where the MOD issues the assurances, it should sign on behalf of its government, not on its own behalf. Any questions regarding this issue should be directed in writing to PM/DRSA.

B. Reports to Congress Transfers in A. above are reported by DoS under AECA Sec 3(d), using guidelines similar to those in Section 703. This reporting requirement does not apply to the following:

1. Temporary transfer of defense articles for the sole purpose of receiving maintenance, repair, or overhaul;

2. Transfer of maintenance, repair, or overhaul defense services, or of repair parts or other defense articles used in furnishing such services, if the transfer will not result in any increase, relative to the original specifications, in the military capability of the items;

3. Transfers pursuant to arrangements among NATO members for cooperative cross-servicing;

4. Transfers pursuant to arrangements among NATO members or between NATO and any of its member countries for lead-nation procurement. In this regard, if the item to be transferred was originally purchased from the USG and was notified to Congress under AECA Sec 36(b), the proposed transfer is exempt from the reporting requirement of AECA Sec 3(d) if the Section 36(b) notification identified the transferee on whose behalf the lead-nation procurement was proposed. For AECA Sec 36(b) proposed sales to a NATO member country purchasing on behalf of a third NATO party, information as to possible subsequent transfers shall be provided to DSAA in accordance with the formats contained in Section 703.

C. Pre-82 MAP. Also see Section 1101.

60005 FOREIGN MILITARY DESIGN AND CONSTRUCTION SALES

A. General AECA Sec 29 authorizes the sale of design and construction services to eligible foreign countries and international organizations provided that full costs are paid to the US. If such services are to be procured by the USG, the Purchaser must make funds available in such amounts and at such times as they may be needed to meet the payments required by the contract and any damages and costs that may accrue from the cancellation of such contract, in advance of the time funds are required. Congressional reporting required in AECA Sec 36(b) applies to design and construction programs valued at \$200 million or more.

B. Procedure Design and construction services will be offered under normal FMS procedures.

1. When part of a larger program, the services will be included in the total package LOA under the cognizance of the managing IA. A note will indicate that the services are offered under the authority of AECA Sec 29 and will identify the construction agent for this portion of the program; e.g., US Army Corps of Engineers. When required, the IA and construction agent may conclude an internal agreement to show program management relationships.

2. When these services are stand-alone, the construction agent will also normally be the IA.

60006 COMMUNICATIONS SECURITY (COMSEC) PROGRAMS Discussions relating to COMSEC will not be initiated without obtaining prior approval from DSAA. Requests for information will be forwarded to DSAA for staffing and approval. Following approval, standard procedures apply. The IA is responsible for assuring that NDP requirements are satisfied and that program details are staffed with appropriate security activities before a response is provided to the purchaser. Refer to NACSI 6001, Foreign Military Sales of Communications Security and Services to Foreign Governments and International Organizations, and JCS Memo 131, Joint and Combined Communications Security, dated 18 July 1983.

60007 TRANSLATION SERVICES Responsibility for translation of documents rests with the user or recipient country. SAOs should make this point clear to host country counterparts.

A. SAOs may provide, for purposes of communicating between USG and purchaser representatives only, "informal translations" using the same practices as the local U.S. diplomatic mission, when the chief of the SAO determines an informal translation of an English text is in the US interest. Translators must clearly mark the translated document "Informal and unofficial translation--English text governs." SAOs should ensure that a forwarding letter accompanies each contractual document (i.e., LOA) emphasizing that the English text is the officially binding document.

B. Translation assistance shall be limited to officials of the US or host country. Other requestors should be advised to seek assistance from local translators.

60008 EXCLUSIVE LICENSING ARRANGEMENTS When a request for P&A or an LOA is received from an FMS customer and the request falls within an exclusive commercial license arrangement for the article or service, the customer will be informed that the specific foreign firm has exclusive rights in that country relating to the sale of the item being sought.

A. If the customer still pursues an FMS transaction, the customer should be advised that the request should be set forth in a letter from the MOD, Deputy MOD, or equivalent, to Director, DSAA showing why purchase via an FMS transaction is desired.

B. Upon receipt of written requests containing justification, in order to comply with AECA Sec 42(a), DSAA will advise the foreign firm involved (or its representative in the US) in writing of the requests. DSAA will provide the firm with a copy of the written request, if unclassified, and other unclassified records germane to the transaction, and give the firm an opportunity to provide data pertinent to the request, including a statement as to the amount of financial return to the US economy should such a sale be made by the foreign firm. The firm will normally be allowed 30 days to provide comments.

C. If P&A data is to be provided, or an LOA is to be issued to the requesting government, the Director, DSAA will so advise the foreign firm and will provide upon its request relevant unclassified and nonproprietary P&A data. DSAA will advise the firm of LOA renewals, modifications, or extensions prior to acceptance by the purchasing country.

TABLE 600-2
FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS ELIGIBLE TO
PURCHASE DEFENSE ARTICLES AND DEFENSE SERVICES
UNDER THE AUTHORITY OF THE AECA

<u>AFRICA</u>	<u>EUROPE</u>	<u>NEAR EAST & SOUTH ASIA</u>	<u>WESTERN HEMISPHERE</u>
Benin	Austria	Algeria	Antigua & Barbuda
Botswana	Belgium	Bahrain	Argentina
Burkina Faso	Denmark	Bangladesh	Bahamas
Burundi →	Finland	Egypt	Barbados
Cameroon	France	India	Belize
Cape Verde	Germany (Fed. Rep.)	Israel	Bolivia
Central African Rep.	Greece	Jordan	Brazil
Chad	Iceland	Kuwait	Canada
Congo →	Ireland	Lebanon	Chile
Djibouti	Italy	Morocco	Colombia
Equatorial Guinea	Luxembourg	Nepal	Costa Rica
Gabon	Malta	Oman	Dominica
Gambia	Netherlands	Pakistan	Dominican Republic
Ghana	Norway	Qatar	Ecuador
Guinea	Poland →	Saudi Arabia	El Salvador
Guinea-Bissau	Portugal	Sri Lanka	Grenada
Ivory Coast	Spain	Tunisia	Guatemala
Kenya	Sweden	United Arab Emirates	Haiti
Lesotho →	Switzerland	Yemen Republic	Honduras
Liberia	Turkey		Jamaica
Madagascar	United Kingdom		Mexico
Malawi	(incl Crown Agents)		Panama
Mali	Yugoslavia		Paraguay
Mauritania			Peru
Mauritius			St. Christopher/Nevis
Mozambique			St. Lucia
Namibia →			St. Vincent & the Grenadines
Niger			Suriname
Nigeria			Trinidad & Tobago
Rwanda			Uruguay
Sao Tome and Principe			Venezuela
Senegal			
Seychelles			
Sierra Leone			
Somalia			
Sudan			
Tanzania			
Togo			
Uganda			
Zaire			
Zimbabwe			

~~Yemen Republic~~
~~Yemen~~
Delete - Yemen Republic
Republic of Yemen
not eligible + name '90.

EAST ASIA AND PACIFIC

Australia	Malaysia
Brunei	New Zealand
Burma	Papau-New Guinea
China	Philippines
Fiji	Singapore
Indonesia	Taiwan
Japan	Thailand
Korea	Tonga

INTERNATIONAL TREATY ORGANIZATIONS

- North Atlantic Treaty Organization (NATO) and its agencies
- Organization of American States (OAS)
- International Commission of Control and Supervision in Vietnam
- International Commission of Control and Supervision in Laos
- United Nations (UN) and its agencies, including the International Civil Aviation Organization

Also see Appendix D, Table D-5

Sales to certain countries may have been suspended for legal or policy reasons. Any questions relative to eligibility should be referred to DSAA Operations.

TABLE 600-2. Foreign Countries and International Organizations Eligible to
Purchase Defense Articles and Defense Services
under the Authority of the AECA.

DEFENSE SECURITY ASSISTANCE AGENCY
General Counsel

December 13, 1991

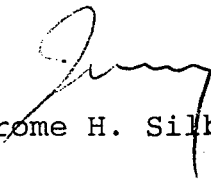
MEMO FOR FMSC&R Div. OPS-A OPS-E ✓

SUBJECT: FMS Eligibility

Please ensure that the list of FMS eligible countries in the FY 1993 CPD and in SAMM Table 600-2 are updated to include:

**Czech and Slovak Federal Republic
Hungary
Poland**

Copies of PDs 92-6, 92-7, and 92-8 of Dec. 6th are attached.


Jerome H. Silber

Atchs

cc: Plans

Change 4
Background
called three 3 to DISAM
() 12/13/91.

URGENT

THE WHITE HOUSE
WASHINGTON

December 6, 1991

ORIGINAL AND 1 COPY TO:
S/S - S:
ADVANCE COPIES TO:
DEC - 6 1991
S/S - 2
S/S - ISUPV.
PENDING

7122062
Presidential Determination
No. 92-6

ACTION IS TO EUR
IS TO:

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Eligibility of the Czech and Slovak Federal Republic to be Furnished Defense Articles and Services Under the Foreign Assistance Act and the Arms Export Control Act

Pursuant to the authority vested in me by section 503(a) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2311(a)), and section 3(a)(1) of the Arms Export Control Act, as amended (22 U.S.C. 2753(a)(1)), I hereby find that the furnishing of defense articles and services to the Government of the Czech and Slovak Federal Republic will strengthen the security of the United States and promote world peace.

You are authorized and directed to transmit this determination to the Congress and to publish it in the Federal Register.

Cy Bul

URGENT

THE WHITE HOUSE

WASHINGTON

December 6, 1991

9122064

DEC 06 3:11 PM

Presidential Determination
No. 92-7

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C

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S/S - S
ADVANCE COPIES TO:

DEC - 6 1991

S/S - 2
S/S - ISUPV.
PENDING

RIG ACTION TO EUR

COPIES TO: MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Eligibility of the Republic of Hungary to be
Furnished Defense Articles and Services Under
the Foreign Assistance Act and the Arms Export
Control Act

Pursuant to the authority vested in me by section 503(a) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2311(a)), and section 3(a)(1) of the Arms Export Control Act, as amended (22 U.S.C. 2753(a)(1)), I hereby find that the furnishing of defense articles and services to the Government of the Republic of Hungary will strengthen the security of the United States and promote world peace.

You are authorized and directed to transmit this determination to the Congress and to publish it in the Federal Register.

Ag Bil

29c

Change 4 Background

THE WHITE HOUSE

WASHINGTON

December 6, 1991

Presidential Determination
No. 92-8

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Eligibility of the Republic of Poland to be
Furnished Defense Articles and Services Under
the Foreign Assistance Act and the Arms Export
Control Act

Pursuant to the authority vested in me by section 503(a) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2311(a)), and section 3(a)(1) of the Arms Export Control Act, as amended (22 U.S.C. 2753(a)(1)), I hereby find that the furnishing of defense articles and services to the Government of the Republic of Poland will strengthen the security of the United States and promote world peace.

You are authorized and directed to transmit this determination to the Congress and to publish it in the Federal Register.

Cy Bush

202

Change 4 Background

1. Sales to the Governments of Thailand and the Federal Republic of Germany. These countries have requested and been granted exceptions to purchase via FMS, articles and services designated for direct sale preference.

2. The sale is financed with MAP funds.

3. The item has unallocated SDAF or DOD long supply (including MAP disposable) stocks and, in the judgement of the DOD Component concerned, reduction of the stocks is desirable.

4. Transfer through commercial channels could adversely effect deliveries under existing contracts.

5. The sale is approved by the Director, DSAA.

60104 COMMERCIAL SOURCE RESPONSIBILITIES. The manufacturer must inform DSAA Operations Directorate that it believes it is the sole U.S. producer and prefers to sell an SME item on a direct commercial basis. The notification must provide the following: Article designation or nomenclature, military model number, and NSN (if available), date and number of the most recent contract with DOD, and the DOD recipient under the contract.

(mandatory, will be returned without action if the NSN is not provided)

60105 DSAA RESPONSIBILITIES. DSAA will determine whether an article is to be designated for direct sale preference based on the request of the manufacturer and information provided by the cognizant DOD Component. The DOD Component will be provided an information copy of the response to the manufacturer with instructions regarding processing of requests for articles which have been designated for direct sale preference.

60106 DOD COMPONENT RESPONSIBILITIES. Correspondence pertaining to direct commercial preference should be coordinated with DSAA-OPS.

A. **Requests for Preference.** DSAA will ^{the applicable} ask DOD Components to provide input within 30 days for responses to requests for preference. Input should include:

1. Confirmation that the item is SME. In some instances (e.g., certain wheeled vehicles), non-SME items are offered as defined lines on LOAs. Non-SME status should not disqualify the item from direct commercial preference consideration in these instances.

2. Contract history with the firm.

3. Other sources capable of producing the article.

4. Impact of preference designation on U.S. programs (e.g., delayed deliveries or inability to reduce excess stocks.)

5. Confirmation that the item is manufactured without GFE or, if applicable, the firm's qualifications to purchase GFE under the provisions of DODD 4175.1.

6. Other comments regarding whether the item qualifies for direct preference based on Section 60103 Guidelines.

Section 703 - Congressional Section 36(b) Notifications and Reports	703-1	
and Section 118 Reports of FMS		
70301 Purpose	703-1	
70302 Statutory Provisions, Executive Requirements and Exceptions	703-1	
70303 Criteria and Responsibilities for Congressional Submissions	703-6	*
70304 Procedures	703-8	*
70305 Classification	703-10	*
Table 703-1 - Milestones for LOA Request for SME	703-12	*
Table 703-2 - Milestones for LOA Request for Non-SME	703-13	*
Table 703-3 - Advance Notification Data	703-14	*
Table 703-4 - Military Justification Data	703-17	*
Table 703-5 - Statutory Notification Data	703-18	*
Table 703-6A - Sensitivity of Technology Data	703-20	*
Table 703-6B - Enhancement or Upgrade of Sensitivity of Technology of Items Planned to be delivered, Section 36(b)(5)(A) Report	703-22	*
Table 703-6C - Statutory Notification Data on Enhancement or Upgrade of Capability or sensitivity of Technology	703-23	*
Table 703-7 - Transmittal Letter for the Unsigned LOA	703-25	*
 Section 704 - Case Management	 704-1	
70401 The Scope of Case Management	704-1	
70402 Case Management Authority, Responsibility, Accountability and Control	704-1	
70403 Reporting Requirements	704-4	
70404 The Case Manager's Role in the Assignment of Tasks	704-4	
70405 Performance Specifications and Measurement Standards	704-5	
70406 Formal Training to Meet Special Requirements of the Case Manager.	704-5	
Table 704-1 - Charter for Case Manager	704-6	
Table 704-2 - Case Manager Data Elements	704-7	

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 purchaser 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 U.S. Government at the time the training is required; i.e., flight training at contractor's facilities. Correspondence courses cover the range of courses being offered by each of the military departments.

(7) Training Aid Devices. These are used principally to supplement information and/or training programs which the foreign purchaser uses for educational purposes. Examples are: video tapes, slides, 8/16mm film, microfiche, transparencies, and aperture cards.

(8) Repair of Repairable Items. Any items of supply of a durable nature which can normally be economically restored, when unserviceable, to a serviceable condition through regular repair procedures can be covered under a Blanket Order FMS case. Once an LOA is implemented repairable items may be repaired at the request of the purchaser and with the approval of the appropriate military service inventory manager. LOAs must clearly identify the items eligible for repair. Some examples are: communications equipment, radar, sonar, etc.

g. Items Restricted from Blanket Order Cases. Under Blanket Order FMS cases, certain restrictions are imposed. The following specific types of requirements may not be ordered under Blanket Order FMS cases:

- (1) Classified materiel (except Air Force).
- (2) Classified publications (Navy only).
- (3) Explosive ordnance items.
- (4) MDE (see Table 700-6) and initial logistics support which is normally ordered for concurrent delivery with such items.
- (5) SME.
- (6) Lumber and other type commercial materiel.
- (7) TDPs.
- (8) Non-MDE excess defense articles (except DLA).

3. CLSSAs. CLSSAs are military logistics support arrangements designed to provide responsive and continuous supply support at the depot level for U.S.-made military materiel possessed by foreign countries and international organizations. The CLSSA is normally the most effective means for providing common repair parts and secondary item support for equipment of U.S. origin which is in allied and friendly country inventories. The CLSSA provides for the execution of Foreign Military Sales Orders (FMSOs) covering stockage, storage, and consumption as follows:

a. FMSO I. The FMSO I consists of an LOA 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 purchaser's U.S.-furnished equipment.

b. FMSO II. The FMSO II consists of an LOA covering the purchaser's estimated withdrawals of materiel from the supply system for an agreed period (normally one to three years). This CLSSA requisition case is undefined as to items and quantities and reflects in a dollar amount, the estimated consumption for the agreed period.

[Note: DSAA is the central point for CLSSA ^{procedural} guidance within DOD. DOD Instruction 2000.8 prescribes the policies and criteria for establishing CLSSAs. Further details regarding CLSSAs may be found in Chapter 8, this manual.] ~~CLSSA policy questions may be referred to DSAA/OPS-E~~

Change 4
 Replaces present
 Table 700-6
 DOD 5105.38M
 (OCTOBER 01, 1991)

TABLE 700-6

MAJOR DEFENSE EQUIPMENT LIST (MDEL)

<u>ITEM DESCRIPTION</u>	<u>APPROVED CHARGE</u>	<u>EFFECTIVE DATE</u>
<u>CATEGORY I - FIREARMS</u>		
GUN, MACHINE, M240, 7.62MM (A)	65	28MAR89
RIFLE, M16 SERIES, 5.56MM (A)	[No charge]	
<u>CATEGORY II - ARTILLERY AND PROJECTILES</u>		
GUN, 20MM, M61 (AF)	1,342	06DEC84
GUN, 30MM, GAU-8 (AF)	27,881	22JAN81
GUN POD, 30MM, GPU-5/A (AF)	60,239	11AUG82
GUN, MACHINE, M2, 50 CAL. (A)	2	28MAR89
HOWITZER, M101A1, TOWED, 105MM (A)	850	11JUN87
<u>CATEGORY III - AMMUNITION</u>		
CARTRIDGE, 20MM (A)	(A)	
CARTRIDGE, 30MM GAU-8 (AF)	0.50	28MAR89
CARTRIDGE, 40MM, HE (A)	0.11	28MAR89
CARTRIDGE, 40MM, M385 DUMMY (A)	0.19	15MAY91 *
CARTRIDGE, 40MM, M406 HE (A)	(A)	
CARTRIDGE, 40MM, M433 FXD HEDP, SNGL RD 72/BX (A)	0.43	15MAY91 *
CARTRIDGE, 60MM, HE (A)	0.47	28MAR91 *
CARTRIDGE, 60MM, M49A2/A3/A4 HE (A)	(A)	
CARTRIDGE, 60MM M720 HE W/FMO M734 (LAP) (A)	5.00	15MAY91 *
CARTRIDGE, 81MM, M301 ILLUM (ONLY) (A)	0.04	07MAY81
CARTRIDGE, 81MM, M374A2/A3 HE (A)	(A)	
CARTRIDGE, 81MM, M374A3 HE W/M567 FUZE (A)	3.24	15MAY91 *
CARTRIDGE, 105MM, M393A2 HE, HEP-T (A)	(A)	
CARTRIDGE, 105MM, M456 HEAT-T MP (A)	3.59	07MAY81
CARTRIDGE, 105MM, M490 (A)	0.57	07MAY81
CARTRIDGE, 105MM, M724A1 (A)	1.42	07MAY81
CARTRIDGE, 105MM, M735 APFSDS-T (A)	68.00	28MAR89
CARTRIDGE, 105MM, M774 APFSDSD-5 2/BX (A)	24.00	15MAY91 *
CARTRIDGE, 105MM, M833 APFSDS-T (A)	(A)	
CARTRIDGE, 105MM HE (A)	0.87	21MAY79
CARTRIDGE, 120MM, M829 APFSDS-T (A)	126.60	02DEC88

change 4

CARTRIDGE, 120MM, M830 HEAT MP-T (A)	293.59	02DEC88
CARTRIDGE, 120MM, M831 HEAT TP-T (A)	83.03	02DEC88
CARTRIDGE, 120MM, M865 TPCSDS-T (A)	37.82	02DEC88
CARTRIDGE, 4.2", M329 HE (A)	(A)	
CARTRIDGE, 4.2", M329A2 HE W/O FUZE W/OLD OBTURATOR (LAP) (A)	4.08	15MAY91 *
CARTRIDGE, 4.2", M335 ILLUM (INCLUDES M577 FUZE) (A)	4.03	20JAN82
CARTRIDGE, 4.2", HE (A)	(A)	
PROJECTILE, 155MM, M107 (A)	3.22	21MAY79
PROJECTILE, 155MM, M483/M483A1 (A)	2.20	02MAR82
PROJECTILE, 155MM, M549 HE RAP (A)	13.76	05FEB81
PROJECTILE, 155MM, M692/M731 HE ADAM (A)	111.00	30MAY86
PROJECTILE, 155MM, M712 CLGP COPPERHEAD (A)	4,152.00	17SEP81
PROJECTILE, 155MM, M718/M741 RAAMS (A)	57.00	30MAY86
PROJECTILE, 155MM, M483A1 (A)	2.41	10SEP80
PROJECTILE, 175MM, M437 HE (A)	2.33	26MAR80
PROJECTILE, 5"/38 CAL (N)	15.60	09JUL84
PROJECTILE, 5"/54 CAL (N)	74.42	04MAY84
PROJECTILE, 8" M106 HE (A)	0.04	21MAY79
PROJECTILE, 8" M509 HE ICM (A)	(A)	
PROJECTILE, 8" M650 HE (A)	83.04	21MAY79
PROJECTILE, 8" HE ICM (A)	15.48	21MAY79

CATEGORY IV - LAUNCH VEHICLES, GUIDED MISSILES, BALLISTIC MISSILES,
ROCKETS TORPEDOES, BOMBS AND MINES

ARMY TACTICAL MISSILE SYSTEM (ATACMS) (A)	148,275	31OCT88
BOMB, BLU-109 (AF)	747	18MAY89
BOMB, CBU-87 COMBINED EFFECTS BOMBLETS (AF)	1,080	06DEC84
BOMB, CBU-89 CLUSTER, TMD/GATOR MINES (N)	(A)	
BOMB, CBU-90 ANTI-ARMOR CLUSTER MUNITION (AF)	3,351	28MAR89
BOMB, MK20, CLUSTER BOMB ROCKEYE (N)	117	25MAR83
BOMB, MK82 500# GENERAL PURPOSE (N)	3	25MAR83
BOMB, MK83 1000# GENERAL PURPOSE (N)	10	25MAR83
BOMB, MK84 2000# GENERAL PURPOSE (N)	13	25MAR83
BOMB, M117, 750#, GENERAL PURPOSE (AF)	20	06DEC84
BOMB, GUIDED, WALLEYE SERIES (N)	6,183	06DEC84
GRENADE, M42 (A)	0.01	10MAY91 *
GUN MOUNT, M75, 76MM GUN (N)	62,749	06DEC84
GUN MOUNT, MK45 MOD 1, 5"/54 (N)	142,566	01OCT84
LAUNCHER, MK13 (MOD 0 TO MOD 3) (N)	78,125	17NOV78
LAUNCHER, MK41 VERTICAL LAUNCHING SYSTEM (VLS) (29 OR 61 CELLS) (N)		
VLS CANISTER	6,383	14DEC87
(W/VLS CANISTER)	1,239,246	14DEC87
(W/O VLS CANISTER)	1,232,863	14DEC87

LAUNCHER, MK41 VERTICAL LAUNCHING SYSTEM (VLS) (8 CELL VARIANT) (N)		
VLS CANISTER (NON-STANDARD)	6,383	24NOV89
(W/VLS NON-STANDARD CANISTER)	160,491	24NOV89
(W/O VLS NON-STANDARD CANISTER)	154,108	24NOV89
MINE, CANNISTER M87 (VOLCANO) (A)	270	15MAY91 *
MISSILE, AGM-45 SHRIKE (N)	4,890	11AUG78
MISSILE, AGM-65A/B MAVERICK (AF)	3,722	03FEB81
MISSILE, AGM-65D MAVERICK (AF)	5,343	03NOV87
MISSILE, AGM-65E LASER MAVERICK (AF)	24,213	06DEC84
MISSILE, AGM-65F MAVERICK (AF)	6,331	03NOV87
MISSILE, AGM-78 STANDARD ARM (N)	(A)	
MISSILE, AGM-88 HARM (N)	21,249	20APR82
MISSILE, AIM-4A-G, FALCON (AF)	3,321	12MAR82
MISSILE, AIM-7 SKYFLASH PORTION (N)	820	07MAY81
MISSILE, AIM-7, C/D/E SPARROW (N)	2,733	07MAY81
MISSILE, AIM/RIM-7F/M SPARROW (N)	7,646	02JUN82
MISSILE, AIM/RIM-7P SPARROW (N)	40,258	24APR91 *
MISSILE, AIM-9 J/P/N SIDEWINDER (W/ROCKET MOTOR) (AF)	333	12MAR82
MISSILE, AIM-9L SIDEWINDER (N)	2,604	18MAY78
MISSILE, AIM-9H SIDEWINDER (N)	3,457	26OCT78
MISSILE, AIM-9M SIDEWINDER (N)	6,368	25MAR83
MISSILE, AIM-54A-C PHOENIX (N) (INCLUDES FRONT END - 35,019; AFT END - 36,276)	71,295	10JAN83
MISSILE, AIM-120 AMRAAM (AF)	(A)	
MISSILE, MIM-72 CHAPARRAL SERIES (A)	2,100	16DEC88
MISSILE, MIM-72 CHAPARRAL (W/SMOKELESS MOTOR) (A)	2,102	16DEC88
MISSILE, RBS-17 SHORE DEFENSE (COMMERCIAL DERIVATIVE OF HELLFIRE) (A)	3,300	20MAY87
MISSILE, RGM-66D STANDARD ARM (N)	(A)	
MISSILE, RIM-66B/B-2, RIM-66E RIM-67A-13 STANDARD 1 (SM-1) BLOCK V STANDARD (N)	12,602	15SEP77
MISSILE, RIM-66D AND RIM-67B STANDARD 2 (SM-2) (N)	89,651	06DEC84
MISSILE, RIM-66D AND RIM-67B STANDARD 2 (SM-2) BLOCK II (N)	40,253	21APR89
MISSILE, RIM-66G/H/I STANDARD 2 (SM-2) BLOCK I (N)	64,192	22JUL91 *
MISSILE, RIM-66G/H/I STANDARD 2 (SM-2) BLOCK II (N)	25,423	22JUL91 *
MISSILE, RIM-66G/H/I STANDARD 2 (SM-2) BLOCK III (N)	38,465	22JUL91 *
MISSILE, RIM-66G/H/I STANDARD 2 BLOCK III, SURFACE LAUNCH (SLM) (COMMERCIAL DERIVATIVE) (N)	32,695	22JUL91 *
MISSILE, X-RIM-116A, 5" ROLLING AIRFRAME, RAM (N)	(A)	
MISSILE, DRAGON, HEAT AND PRACTICE (A)	378	24MAR80
MISSILE, I-HAWK SERIES (A)	7,053	12NOV80
MISSILE, LANCE (A)	76,205	21MAY79

change 4

MISSILE, NIKE HERCULES (A)	448,055	28MAR89
MISSILE, PERSHING SERIES (A)	128,378	
MISSILE, REDEYE (A)	(A)	
MISSILE, TOMAHAWK (N)	(A)	
MISSILE, NATO SEASPARROW SURFACE MISSILE SYSTEM (NSSMS) (N)	(A)	
MISSILE SYSTEM, HARPOON (N)		20JAN78
LAUNCHER, AN/SWG-1(V) BASELINE	80,562	
LAUNCHER, HARPOON SHIPBOARD COMMAND AND LAUNCH CONTROL SYSTEM, AN/SWG-1A(V) (HSCALCS)	109,603	11DEC86
MISSILE, AGM-84 (RGM/UGM)	44,083	
MISSILE SYSTEM, HELLFIRE (A)		14MAY85
CONTAINER (NMDE)	36	
LAUNCHER, HELLFIRE	14,715	
MISSILE, HELLFIRE, HEAT	4,124	
MISSILE, HELLFIRE, DUMMY	531	
MISSILE, HELLFIRE, TRAINING	2,719	
MISSILE SYSTEM, PATRIOT, MIM-104 (A)	3,700,725	18NOV82
ANTENNA MAST SET	131,906	
ELECTRICAL POWER PLANT (EPPII)	339,464	
ENGAGEMENT CONTROL SYSTEM (ECS)	548,311	
AN/MSQ-104	548,311	
LAUNCHER	214,782	
MISSILE W/CANISTER	82,836	
RADAR, AN/MPQ-53	2,383,426	
MISSILE SYSTEM, ROLAND (A)		24SEP80
FIRE CONTROL, AN/GSG-11 MISSILE SYSTEM, (MFCS)	324,828	
LAUNCHER	324,828	
MISSILE	4,422	
MISSILE SYSTEM STINGER (A)		03MAY91 *
MISSILE/TUBE, STINGER BASIC	3,800	
MISSILE/TUBE, STINGER POST	66,100	
MISSILE/TUBE, RMP	3,000	
MISSILE SYSTEM, TOW (A)		
LAUNCHER	3,029	16SEP77
MISSILE, BGM-71A BASIC TOW		
HEAT AND PRACTICE	293	16SEP77
MISSILE, BGM-71D TOW II	658	19DEC83
MISSILE, M65 SUBSYSTEM AIRBORNE TOW	27,800	17MAY89
MISSILE, I-TOW	487	03NOV81
ROCKET, 2.75" SERIES (A)	0.87	26MAR80
ROCKET SYSTEM, M77, MULTIPLE LAUNCH (MLRS), TACTICAL, PRACTICE, TRAINING (A)		02DEC85
LAUNCHER	173,000	
ROCKET	615	
ROCKET, ANTISUBMARINE, (ASROC) (N)	885	20DEC84
ROCKET, VERTICAL LAUNCH ANTISUBMARINE (ASROC) (VLA) (N)	98,926	14DEC87
TORPEDO, MK46 MOD 2 (N)	8,993	28MAR89

change A

TORPEDO, MK46, NEARTIP O/A KIT (CONVERTS MK46 MODS 1/2 TO MOD 5 (N)	3,795	26JAN80
TORPEDO, MK46 MOD 5 (N)	9,308	
TORPEDO, MK48 (N)	86,255	21JUL77
TORPEDO, MK48 ADCAP KIT (N)	103,322	25NOV80
WEAPON, M72 SERIES, LIGHT ANTITANK, (LAW), 66MM (A)	1.32	28MAR89
WEAPON, FUEL AIR EXPLOSIVE, FAE II (N)	(A)	

CATEGORY V - PROPELLANTS, EXPLOSIVES AND INCENDIARY AGENTS

Items in this category which meet the dollar criteria for major defense equipment are not significant military equipment as defined in the U.S. Munitions List.

CATEGORY VI - VESSELS OF WAR AND SPECIAL NAVAL EQUIPMENT

CG- GUIDED MISSILE CRUISER (N)	(A)	
DD-963, DESTROYER (N)	(A)	
DD - DESTROYER (N)	(A)	
DDG - GUIDED MISSILE DESTROYER (N)	(A)	
FF - FAST FRIGATE, GARCIA CLASS (N)		24APR89
FF-1041 USS BRADLEY	754,810	
FF-1043 USS EDWARD MCDONNELL	767,515	
FF-1047 USS VOGUE	1,597,365	
FF-1048 USS SAMPLE	703,430	
FF-1050 USS ALBERT DAVID	689,885	
FF-1051 USS O'CALLAHAN	629,895	
FFG - GUIDED MISSILE FRIGATE, FFG-7 CLASS (N)	3,591,379	18OCT78
FFG - GUIDED MISSILE FRIGATE, BROOKE CLASS (N)		21APR89
FFG-1 USS BROOKE	1,276,485	
FFG-2 USS RAMSEY	1,101,730	
FFG-3 USS SCHOFIELD	1,104,670	
FFG-4 USS TALBOT	1,059,345	
FFG-5 USS RICHARD L. PAGE	886,235	
LCAC - LANDING CRAFT AIR CUSHION (N)	(A)	
LHD - AMPHIBIOUS ASSAULT SHIP (N)	(A)	
LPD - AMPHIBIOUS TRANSPORT DOCK (N)	(B)	
LSD - DOCK LANDING SHIP (N)	(B)	
LST - TANK LANDING SHIP (NEWPORT CLASS) (N)	824,840	25JAN84
LKA - AMPHIBIOUS CARGO SHIP (N)	(B)	
LPA - GENERAL PURPOSE AMPHIBIOUS ASSAULT SHIP (N)	(B)	
MSO - MINESWEEPER, OCEAN, NONMAGNETIC (N)	(B)	
PHM - PATROL COMBATANT MISSILE (NATO) HYDROFOIL (N)	1,000,000	28MAR89

change 4

PHM - PATROL COMBATANT MISSILE (FRG VARIANT) HYDROFOIL (N)	1,250,000	28MAR89
SS - SUBMARINE, CONVENTIONALLY POWERED (N)	(B)	

CATEGORY VII - TANKS AND MILITARY VEHICLES

AIR DEFENSE SYSTEM, M163 AND M167 SERIES, VULCAN (A)	29,439	26MAR80
CARRIER, M113 SERIES, ARMORED PERSONNEL (APC) FAMILY OF VEHICLES (FOV) (A)	688	11SEP78
CARRIER, M106A1/2 MORTAR		
CARRIER, M548 SERIES, CARGO		
CARRIER, M577 SERIES, COMMAND POST		
CARRIER, M667 LANCE		
CARRIER, M727 HAWK		
CARRIER, M730 CHAPARRAL		
CARRIER, M741 VULCAN		
GUN, M107 SELF-PROPELLED, 175MM (A)	40,258	26MAR80
HOWITZER, M109 SERIES SELF-PROPELLED, 155MM (A)	5,636	26MAR80
HOWITZER, M109A1-A3 SELF-PROPELLED, 155MM, (A) (INCLUDES CANNON ASSEMBLY)	8,771	23JUN87
(WITHOUT CANNON ASSEMBLY)	7,447	23JUN87
HOWITZER, M110 SELF-PROPELLED, 8" (A)	14,371	26MAR80
HOWITZER, M110A1 SELF-PROPELLED, 8" (A)	16,975	26MAR80
HOWITZER, M110A2 SELF-PROPELLED, 8" (A)	21,069	26MAR80
HOWITZER, M198 MEDIUM TOWED, 155MM (A)	47,483	14FEB86
TANK, M48A1 (A)	1,479	
TANK, M48A3 (A)	5,521	
TANK, M48A5 (A)	12,849	
TANK, M60A1 (A)	14,083	03MAR80
TANK, M60A3 (A)		
W/TTS	31,427	03MAR80
W/O TTS	21,939	03MAR80
TANK, M1 ABRAMS (A)	114,443	27OCT88
TANK, M1A1 (A)	226,725	27OCT88
TANK ENGINE, AVDS-1790 (M60A1 TANK) (A)	2,066	03MAR80
TRANSMISSION, HMPT 500-3 BRADLEY (A)	3,564	05APR91 *
VEHICLE, AAV7A1/AAVAI ASSAULT AMPHIBIOUS (N)	91,426	20APR82

change 4

VEHICLE, LAV-25 SERIES LIGHT		
ARMORED (LAV) (N)		17JUN91 *
LAV-25 (INCLUDES LAV-25 TURRET)	2,818	
LAV-LOGISTICS	7,610	
LAV-RECOVERY	26,305	
LAV-MORTAR	14,383	
LAV-CMD/CONTROL	16,723	
LAV-ANTITANK (INCLUDES LAV-25 TURRET)	13,473	
LAV-BASELINE	800	
LAV-25 TURRET	1,600	
VEHICLE, M2 INFANTRY FIGHTING		
(IFV) (A)	51,989	22NOV89
M2A1 (IFV)	74,937	
M2A1 (MINUS) (IFV)	57,580	
M2A2 (IFV)	106,593	
VEHICLE, M3 CALVARY FIGHTING		
VEHICLE (CFV) (A)	50,549	22NOV89
M3A1 (CFV)	73,497	
M3A1 (MINUS) (CFV)	56,140	
M3A2 (CFV)	106,113	
VEHICLE, M88/M88A1 RECOVERY (A)	8,460	01NOV88
VEHICLE, M551 ARMORED		
RECONNAISSANCE ASSAULT (A)	33,213	
VEHICLE, M578 RECOVERY (A)	(A)	
VEHICLE, M723 MECHANIZED		
INFANTRY COMBAT (A)	(A)	
VEHICLE, M728 COMBAT		
ENGINEERING (CEV) (A)	(A)	
VEHICLE, M981 FIRE SUPPORT		
TEAM (FISTV) (A)	68,476	03FEB86
VEHICLE, M992 FIELD ARTILLERY		
AMMUNITION SUPPORT (FAASV) (A)	12,805	22NOV89
VEHICLE, FIRE DIRECTION CONTROL		
CENTER (FDCV) (A)	3,382	21MAY86

CATEGORY VIII - AIRCRAFT, SPACECRAFT AND ASSOCIATED EQUIPMENT

A-4A (N)	15,165	20OCT83
A-4B (N)	12,864	20OCT83
A-4C (N)	15,523	20OCT83
A-4E (N)	27,929	20OCT83
A-4F (N)	32,226	20OCT83
A-6 (N)	(A)	
A-7 (W/O FLIR) (N)	243,881	08SEP83
A-10 (W/O TF-34 ENGINE) (AF)	388,786	12MAR82
A-37 (AF)	19,651	28MAR89
AH-1J AIRFRAME, SEACOBRA (N)	52,245	11OCT85
AH-1S COBRA (W/T-53-L-703		
ENGINE) (A)	150,586	17MAY89
(W/T-53-L-703 ENGINE, M65		
AIRBORNE TOW MISSILE AND		
C-NITE SYSTEM)	163,860	17MAY89
AH-1T AIRFRAME, SEACOBRA (N)	486,665	11OCT85

change 4

AH-1W APACHE SUPER COBRA (W/2 T-700-GE-401 ENGINES) (N)	326,461	18JUN90
AH-64 APACHE (W/2 T-700 ENGINES) (A)	1,045,566	30DEC83
AV-8B (W/O UK ASSESSMENT) (N)	867,373	26JUN81
C-5A GALAXY (AF)	12,661,728	12MAR82
C-130 HERCULES W/4 T-56 ENGINES (AF)	102,520	03AUG83
C-141A/B STARLIFTER (AF)	892,254	12MAR82
CH-47A/B/C (INCLUDES T-53-L-11A ENGINE) (A)	100,000	07NOV70
CH-47D CHINOOK (W/O T-55 ENGINES) (A)	144,279	07AUG91 *
CH-53E/MH-53E (W/O T-64 ENGINE) (N)	1,023,079	12MAY83
E-2B (W/ENGINES) (N)	298,400	22JUN89
E-2C (N)	2,625,904	18MAY78
E-3 AWACS (AIRBORNE WARNING AND CONTROL SYSTEM) (AF)		
ENHANCEMENTS (SPECIAL RECOUPMENT, EXP. 01JUL94)	461,797	28SEP90 *
MEMORY UPGRADE MODIFICATION	1,674,841	08NOV89
RADIO, HAVE QUICK A-NETS SYSTEM	166,121	05APR90
E-3A SENTRY, U.S./NATO STANDARD (AF)	33,021,000	26OCT81
(TOTAL U.S. NC CHARGE \$27.43M; TOTAL NATO NC CHARGE \$5.59M)		
EA-6 (N)	(A)	
F-4A (N)	129,712	20OCT83
F-4B (N)	70,450	20OCT83
F-4J (N)	122,089	20OCT83
F-4E (N) (W/ ENGINES) (25% DISCOUNTED FOR USEFUL LIFE) (N)	159,408	20OCT83
F-4G WILD WEASEL (MOD ONLY) (AF)	667,241	12MAR82
F/RF-5A TIGER (W/O 2 J-85 ENGINES) (AF)	40,000	01NOV71
F/RF-5E TIGER II (W/O 2 J-85 ENGINES) (AF)	68,000	01NOV71
F/RF-5F TIGER II (W/O 2 J-85 ENGINES) (AF)	207,000	25NOV75
F-8 (N)	56,859	12MAY81
F-14 (W/ENGINE) (N)	1,600,000	29NOV76
F-15 EAGLE (AF)	1,600,000	29NOV76
F-16 A/B FIGHTING FALCON (W/O EPG SPECIAL NC \$85,000) (AF)	640,000	04JUN80
F-16A SIMULATED AIRCRAFT MAINTENANCE TRAINER (SAMT) (AF)	172,220	03JUL85
F-16C/D (W/ ENGINES) (AF)	1,018,050	24FEB89
F-18 (W/2 ENGINES) (N)	1,117,281	30MAR87
F-20 (AF)	(A)	05AUG79
F-100A (AF)	37,840	06DEC84
F-100C (AF)	25,800	06DEC84
F-100D (AF)	25,440	06DEC84

Change 4

F-100F (AF)	27,840	06DEC84	
F-101B/F (AF)	65,560	06DEC84	
F-102 (AF)	38,320	06DEC84	
F-104A STARFIGHTER (AF)	42,080	06DEC84	
F-104B/C/D (AF)	91,040	06DEC84	
F-104G/J (AF)	54,360	27NOV87	
F-105B THUNDERCHIEF (AF)	168,000	06DEC84	
F-105D/F (AF)	78,400	06DEC84	
F-106A/B DELTA DART (AF)	159,200	06DEC84	
F-111A/C/D/E/F (AF)	605,320	06DEC84	
H-3E (N)	(A)		
H-46 (N)	(A)		
H-53 (S-65) (N)	166,029	27FEB79	
KC-10 EXTENDER (AF)	1,176,667	12MAR82	
KC-135A STRATOTANKER (AF)	217,034	12MAR82	
OH-6 CAYUSE (A)	18,000	11JUN87	
OH-58A KIOWA (A)	22,000	11JUN87	
OH-58C KIOWA (A)	48,000	11JUN87	
OH-58D KIOWA (AHIP) (A)	755,739	26MAR90	
OV-1A/B/C MOHAWK (A)	119,229	23JUN82	
OV-10 (W/O ENGINE) (N)	41,930	09JAN78	
P-3A/B (W/ENGINE) (N)	382,750	03JAN78	
P-3C (N)	592,219	03JAN78	
AEW&C	1,761,974	25FEB87	
UPDATE III	1,044,128	17MAY89	
RF-4B (N)	104,566	20OCT83	
RF-4C PHANTOM (AF)	108,000	06DEC84	
S-2 (W/ENGINE) (N)	85,449	28AUG81	
S-2A/US-2 (W/O ENGINE) (N)	18,987	20OCT83	
S-2C (W/O ENGINE) (N)	23,497	20OCT83	
S-2D (W/O ENGINE) (N)	38,448	20OCT83	
S-2E (W/O ENGINE) (N)	35,950	20OCT83	
S-3 (N)	3,502,643	26JUN81	
S-70A HELICOPTER AIRFRAME (COMMERCIAL DERIVATIVE) (A)	169,692	03JUN91	*
SH-2/2D/2F LAMPS, MARK I (W/2 T-58-GE ENGINES) (N)	325,423	06DEC84	
SH-2G (W/2 T-700-GE-401 ENGINES) (N)	607,149	03JUN91	*
SH-60B AIRFRAME (N) (LAMPS, MARK III AIRFRAME W/O T-700-GE-401 ENGINES)	689,944	15OCT82	
MINIMUM AVIONICS SUITE	859,636		
MISSION AVIONICS SUITE	366,236		
SHIP ELECTRONICS	1,063,400		
SH-70C(M) (W/O ENGINE) (COMMERCIAL DERIVATIVE) (N)	1,131,227		
T-2 (N)	855,284	23JUN87	
TA-4F (W/O ENGINE) (N)	39,968	10JAN78	
TA-4J (W/O ENGINE) (N)	28,110	20OCT83	
T-33 (AF)	51,176	20OCT83	
T-37 (AF)	2,857	12MAR82	
T-38A (AF)	19,651	28MAR89	
TH-55 OSAGE (A)	80,972	12MAR82	
	6,000	11JUN87	

change 4

UH-1H IROQUOIS (A)	4,501	01MAY81
UH-1N (N)	48,032	12JUL85
UH-60A BLACKHAWK AIRFRAME (A)	169,692	03OCT81
VEHICLE, REMOTELY PILOTED (RPV)		
ACQUILA (A)	(A)	

ENGINES

CFM-56 (AF)	20,000	25MAY89
CFM-56 ENGINE INTEGRATION, E-3 (SPECIAL RECOUPMENT, EXP. 01JUL94) (AF)	3,257,810	28SEP90 *
CT7-2A/2D (N)	29,697	21DEC88
CT7-5A/7A (N)	25,777	21DEC88
CT7-6/9 (N)	9,236	21DEC88
CT-58 (COMMERCIAL DERIVATIVE OF T-58) (N)	20,045	11JUN87
F100-100/200 (AF)	221,705	12MAR82
F100-PW-220 ALTERNATE FIGHTER ENGINE (AFE) (AF)	464,050	24FEB89
F101 (AF)	(A)	
F101X (AF)	(A)	
F107 (N)	(A)	
F-109-GA-100 TURBOFAN (AF)	86,546	14MAY91 *
F110-GE-100 ALTERNATE FIGHTER ENGINE (AFE) (AF)	464,050	24FEB89
F404 (N)	63,840	30MAR87
J47 (AF)	2,168	12MAR82
J52P-6A/B (N)	7,370	08SEP83
J52P-8A/B (N)	30,658	08SEP83
J52P-408 (N)	33,106	08SEP83
J57P-6B (N)	4,600	08SEP83
J57P-10 (N)	4,120	08SEP83
J60P-3/3A (N)	2,520	08SEP83
J75 (AF)	28,999	12MAR82
J79-GE-8/10 (N)	6,400	08SEP83
J79-GE-17/17A/119 (AF)	27,464	01OCT83
J85 (AF)	17,900	23MAR83
PW-1120 (COMMERCIAL DERIVATIVE OF F100-200) (AF)	155,194	20OCT83
T33-P-100 (AF)	(A)	
T53 (N)	1,542	07MAY81
T53-L-703 (A)	2,220	17MAY89
T55 (A)	3,200	06NOV70
T56 (N)	13,313	12MAY83
T58 (N)	20,045	11JUN87
T64 (N)	38,578	12MAY83
T700-GE-700 (A)	29,697	21DEC88
T700-GE-401 (NC ADDITIVE TO T700-GE-700 ENGINE) (N)	78,039	15OCT83
T700-GE-401/401A (N)	29,697	21DEC88
T700-GE-401C (N)	25,450	21DEC88
T700-GE-701/701A/701A1 (A)	29,697	21DEC88

change 4

T700-GE-701C (A)	25,450	21DEC88
TF30 (N)	43,866	20JUN79
TF34 (N)	20,705	12MAR82
TF39 (AF)	441,707	12MAR82
TF41-A-2A/2B/400/402/402B (N)	48,249	06DEC84

CATEGORY IX - MILITARY TRAINING EQUIPMENT

NO ITEMS IN THIS CATEGORY ARE DEFINED IN THE U.S. MUNITIONS LIST AS SIGNIFICANT MILITARY EQUIPMENT.

CATEGORY X - PROTECTIVE PERSONNEL EQUIPMENT

NO ITEMS IN THIS CATEGORY ARE DEFINED IN THE U.S. MUNITION LIST AS SIGNIFICANT MILITARY EQUIPMENT.

CATEGORY XI - MILITARY AND SPACE ELECTRONICS

CENTER, AN/TYQ-23, TACTICAL AIR OPERATIONS (TAOC) (N)	198,000	17MAY89
CENTER, TAOC-85, TACTICAL AIR OPERATIONS (N)	(A)	
CENTER, MODULAR TACTICAL COMMUNICATIONS (MTCC) (A)	(A)	
CENTER, TACTICAL FLAG COMMAND (N)	(A)	
COMMUNICATION, AN/TSC-86 SATELLITE (SATCOM) GROUND SYSTEM (AF)	(A)	
COUNTERMEASURE, AN/ALQ-119 (AF)	6,138	09DEC75
COUNTERMEASURE, AN/ALQ-126, SPJ SYSTEM (N)	26,631	05JUN85
COUNTERMEASURE, AN/ALQ-131 (W/RECEIVER) (AF)	26,970	28SEP79
COUNTERMEASURE, AN/ALQ-131 (W/O RECEIVER) (AF)	24,108	28SEP79
COUNTERMEASURE, AN/ALQ-165, ASPJ (N)	111,425	06DEC84
COUNTERMEASURE, AN/SLQ-32(V)1 (N)	115,000	25APR86
COUNTERMEASURE, AN/SLQ-32(V)2 (N)	250,350	25APR86
COUNTERMEASURE, AN/SLQ-32(V)3 (N)	381,803	25APR86
COUNTERMEASURE, TORPEDO EX SET 1 SYSTEM (N)	(A)	
INFORMATION DISTRIBUTION SYSTEM, JOINT TACTICAL (JTIDS) (AF)	50,828	30OCT82
INFORMATION SYSTEM, OCEAN SURVEILLANCE (OSIS), BASELINE UPGRADE (OBU) (N)	11,586,364	11SEP87
MAPPING SYSTEM, MK90 DIGITAL (DMA) DATA EXTRACTION MODULE	35,102,998	18MAY89
DATA SERVICES MODULE	324,248	
PRODUCT GENERATION MODULE	34,254,561	
SOURCE PREPARATION MODULE	91,898	
POSITIONING SYSTEM, NAVSTAR GLOBAL (GPS) (AF)	432,291	
	1,000	28OCT87

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change 4

RADIO, AN/ARA-54 (A)	40	28MAR89	
RADIO, AN/PRC-119 (A)	803	26JAN90	*
RADIO, AN/TRC-170 (AF)	60,622	15FEB84	
RADIO, AN/VRC-12 SERIES (12, 43 THROUGH 49) (A)	70	15FEB84	
RADIO, AN/VRC-87 THROUGH 92 (A)	803	26JAN90	*
RADIO, RT-1439 RECEIVER/TRANSMITTER (A)	296	26JAN90	*
SHOP, AVIONICS INTERMEDIATE (AIS) (F16A/B) (AF)	1,190,000	12APR84	
SHOP, AVIONICS INTERMEDIATE (AIS) (F16C/D) (AF)	2,400,000	12APR84	
SHOP, BASE TEST FACILITY (A)	139,701	24APR91	*
SHOP, BASE TEST FACILITY (COMMERCIAL DERIVATIVE) (A)	125,730	24APR91	*
SONAR, AN/SQR-18A (N)	267,069		
SONAR, AN/SQR-18A(V)1 (N)	601,837	24MAY84	
SONAR, AN/SQR-19, SYSTEM (N)	1,756,900	21MAR90	
SONAR, AN/SQS-56 (N)	173,193	19JUL88	
SONAR SYSTEM, AN/UQQ-2(V)1 SURTASS (COMBINED SHIP AND SHORE SYSTEM) (N)	3,029,374	28AUG89	
SONAR SYSTEM, AN/UQQ-2(V)1 SURTASS, SHIPBOARD SYSTEM (N)	1,785,000	28AUG89	
TELEPHONE, AN/TTC-38, CENTRAL (A)	(A)		
TELEPHONE, AN/TTC-39 (A)	(A)		
TELEPHONE, AN/TTC-42, UNIT LEVEL CIRCUIT SWITCH (N)	(A)		
TEST, VERSATILE AVIONICS SHOP (VAST), (AN/USM-247(V) (N)	(A)		

CATEGORY XII - FIRE CONTROL, RANGE FINDER, OPTICAL AND GUIDANCE AND
CONTROL EQUIPMENT

FIRE AND AIR SUPPORT, MARINE INTEGRATED SYSTEM (MIFASS) (N)	(A)		
FIRE CONTROL, AN/GSG-10 DIRECTOR, TACFIRE (A)	740,331		
FIRE CONTROL, AN/GSG-11 DIRECTOR, TACFIRE (A)	(A)		
FIRE CONTROL, MK1A COMPUTER (N)	(A)		
FIRE CONTROL, MK25 RADAR (N)	(A)		
FIRE CONTROL, MK37 GUN SYSTEM (N)	24,800	06DEC84	
FIRE CONTROL, MK51-2 DIRECTOR (N)	(A)		
FIRE CONTROL, MK56 GUN SYSTEM (N)	15,400	06DEC84	
FIRE CONTROL, MK68 GUN SYSTEM (N)	60,000	06DEC84	
FIRE CONTROL, MK74 MOD-4 MISSILE SYSTEM (MFCS) (N)	(A)		
FIRE CONTROL, MK86 GUN SYSTEM (N)	(A)		
FIRE CONTROL, MK92 MISSILE SYSTEM (MFCS) (N)	(A)		
FREQUENCY, AN/TSC-85 AND AN/TSC-93 SUPER HIGH (SHF) SYSTEM, MULTICHANNEL	(A)		

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GUIDED BOMB UNIT, GBU-10/12 (W/O FUZE) (AF)	203	15JUN87
GUIDED BOMB UNIT, GBU-10/12 (W/FMU-81 FUZE) (AF)	243	15JUN87
GUIDED BOMB UNIT, GBU-10/12 (W/FMU-139A A/B FUZE) (AF)	217	15JUN87
GUIDED BOMB UNIT, GBU-15 (AF)	12,528	11MAY81
GUIDED BOMB UNIT, GBU-16 (N)	(A)	
LANTIRN NAVIGATION AND TARGETING SYSTEM (AF)		
NAVIGATION POD, AN/AAQ-13	217,453	18MAY89
NAVIGATION POD, AN/AAQ-13 PATHFINDER (COMMERCIAL DERIVATIVE)	32,618	12JUL89
TARGETING POD, AN/AAQ-14	201,057	18MAY89
TARGETING POD, AN/AAQ-14, SHARPSHOOTER (COMMERCIAL DERIVATIVE)	201,057	07JUN91 *
TARGETING POD, SUPPORT EQUIPMENT (FMS)	1,418,320	18MAY89
MANPACK, AN/PSC-1 AND AN/PSC-7 SINGLE CHANNEL UHF SYSTEM (A)	(A)	
MANPACK, AN/PSN-6 LOREN	(A)	
MISSILE MINDER, AN/TSQ-73 (A)	715,687	15NOV82
MISSION PAYLOAD SUBSYSTEM (MPS) DAYLIGHT (A)	(A)	
MISSION PAYLOAD SUBSYSTEM (MPS) FORWARD LOOKING INFRARED (FLIR) (A)	(A)	
NIGHT VISION, AN/PVS-5 GOGGLES (A)	157	31JAN80
NIGHT VISION, AN/PVS-7A/B GOGGLES (A)	50	19JUN91 *
POSITION LOCATION REPORTING SYSTEM, (PLRS) (A)	11,775,783	30NOV88
AVIATION VEHICLE UNIT INSTALLATION KIT, AN/ASQ-177(V) (Non-MDE)	9,438	
BASIC USER UNIT, RT-1343/TSQ-129	41,298	
MANPACK INSTALLATION KIT, MK-2290/PSQ-4 (Non-MDE)	2,057	
MASTER STATION, AN/TSQ-129	1,179,261	
PILOT CONTROL DISPLAY UNIT, C-10829/ASQ-177 (Non-MDE)	16,756	
SURFACE VEHICLE INSTALLATION KIT, AN/VSQ-1 (Non-MDE)	8,866	
USER READOUT UNIT, C-10830/PSQ-4 (Non-MDE)	7,108	
RADAR, AN/APG-63 (AF)	410,407	28MAR89
RADAR, AN/APG-65 (F-18) (N)	29,471	30MAR87
RADAR, AN/APG-66 (F-16A/B) (AF)	30,400	12APR84
AN/APG-66H (COMMERCIAL DERIVATIVE)	14,653	07JUN91 *
AN/APG-66NZ (COMMERCIAL DERIVATIVE)	25,080	01JUN88
W-160 (COMMERCIAL DERIVATIVE OF AN/APG-66)	6,692	07JUN91 *
WX-66 (COMMERCIAL DERIVATIVE OF AN/APG-66)	13,437	24NOV89
RADAR, AN/APG-68 (F-16C/D) (AF)	101,120	12APR84

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RADAR, AN/APS-138 (AN/APS-145) ANTENNA (N)	162,047	25FEB87	
RADAR, AN/APS-145 (N)	1,078,582	25FEB87	
RADAR, AN/AWG-9 PHOENIX (N)	338,403	28MAR89	
RADAR, AN/FPS-117 (AF)	883,053	20APR89	
RADAR, AN/FPS-118, OVER-THE-HORIZON BACKSCATTER (OTH-B) (AF)	93,682,000	07JUN91	*
PRIME SECTOR	89,098,000		
SECOND SECTOR	3,534,000		
THIRD SECTOR	1,050,000		
RADAR, AN/SPS-40B (N)	216,746	07MAY82	
RADAR, AN/SPS-46 (N)	(A)		
RADAR, AN/SPS-48E (N)	(A)		
RADAR, AN/SPS-49(V)1-4 (N)	143,460	12APR90	
AN/SPS-49(V)5	149,146	12APR90	
AN/SPS-49(V)6	143,460	12APR90	
AN/SPS-49(V)7	149,146	12APR90	
AN/SPS-49 MOD KIT (AUTOMATIC TARGET DETECTION)	82,186	12APR90	
RADAR, AN/TPQ-36 (A)	252,968	05JUL91	*
RADAR, AN/TPQ-36 COMMERCIAL DERIVATIVE, LOW ALTITUDE SURVEILLANCE RADAR (LASR) (A)	73,361	01OCT84	
RADAR, AN/TPQ-37 (A)	920,149	05JUL91	*
RADAR, AN/TPS-43 (W/BASIC ANTENNA) (AF)	27,462	05FEB86	
RADAR, AN/TPS-63 (USMC BASELINE) (N)	45,557	07MAY87	
RADAR, AN/TPS-63 COMMERCIAL DERIVATIVE (N)	31,890	07MAY87	
RADAR, AN/TPS-71 RELOCATABLE OVER THE HORIZON (ROHTR) (N)	15,076,923	20APR90	
TARGET ACQUISITION, MK23 MOD-0/8, SYSTEM (TAS) (A)	(A)		
TARGET ACQUISITION DESIGNATION SIGHT (TADS) (A)	202,591	30DEC83	
TARGET DESIGNATOR, AN/AVQ-26 LASER PAVE TACK (AF)	643,071	11JUN87	
TERMINAL, AN/GSC-39(V) DSCS MEDIUM (A)	(A)		
TERMINAL, LIGHT FOR AN/TSC-86 (A)	(A)		
TERMINAL, SINGLE SUBSCRIBER (SST) (A)	(A)		
WEAPON SYSTEM, MK7, AEGIS, (W/O STANDARD MISSILE AND MK41 VERTICAL LAUNCH SYSTEM) (N)	16,288,000	25FEB87	
WEAPON SYSTEM, CLOSE IN (CIWS), PHALANX (NC IS PER GUN MOUNT) (N)	287,842	28OCT78	
HIGH VALUE DEFENSE SYSTEM (HVDS) (COMMERCIAL DERIVATIVE)	164,070	15MAY91	*

change 4

CATEGORY XIII - AUXILIARY MILITARY EQUIPMENT

NO ITEMS IN THIS CATEGORY ARE DEFINED IN THE U.S. MUNITIONS LIST AS SIGNIFICANT MILITARY EQUIPMENT.

NOTES

- (A) IF THERE HAS BEEN AN INVESTMENT IN NONRECURRING COST AND THE CALCULATION OF THE CHARGE HAS NOT BEEN COMPLETED AND A SALE IS PENDING, CONTACT DSAA TO OBTAIN THE REQUIRED CHARGE.
- (B) FOR OLDER SHIP DESIGN, A PERCENTAGE CHARGE (3.5%) FOR RECOUPMENT OF NONRECURRING COST WILL BE ESTABLISHED AT A TIME OF ACTUAL DEMAND FOR FMS OR COMMERCIAL SALE PROPOSALS
- (C) FOR A NEW SALE USE THE MOST RECENT CHARGE.
- (D) THE EFFECTIVE DATE OF 28MAR89 HAS BEEN ASSIGNED TO ITEMS WHERE ONE CHARGE EXISTS WITHOUT AN EFFECTIVE DATE IDENTIFIED.

* New since 28SEP90

*Change 4
Background*

October 1, 1991

SUBJECT: Major Defense Equipment List (MDEL)

Attached is the latest update of the MDEL which will appear in the next change to the Security Assistance Management Manual, DOD 5105.38.

If there are any corrections, please contact Bennie Bough, 697-8108.



Bennie Bough
DSAA/OPS-E/x78108

Distribution:

DSAA, Director, Operations
DSAA, OPS-A, OPS-B, OPS-C, OPS-D, OPS-E
DSAA, Plans (PAD, Weapons, SDAF)
DSAA, Comptroller (FMD, FMSC&RD)
OSD(C)/MS
MILDEPT (Army/Navy/USAF)
USASAC
Mr. Wells, OPS-E
Mr. Hursch, OPS-E

Department of State
ATTN: Andrew Church
Room 200, SA-6
Washington, D.C. 20522-0602

U.S. ARMY SECURITY ASSISTANCE COMMAND

5001 EISENHOWER AVENUE
ALEXANDRIA, VA 22333-0001



SADFAN (202) 274-7640

UNCLASSIFIED FACSIMILE TRANSMITTAL HEADER SHEET

COMMAND	NAME OFC SYMBOL	TELEPHONE NUMBER	AUTHORIZED RELEASER'S SIGNATURE
FROM: HQ, USASAC ALEX, VA	AMSAC-PD <i>MR. P. Donovan</i>	AV 284-8383	<i>Barbara Fox</i>
TO: DSAA Wash DC	<i>MR. Wayne Wells</i>	697-8108	DATE: 2 Feb 93
NO. PAGES: 2 (INCL HEADER SHEET)	REMARKS:		

Index
2/2/93 - Talked with Paul Donovan who requested my
views on including this note on a Kuwait LOA. Apparently Kuwait
wants reassurance of what admin is not included in LOA. I agreed,
subject to change to ensure USG can veto any of what addition
if we want to do so - we will get the LOA.

XX. OFFSET COSTS

DoD policy authorizes administrative costs associated with the implementation of offset agreements between U.S. contractors and the foreign customer to be included in the price of the items offered in the LOA. This LOA does not include estimates of these costs because at the time of offer no such agreements existed. The prices of FMS contracts awarded in support of this LOA will not include administrative costs associated with administration of future offset agreements unless ~~both~~ the contractor(s), and the Government of Kuwait, agree to have them included in an amendment of this LOA.

and the USG

*Mr. Rudd sep no clause - port
assurance in a letter*

Change 4

circumstances are such expenses authorized for reimbursement under FMS LOAs. Instead, the funding of transportation and travel costs must be arranged directly between the foreign traveler and his government without U.S. Department of Defense involvement.

v. **Retransfer of Defense Articles.** All LOAs for the provision of defense articles on the USML will include the note identified below. This requirement also applies to any amendment adding USML defense articles to an existing LOA. LOAs limited to services should not include this note.

Note. Effective 22 December 1987 Sec. 562, P.L. 100-202 (FY 88 CR), amended Section 620C of the Foreign Assistance Act of 1961 with the following provision which applies to this Letter of Offer and Acceptance:

(E)(1) Any agreement for the sale or provision of any article on the United States Munitions List (established pursuant to Section 3B of the Arms Export Control Act) entered into by the United States after the enactment of this provision shall expressly state that the article is being provided by the United States only with the understanding that it will not be transferred to Cyprus or otherwise used to further the severance or division of Cyprus.

(2) The President shall report to Congress any substantial evidence that equipment provided under any such agreement has been used in a manner inconsistent with the purposes of this subsection.

3. ^{w. *Add from next under*} Documents to be Included with DD Form 1513. ←

a. **Financial Analysis.**

(1) **Purpose.** The purpose of an analysis is to permit all approval echelons a review for completeness and accuracy of financial data. The Financial Analysis will accompany the LOA or amendment throughout the coordination cycle but will not be submitted to the prospective purchaser. The DSAA Comptroller will provide a copy of the Financial Analysis and LOA to SAAC after countersignature.

(2) **Requirement.** All LOAs and proposed amendments for the sale of end-items or services must be accompanied by a Financial Analysis for each line item which contains one or more of the following:

(a) Pricing based on supply from excess or non-excess stocks, when no replacement is required.

(b) Recoupments of nonrecurring RDT&E and/or production costs.

(c) A total line value of \$14.0 million or more. *

(3) **Exceptions.** A Financial Analysis is not required for the following:

(a) Individual line items of \$50,000 or less.

(b) The Financial Analysis is not required for training, services, or secondary/stock fund items. *

change 4

18 November
~~1 October~~ 1991

The following is to be added as SAMM section 70103.H.2.w:

w. Offset Costs All LOAs which include industry offset administrative costs as discussed in section 140107 must incorporate the following note:

"DoD policy authorizes administrative costs associated with the implementation of offset agreements between the U.S. contractor and foreign customer to be included in the price of the items offered in this LOA. The price of FMS contracts awarded in support of this LOA may include administrative costs associated with implementation of the customer's offset requirement from US industry. DoD is not a party to such offset arrangements and assumes no obligation to satisfy the offset requirement or to bear any of the associated costs."

70103H2w

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c. An estimate of the full cost of the cooperative project, with an estimate of the part of the full cost to be incurred by the USG for its participation in such a cooperative project, including an estimate of the costs to be incurred as a result of waivers of charges which would otherwise be required under Sections 21(e)(1)(A) and 43(b) of the AECA, and an estimate of that part of the full costs to be incurred by the other participants;

d. An estimate of the dollar value of the funds to be contributed by the U.S. and each of the other participants on behalf of such a cooperative project;

e. A description of the defense articles and defense services expected to be contributed by the U.S. and each of the other participants on behalf of such a cooperative project;

f. A statement of the foreign policy and national security benefits anticipated to be derived from such a cooperative project; and,

g. To the extent known, whether it is likely that prime contracts will be awarded to particular prime contractors or that subcontracts will be awarded to particular subcontractors to comply with the proposed agreement.

5. Pursuant to the requirements of Executive Order 11958, the DSAA will consult with the Departments of State and Treasury regarding implementation of cooperative projects under Section 27, AECA, including waiver or reduction of charges, prior to Congressional certification.

140107 REQUESTS FOR OFFSET PROCUREMENT.

A. **DOD Policy.** It is DOD policy not to enter into government-to-government offset arrangements because of the inherent difficulties in negotiating and implementing such arrangements. Any foreign government requesting offset should be informed that the responsibility for negotiating any offset arrangements resides with the U.S. contractor involved. The USG will not commit a U.S. contractor to an offset commitment without having its prior concurrence.

Replace with next under

B. **Semiannual Report.** OUSD(A), in coordination with OUSD(P); the Department of Defense General Counsel; and the MILDEPs, will be responsible for publishing an annual report setting forth the status of existing and proposed compensatory offset agreements. Such reports will highlight the U.S. financial obligation and provide other detail as required.

**

140108 RELEASE OF TECHNICAL DATA.

A. **General.** It is DOD policy to treat defense-related technology as a valuable and limited national security resource. Any export or re-export of defense related technical data of U.S. origin to a foreign recipient for its indigenous defense requirements must be approved under the provisions of the AECA. The principal controls are those provided under FMS procedures or export licensing for commercial transactions by the Department of State, Office of Munitions Control.

B. **Definition of Technical Data.** Technical data is defined in paragraph 140104.B. above. The most prominent category of technical data is described as a TDP. The TDP normally includes technical design and manufacturing information sufficient to enable the construction or manufacture of a defense item, component, modification, or to enable the performance of certain maintenance or production processes. It may include blueprints, drawings, plans, or instructions that can be used or adapted for use in the design, production, manufacture, or maintenance of the defense items or technology. USG rights to defense related technical data and TDPs range from complete USG ownership, to the possession of unlimited government rights, government purpose

18 November 1991

The following is to replace the present SAMM section 140107:

140107 REQUESTS FOR OFFSET PROCUREMENT

A. DOD Policy It is DOD policy not to enter into government-to-government offset arrangements because of the inherent difficulties in negotiating and implementing such arrangements. Any foreign government requesting offset should be informed that the responsibility for negotiating any offset arrangements resides with the US contractor involved. The USG will not involve a US contractor in an offset commitment without having its prior concurrence.

B. Offset Costs Examples of offset administrative costs which will be allowable have been published in DFARS 225.7304(c)(1)(iii)(C). Costs which are allowable under the DFARS, including offset administrative costs, are appropriately reimbursed to the contractor if the costs are reasonable and allocable. The DoD contracting officer will determine the reasonableness and allocability of offset administrative costs. Industry administrative costs arising from the implementation of an industry-to-foreign government offset arrangement directly associated with an FMS LOA item may be included in the LOA, subject to the following conditions:

1. Offset administrative costs must be included in the applicable LOA line item unit cost.

2. May only be included under LOAs wholly financed with cash or repayable FMF Credits. No FMF Grant or MAP Merger funds may be used to cover any part of LOAs which include these costs.

3. Must be provided by the contractor, normally through the contracting officer, for inclusion in the LOA. Any contractor or subcontractor manufacturer of an item for which the Purchaser has requested an offset may quote offset administrative costs for inclusion in the LOA. The costs will not be added following countersignature of the LOA. ~~by the contractor~~

4. A note must be added to the LOA when these costs are included (see section 701). If offset administrative costs are included in the estimated costs of the LOA, or may be included in the price of the contract to be awarded in support of the LOA, the note must be included. It is inappropriate to discuss offset administrative costs with the customer. Questions which a customer might have related to offset administrative costs should be directed to the contractor.

C. Semiannual Report OUSD(A), in coordination with OUSD(P); the Department of Defense General Counsel; and the MILDEPs, will be responsible for publishing an annual report setting forth the status of existing and proposed compensatory offset agreements. Such reports will highlight the US financial obligation and provide other details as required.

140107



OFFICE OF THE UNDER SECRETARY OF DEFENSE
WASHINGTON, DC 20301

*Change 4
Background*

ACQUISITION

DF (DARS)

JUL 15 1991

In reply refer to
DAR Case: 91-008
D.L. 90-015

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DIRECTOR, PROCUREMENT POLICY, ASA (RD&A) /SARD-KP
DIRECTOR, PROCUREMENT POLICY, ASN (RD&A) /API&A
EXECUTIVE DIRECTOR, CONTRACTING, DLA-P
EXECUTIVE DIRECTOR, CONTRACT MANAGEMENT, DLA-A

SUBJECT: Offset Administrative Costs

We have revised Defense Federal Acquisition Regulation Supplement (DFARS) 225.7304 to permit defense contractors to recover allowable offset administrative costs from foreign governments under Foreign Military Sales (FMS) contracts. This revision is based on recommendations made by the Defense Policy Advisory Committee on Trade (DPACT).

In cases where the foreign purchaser requires offsets against a defense sale through FMS, the Letters of Offer and Acceptance (LOAs) may state the price of contracts awarded in support of the LOA may include administrative costs associated with implementing the foreign purchaser's offset agreement with the contractor. The LOAs should also note that the U.S. Government has no obligation to satisfy the offset requirement or to bear any of the associated costs. Estimated costs associated with offset agreements must be included in FMS pricing information provided to foreign governments, prior to submittal of the LOA.

This interim DFARS rule is effective immediately and will also be incorporated in the next Defense Acquisition Circular.

Eleanor R. Spector

Eleanor R. Spector
Director of Defense Procurement

Attachment

47 e



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

Add to SAMM following
DFARS change ~~(S)~~

* Done 7/17/91 2527/91
Change 4, Background
22 FEB 1991

In reply refer to:
I-00490/91

MEMORANDUM FOR ASSISTANT DEPUTY CHIEF OF STAFF FOR LOGISTICS
(ADCSLOG) (SECURITY ASSISTANCE)
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS OFFICE
DEPARTMENT OF THE NAVY

ASSISTANT DEPUTY UNDER SECRETARY
(INTERNATIONAL AFFAIRS)
DEPARTMENT OF THE AIR FORCE

DIRECTOR, SECURITY ASSISTANCE ACCOUNTING CENTER

DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Inclusion of Industry Offset Administrative Costs in
Foreign Military Sales (FMS)

This memorandum is to advise of upcoming changes being proposed to the DOD Federal Acquisition Regulation Supplement (DFARS) that will allow the recovery from foreign governments and international organizations of industry offset administrative costs associated with FMS Letters of Offer and Acceptance (LOAs). Attached is a memorandum from the Deputy Assistant Secretary of Defense (Procurement) to the Director, Defense Acquisition Regulatory System proposing such changes to the DFARS.

The recovery of industry offset administrative costs under contracts for FMS LOAs remains subject to the issuance of a change to the DFARS. Once the DFARS has been changed, industry offset administrative costs arising from the implementation of an industry-to-foreign government offset arrangement directly associated with an FMS LOA may be included as part of the unit price in the LOA. Inclusion of such offset administrative costs in the LOA is subject to the following conditions:

- Estimated industry offset administrative costs must be submitted to the appropriate Military Department before a final LOA is presented to DSAA for countersignature. It is preferable that such industry offset administrative costs be submitted by the contractor to the contracting officer prior to the offering of Price and Availability (P&A) data to the foreign customer, however, in no case may such costs be included after the LOA has been countersigned by DSAA and offered to the FMS customer.

140107

140107

Change A
Background

- All LOAs which include industry offset administrative costs must incorporate the following note: "DOD policy authorizes administrative costs associated with the implementation of offset agreements between the U.S. contractor and foreign customer to be included in the price of the items offered in this LOA. The price of FMS contracts awarded in support of this LOA may include administrative costs associated with the implementation of the foreign purchaser's offset requirement from U.S. industry. The DOD is not a party to such offset agreements and/or arrangements, and assumes no obligation to satisfy the offset requirement or to bear any of the associated costs."

SAMM
Sec 701

- Such offset administrative costs may only be recovered under wholly cash financed LOAs. No Foreign Military Financing or prior year MAP merger funds may be used to cover any part of such LOAs.

140107

This memorandum is to further advise that effective immediately, the Military Departments should accept estimated industry offset administrative costs for FMS which would be payable after the DFARS change is issued, given the pending nature of the upcoming DFARS change. Until a final DFARS change is issued, LOAs should incorporate the following interim note when such charges are to be included:

NA
(b)(4)

- "DOD policy authorizes administrative costs associated with the implementation of offset agreements between the U.S. contractor and foreign customer to be included in the price of the items offered in this LOA. The price of FMS contracts awarded in support of this LOA may include administrative costs associated with the implementation of the foreign purchaser's offset requirement from U.S. industry. The DOD is not a party to such offset agreements and/or arrangements, and assumes no obligation to satisfy the offset requirement between the U.S. contractor and foreign customer or to bear any of the associated costs." If the DOD Federal Acquisition Regulation Supplement has been amended to allow FMS contracts to recover these costs before contracts implementing this LOA are signed, the applicable industry offset administrative costs will be included in the unit price of items offered under this LOA."

NA
(b)(4)

OE E
: RE
20191

Teddy G. Allen

Teddy G. Allen
Lieutenant General, USA
Director

NA
15 JUL 91
SAC (S) DFIC
S. E. 1991

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For use with SAMM pages 701-6 through 800-2 directly Under.

PROPOSED CHANGES
FOR
SECURITY ASSISTANCE MANAGEMENT MANUAL (DOD 5105.38-M)

- 1. Chapter 7, paragraph 70103.H.2.i.(3) - Add the following to the end of the paragraph: "The costs of such conferences/surveys which occur prior to acceptance of the LOA can be funded from the Administrative Budget Account Allotment of the IA. The Administrative Budget Account Allotment of the IA shall be reimbursed from the Program Management line of the LOA after it is accepted." OK
Chap 4
(Survey Times)
Sec 701
(Log conferences, etc)
and 70203.B.9
- 2. ~~Chapter 7, paragraph 70203.B.8. - Add the following: "Costs of pre-LOA/site surveys and/or logistics support conferences necessary to delineate customer requirements."~~ 8. Done based on Compt.
2814552 may 91
msg - Funding of Site Survey Team
- 3. Chapter 7, paragraph 70402.A.2.o. - Rewrite as follows: "Ensure that ^{LOA} ~~case~~ records are retained in an identifiable location in accordance with DOD 7290.3-M and this manual. ~~Below~~ Comptroller, Department of Defense issued a ~~July 1988~~ memorandum dated ~~July 1988~~ directing that all documentation supporting a disbursement be retained indefinitely. Supporting documentation ~~would~~ ^{will} include those for recording obligations, proof of delivery/shipment, contractor/vendor invoices, ^{and} disbursements." ~~etc~~
- 4. Chapter 8, paragraph 80002.F. - Rewrite as follows: "DOD 7290.3-M, Chapter 6, requires the orderly maintenance of ^{LOA} ~~case~~ files. It is emphasized that well organized files, in a readily identifiable location, provide an audit trail for FMS management reviews, ~~case~~ ^{LOA} closure, and other ~~planning~~ management actions."

Based on note (POC Mr Frieg, signed Mr Woods) DSAA
Compt to OPS-E, 27 Jun 91; subj: SAMM Changes, MIOC.

h. Schedules of Personnel Training.

(1) Schedules Included in DD Form 1513. LOAs which call for training of foreign personnel, should include firm scheduling of personnel into specific training courses. When this is not feasible, LOAs should set forth training plans and schedules in general terms, and should include information required to arrange for definitization of specific training requirements at a later date.

(2) Purchasing Nation's Responsibilities. LOAs must specify purchasing nation's responsibilities such as providing pay and allowances, housing, qualified students, and any required supervision thereof.

(3) Blanket Order ^{LOA} Cases. Blanket Order LOAs for training will include "Notes" to explain scope of coverage, methods for definitizing and requesting specific courses, and duration of applicability of the ~~case~~. *

i. Logistics Information.

(1) Supplemental Conditions to DD Form 1513. The sale of weapons systems normally requires the establishment of understandings between the USG and the purchaser regarding logistics arrangements and support. This subject must be addressed in the "Supplemental Conditions" to the LOA to delineate USG responsibilities, specify the type of equipment being provided, identify subsequent actions which must be taken by both the USG and the purchaser, and occasionally to advise the purchaser of the nature of procurement action which will be taken.

(2) Configuration. LOAs will specify the configuration of equipment being sold, but will furnish detailed equipment specifications only if required. Variations from standard USG configurations will be noted, together with any risks which might be assumed as a result of the variance. The notes will highlight any purchase of equipment being made of a configuration contrary to that recommended by the USG.

(3) Logistics Conferences ^{for Approved Program Definition} or ~~Site Surveys~~. LOAs will include the requirement for, and scheduling of logistics conferences ^{of other program management actions} for the purpose of definitizing procurements of spare parts and support equipment, when applicable. ^{add Funding is discussed in section 702. That action is taken by approval programs and are distinguished from ASCA 26 survey items for planning as discussed in chapter 8.}

(4) Concurrent Spare/Repair Parts. The DOD components authorized to make offers will assure that at least a one-year supply of "in-country" concurrent (initial) spare/repair parts, through fourth echelon requirements at U.S. peace-time usage rates, shall be included with equipment being offered. Such spare and repair parts packages should be identified by category and total value rather than by item. Normally, pricing of individual repair parts is not done.

(5) Spare Parts Support Availability. For offers of MDE items, the purchaser will be advised of the estimated period that USG spare and repair parts support will be available, providing that a termination of such support can be identified.

(6) Sole Source Procurement. If the purchaser has specifically requested that procurement of a particular item is to be provided from a sole source, the designation will be addressed in the "Notes" to the LOA. (See Chapter 8, Section 801, paragraph 80102, for Sole Source Procurement Provisions.)

SECTION 704 - CASE MANAGEMENT

70401. THE SCOPE OF CASE MANAGEMENT.

A. The MILDEPs and Agencies will ^{assign a manager to each LOA.} ~~assign a case manager to each active FMS case~~ according to Paragraph 70002H, DODD 7290.3-M. The FMS ~~case~~ manager is to be designated by Component responsible for implementing sales agreements (DD Forms 1513) and leases. The ~~case~~ ^{LOA} manager is defined as that individual who is designated to accomplish the task of integrating functional and inter- and intra-organizational efforts directed toward the successful performance of an FMS case, ^{including LOA closure after supply complete (see paragraph 70401 d. below).}

B. ~~Cases~~ ^{LOAs} will vary in dollar magnitude and complexity. For example, a \$2 billion sale of a major weapon system is extremely complex. A \$100 million ~~case~~ for off-the-shelf replacement spares is less complex. While the two are different in complexity and dollar value, they both require emphasis and special management attention (even a very low value case may involve many different functional activities), and both are managed in accordance with well-defined guidelines.

C. The ~~case~~ ^{LOA} manager is the focal point for management activity ~~on a case~~. The task of the ~~case~~ manager is to ensure the objectives of the assigned ~~case~~ are achieved while adhering to applicable laws and regulations.

D. These objectives are threefold: (1) to accomplish the ~~case~~ ^{LOA} (performance) on schedule, (2) to accomplish the ~~case~~ within the ~~case~~ value, and (3) to close the ~~case~~ as planned. Successful performance is realized when the objectives of the ~~case~~ are met.

E. The ~~case~~ ^{LOA} manager acts as the focal point for ~~case~~ activities by coordinating and integrating organizational actions and resources assigned to Security Assistance functions. Critical decisions involving managerial prerogatives must be coordinated with the ~~case~~ manager.

F. The ~~case~~ ^{LOA} manager has a role in each of the major elements of the ~~case~~: acquisition, programming, logistics and finance, and shall be involved in every aspect of planning and executing assigned ~~cases~~.

G. The ~~case~~ ^{LOA} manager functions as an integrator and a generalist. There are no definite ground rules for determining where the ~~case~~ manager is placed in the organization. This must be decided by Component responsible for the management of the ~~case~~. ~~Case~~ management begins during P&A and LOA preparation and should include total package, concept/total package approach. Each FMS ~~case~~ must be assigned a ~~case~~ manager no later than ~~case~~ implementation.

70402. CASE MANAGEMENT AUTHORITY, RESPONSIBILITY, ACCOUNTABILITY, AND CONTROL.

A. The ~~case~~ ^{LOA} manager should be guided by existing policies and management directives, and ~~case~~ activities should be governed by these regulatory documents. Direct communications with participating organizations is essential for day-to-day management; however, the ~~case~~ manager's final authority is limited to the chain of command, which means that the ~~case~~ manager must use the established lines of communication and authority.

1. Authority.

~~An FMS case is an undertaking which requires concentrated management effort. Such an undertaking involves complex and interdependent organizational activities and requires that a case manager be designated as the single focal point. The case manager should have the~~

authority to take actions and task inter- and intra-organizational areas relating to financial, logistics, procurement, and administration matters in the day-to-day operation of a case. A Charter for Case Manager is at Table 704-1.

2. Responsibilities.

The ^{LOA} case manager is responsible for all management aspects of the ^{LOA} case. ~~Integration of the tasks to support the case objectives is the responsibility of the case manager.~~ Responsibilities of the case manager include:

- a. Establish initial and long-range goals and objectives for case execution.
- ✓ b. Prepare a case master plan, *including a plan for closing the ^{LOA} when supply complete.*
- c. Develop a financial and logistics management plan.
- d. Approve plans of execution, scope, and schedule of work.
- e. Review and verify funding/program requirements.
- f. Integrate the program and logistics financial plan, ~~with the execution of the case.~~
- g. Initiate requirements.
- h. Validate that costs are accurate and billed.
- i. Respond to requirements of counterpart managers, functional activities, and other supporting agencies in the resolution of interface or operating problems.
- appropriate. j. Initiate, when necessary, working agreements with supporting activities as appropriate.
- k. Analyze case performance in relation to required performance specifications.
- decisions). l. Maintain a complete chronological history (significant events and decisions).
- m. Provide status, progress, and forecast reports.
- ✓ *Delete* ~~n. Develop and execute a case closure plan.~~
- ^h o. Ensure DIFS and DOD Component ^{LOA} case records are in agreement.
- ✓ *See rewrite attached this manual.* ~~p. Ensure that records are retained in accordance with DODD 7290.3-M and~~
- ^{3.} q. Ensure that schedules are accurate and timely.

The documents listed below reflect the type of work that the ^{LOA} case manager ensures are prepared and submitted. Each of the documents shall specifically identify the ~~case~~ manager by name and organization:

- DD Form 2061 Case Master Plan
- Case Progress/Status/Performance Reports
- DD Form 2060 Case Directives
- Financial Analysis Case Closure Certificate

3. Accountability.

a. Effective ^{LOA} case management is dependent upon the performance and interaction of many organizations. If the performance of a supporting activity is deficient in regard to a ^{LOA} case, the ^{LOA} case manager may not be able to meet ^{LOA} case objectives. The ^{LOA} case manager shall initially attempt to resolve problems with the supporting activity. If this proves unsuccessful, then the problem shall be escalated.

b. The ^{LOA} case manager is accountable for accomplishing the ^{LOA} case on schedule within ^{LOA} case value and for closing the ^{LOA} case as planned. As a minimum, the ^{LOA} case manager is accountable for all documents listed below:

- Case Master Plan - especially ~~case~~ closure
- Financial Analysis
- Case Directives
- Case Progress/Status Performance Reports

4. Control.

a. An appropriate master plan shall be developed which separates the ^{LOA} case into management components; indicates significant activities requiring coordination; and, in general, establishes a time-sequence schedule for ^{LOA} case implementation. The plan will also specify the participants and their assigned responsibilities. It should be prepared by the ^{LOA} case manager at the onset of the ^{LOA} case and updated as required.

b. The ^{LOA} Case Master Plan will be tailored by the ^{LOA} case manager to fit the complexity of the ^{LOA} case. The ^{LOA} Case Master Plan will consist of a ^{LOA} case summary sheet as required by DODD 7290.3-M and other documentation deemed appropriate, ~~to manage the case~~. This is one control mechanism for the ^{LOA} case manager to ensure events conform to the plan. Other mechanisms to be used are:

- ~~Case manager doing~~ Periodic comparisons of actual versus programmed deliveries and associated costs.
- ~~Case manager~~ Updating the ^{LOA} case Master Plan's program, supply/delivery and financial schedules.
- ~~Case manager~~ Facilitating the flow of funds from the ^{LOA} case to the supporting activities.

These control procedures are designed to identify and isolate problem areas. When problems are surfaced, corrective action initiated by the ^{LOA} case manager is essential to avoid potential program impacts.

c. Changes to the ^{LOA} LOA or the implementation plan must be coordinated with the ^{LOA} case manager. There may be situations whereby higher authority may preempt the authority of the ^{LOA} case manager, such as ~~in the case of~~ ^{when} final negotiations with FMS purchasers or diverted

TABLE 704-2

CASE MANAGER DATA ELEMENTS

RSN Level Program

- Direct Program Value
 - Section 21 (specify Publications/Training)
 - Section 22 (specify GFM/GFE)
- Indirect Program Value
 - R&D
 - Rental
 - CAS
 - Nonrecurring Production
 - Administrative Fee
- Accessorial Value/Costs
- Type of Financing
- Commitments/Obligations
- Transportation
- Performance Sources
- Requisition Status
- Contract Data

LOA
~~CASE CLOSURE DATA~~
Contract Closure Date

- Reports of Discrepancies
- Repair Data
- Training Data
- Obligational Authority
- Commitments by Fund Cite
- Obligations by Fund Cite
- Physical Deliveries Quantity/Value
- Financial Deliveries
- Work-in-Process
- Expenditure Authority
- Payment Schedule
- Billed to Date
- Delivered to Date
- Collections
- Accounts Receivable ^{LOA}
- Disbursements ^{LOA} at ~~Case~~ and Line Level

NOTE: This is a representative list of potentially useful data elements. It is not all inclusive and some data elements listed may not be required for a specific case.

LOA

TABLE 704-2. Case Manager Data Elements.

80001.C.7.

required), the associated ^{LOA} ~~FMS case~~ will be implemented in DIFS and O/A ceiling released via automated DD 2060 (R5) transaction within two work days.

7. Exception to this procedure may be granted on a case-by-case basis by DSAA-COMPT-FMD.

80002 EXECUTION.

A. The execution phase ^{LOA} ~~of the case~~ is usually the longest ~~in terms of time~~. It is that phase during which the articles ~~and~~ ^{items} or services purchased through the ~~FMS case~~ ^{LOA} are actually produced/performed by the ~~military department~~ ^{MIL DEP} under the authority ~~granted by~~ ^{OF} the LOA.

B. The means by which the USG fulfills the requirements of the FMS program depend on the nature of the ~~material and services~~ ^{items} being furnished. A typical program involves the procurement of ~~items~~ ^{items} from new production, as well as providing selected ~~items~~ ^{items} from government stocks. The complete system then may be composed of both contractor-furnished and government-furnished equipment, subsystems, and materiel. Items to be procured are contracted for by cognizant DOD buying activities. FMS requirements may be consolidated with USG requirements or placed on a separate contract, whichever is more expedient and cost effective. FAR provisions applicable to DOD also apply to procurements for FMS ~~customers~~.

C. ~~The actual Acquisition and performance~~ actions for the FMS program are carried out by USG activities in the same manner and using largely the same internal management organizations as for USG programs.

(acquisition, supply, transportation, maintenance, and training) ^{included}
D. Logistics ^{is the discipline that incorporates} the functional areas which ^{execute the LOA.} carry out the execution of the ~~FMS case~~. These functional areas are ~~acquisition, supply, transportation, maintenance, and training~~. The concurrent discipline of financial management ^{is also inherent to} closes the loop of the execution phase.

E. As a part of the discussion of the Execution phase, it is advisable to re-visit the TPA/Total Program Concept. The TPA is a means of insuring that FMS customers are ~~aware of and are~~ afforded the opportunity to plan for obtaining ~~all necessary~~ ^{all necessary} support ~~items~~ ^{items} and services required to efficiently introduce and operationally sustain ~~major items of equipment systems~~ ^{major items of equipment systems} considered for purchase. The key word is "sustain." Any one who has responsibility for P&A or ~~case~~ ^{LOA} preparation must be able to offer the complete package for sustainability to the purchaser. In addition to the system itself the four major categories that we should consider in the TPA include: training, technical assistance, initial support, and follow-on support.

^{See rewrite attached} F. ~~DOD 7290.3-M, Chapter 6, requires the orderly maintenance of case files. It is emphasized that well-organized files provide an audit trail for FMS management reviews and other planning actions.~~

(4)

70203.B.3.

acceleration, non-standard procurements, special program tracking or reporting, program reviews, or extensive integration.

- 3. Configuration management.
- 4. System integration.
- 5. Integrated logistics management.
- 6. CONUS or overseas program management reviews. (TDY costs of all UxSx participants may be included.)

7. TDY costs to support program management line functions. Administrative travel expenses, to include salary, which can be identified to the LOA or LOAs supported by a program management line also may be included.

8. COSTS OF ~~MEETINGS~~ CONFERENCES ~~OR SERVICES~~ DISCUSSED IN SECTION 701 OF AECIA SEC. 26 ~~AND~~ ~~ARE~~ ~~DISCUSSED~~ ~~IN~~ ~~SECTION~~ ~~FOUR~~. Costs which occur prior to acceptance of the LOA can be funded from the administrative budget account allotment of the IA. The administrative budget account allotment will be reimbursed from the program management line after it is accepted.

- C. Types of LOAs that may not include program management lines:
- 1. Sales from stock other than weapon systems.
 - 2. Follow-on support ^{LOAs} cases.
 - 3. Cases entirely for services other than those described in A.3 and 5 above.
 - 4. Sale of individual major items.
 - 5. Publications, maps, and charts.
 - 6. Modifications other than those which improve the operational capability of systems. See A.2 above.
 - 7. Routine non-MDE sales.

D. The following are the types of expenses that may not be included in program management lines:

- 1. Other services requested by the purchaser (such as management services, including non-routine reporting, technical assistance, TAFTs, overseas CAS units, training, or overhead management services) but not required by the IA.
- 2. TDY costs not in direct support of the program management line. See exceptions in B.6 and 7 above.
- 3. Any costs incurred overseas by PCS personnel, including PCS costs. These costs are to be charged "above the line" in a separate technical assistance or services line.
- 4. Routine administrative charges, which must be charged to the FMS administrative budget.

70204 PROCEDURES.

A. In order to properly differentiate between the cost of articles and services sold to which the FMS administrative surcharge legally must be applied and program management services,

UNCLASSIFIED

Change 4
Background

JOINT STAFF
INFO SERVICE CENTER

PRIORITY
P 281455Z MAY 91
FM SECDEF WASHINGTON DC//USDP:DSAA//
TO AIG 8797

ZYUW RUEKJCS1213 1481455

UNCLAS

FROM DSAA/COMP-FMD

SUBJECT: FUNDING OF SITE SURVEY TEAMS

1. A NUMBER OF INQUIRIES HAVE BEEN RECEIVED REGARDING THE FUNDING OF SITE SURVEY TEAMS AND/OR LOGISTICS SUPPORT CONFERENCES PRIOR TO A LOA BEING OFFERED AND ACCEPTED BY THE CUSTOMER. THE FOLLOWING PROCEDURES WILL APPLY:

A. WHEN A SITE SURVEY AND/OR LOGISTICS SUPPORT CONFERENCE IS REQUIRED TO DETERMINE CUSTOMER REQUIREMENTS, A LINE FOR PROGRAM MANAGEMENT SHOULD BE INCLUDED IN THE DD FORM 1513 (LOA).

B. THE COST OF A PRE-LOA SURVEY TEAM CAN BE INITIALLY FUNDED FROM THE ADMINISTRATIVE BUDGET ACCOUNT ALLOTMENT OF THE IMPLEMENTING AGENCY (IA) MANAGING THE POTENTIAL SALE.

C. IF THE LOA IS SUBSEQUENTLY ACCEPTED BY THE FMS CUSTOMER, THE ADMINISTRATIVE BUDGET ACCOUNT OF THE IA WILL BE REIMBURSED FROM THE PROGRAM MANAGEMENT LINE. IF THE LOA IS NOT ACCEPTED, THE ADMINISTRATIVE BUDGET ACCOUNT ALLOTMENT BEARS THE CHARGE AS PART OF THE COST OF DOING BUSINESS.

2. THE "SECURITY ASSISTANCE MANAGEMENT MANUAL", DOD 5105.38-M, WILL BE AMENDED IN THE NEXT SCHEDULED CHANGE AS FOLLOWS:

A. ADD TO PARAGRAPH 70203.B. "8. COSTS OF PRE-LOA SITE SURVEYS AND/OR LOGISTICS SUPPORT CONFERENCES NECESSARY TO DELINEATE CUSTOMER REQUIREMENTS."

B. ADD A SENTENCE TO THE END OF PARAGRAPH 70103.H.2.X.(3). TO READ AS FOLLOWS: "THE COSTS OF SUCH CONFERENCES/SURVEYS WHICH OCCUR PRIOR TO THE ACCEPTANCE OF THE LOA CAN BE FUNDED FROM THE ADMINISTRATIVE BUDGET ACCOUNT ALLOTMENT OF THE IA. THE ADMINISTRATIVE BUDGET ACCOUNT ALLOTMENT OF THE IA SHALL BE REIMBURSED FROM THE PROGRAM MANAGEMENT LINE OF THE LOA AFTER IT IS ACCEPTED."

3. QUESTIONS SHOULD BE ADDRESSED TO DSAA COMPTROLLER, FINANCIAL MANAGEMENT DIVISION, DSN 224-1173. BT

} ← ✓

JOINT STAFF

ACTION J5(3) USDP:DSAA(6) DIA(1) (D,U,A,P,6,F)

INFO CJCS(1) VCJCS(1) J3(4) NIDS(1) J4(9) J4:MILSEC-J(1)

J4:SUSD-J(1) QUAL CONTROL(1) J4:MRD-J(1) SECDEF-N(1)

USDP:FILE(1) DA-SA(1) DIO-WE(1) DB-8C(1) CS-2B(1)

+OCSA WASHINGTON DC

+CNO WASHINGTON DC

+CSAF WASHINGTON DC

+SAFE

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MCN=91148/04140

TOR=91148/1455Z

TAD=91148/1505Z

CDSN=MAU578

PAGE 1 OF 1
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SECTION 802 - LOGISTICS

Change 4
Replaced Section 802
(Coordinated with MILDEX
DLA, D3AA-91)

80201 GENERAL The overall policy concerning logistics support is shown in Section 20202. This section provides guidance in logistics related areas not covered elsewhere in the Manual.

A. Use of US Logistics System Implementation of LOAs will be accomplished within the existing organizational and procedural structure of the US military logistics, including acquisition, system. Use of the DTS is an exception to this policy as discussed in this section.

B. Items To Reflect Favorably On US Items provided under FMS will normally be new or unused or, as a result of rehabilitation, possess original appearance insofar as possible and have serviceability standards prescribed for issue to US forces. If the Purchaser desires exclusively new equipment, this requirement will be stated in the LOA. If the Purchaser desires "as is/where is" items, this will also be stated in the LOA.

C. Purchaser Service Delivery performance directly reflects the degree to which the US meets its FMS commitments and is therefore a key element of the supplier-customer relationship. The importance of prompt and effective service to the purchaser must be continually emphasized to assure overall success in the attainment of FMS program objectives.

D. Discrepancy Reporting Every effort must be made to provide the correct defense article or service in the quantity and quality shown in the LOA. In order to take advantage of a fresh audit trail, purchasers should be reminded of the importance of reporting discrepancies as soon as possible. LOAs shall contain the following note:

"Note (#) - Notwithstanding the final sentence of Paragraph B.6. of Annex A (General Conditions) of this LOA, any claim, including a claim for shortage (but excluding a claim for nonshipment/nonreceipt of an entire lot), received after one year from passage of title will be disallowed by the USG, unless the USG determines that unusual and compelling circumstances involving latent defects justify consideration of the claim. If the USG determines that delivery was delayed more than 90 days following passage of title due to shipment consolidation, the date of shipment from the consolidation location may be used as the start point in determining the one year period for claim eligibility only. Any claim for nonshipment/nonreceipt of an entire lot received after one year from date of passage of title or billing, whichever is later, will be likewise disallowed by the USG."

RODs will be considered based on guidance in Sections 80206 and 1308.

E. Repair and Replace Programs The repair of FMS customer-owned articles normally requires that the customer return a reparable article under an LOA established for that purpose, and await the normal leadtime and pay the actual cost of repair. Under DoD 7290.3-M, Section 70202, pricing and billing of repair and replace programs are authorized in conjunction with mature CLSSAs. For items covered by CLSSAs, DoD components may establish repair and return programs which utilize replace and repair procedures. Initial billing will be based on the estimated repair cost with adjustment to the actual costs as soon as possible after repair.

F. ILCS The International Logistics Communication System has been developed for the improvement of logistics communications service to SA countries, freight forwarders, and contractors. DLA's DAASO, Dayton, OH 45444-5320 manages ILCS under DLA General Order 2-83, dated 10 January 1983 and DODD 4000.25. As a stand-alone system, or in tandem with processes such as Supply Tracking and Reparable Return/Personal Computer based (STARR/PC), ILCS provides a computer-to-computer telecommunications capability which allows a subscriber to exchange logistics related information with the DoD logistics community and other ILCS subscribers.

80202 SECONDARY ITEM SUPPORT

A. CLSSAs Where a CLSSA is in effect, SA requirements will be satisfied on the same basis as U.S. force requirements in accordance with the UMMIPS. The ICP head may approve issue of stocks below the secondary item reorder point when he determines there will not be an unacceptable impact on US forces. The impact on secondary items must be considered whenever a total package of significant equipment and support items is provided.

B. Non-CLSSAs When a CLSSA has not been established, and with exception of items qualifying under AECA Sec 51(a)(3), the FMS Purchaser is not entitled to the same access to the US logistics system as US forces. The ICP processing the requisition will generally issue on-hand assets only if they are above the required item's reorder point level or PLT. Otherwise, the requisition will be placed on backorder until expiration of the PLT, at which time the ICP will process the requisition in accordance with the UMMIPS.

C. Exceptions On an exception basis, ICPs may issue stocks below the reorder point to fill non-CLSSA requirements if release will not adversely affect support to US forces. If it appears that support to US forces will be adversely affected, ICPs will notify the requesting MILDEP in writing. The notification will include information showing the stock status of the items involved.

Change 4

D. Exception Appeals After elevating the issue to the headquarters level, the MILDEP may appeal the ICP decision not to issue stocks below the reorder point. The appeal shall be in writing to DSAA and shall include information regarding stock status and a justification of why the materiel should be released below the reorder point to fill non-CLSSA requirements in light of the possible impact on US forces. DSAA will prepare a written response in coordination with OASD(P&L).

E. Mass Exceptions It is intended that the practice of issuing stocks below the reorder point to non-CLSSA customers be the exception and not the rule. It is further intended that a careful review be made of each such instance in order that US forces' stocks are protected. However, there are situations when numerous requisitions for an LOA must be processed expeditiously. If the requesting MILDEP and the affected ICPs agree that a blanket waiver would be the best way to be responsive to the requirement, a written request may be made by the requesting MILDEP to DSAA for coordination with OASD(P&L). The request shall explain why the process described in the preceding paragraphs is inadequate for responding to the situation in question and for what period the blanket waiver should be in effect.

80203 DIVERSIONS AND WITHDRAWALS OF MATERIEL

A. Legislation The following policies implement AECA Sec 21(i), 10 U.S.C. Secs 133b and 975, and Senate Appropriations Committee Report 99-176 of 6 November 1985:

1. Presidentially directed or SECDEF initiated materiel allocations shall be accorded sufficient priority through diversion of assets from other programs to assure accomplishment of the directed allocation within the time period specified.

2. High priority FMS requirements may be met by diverting from production or withdrawing equipment from US forces, providing the operational readiness posture of these forces is not significantly lowered and payback can be accomplished within a reasonable time. Such initial determinations will be made by the IA. Diversion or withdrawal which would impact US National Guard or Reserve forces must be coordinated with DSAA, which will in turn coordinate the proposal with the OASD/RA, pursuant to DoD Directive 1225.6. If tanks are being withdrawn, a determination will be included in the required Congressional notification that the proposed sale will not increase the shortage of tanks in the U.S. National Guard or Reserve during the current five-year defense plan. Should tanks need to be withdrawn from the US National Guard or Reserve, Congress shall be advised of the plan to replace the specific tanks.

3. Materiel being procured or stocked for FMS may be diverted to meet higher priority requirements with the prior

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concurrence of the Director, DSAA who will, as appropriate, obtain policy guidance from the Office of USDP.

B. Impact Report The following is based on DEPSECDEF Memorandum, subject: Allocation of Defense Materiel and Services Between US and International Requirements:

1. Under normal circumstances, IAs will fill SA requirements from production on a first-in, first-out basis, utilizing normal PLT, unless DoD can meet urgent requirements from earlier production without an undesirable effort on the combat readiness of US forces. There may occasionally be instances when national security considerations and foreign policy objectives indicate a requirement to deviate from this DoD policy by expediting delivery of equipment to a foreign purchaser. If such situations arise, and the IAs or OSD staff become aware that such expedited delivery or the performance of FMS services by DoD personnel would appear to have an undesirable effect on the combat readiness of US forces, the USDP will request the MILDEP involved to provide its assessment of the situation to USDP and the ASD(P&L) for OSD staff review. The USDP will refer the coordinated recommendation to the SECDEF for review and decision. Because of the importance of such decisions, it is essential that the Secretary of the MILDEP personally verify these assessments and make the report to USDP and ASD(P&L) when such referral is required.

2. AECA Sec 21(i) requires a report by the President to Congress "with respect to any proposal to sell, under this section (sales from stocks) or under the authority of Chap 2B, AECA, any defense articles or defense services, if such sale could have an adverse effect on the combat readiness of the Armed Forces of the United States." There may be instances where, in the view of the Secretary of the MILDEP, supply action would have an impact of sufficient importance to warrant SECDEF review, but would not constitute a significant adverse impact on DoD requiring a Presidential report to Congress. In each instance where the MILDEP Secretary refers a potential impact case to the USDP and ASD(P&L), the referral will include an assessment as to whether--

a. Supply action would affect the operational readiness of the military service, or have other important impacts which the Secretary considers warrant SECDEF review, but which are not serious enough to constitute a significant adverse impact requiring either alteration or termination of the supply action, or an overriding Presidential report to Congress; or

b. Supply action would constitute a significant adverse impact within the meaning of the law and, if taken, would require such a report to Congress. The term "significant" is subjective.

3. The SECDEF will make the final determination as to whether DoD will provide items on an expedited basis and whether

the impact of doing so is significant within the meaning of the AECA, Sec 21(i). The Secretary of the MILDEP should provide information in AECA Sec 21(i)(1)(A) through (D) (i.e., the Purchaser, sale value, item description, and a full description of the effect of the sale on US Armed Forces combat readiness) and, in accordance with report 99-176, a determination as to whether the sale will increase the shortage of tanks in the Army National Guard and Reserve in the current five-year defense plan. If so, a plan to replace the tanks should also be submitted.

4. While the language of AECA Sec 21(i) pertains only to shipments from stocks, impacts can occur when DoD diverts materiel from production and procedures outlined in A.2 still apply.

5. Where the SECDEF takes action to advise the President of the requirement for a report to Congress, she will provide the analysis relevant to the justification and certification called for in AECA Sec 21(i)(1)(E), as well as a determination of whether a shortage of tanks will occur in the National Guard and Reserve with an attendant replacement plan (if the withdrawal is for tanks), as required by report 99-176. This latter tank determination and replacement plan must be included in the President's report to Congress. In this connection, a "proposal to sell" within the meaning of Sec 21(i) refers to a decision at an appropriate level of the USG to make a sale and to direct the issuance of an LOA or signature of a document with comparable effect, and does not refer merely to the receipt of a request for an LOA or the making of a recommendation with respect thereto. No Presidential report is therefore required if the ultimate decision is not to make a sale. AECA Sec 21(i) is also interpreted as being applicable to a situation in which the significant adverse effect becomes apparent only after a sales contract is concluded. However, no Presidential report is required with respect to supply action under a sales contract where the supply action is altered in order to avoid a significant adverse effect on US combat readiness which would otherwise occur. The report required by 10 U.S.C. Sec 118 is covered in Section 703 of this manual.

80204 SYSTEM SUPPORT BUYOUT (Also see 20202.D)

A. Initial Action When it is determined that a weapon system is to become obsolete to US forces, and the system is not supported under a CLSSA, the MILDEP responsible for logistics support will:

1. Determine system purchasers still believed to have the system in their inventories.

2. Advise purchasers of a proposed system support buyout. This may be done by offering a list of items or by identifying the systems to be phased out. On system phaseout, the country

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should be allowed a minimum of two years to place a final order for spares to support the system for its remaining useful life.

B. Post Buyout Subsequent to the expiration of the system support buyout, the following is authorized:

1. Items with no demand for four years, including the system support buyout period, may be processed for disposal.

2. Inventories of items which have continued to show demands during the four year period may be retained and managed in support of SA requirements.

80205 REQUISITION PROCEDURES

A. Inform Purchasers SAOs and IAs should take every opportunity to make inventory management guidance (e.g., proper assignment of IPDs, requisition timing to balance inventories and out of stock conditions, and economical quantities) available to the purchaser in order to utilize the requisition process effectively.

B. Initiation MILSTRIP requisitions may be initiated under implemented LOAs either by the Purchaser or by the IA. IA Requisition Control Offices (RCO) will also verify requisitions prepared by countries and convert requisitions received in other than MILSTRIP format when appropriate. Requisitions for nonstandard items or for services are normally processed in letter format.

C. Contacts Service designated RCOs are:

1. Army. US Army Security Assistance Command, New Cumberland, PA 17070.

2. Navy. Navy International Logistics Control Office (NAVILCO), Philadelphia, PA 19111-5095.

3. Air Force. Air Force Logistics Command, Wright-Patterson AFB, Ohio 45433-5000.

D. Priority IPDs will be established under UMMIPS (DODD 4410.6) based on FADs established by JCS for each customer country and international organization and on UNDs, assigned by the country RCO. Erroneous IPDs will be corrected by the reviewing activity. Doubtful cases will be referred to the appropriate US, including SAO, or Purchaser representative for clarification or correction.

E. DCD Delivery Commitment Date (DCD).

1. A DCD will be applied to LOAs that include a line for a principal item with no corresponding RAD in the supply system. The DCD will be a three digit numeric code, the first two representing the fiscal year and the third representing the

quarter of the fiscal year when shipment is to be made. The DCD when applicable, should be placed in the Availability and Remarks Block of the LOA.

2. DD Form 1513-2 notice of slippages of more than 90 days is required on DCD revisions but not on slippages of items controlled within the MILSTRIP RAD system. In the event it is determined that such a slippage will occur, but a firm alternative delivery date cannot be immediately established, a DD Form 1513-2 will be provided to the Purchaser deleting the delivery date, providing an explanation of the circumstances involved, and containing a statement that an additional DD Form 1513-2 will be provided as soon as a new delivery date has been established.

F. DFD The Delivery Forecast Date (DFD), provided by the IA with or within 120 days after acceptance of the LOA, is the estimated date of delivery of the total quantity of the line item. The DFD always occurs earlier than the DCD and is a true estimate of the forecast of deliveries based on projected availability from procurement, rebuild, or other source.

G. Status An IA prepared MILSTRIP requisition status report will be made available to the Purchaser on a quarterly basis. Reports will show requisitions open at the end of the report period and requisitions shipped or cancelled during that period. Multiple line entries for the same requisition will be reflected whenever a partial or split action is taken. The report will be prepared at Country, LOA, and In-Country Service Designator level. Summary lines will be provided to indicate the number of lines and dollar value by open requisitions, cancellations, and shipments.

80206 TRANSPORTATION OF FMS MATERIEL

A. General This section is to provide information which will assist in managing the transportation aspects of FMS purchases. Additional sources of information are the booklet "Foreign Purchaser Guide to Freight Forwarder Selection" which is available for a small charge from DISAM (see 10007) and which discusses management of the freight forwarder function, and the MAPAD, DOD 4000.25.8. It is important that address changes be made immediately to keep the MAPAD current and preclude misdirected shipments. The purchaser may wish to consider the establishment of a specific MAPAD address for payment of transportation charges.

B. Purchaser Responsible DoD policy is that the Purchaser shall be responsible for transportation and delivery of its materiel. DoD normally arranges delivery to the Purchasers' agent at the designated delivery point. Purchasers utilize their own contract or freight forwarder for delivery to the in-country destination.

C. DoD Assists DOD components concerned will provide technical assistance and guidance to Purchaser representatives, including freight forwarders, in order to improve FMS transportation support. Such assistance will include orientation in FMS transportation policies and procedures, MAPAD information, MILSTRIP/MILSTAMP documentation, ROD processing, and resolution of problems incident to DoD sponsored shipments. DoD components have no intervening authority in prescribing the manner in which freight forwarder activities are managed.

D. Freight Forwarder Purchasing country staffs in the US do not normally have the capability to accomplish actions required for in-country delivery of FMS materiel. The freight forwarder undertakes these responsibilities as an agent for the Purchaser and its function is an essential and integral element of the transportation cycle. It is essential that the Purchaser provide advice of shipping requirements to their freight forwarder, particularly regarding compliance with US provisions for shipment of MAP or FMS credit financed material.

E. Terminology/Title The point of origin, point of delivery, and passage of title to the Purchaser are normally the same. If items are procured for shipment directly from a contractor, this point will be the contractor's loading facility. If items are supplied from DOD stocks, this point will be the DoD depot loading facility or, for Parcel Post, the nearest post office facility. For excess materiel, this normally will be the location at which the materiel is being offered for sale. When circumstances dictate, designation of other points of delivery are specified in the LOA. The provisions of this title transfer policy apply to FMS shipments regardless of the mode of transportation, type of transportation, documents utilized, or delivery code.

F. Aircraft When the LOA specifies that the USG will provide for movement of aircraft to the point of delivery, one of two conditions prevail with regard to title:

1. Where additional ferrying is specified and the aircraft are not Purchaser-owned (title not passed), the USG will accept title to the aircraft from the contractor, and title to the aircraft will remain with the USG until arrival at the point of delivery, at which time title passes to the Purchaser.

2. Where Purchaser-owned aircraft are being ferried under the terms of the LOA, the Purchaser grants the USG possession of the aircraft. Under this condition, the title to the aircraft remains with the Purchaser. The LOA will contain prescribed indemnification clauses.

3. The Purchaser assumes all risk of loss or damage since this is a USG service being provided at no cost to the USG.

G. Credit Funds It is the Purchaser's responsibility to notify its freight forwarder of LOAs utilizing FMF funds, including changes to accepted offers resulting in the use of FMF funds, and to ensure that the shipment of materiel under these LOAs is made on US flag vessels (see section 903). In accordance with standard FMF terms, FMF proceeds may not be used to pay ocean or air freight costs of carriage of defense items on vessels or aircraft of non-US Registry, nor may such standard FMF terms be waived. For additional information on approved carriers, the purchaser may contact the Military Traffic Management Command Foreign Military Sales desk, Directorate of Inland Traffic, telephone (202) 756-1870. Cargo not purchased with US FMF funds may be moved utilizing purchaser-owned/operated aircraft or vessels when conditions permit this type of delivery (i.e., pilot pick-up by country-owned military aircraft or by naval vessels).

H. Shipment Through DTS

1. When required, exceptions to delivery policy will be noted on the LOA on a case-by-case basis and approved by DSAA (Operations Directorate) with concurrence of OUSD(A). Procedures for shipment via the DTS are contained in the Military Traffic Management Regulation and MILSTAMP, DOD 4500.32R. Stock fund articles will normally be shipped to the POE as part of the article unit cost. Shipment through DTS to the point indicated for shipment of the following types of articles is authorized on a reimbursable basis with pricing based on DOD 7290.3-M:

a. Hazardous Sensitive Materiel. Firearms, explosives, lethal chemicals and, when required, certain other hazardous materiel will be moved within the DTS or other U.S./DoD-arranged transportation under US/DoD control on a GBL. To meet these requirements, the LOA will require delivery FOB Vessel/Aircraft, CONUS POE, DTC 8. The onward movement of these items may be effected by purchaser-owned or controlled aircraft or purchaser-owned, operated or controlled surface vessels. For FMS shipments of hazardous and sensitive materiel which normally must be shipped through the DTS, the Government of Canada (GOC), or the freight forwarder as its representative, may ship these materials inland to Canada by DTC 4 and CCBL, but the GOC must arrange for transportation on approved DoD carriers through the DTS.

b. Oversize Air Cargo. Air cargo of such size that the item exceeds commercial capability may be delivered to the overseas port of discharge through DTS using military aircraft.

c. Use of DoD Controlled Ports. FMS materiel which requires exceptional movement procedures, such as sensitive and certain hazardous material (as defined in DOD 4500.32-R, Vol. 1, Chapter 2, paragraph 12-15 Military Traffic Management Regulation Chapter 226 and Title 49 CFR Part 170-179 and 397, and DOD 5100.76M), will be shipped through CONUS water or aerial port facilities controlled by DoD. Materiel entering DTS must be documented under DOD 4500.32-R, Vol. I and II. This will require

Does this mean ^{all} B.O.
LOA/Q countries listed
table 802-1 must be
coordinated w/ DSAA
operations?

Same w/ routine shipments
of items in this para. (H)?

that the terms of delivery of the LOA cite as a minimum, delivery FOB Vessel/Aircraft, CONUS POE, DTC 8.

d. IAs are authorized to include use of DTS, on a reimbursable basis, in LOAs prepared for the countries listed in Table 802-1. It should be noted that transportation to the CONUS POE is included in the unit price for stock fund items. LOAs will show delivery to the country by the most economical means (normally FOB overseas POD, DTC 6). Use of estimated transportation costs in lieu of standard percentages is authorized for items listed in Appendix F with an LOA line value of \$10,000 or more. When estimated costs are used, a note will be included in the LOA which identifies the amount of transportation costs by line item for each transportation element (e.g., CONUS inland, port loading, ocean transportation)

2. Redelivery Policy and Use of DTS.

a. When a DoD component solicits the return of a defense item from an FMS purchaser, use of DTS may be authorized if deemed appropriate and funded by the cognizant DoD component.

b. When a DoD component is requested by an FMS purchaser to approve return of previously purchased defense articles, transportation normally should be arranged and funded by the FMS purchaser. Unsolicited returns of sensitive, hazardous, and classified cargoes may be moved within DTS, with reimbursement from the FMS customer, if deemed appropriate by the DoD component.

3. For certain items shipped within DTS, IAs must use transportation costs from the Transportation Cost Look Up Table in Appendix F.

I. Controlled Substances The export of a controlled substance or narcotic drug shall be in accordance with the Controlled Substances Import and Export Act, 21 U.S.C. 951 et seq., and the procedures governing the exportation of controlled substances in 21.C.F.R. Part 1312. Prior to each export, the U.S. IA shall obtain the necessary import documents from the Purchaser as provided by 21 U.S.C. 953(a)(3) and (e)(1). The IA shall submit the import documents to the Administrator of the Drug Enforcement Administration (DEA), Department of Justice, requesting the export permits be issued for the particular controlled substance or narcotic drug. Upon obtaining the export permit from the DEA, the IA is responsible for furnishing the Defense Personnel Support Center the export permit number, the expiration date of the export permit, and the port of exportation. This information will accompany the requisition. The IA must also ensure the Purchaser is aware they must submit import documentation for controlled substance(s) or narcotic drug requisitions.

J. Reparable Materiel Items returned to DoD for servicing should normally be shipped at Purchaser expense and handled

outside DTS. Shipments are normally moved through the freight forwarder, who is responsible for clearance through US Customs and for prepaid transshipment to the designated CONUS repair facility. The Purchaser should assure these shipments are accompanied by appropriate shipping documents and a customs declaration, and that the freight forwarder has the capability to receive and transship the materiel. After repair, materiel will be shipped in accordance with normal delivery procedures.

K. Classified Items Classified shipments of FMS materiel usually will be made within the DTS or by other U.S./DOD-arranged transportation modes which will provide the required security and enable the U.S./DOD to maintain control and custody of the materiel until physical turnover is made.

1. Purchaser transportation of classified materiel under FMS or direct commercial contract processing requires the Purchaser to submit a Transportation Plan for review and approval by the IA. Guidance for transporting classified materiel, including development of the Transportation Plan, is found in Chapter 5. Unless the IA approves the Transportation Plan, shipment by other than DTS shall not be permitted.

2. Transmission instructions (an alternative for shipment of classified materiel) or the requirement for an approved Transportation Plan shall be incorporated into the security requirements of the LOA for FMS or in any contract, agreement, or other arrangement for commercial sales involving the release of classified materiel to non-U.S. entities.

3. The Government of Canada (GOC) (or the freight forwarder as its representative) may ship classified materiel inland to Canada by Delivery Term Code 4 and CCBL, but the GOC must arrange for transportation of this materiel on approved DoD carriers through the DTS. DODD 5105.38-D (MAPAD) lists certain freight forwarders who have been cleared to receive classified materiel which could be shipped FOB origin on a CCBL if classified materiel is accompanied by an approved Transportation Plan.

L. Cost of Transportation to the Freight Forwarder

1. Where delivery terms FOB origin apply, items will be transported under CCBL. Purchasers will be informed by the IA that they are responsible for (1) acceptance and payment of CCBL shipments made in accordance with LOA terms, (2) providing appropriate insurance coverage from the point of delivery to the carrier, and (3) in-transit accounting and settlement of claims against carriers. When shipment cannot be effected by CCBL due to tariff restrictions, refusal of carriers to accept collect freight shipments, or other reasons, the following apply:

a. Only when the LOA so authorizes may the shipping transportation office guarantee payment of charges on CCBLs, or;

b. The Purchaser freight forwarder may be requested to make "prepaid" arrangements with the carrier vice "collect."

2. When dedicated transportation is required; e.g., a Special Assignment Airlift Mission, LOA costs will be the actual costs to the USG and included as a separate line on the LOA.

M. Packing and Marking FMS materiel will be packaged as prescribed by Mil Standard 2073 (preservation Level "A"/packed to not less than Level "B") and will be marked as prescribed by Mil Standard 129 with the following minimum information:

- FMS Case Identifier (e.g., XX-B-ABC)
- TCN
- Transportation Priority
- Project Number (if applicable)
- Shipped From Address
- Shipped to Address
- Ultimate Consignee/Mark For (coded and clear text, if applicable)

N. Discharge of Materiel

1. The local U.S. military representative supervises discharge at destination of FMS moving through the DTS. This responsibility includes, but is not limited to:

- a. Making arrangements for reception of the cargo,
- b. Assuring the establishment by the Purchaser of adequate procedures for checking the equipment and materiel against manifests and shipping documents,
- c. Providing technical advice regarding proper discharge of cargo, and
- d. Initiating transportation discrepancy actions and documents prescribed in AR 55-28/NAVSUPINST 4610.33C/AFR 75-18/MCO 4610.19D, DLAR 4500.15, Reporting of Transportation Discrepancies in Shipments.

2. Where there are US military forces positioned or deployed in areas that are receiving FMS materiel, and where these forces are supported by US Military Terminal Units or Support Activities, arrangements may be initiated by the local US military representative who may designate these units to act as the agent or representative of the local US representative to accomplish the functions incident to the delivery of FMS materiel to the recipient country via the DTS.

3. If compliance with Paragraph 1 or 2 above is not feasible, the IA will amend agreements for FMS materiel to provide that custody shall pass within CONUS and that transportation support beyond CONUS will be the responsibility of the Purchaser.

O. Government Bill of Lading

1. Shipment via GBL is not authorized except when specified by the IA as an exception in the LOA.

2. When the GBL is used, DoD retains responsibility for the associated administration of processing claims against carriers or for obtaining proof of delivery at destination on movements to freight forwarders or country representatives, military controlled terminals, and commercial ports.

3. When a GBL is used, DoD is performing a reimbursable service for the Purchaser and custody must not be construed to mean retention of title or acceptance by DoD of the risk of loss or damage.

P. Consolidation/Small Parcels The criteria for consolidation of shipments are contained in Chapter 6, DOD 4140.17M (MILSTRIP). Even though consolidation is a transportation objective, small parcel shipments are often necessary.

1. Transportation officers utilize either US Postal Service parcel post or commercial small parcel carriers for this purpose. The transportation officer consults the various tariffs or package carriers to obtain service at least cost for the service required, including an audit trail to show proof of entry into the transportation network and responsiveness to the IPD and RDD.

2. As a rule, Military Postal Service (MPS) through APO or FPO will not be used for FMS shipments; however, exceptions to policy are authorized for classified shipments when the purchaser does not have approved facilities to receive classified items in the US, or where accomplishment of the program requires delivery in country through the resident US SAO. Such exceptions will be kept to the minimum and the cost of such shipments will be assessed to the Purchaser.

Q. Offshore Sources The IA will endeavor to notify the Purchaser of articles to be supplied from offshore sources as soon as possible after identification of source and state that the article will be moved to the CONUS freight forwarder unless a request is received to accept delivery of the articles at the offshore facility. The Purchaser request must be made within 20 days of the IA's notice of the offshore source.

R. Export Actions The Purchaser must obtain an Export License from the DoS to authorize export of purchased FMS materiel from the US whenever the items sold are to be in the custody of a freight forwarder or other non-governmental party. This must be among the first management actions accomplished in order to assure that materiel is not delayed when ready for shipment. When shipments originate from a third country the

Purchaser will normally be required to obtain the necessary licenses and export documents.

1. The purchaser must assure that export declaration (US Department of Commerce Form 7525-V, Shipper's Export Declaration) are prepared for FMS shipments and that such declarations are validated and filed by a Collector of Customs. After the declaration has been prepared, the shipment must be cleared through US Exit Customs by submission of documents to the Collector of Customs or Export Control Officers. These actions are normally accomplished by the freight forwarder.

2. Upon receipt of formal documentation, the Purchaser is responsible for effecting overseas customs clearance of all FMS materiel through its customs agencies upon receipt at the aerial or water port of discharge, and for arranging delivery to the appropriate destination.

S. Insurance Unless a purchaser is self-insured, commercial insurance should be obtained to provide coverage against damage or loss of property, injury to or death of persons, or other transportation risks incurred while the Purchaser's property is in custody of the freight forwarder, aboard any carrier, or transiting any port facility. This includes return shipment of reparable materiel. It is recommended that any commercial insurance be placed with US private firms to the extent possible. Care should be taken to avoid gaps in, or duplication of, insurance carried by the freight forwarder.

T. Offer Release Code A, Y, and Z Shipments

1. The Purchaser determines whether materiel will be automatically released to the freight forwarder or if Notices of Availability (NOA) are required prior to release. Assignment of Offer/Release Code A in the LOA authorizes automatic shipment, while assignment of codes Y or Z indicates that NOAs will be sent before the materiel is shipped.

2. The normal Offer/Release Code for FMS transactions is A. Codes Y and Z should be used only under special circumstances, such as for the delivery of sensitive, hazardous, or classified cargo and large end items. Use of Codes Y and Z for other than hazardous or classified cargo and large end items must be approved by the IA.

3. NOAs are also not normally used for direct delivery from contractors' facilities. If contract production schedules do not provide sufficient information and the customer requires NOAs, special arrangements must be made and placed in the LOA or in the contract. The Purchaser will be liable for the costs incurred.

4. Storage or staging of items as a result of instructions in response to an NOA, or for which no shipping instructions are received, accrue storage costs under each LOA.

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U. Discrepancies Purchasers, including their freight forwarders, must be ready to react to the following shipment discrepancies (also see Table 802-1):

1. Materiel Discrepancy. Shortages (including non-receipt) or overages due to incorrect quantity counts, improper packing or marking, duplicate shipments, incorrect items and damage sustained prior to release to the carrier by the origin shipper. The IA, in conjunction with the US supply source, including private contractor, retains responsibility for resolving these problems and determining financial responsibility.

2. Transportation Discrepancy. Complete or partial loss or damage caused by the carrier (when properly annotated on the bill of lading) or freight forwarder. Resolution of transportation discrepancies depends upon a variety of factors. If the materiel is shipped on a GBL or CCBL, (prepaid or collect) to a freight forwarder and damage or loss occurs, the freight forwarder must file a claim with the carrier. Damage to materiel shipped to the Purchaser by a freight forwarder must be resolved by the Purchaser or the freight forwarder in a claim action with the carrier. Damage or loss of materiel while in the custody of the freight forwarder must be resolved between the Purchaser and the freight forwarder. Such discrepancies will not be subject to reporting to the USG. The USG retains responsibility for processing and filing claims with carriers for shipments made on GBLs to DoD activities. Benefits of such claims will be reimbursable to the Purchaser.

RODs reported to the IA on Standard Form 364 must be documented in accordance with IA processing procedures.

V. Documentation

1. Proof of delivery means "constructive delivery" (tender of the materiel to a designated carrier at point of origin). Establishment of proof of delivery to a country destination is not the responsibility of the USG under a CCBL. The USG can only provide proof of delivery when movement was effected within the DTS or other transportation provided under USG auspices.

2. In resolving transportation discrepancies, the USG is required only to provide evidence of shipment. Any movement document or receipt, signed by a carrier representative, which shows that the US has shipped or released materiel to a carrier for shipment to the country's designated representative, constitutes evidence of shipment. Such documents generally show the quantity, NSN, mode, date, transportation control number, notice of availability number/bill of lading/parcel post insured or registered number, addressee, vessel, or flight number (to the extent possible), name of shipper and carrier, etc. This information is essential for adjudication of RODs. If the freight forwarder has not received the advance copy of the bill

of lading, and proof of delivery to a carrier is requested, a duplicate of the appropriate documents establishing evidence of shipment will be provided to the customer representative.

W. Tracers When the materiel manager furnished shipping status, and materiel has not been received, the Purchaser is responsible for conducting tracer action.

1. Such action should first be directed to the Purchaser's freight forwarder. If the item has been transshipped by the freight forwarder, it should be traced to the addressee.

2. If the item has not been received by the freight forwarder, a request for shipping information should be sent to the activity from which shipment status was received. That activity will provide a copy of the bill signed by the carrier and shipping information such as Transportation Control Number (TCN), bill of lading number, carrier, date of shipment, etc. Further follow-up should then be made to the freight forwarder to ascertain if the item has, in fact, been received.

3. If the item is still missing, the Purchaser should assure that the freight forwarder either starts tracer action with the carrier to locate the materiel, obtains proof of delivery, or makes a claim against the carrier on behalf of the Purchaser.

4. If the problem cannot be resolved through the freight forwarder and shipping activity, the Purchaser may contact the following for assistance:

U.S. Army Security Assistance Command
New Cumberland Army Depot
ATTN: AMSAC-OL/T
New Cumberland, PA 17070-5096
Commercial Telephone Number (717) 770-6843

Navy International Logistics Control Office
Freight Forwarder Assistance Office
ATTN: Code 252
Philadelphia, PA 19111-5095
Commercial Telephone Number (215) 697-4142

Air Force International Logistics Center
ATTN: Code XMXA
Wright-Patterson AFB, OH 45433-5999
Commercial Telephone Number (513) 257-8157

Headquarters, Defense Logistics Agency
ATTN: Code DLA-OT
Cameron Station
Alexandria, VA 22304-6100
Commercial Telephone Number (202) 274-6754

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Replaces Table
802-1

TABLE 802-1
COUNTRIES AUTHORIZED TO USE THE
DEFENSE TRANSPORTATION SYSTEM
FOR ALL FMS SHIPMENTS*

Belize	Jamaica
Benin	Kenya
Bolivia	Lesotho
Botswana	Liberia
Burkina Faso	Madagascar
Burundi	Malawi
Cameroon	Mali
Cape Verde	Mauritania
Central African Republic	Mauritius
Chad	Morocco
Colombia	Mozambique
Congo	Namibia
Costa Rica	Niger
Djibouti	Nigeria
Dominican Republic	Peru
East Caribbean states	Philippines
Ecuador	Rwanda
El Salvador	Sao Tome & Principe
Equatorial Guinea	Senegal
Ethiopia	Seychelles
Gabon	Sierra Leone
Gambia	Somalia
Ghana	Sudan
Guatemala	Swaziland
Guinea	Tanzania
Guinea-Bissau	Togo
Haiti	Uganda
Honduras	Zaire
Ivory Coast	Zimbabwe

* Not all countries listed have active FMS programs.

TABLE 802-2

*

**FINANCING REPORTS OF DISCREPANCY
WHEN THE U.S. GOVERNMENT IS LIABLE**

A. GUIDELINES ON THE SOURCE OF FUNDING FOR PAYMENT OF VALID CLAIMS

1. **Information.** The following are guidelines regarding the source of funding for payment of valid claims related to FMS shipments when the USG is found liable.

Nature of Discrepancy	FMS Admin-istrative Funds	U.S. Government Appropriation
1. Defective or Deficient Materiel (item deficiency)		
a. From Procurement**	Not applicable, except in cases where U.S. action or inaction causes inability of the FMS customer to obtain satisfaction from the contractor.	Not applicable
b. From Stock	<p>Transportation of materiel for rework or disposal, or, if more cost effective, travel and per diem costs of rework team.</p> <p>The cost of testing defective items when it is necessary in order to service the FMS customer.</p>	Applicable USG appropriation or fund is responsible for (1) replacement without additional charge, (2) refund to the customer account, or (3) repair or rework of defective items issued to FMS customers (except as indicated under "FMS Administrative Funds" heading).
2. Damaged Materiel*		
a. From Procurement**	Not applicable, except in cases where U.S. action or inaction causes inability of the FMS customer to obtain satisfaction from the contractor.	Not applicable

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TABLE 802-2. Financing Reports of Discrepancy when USG is Liable.

b. From Stock	<p>Transportation of materiel for rework or disposal, or, if more cost effective, travel and per diem costs of rework team.</p> <p>The cost of testing damaged materiel when it is determined to be necessary in order to service the FMS customer.</p>	<p>Applicable USG appropriation or fund is responsible for (1) replacement without additional charge, (2) refund to the customer account, or (3) repair or rework of defective items issued to FMS customers (except as indicated under "FMS Administrative Funds" heading).</p>
3. Materiel Not Received* (nondelivery, shortage)		
a. From Procurement**	<p>Not applicable, except in cases where U.S. action or inaction causes inability of the FMS customer to obtain satisfaction from the contractor.</p>	<p>Not applicable</p>
b. From Stock	<p>Not applicable, except in cases where U.S. action or inaction causes inability of the FMS customer to obtain satisfaction from the carrier, and the shipping activity produces receiving reports/proof of delivery to the carrier. (DOD policy requires that receiving reports/proof of shipment be obtained whenever materiel is released to a common carrier, including the U.S. Post Office). When materiel is delivered through DTS, the MAAG or its designated representative is required to receipt for the FMS/MAP material. These procedures make it possible to identify responsibility for any loss of materiel in transport. FMS</p>	<p>If an item arrived short or is not delivered (e.g., short unit pack, misdirected shipment) and the liability, (i.e., when the shipping activity is unable to produce receiving reports/proof of delivery) then the shortage or misdirection is determined to have occurred at the point of origin and will be absorbed by the applicable U.S. appropriation. In those instances, a credit may be given to the FMS customer's account and charged to the USG appropriation which was initially credited as a result of such transaction. Misdirected shipments not returned to stock will be absorbed as an inventory</p>

TABLE 802-2. Financing Reports of Discrepancy when USG is Liable.

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administrative funds may be used only when it is specifically substantiated that the USG failed to meet its responsibility relative to the shipment of the materiel except as indicated under "U.S. Government Appropriation/Funds," heading.

loss against the applicable USG materiel account. If USG-owned GFE, which is to be incorporated into an end-item, is lost or damaged during shipment to the contractor (i.e., prior to incorporation into the end-item) then the customer's funds will be used to absorb the applicable cost. Recognition should be given to the possibility that a "lost" GFE shipment may be lost only on the accounting records but still physically in the USG's possession. In instances where this is probable, no charge should be made to the purchaser for "lost" GFE.

4. Overage*

a. From Procurement**

Not applicable unless the USG is responsible for the overage.

Not applicable

b. From Stock

Costs to transport excess items back to stock or to disposal. If claimed by the customer, costs to transport excess items issued to the country. Note: Out-of-pocket costs of packing, crating and handling, (PCH), if claimed, will be paid from PCH funds.

If billed and customer does not want the items, amounts for excess items to the FMS charged will be refunded to customer account and the appropriate USG appropriation fund will be charged. Overage items not returned to stock will be absorbed against the applicable USG materiel property account as an inventory loss.

5. Improper Identification (incorrect item, i.e., nonsubstitutable item)

a. From Procurement**

Not applicable unless the USG is responsible for the problem.

Not applicable

TABLE 802-2. Financing Reports of Discrepancy when USG is Liable.

b. From Stock

When the incorrect item is not returned, the cost of issuing the correct item or providing a customer refund will be absorbed by the FMS Administrative Fund. On the other hand if the incorrect item is returned, then the appropriate adjustments within the USG accounts should be effected and only the next additive costs should be absorbed by the FMS Administrative Fund. Note: Out-of-pocket costs of PCH, if claimed, will be paid from PCH funds.

Applicable USG appropriation/fund is responsible for issue of correct items without additional charge to the FMS customer. If the correct item is not available for issue, the refund to the customer account will be charged against the appropriate USG appropriation/fund which was initially credited as a result of such transaction. Incorrect items issued and not returned to stock will be absorbed against the applicable USG materiel property account as an inventory loss.

6. Improper Documentation

a. From Procurement**

Not applicable unless the USG is responsible for improper documentation.

Not applicable

b. From Stock

When the incorrect item is not returned, the cost of issuing the correct item or providing a customer refund will be absorbed by the FMS Administrative Fund. On the other hand, if the incorrect item is returned, then the appropriate adjustments within the USG accounts should be effected and only the net additive costs should be absorbed by the FMS administrative

Applicable USG appropriation/fund is responsible for issue of properly documented items without additional charge to the FMS customer. If the properly documented item is not available for issue, the refund to the customer account will be charged against the appropriate USG appropriation/fund which was initially credited as a result of such transaction. Improperly documented items

TABLE 802-2. Financing Reports of Discrepancy when USG is Liable.

fund. Note: Out-of-pocket costs of PCH, if claimed, will be paid from PCH funds.

which are not returned to stock will be absorbed against the applicable USG material property account as an inventory loss.

7. Duplicate or Erroneous Billing

a. From Procurement** Not applicable

Erroneous or duplicate charges will be corrected, i.e., refund (where appropriate) or adjustment to customer account. Adjustments will be charged against the appropriate USG appropriation. fund or the customer account when appropriate.

b. From Stock Not applicable

Erroneous/duplicate charges will be corrected, i.e., refund (where appropriate) or adjustment to customer account. Adjustments will be charged against the appropriate USG appropriation/fund or the customer account when appropriate.

8. Loss of Customer Item in Inventory (provided for fabrication, assembly or rework

When the item is no longer maintained in the USG inventory, the USG cannot benefit from retaining the item In this instance the FMS Administrative Fund is the appropriate source for customer reimbursement.

If the item is currently maintained in USG inventory and the loss is bookkeeping or inventory control loss, the ~~the~~ item is still physically available and should be replaced from U.S. assets or appropriate credit provided from USG funds

* Claims of \$100 or less will not be reported for:

- 1. Overages
- 2. Shortages (includes nonreceipt)
- 3. Damages

** Procurement includes both "fast pay" and other procurement contracts.

TABLE 802-2. Financing Reports of Discrepancy when USG is Liable

Change 4
Replaces Section 803
(Coordinated with
MILDEPO, DLA, DSAA)

SECTION 803 - MANAGEMENT OF EXCESS DEFENSE ARTICLES

80301 LEGISLATION The following legislation indicates Congressional interest in EDA:

- A. FAA Sec 502A Authorizes provision of EDA whenever possible in lieu of new procurement.
- B. AECA Sec 31(d) with changes Limits transfers of EDA to \$250M acquisition value per year exclusive of ships and onboard stores. Later acts exempted transfers reported under Sec 36(b), FAA Sec 516, portions of FAA Sec 517, and FAA Sec 519 from the ceiling.
- C. FAA Sec 516 with changes Authorizes grant transfers to Portugal, Turkey, Greece, Israel, Egypt, Pakistan, Senegal, and Morocco (previously referred to as the Southern Region Amendment). FAA 516 countries receive priority for EDA deliveries. A 30-day notification to Congress is required before making a formal offer to country.
- D. FAA Sec 517 with changes Authorizes grant transfers to military forces engaged in counternarcotic activities in countries for which the Secretary of State has certified eligibility in accordance with the International Narcotics Control Act (INCA) of 1988. Changes now limit transfers in annual acquisition value to \$60M aggregate total for Bolivia, Colombia, and Peru, which is excluded from the AECA Sec 31(d) \$250M ceiling. Other eligible countries (Jamaica, Mexico, and Guatemala) are limited to an acquisition value of \$10M per year, which is included in the 31(d) ceiling. A 30-day notification to Congress is required before making a formal offer to country.
- E. FAA Sec 518 with changes Authorizes the grant transfer of non-lethal and small arms EDA to countries, international organizations, and private and voluntary organizations involved in the protection of endangered plants and wildlife species. The US can provide no-cost transportation on a space-available basis. A 30-day notification to Congress is required before making a formal offer to country.
- F. FAA Sec 519 Provides for the grant transfer of non-lethal EDA to countries for whom an FMF program was justified for the FY in which the transfer is authorized. Transfers do not count against the AECA Sec 31(d) ceiling. No-cost crating, packing, and transportation is allowed for the Philippines under Sec 519(f). A 15-day notification to Congress is required before making a formal offer to country.
- G. Sec 548, P.L. 101-513 Foreign Operations, Export Financing, and Related Programs Appropriation Act, 1991 requires 15-day duration notifications to Congress before issuance of an LOA for any EDA.

80302 GENERAL

A. Planning EDA may afford materiel support to countries at reduced cost and in less than normal leadtime. EDA end items are made available in "as-is" condition, normally without the preservation protection applied to items to be retained for use by US forces. Maximizing EDA benefits under SA requires careful planning, with the item manager playing a key role. Planning is necessary to avoid committing DoD to release of items before the US requirement has gone away or long after items have become excess and have incurred storage costs, while equipment condition has deteriorated. In order to minimize deterioration and transportation costs, and to make the best use of EDA as it becomes available, it should be an objective to move EDA directly from the last US using unit to the SA recipient.

B. Condition Although the US should provide information concerning item condition, it is the responsibility of the Purchaser to be aware of the condition of "as-is" items. This includes inspection visits to US holding facilities as necessary.

C. Assets-Needs MILDEPs have limited capability to determine if an excess item meets a current SA country requirement. For this reason, matches of country needs and DoD excesses, while those excesses are still held by the MILDEPs, are usually limited to the most significant end items. Other EDA, including most EDA secondary items, are transferred to the DRMO nearest the physical location of each item at the time it becomes excess.

1. EDA turned over to a DRMO are listed in the DLA DRMS Interrogation Requirements Information System (IRIS), a computerized inventory searching service designed to provide information on all stock-numbered items in the DRMS inventory. There is also a capability to manage items which are not assigned complete NSNs, such as aircraft or ammunition.

2. Further information concerning IRIS may be obtained by requesting the "Foreign Military Sales Customer Information Booklet" from Commander, Defense Reutilization and Marketing Service, ATTN: DRMS-OCR, Federal Center, 74 N. Washington Avenue, Battle Creek, MI 49017-3092.

3. DRMS has no connection with commercial firms which sell surplus U.S. military supplies and equipment to the public.

80303 EDA CONTROL/CONGRESSIONAL NOTIFICATION

A. General In order for the EDA process to function effectively, MILDEPs must project assets that will become available and customers must provide requirements for EDA (item description, NSN/Part Number, and quantity).

B. Identification Ideally, MILDEP identification of EDA will include end items and individual support items to build equipment packages that are as complete as possible.

1. This is often not practical and EDA planning must proceed at the significant item level. During March of each year, MILDEPs should provide information above for items which are projected to become excess during the current plus two calendar years.

2. MILDEPs may also provide a suggested list of recipients to receive articles or, if no known requirements exist, recommendations as to what countries should be surveyed for possible requirements.

3. Major changes to these forecasts should be furnished as they occur for items projected to become excess during year one. Changes for years two and three should be submitted as considered necessary but not less frequently than during the March updates.

C. Allocation DoD and DoS have established an EDA Coordinating Committee to review projected excess and allocate assets to potential recipients. In no instance should MILDEPs commit EDA to SA recipients if the EDA Coordinating Committee has not reviewed and approved the proposed allocation. The Committee will normally consider the following in its review:

1. Matches of country requirements with items available.
2. Ability of the country to effectively utilize the items.
3. Item location and transportation requirements.
4. Regional balancing as dictated in legislation or to achieve maximum benefit for the United States.

D. Congressional Data Congressional notifications cannot be submitted until items have been screened and declared excess. MILDEPs will provide DSAA/OPS, within 10 days of a request for an LOA for EDA, the following data for items that are to be transferred: Item description, quantity, current value of the items, and acquisition value of the items. For blanket order LOAs, the description of items to be supported and the value of the LOA should be reported.

E. Offer Termination The situation may arise where an item is determined to be excess and is offered to a country but conditions change to the extent that it is forecast that US forces may require the article. Except where a clear present need exists that will substantially support US interests, reversal of the excess determination should occur only at a time when our commitment will not be abrogated, such as after one country has indicated no interest. The offerer should request to

OSD that the item not undergo subsequent offers pending a determination of EDA/non-EDA status.

80304 LOA PROCEDURES

A. LOA Limited to EDA Separate LOAs should be initiated for the sale of EDA. Source of Supply Code E should appear in Block 18 and the DD Form 1513 should show "EXCESS DEFENSE ARTICLES. Acquisition Value is \$ _____", underlined, as the last words in the item description field. DSAA/OPS will use this information to track these Offers.

B. 517 LOAs When LOAs are written to provide PC&H, transportation, etc. for EDA items being transferred under FAA Sec 517, the LOA should contain the following special note:

"The excess defense articles to which this Offer and Acceptance relates shall be used by the Purchaser primarily in support of antinarcotics activities as required by Section 517(C) of the Foreign Assistance Act of 1961 as amended."

C. List Items on Support LOAs LOAs for PC&H, and transportation for FAA Sec 516, 517, 518, and 519 transfers should list nomenclatures, NSNs, and quantities of end items being transferred. BO LOAs should identify end item application.

SECTION 804 - AMENDMENTS AND MODIFICATIONS

80401 GENERAL.

A. Use of DD Form 1513, 1513-1, or 1513-2. In general, DD Forms 1513-2 are faster and simpler to develop and process than DD Forms 1513-1 which are faster and simpler than DD Forms 1513. Conversely, use of DD Forms 1513-1 or 1513-2 makes long term accounting more difficult, makes program reconciliation more cumbersome, and delays LOA closeout. FMS programs are best served through use of the DD Form which best safeguards U.S. and non-U.S. interests while most efficiently accomplishing the needed program change within the constraints of Paragraphs 80402 and 80403. This must include both short and long term considerations. If there is doubt as to whether to use the DD Form 1513, 1513-1, or 1513-2, the issue should be referred to DSAA Operations for resolution.

B. Major Changes in Scope. Major changes in scope normally require the preparation of a new LOA, DD Form 1513. Examples include addition of SME, including MDE, or a substantial expansion after the program has matured.

C. General Conditions. All DD Forms 1513-1 and 1513-2 will contain the following note:

'Except as expressly amended hereby, all terms and conditions of the subject LOA (including without limitation the General Conditions) continue in full force and effect.'

D. Identification of Percentage Rate for Certain Costs. Percentage rates, such as those used for determining PC&H, general administrative, or other costs should not be shown on LOAs, amendments, or modifications.

E. \$50,000 Break Point for Recording Amendments. The DSAA data base will record amendments reflecting net increases of more than \$50,000 in the fiscal year the DD Form 1513-1 is accepted. DD Forms 1513-1 which reflect net increases of \$50,000 or less will be recorded in the year of the basic FMS case.

F. Pen and Ink Changes. Except for DSAA-issued changes to financing terms, pen and ink changes to DD Forms 1513-2 are not authorized. Pen and ink changes to DD Forms 1513 or 1513-1 may only be accomplished prior to case acceptance. Pen and ink changes are authorized when the changes are minor, administrative, or corrective in nature, such as extension of the offer expiration date or adjustment to the initial deposit or payment date. If the change provides for an increase in scope or revision of the terms of sale or total costs, the IA must obtain the concurrence of DSAA FMS Control Division and the Operations Directorate Regional Division prior to IA authorization. The IA must authorize all pen and ink changes, prior to the expiration date, by message or letter to the purchaser with a copy to SAAC/FRS. The IA must submit appropriate changes to the 1200 System data base in the S3 transaction type format (Chapter 15) whenever a pen and ink change to the expiration date of LOAs is authorized. Extensive changes must be made by issuance of a restated DD Form 1513-1. Copies of LOAs and amendments, including revised TLWs if applicable, that have been modified by authorized pen and ink changes must be distributed by the IA to SAAC and other organizations following customer signature.

*
*
Replace with next under

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faxed to Vicki
11/21/91

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Revised present 80401.F:

F. Pen and Ink Changes. Except for DSAA issued changes to financing terms, and minor arithmetic errors discussed below, pen and ink changes to DD Forms 1513-2 (Modifications) are not authorized. Pen and ink changes to DD Forms 1513 (LOA) or 1513-1 (Amendment) are only authorized prior to acceptance; and only when the changes are minor, administrative, or corrective in nature, such as extension of the offer expiration date or adjustment to the initial deposit or payment date. Extensive changes and those affecting the scope or terms of sale are made by issuance of a DD 1513-1. As an exception, if the change provides for correction of a minor arithmetic error (e.g., addition, multiplication, transposition) that will result in either no change or a decrease to total value, DSAA will authorize pen and ink changes to LOAs, Amendments and Modifications not yet implemented by DFAS-DE. Pen and ink changes to correct arithmetic errors that result in an increase to the total value are not authorized. The IA must obtain the concurrence of DSAA FMS Control Division (who will coordinate with the DSAA Operations ~~Department, Regional~~ Directorate) prior to authorization.

and other appropriate coordination points

The IA must confirm all authorized pen and ink changes, prior to the expiration date, by message or letter to the purchaser with a copy to DFAS-DE and DSAA. The IA must submit appropriate changes to the 1200 System in the S3 transaction type format (Chapter 15) whenever a pen and ink change to the expiration date of LOAs is authorized. Copies of LOAs, Amendments, and Modifications, including revised TLWs if applicable, that have been altered by authorized pen and ink changes must be distributed by the IA to DFAS-DE and other organizations following purchaser signature of acceptance or acknowledgement of receipt.

Fmscd 11/18/91 11/19 Was changed 11/19

FMD 11/18 ✓
11/18/91

Rich Dennis
Wayne Wells O.B.E

UNCLASSIFIED

JOINT STAFF
INFO SERVICE CENTER

AL [initials]
Paolo
Change 4
Backup

ROUTINE ZYUW RUEKJCS5273 2840138
R 110138Z OCT 91
FM SECDEF WASHINGTON DC//USDP:DSAA//
TO CDRUSASAC ALEXANDRIA VA// NAVY IPO WASHINGTON DC//
HQ USAF WASHINGTON DC//SAF/IA// DFAS DE DENVER CO//SAAC//
DMACSA WASHINGTON DC// DLA CAMERON STATION VA//
INFO AFLC WRIGHT PATTERSON AFB OH//ILC//
DA WASHINGTON DC//DALO-SA//
CDRUSASAC NCAD NEW CUMBERLAND PA//

UNCLAS

FROM: DSAA/COMPT-FMD

SUBJ: PEN AND INK CHANGES TO DD 1513 LETTER OF OFFER AND
ACCEPTANCE (LOA), DD 1513-1 (AMENDMENT) AND DD 1513-2
(NOTICE OF MODIFICATION)

REF: DOD 5105.38M SECURITY ASSISTANCE MANAGEMENT MANUAL (SAMM),
CHAPTER 8, SECTION 804, PARAGRAPH 80401F.

1. THIS MESSAGE REVISES REFERENCED GUIDANCE REGARDING PEN AND INK
CHANGES TO CORRECT MINOR ARITHMETIC DOLLAR VALUE ERRORS RESULTING IN
DECREASES TO THE TOTAL CASE VALUE OF LOAS, CASE AMENDMENTS AND
MODIFICATIONS. FOR EXAMPLE: ADDITION, MULTIPLICATION AND
TRANSPOSITION.

2. IN CONJUNCTION WITH RECENT PROCESS ACTION TEAM ASSESSMENTS OF
SECURITY ASSISTANCE PROCESSES, REVIEW OF AMENDMENT/MODIFICATION
GUIDANCE SHOWED CASE WRITING WORKLOAD COULD BE REDUCED BY PERMITTING
PEN AND INK CHANGES TO CORRECT MINOR ERRORS, RATHER THAN CONTINUING
OUR CURRENT FORMAL NOTIFICATION PROCESS.

3. WHEN SUCH ARITHMETIC ERRORS ARE DISCOVERED PRIOR TO CASE/
AMENDMENT ACCEPTANCE/ PEN AND INK CHANGES ARE AUTHORIZED AND THE
APPLICABLE CASE/AMENDMENT MAY BE IMPLEMENTED BY DFAS-DE IN ACCORDANCE
WITH REFERENCED GUIDANCE.

1513-1 [initials]

4. PEN AND INK CHANGES TO CORRECT SUCH MINOR ARITHMETIC ERRORS ON
MODIFICATIONS, NOT YET IMPLEMENTED BY DFAS-DE, WHICH ARE EQUAL TO OR
LESS THAN THE DD 1513-2 IN QUESTION ARE NOW AUTHORIZED.

5. PEN AND INK CHANGES TO CORRECT SUCH MINOR ARITHMETIC ERRORS ON
ACCEPTED (BUT NOT YET IMPLEMENTED BY DFAS-DE) CASES/AMENDMENTS WHICH
ARE EQUAL TO OR LESS THAN THE DOCUMENT IN QUESTION ARE ALSO NOW
AUTHORIZED.

1513-1 [initials]

6. IN EVERY INSTANCE, THE IMPLEMENTING AGENCY (IA) WILL WRITE A
MESSAGE CONFIRMING AUTHORIZED PEN AND INK CHANGES AND NOTIFYING
COUNTRY OF THE CHANGE. THESE PEN AND INK CHANGES MUST BE COORDINATED
WITH DSAA/COMPT-FMS CONTROL AND REPORTS DIVISION (COMM (703) 697-
6326, DSN 227-6326) PRIOR TO IA MESSAGE CONFIRMING AUTHORIZED PEN AND
INK CHANGE. THIS WILL INSURE ALL DOCUMENTATION, INCLUDING MAP/FMS
CREDIT COMMITMENTS, IS ACCURATE.

Changes already done!

7. PEN AND INK CHANGES TO CORRECT MINOR ARITHMETIC ERRORS WHICH
RESULT IN AN INCREASE TO THE TOTAL CASE VALUE ARE NOT, REPEAT NOT,
AUTHORIZED. CASE AMENDMENTS/MODIFICATIONS MUST BE PROCESSED BY THE
IA TO REFLECT THESE CORRECTIONS.

8. THE ABOVE GUIDANCE WILL BE INCORPORATED INTO THE NEXT ROUTINE
REVISION OF THE SAMM. HOWEVER, ADDRESSEES ARE ENCOURAGED TO MAKE
EVERY EFFORT TO INSURE THAT SUCH ERRORS ARE KEPT TO AN ABSOLUTE
MINIMUM.

9. THE POINT OF CONTACT IN DSAA/COMPT-FINANCIAL MANAGEMENT DIVISION
IS ACTION OFFICER RESPONSIBLE FOR THE FMS CASE. THE PHONE
NUMBERS ARE DSN 224-3330/7097 OR COML (703) 614-3317/3332. BT

JOINT STAFF
ACTION USDP:DSAA (1) (D,6,7,8,F)
INFO QUAL CONTROL (1) SECDEF-N (1) USDP:FILE (1) USDP:IA (1)

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MCN=91284/0037E TOR=91284/0136Z TAD=91284/0200Z

CDSN=MAU741

PAGE 1 OF 1
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6. Changes to FMSO cases which do not change fund levels or the range of items to be ordered. *

80403 DD FORM 1513-2 - NOTICE OF MODIFICATION OF LOA.

A. General.

1. DD Forms 1513-2 (see Table 804-2) are used for U.S. unilateral changes. They record modifications to existing LOAs which do not constitute an increase in scope when acceptance of the change by the purchaser is not required.

2. Acknowledgement of receipt of the DD Form 1513-2, while not required for implementation, serves to confirm that the Notice of Modification has been received by an authorized official of the FMS country.

3. Costs charged under an LOA should not exceed the funds available on that LOA, and FMS countries do not normally want funds to sit in their FMS accounts unnecessarily. Balancing these factors is a key program management responsibility (Section 704) which requires analyses and careful monitorship to ensure LOA funding is adequate to avoid program disruption.

a. If monitorship shows that early costs incurred on the implemented LOA are deviating from those estimated to the degree that later deviations are unlikely to bring overall costs into balance, or OA above case value will be required at some point in the program, a modification should normally be processed.

b. The U.S. is committed to apply best efforts to provide the purchaser a modification when one of the following conditions exist:

- (1) Estimated total costs increase by ten percent,
(change which include an initial deposit must be via DD Form 1513-1)
- (2) The payment schedule changes, or ←
- (3) Significant delivery delays occur.

A modification should also be provided for cost adjustments, even when relatively minor, when all items are on order and prices are reasonably firm.

c. For cost increases, Block 11 should include, as applicable, reasons for the increase, contract status, FMS purchaser options to avoid the increase and financial impact of selecting the options, time limits for notifying the USG of a desire to cancel or reduce quantities, and terms of financing.

d. Price increase modifications will be provided by the IA before the actual accrued costs exceed those estimated on the LOA.

4. Price increases or decreases discovered during case closure will be assessed during final billing if a closure certificate can be provided to SAAC within six months of the supply completion date. When case closure certification will take longer than six months from the supply completion date, a DD Form 1513-2 adjusting the case value is required.

B. Modifications Requiring DSAA Countersignature. The following modifications require DSAA coordination and countersignature:

1. Modifications to LOAs which have been the subject of Congressional [Section 36(b), AECA] notifications (see Section 70303.A.4).

Change 4
Background

19 Apr 91

MEMORANDUM FOR MR. WAYNE WELLS, OPS-E

SUBJECT: Problem With Use of DD Forms 1513-2 For Price
Increases

THROUGH: Mr. Desoto

Mr. Sam Fletcher, SAAC/FXP, called about a problem they are having with DD Forms 1513-2 issued on LOAs that have "Cash with Acceptance" as the terms of sale. Mr. Fletcher said they have at least 650 LOAs that are "undercollected" due to Modifications processed for price increases.

When a DD Form 1513-2 is issued by the IA, it does not have to be accepted by the purchaser. According to Section 80403A.3.b. of DOD 5105.38-M, SAMM, the U.S. is committed (best effort) to provide the purchaser a copy of the Modification on a price increase of ten percent or more. The problem that results from the purchaser not receiving the Modification on an LOA with "Cash with Acceptance" as the terms of sale, is the SAAC does not receive funding from the purchaser "up front" (initial deposit) to cover the price increase. The SAAC ends up billing for the price increases.

We suggest one of the following changes be made to the the SAMM to eliminate the problem SAAC is experiencing on price increases for "Cash with Acceptance" LOAs.

A. Add to Section 80402C.: "7. Increase of ten percent or more in estimated total costs for an LOA with "Cash with Acceptance" as terms of sale." Or,

B. Change Section 80403A.3.b.(1) to read:
"(1) Estimated total costs increase by ten percent (Note: The modification on LOAs with "Cash with Acceptance" as the terms of sale must be provided to the purchaser for acknowledgement and remittance of required funds (initial deposit) to the SAAC),"

Please review the above suggested changes to the SAMM. We would like to discuss SAAC's problem, our suggested changes, and other solutions you may have.

Thanks.


Jerry Friesz
FMD X41173

4/24/91 - Agreed with change to PA 804-3, para 80403.A.3.b.(2) attached.

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H. **Fiscal Provisions Relating to Foreign Military Sales Credits.** According to Section 37 of the AECA, cash payments received and advances received from direct credits shall be available solely for payments to suppliers and refunds to purchasers and shall not be available for financing credits and guaranties. Amounts received from foreign governments and international organizations as repayments for credits extended pursuant to Section 23 (direct credits), and other collections, such as fees and interest shall be transferred to miscellaneous receipts of the U.S. Treasury. However, if Guaranty Reserve (Section 24) funds have been used for a borrower's overdue payment to the Federal Financing Bank, subsequent amounts received from the borrower shall be merged with the Reserve and shall be available for any purposes for which funds are normally available.

I. **Coproduction/Licensed Production.** Section 42(b) of the AECA prescribes that direct credits and guaranteed loans may not be used to finance coproduction or licensed production of any defense article of U.S. origin outside the United States unless the Secretary of State notifies the Congress in advance of the proposed transaction on employment and production within the United States. Section 42(c) of the AECA provides that funds made available under the AECA may be used for procurement outside the United States only if the President determines that such procurement will not result in adverse effects upon the economy or the industrial mobilization base of the United States.

90005 CLASSIFIED MATERIELS. If in the case of direct commercial contracts, the purchaser proposed to take delivery and custody of classified materiel in the United States and use its own facilities and transportation for forward shipment to its territory, the foreign purchaser must comply with the provisions of this manual, Chapter 8, Section 802, Paragraph 80206.B.9.

90006 THIRD PARTY TRANSFERS. We wish to avoid any connotation that items purchased with U.S. financing were resold merely to generate funds. For the first three years following delivery of an item purchased with U.S. SA funds, DSAA will normally concur with transfer (see Section 60005.K) only where the proceeds of the sale are deposited in the country's trust fund account. Such deposited funds may not be refunded to the purchaser either to meet its internal financial responsibilities or to meet its direct contractual liabilities. Such sales proceeds deposits are also required where the purchaser resells to the USG or to a firm to fulfill its contract with the USG. SAO's should be prepared, in conjunction with MILDEPs, DSAA, FMD, and SAAC, to provide guidance on the return of reimbursements to the country's FMS trust fund account for reutilization.

separately to the Purchaser, bills-of-lading or air way bills must be submitted with the invoice for which payment is requested. A copy of the invoice for the cost of any insurance coverage on the shipment must also be submitted along with the shipping documents.

b. If the purchaser is paying the export transportation cost with other than U.S. Government funds (i.e., the Contractor is not paying for the export transportation cost), the Contractor will submit a certification with the invoice as follows:

The (Contractor) acknowledges that U.S. Government funds are being used by the Government of _____ to finance this purchase and certifies that no shipping cost has been incurred by this firm for exporting this materiel from the United States and no shipping cost is included in the sales price or otherwise included in the invoiced amount for which payment is requested.

c. All Contractor's invoices must be submitted with the following certification:

The (Contractor) acknowledges that U.S. Government funds are being used by the Government of _____ to finance this purchase and certifies that the invoice(s) submitted with respect thereto are free from any material false statement or misrepresentation and do not omit any material facts.

14. Agrees that any penalty payment, refund, or other reimbursement due to the purchaser pursuant to this Purchase Agreement will be paid to the U.S. Government for credit to the FMS trust fund account of the purchaser. Agrees to ensure that the DSAA receives a copy of the bonding or guarantee documents, such as Performance Bonds or Letters of Guarantee applicable to this Purchase Agreement.

15. Certifies that neither the Contractor nor any of its employees are suspended or debarred from conducting business with any agency of the U.S. Government, and that export privileges are not suspended or revoked. Also agrees that no such suspended or debarred firms will not be used as a source of supplies or as a subcontractor for this Purchase Agreement.

16. In addition to the agreement in paragraph 1 above, for purposes of facilitating official U.S. Government inquiries to determine whether criminal offenses may have been committed regarding the use, disbursement or other disposition of funds made available under the U.S. Arms Export Control Act, involved in this Purchase Agreement, agrees:

a. to identify and to consent to the disclosure of the following accounts to (and at the request of) the U.S. Department of Defense or the U.S. Department of Justice or U.S. Federal grand juries:

(1) accounts wherever located in the name of such Contractor, and

(2) accounts located outside the United States in the name of the ^{Principal} ~~principal~~ executive officers of such Contractor (and any nominees) who have been personally and substantially involved in this Purchase Agreement.

b. for these purposes to include in the written terms and conditions of each subcontract (as defined in paragraph 1 above) applicable to this Purchase Agreement a statement that acceptance and implementation of the subcontract constitutes agreement by the subcontractor to identify and to consent to the disclosure of the following accounts to (and at the request of) the U.S. Department of Defense or the U.S. Department of Justice or U.S. Federal grand juries:

~~_____~~
~~_____~~
~~_____~~
(1) accounts wherever located in the name of such subcontractor or supplier; and

(2) accounts located outside the United States in the name of the ^{Principal}~~principle~~ executive officers of such subcontractor or supplier (and any nominees) who have been personally and substantially involved in this subcontract under the Purchase Agreement.

The term "consent to the disclosure" for the purposes of subparagraphs (a) and (b) of this paragraph includes an agreement to provide consent documents authorizing the disclosure of such information upon request.

17. By signature below, the named individual hereby separately certify: (1) that he or she has actual authority to sign on behalf of the Contractor and to bind the Contractor with regard to all agreements and certifications contained hereon; (2) that this certification and agreement is being signed and submitted for the purpose of receiving payment under terms of the above listed Purchase Agreement to be financed by U.S. Government funds; and (3) that the information provided in this Certification and Agreement is complete and correct to the best of each signatory's knowledge and belief after each has taken appropriate steps to verify the accuracy thereof. The person(s) signing the Purchase Agreement may not also sign this Certification and Agreement. In the event that the Contractor is a partnership, two general partners are required to sign this Certification and Agreement.

VICE PRESIDENT (OR MORE SENIOR OFFICAL)
HAVING SUPERVISORY RESPONSIBILITIES OVER
THE MAKING OF THIS PURCHASE AGREEMENT

TREASURER, COMPTROLLER,
OR OTHER SENIOR FISCAL OFFICIAL.

(Signature)

(Signature)

(Typed Name)

(Typed Name)

(Title) (Date)

(Title) (Date)

TABLE 902-7 (Continued)

For use with SAMM pages ~~10015 through~~ 1307-1 directly under.

PROPOSED CHANGES
FOR
SECURITY ASSISTANCE MANAGEMENT MANUAL (DOD 5105.38-M)

1. Chapter 10 - Add the following as paragraph 100106:
"100106 IMET TRAINING TUITION RATES. FMS training tuition rates will be priced in accordance with DOD 7290.3-M, Sections 710, 711, 712; Tables 701-1, 710-1; and Section 130702 of this manual. Other costs associated with training, such as students' meals, custodial fees for quarters, medical care, and transportation, are not included in tuition rates."

2. Chapter 10 - Renumber paragraphs 100106, 100107, 100108, and 100109.

3. Chapter 13, paragraph 130702 - Add the following:
"130702 TRAINING. Pricing policy for training courses is included in DOD 7290.3-M, Sections 710, 711, 712; and Tables 701-1 and 710-1. ~~The following~~ ^{This section} provides further guidance for pricing of training courses."

~~Tuition Rate Costs.~~ ^{Costs} Costs included in the tuition rates for FMS, NATO, and IMET training courses are:

A. Civilian Unfunded Retirement. The cost, as shown in Table 710-1, must be computed according to the example in Table 701-1. The acceleration percentage factor is applied to the combined base pay and leave and holiday pay to determine the cost.

B. Military Fringe Benefits. Chapter 26, Section F.2.A., of DOD 7220.9-M, DOD Accounting Manual, defines military fringe benefits as quarters (family housing), subsistence, medical (hospital), and other personnel support (commissary/BX, etc.). The costs, as shown in Table 710-1, are computed by applying the acceleration factors for officers and enlisted personnel. The costs can either be direct or indirect. ~~costs~~ They ~~costs~~ must be included in the total cost of military personnel allocated to the training course. As ~~an~~ exceptions to rules for applying the ~~costs~~, IMET training courses~~x~~ tuition rates will exclude both the direct and indirect costs and NATO training courses~~x~~ tuition rates will exclude only the indirect costs.

~~NOTE:~~ Military fringe benefits costs, used as part of base operating support (BOS) costs and allocated to training courses, must be used as indirect costs in the tuition rates. The costs must not be duplicated in the

source: DSAA compt note (POL mn Friday, signed mn needs) to
DPS-E, 27 Jun 91; subj: SAMM changes, miscellaneous.

tuition rates by also being included as direct and indirect costs under Pay and Fringe Benefits.

C. Maintenance and Repair. The^{se} costs are part of the normal base operating costs. When training facilities are used for ~~Security Assistance Program training~~ SATP courses, the costs must be used as indirect costs under Non-Personnel Costs in the Tuition Rates."

100204.

100204 FIFTH QUARTER PLANNING. The IMET 5th quarter planning and programming concept is not applicable to FMS training.

100205 TRAINING REQUIREMENTS RELATED TO PURCHASE OF MAJOR EQUIPMENT.

A. **General.** Training is an essential, key element in the successful introduction of a new piece of equipment or weapons system. The time required to conduct adequate training should be given careful consideration when requesting delivery dates of equipment. In developing an "introductory training plan," the needs of each country must be considered separately. While general training requirements can be determined for any item, the exact composition and duration of the training program associated with the introduction of a new system or item of equipment will vary, based on the unique requirements and capabilities of the country.

B. **Planning Programs.** Training programs must be planned realistically, taking into account the availability of personnel, the skills that must be developed, the background and experience of the individuals selected for the training, and the time required to plan, implement, and complete the program. In the final analysis, the success of any training program also depends on student capability and potential for success. The individual and collective performance of the students will set the pace and measure the true progress of a program. It is important to have a good, workable selection and screening process to make sure the right student is fitted into the right training program. Also see Section 1003.

C. **Use of IMET Funds.** Training in support of FMS equipment purchase should normally be programmed as part of the overall FMS agreement. IMET funds should not be used to support major equipment purchases unless specifically approved by DSAA. Requests for exceptions to this policy should be referred to DSAA with appropriate justification on a case-by-case basis during initial negotiations on purchase of the equipment. In no event may a discrete training course, single training team, or a training aid be funded by both IMET and an FMS case.

Section 710, 711, 712, Subsec 7011, 710-1, and Section 130702, of this manual
100206 FMS TRAINING TUITION RATES. FMS training tuition rates will be priced in accordance with ~~DOD 7290 3-M, Chapter 7, paragraphs 71001-71211.~~ Other costs, associated with training, such as students' meals, custodial fees for quarters, medical care, and transportation, are not included in tuition rates. These costs must be paid by the purchaser. *including IMET*

section 130702

100207 TRAINING AT CIVILIAN INSTITUTIONS OR BY CONTRACTOR.

A. **Civilian Institutions.** The AECA, Section 47, defines training for defense purposes at civilian institutions as training that may be sold under FMS. This type of training is more appropriately handled by direct negotiation between the civilian institution and the purchasing country. Training at civilian institutions, therefore, generally will not be permitted under FMS. Requests for exceptions to this policy should be addressed to DSAA.

B. Training by Contractors.

(1) International military personnel receiving training directly negotiated between the purchasing country and a contractor may not use U.S. military facilities to support the training.

(2) Administrative support for direct contractor training normally is not provided through an FMS case. Room and board, medical care, and related support arrangements for students undergoing commercial, contractor training must be arranged between the contractor and the purchaser.

Section 1307 - PRICING OF FMS TRANSACTIONS
--

130701 GENERAL.

A. **Background.** In compliance with the AECA, DOD pricing and financial procedures provide for the charging of all DOD direct and indirect costs, including applicable surcharges. The P&R, P&A, or LOA will provide estimated data as indicated below. *Each DOD component must adhere to the policies prescribed in DOD 7290.3-M.*

~~B. **Policies for Pricing.** Each DOD component must adhere to the policies prescribed in DOD 7290.3-M.~~

~~B. **Single Selling Price.** It is DOD policy to provide a single unit price for articles offered under FMS. It is not normal FMS practice to provide a detailed description of the components of cost included in estimated prices for line items on LOAs. There may be instances where the provisions of such information is necessary to demonstrate that such costs are necessary. Furnishing of cost breakouts beyond single unit prices require DSAA approval.~~

~~C. **Direct/Indirect Costs.** The cost of defense articles or services is chargeable to a FMS case if it can be demonstrated that the provision of such articles or services was made solely for the purpose of implementing and administering the FMS case involved. Within FMS, most costs are generally identified as either direct or indirect. The DD Form 1513 lists unit costs, total costs, and selected additional charges but does not specifically identify direct or indirect costs which may be a part of the line item unit costs or the additional charges.~~

1. **Direct Costs.** A direct cost is any cost that can be identified specifically with a particular final cost objective. Examples are materiel and labor to build or repair a principal item, the costs to train users how to operate and maintain the item, and costs from the Transportation Cost Look-up Table.

2. **Indirect Costs.** An indirect cost is any cost not directly identified with a single, final cost objective. Indirect costs are often accumulated in logical cost groupings, such as administration and transportation and applied as a percentage allocation to direct costs. For example, certain costs such as administration, contract administration, and the transportation cost based on a percentage surcharge would normally be considered indirect costs..

~~D. **Use of Estimated Prices.** To assure that all costs are covered, quotations on defense articles and services will be cited as estimated prices, with final adjustments to be established after delivery of items from production or the rendering of services. The DD Form 1513 will indicate that prices for articles and services from procurement are estimated prices. Those instances in which firm prices may be quoted on an LOA are discussed in Paragraph 70203 of DOD 7290.3-M.~~

See addition attached
130702 (~~Reserved for future use~~) **TRAINING.**

130703 **ARTICLES FROM STOCK.**

① A. **Authority.** Section 21 of the AECA authorizes the sale of defense articles from stock to eligible foreign countries or international organizations. Specific guidance on when the selling price of an article from stock is determined is in Paragraph 70202 of DOD 7290.3-M.

B. **Pricing Principles.** Standard prices will be used when non-excess materiel is to be sold and no inventory replacement is required. For the sale of principal items a test is required to determine if a requirement for inventory replacement is created as a result of the sale. When an

a. Two pieces of checked baggage, not to exceed 70 pounds each are authorized for IMS programmed for training of less than 40 weeks duration.

b. Three pieces of checked baggage, not to exceed 70 pounds each are authorized for IMS programmed for flying training of less than 40 weeks duration.

c. Four pieces of checked baggage, not to exceed 70 pounds each are authorized for IMS programmed for training of 40 weeks duration or longer.

d. In those instances where U.S. and foreign flag carriers differ in free baggage allowance, or baggage is authorized beyond 140 pounds, transportation officers will issue Government Excess Baggage Authorization Ticket (GEBAT) or equivalent to cover the difference up to the free allowable amount of the U.S. flag carrier(s) and also any authorized excess baggage allowance.

B. **Unauthorized Baggage.** Shipment of baggage in excess of the weight allowance contained in 100108.A. above is not authorized. Disposition of unauthorized baggage will be made at the expense of the student or his government. Commanding officers of the training or administrative installation should ensure that unauthorized baggage is shipped at the student's expense prior to his departure from the installation. Students reporting to ports of departure with unauthorized baggage will be requested to forward the unauthorized baggage by commercial means at their expense. If lack of time prohibits this, unauthorized baggage will be taken into custody by the traffic representative, and the student will be given a receipt for the baggage. The student will remain on the scheduled flight or carrier. After departure of the carrier, the traffic representative will deliver the unauthorized baggage to the nearest appropriate foreign consulate.

C. **Guest Instructors at Panama Canal Area Military Schools (PACAMS [SCIATTS ~~USARSA~~] and CONUS-USARSA**

IAAFA (1) Costs incidental to the use of international guest instructors at SCIATTS, IAAFA, and CONUS-USARSA are to be included in the fixed operating budgets of each school and not included in course tuition costs. These costs include travel of guest instructors and their authorized dependents, and shipment of household goods and living allowance in accordance with Table 1001-1.

(2) Shipment of household goods from the Panama Canal area of CONUS to their home country is authorized for Latin American guest instructors who have completed a tour of duty at PACAMS or USARSA. The net weight allowance is 2000 pounds for married guest instructors and 200 pounds for single guest instructors. A net weight allowance of 4,000 pounds is authorized for married Latin American guest instructors when assigned as Deputy Commandant. In addition to net weights listed above, weight allowances are authorized for crating and packing materials on the same basis as for U.S. military personnel and in accordance with the JTR. Shipment of household goods in excess of authorized net weight will be at the expense of the guest instructor or his government. Shipment will be by surface common carrier. Air freight may be used only when surface common carrier is not available.

100109 MEDICAL COSTS. A factor of \$35.00 per student training line (exclusive of orientation) is authorized for programming purposes under generic code NZE (MASL IIN 365003/365004) for medical treatment in USG facilities for IMET students. Funds for costs such as burial expense or other student support costs will be programmed under generic code N7F on a base-by-case basis only after DSAA approval.

TABLE 1001-1
TABLE OF DAILY SUPPLEMENTAL LIVING ALLOWANCES
FOR IMET INTERNATIONAL MILITARY STUDENTS

	<u>Officer</u> [And Civilian Equivalents]	<u>Enlisted(1)</u>	
In Travel Status, Including Unscheduled Delays(2).	Various	Various	
In Training Status:			
Dependents Authorized (3)(4)(12).....	\$40 50	N/A	*
Neither Quarters Nor Mess Available.....	40 50	\$40 50	-
Orientation Tour Participants (5).....	27 34	N/A	-
Mess Available, Quarters Not (6).....	27 34	22 28	-
Quarters Available, Mess Not (6).....	24 30	20 25	-
Both Quarters and Mess Available (6)(7)(11)(13).....	17 21	9 11	-
Both Quarters and Mess Available, Officers Charged for Mess (Aboard Ship).....	12 15	N/A	-
Both Quarters and Mess Available, Free of Charge (Aboard Ship).....	9 11	9 11	-
In Military Hospital (8).....	9 11	9 11	-
On Leave (9).....	Various	Various	-

NOTES:

- (1) Not applicable to enlisted international military students (IMS) attending training at the Small Craft Instruction and Technical Training School (SCIATTS), or the Inter-American Air Forces Academy (IAAFA). The daily living allowance rate authorized for these enlisted IMS is \$3.50 per day.
- (2) When IMET pays travel and living allowance, travel allowance rate is authorized to include the day of departure from home country to the day of arrival at, and day of departure from, each training installation, and the day of arrival at home country. Rates on travel status, including unscheduled delays, are based on rates equal to those in the JTR for U.S. personnel.
- (3) An additional \$5 per day is authorized for accompanied IMS attending senior level professional military education courses as follows: Army Command and General Staff College, Army War College, and National Defense University; Air Force Command and Staff College and Air War College; Naval Staff College and Naval Command College; USMC Command and Staff College, Armed Forces Staff College; and USARSA Command and Staff College.
- (4) This rate is authorized only for accompanied IMS attending the following courses designated by the MILDEPs: Army Command and General Staff College, Army War College, and National Defense University; Air Force Squadron Officer School, Air Force Command and Staff College, Air War College, and Air Force Institute of Technology; Naval Staff College, Naval Command College, and Naval Postgraduate School; USMC Command and Staff College, USMC Amphibious Warfare School, Armed Forces Staff College; and USARSA Command and Staff College. This rate is also authorized for prerequisite courses, follow-on courses, and authorized leave periods. This rate is applicable regardless of availability of quarters and is payable whether IMS lives on or off post.

- (5) Meal Allowance Only. Cost of quarters to be paid from programmed funds by Class A agent/cashier escort officer.
- (6) In overseas areas, including Hawaii where U.S. Government quarters and mess are not available, the rates authorized are equal to those authorized for U.S. personnel in the JTR. "Quarters Available" means that U.S. Government quarters were either furnished or made available. "Mess Available" means three meals per day were available in a U.S. Government mess, whether or not actually consumed. U.S. Government mess excludes open mess and is not considered available to officer IMS except during maneuvers, field exercises, training in the field or when an officer's field ration mess is specifically available (e.g., officers field ration mess is available at Lackland AFB and Maxwell AFB, both with a heavy student load). All IMS not authorized a U.S. Government living allowance will pay for their meals. Meals taken in other food service facilities will be paid for by the IMS at the menu rates.
- (7) Enlisted students from countries that participate in partial cost-sharing of living allowances who are not entitled to meal cards may receive living allowance in an amount greater than \$9. A higher rate is authorized as long as the programmed rate is less than the \$9 plus the daily cost of mess hall meals. When the programmed rate reaches or exceeds the \$9 plus the cost of meals, students will be issued meal cards and will be paid \$9 per day.
- (8) In those cases where an officer IMS is authorized an increased living allowance for accompanying dependents and is subsequently hospitalized, an increased living allowance (\$40) shall apply during period of hospitalization rather than the reduced rate specified herein.
- (9) Living allowance for leave periods following termination of training is not authorized. Leave with living allowances may be granted during periods of class breaks, authorized holidays, between consecutive courses and delays at a port while awaiting transportation at the rate that is appropriate to the training status.
- (10) Guest instructors assigned to the U.S. Army School of the Americas will be paid a living allowance based upon the installations's BAQ/VHA rates by grade and a standard subsistence allowance regardless of rank. **
- (11) The rate of IMET living allowance for guest instructors at SCIATTS and IAFA will be the minimum necessary consonant with the person's grade and position as determined by the appropriate MILDEP. **
- (12) Foreign enlisted students are not authorized accompanied dependents except for students attending the U.S. Army Sergeant's Major Academy (SMA). The authorized living allowance for accompanied IMS at the SMA is \$~~36~~⁴⁵ per day. ←
- (13) In addition to the \$9 the enlisted IMS will receive directly, the MILDEPs will program additional funds to include reimbursement for meals and billeting fees. The programming figure will vary depending on type of government quarters available.

change 4
Background

TOMD

Make ~~sure~~ sure O/S-E
has for the SAMM Change

B7/31

ROUTINE
R 310546Z JUL 91
FM SECDEF WASHINGTON DC//USDP:D
TO USCINCSO QUARRY HEIGHTS PM
USCINCPAC HONOLULU HI//J45
USCINCCENT MACDILL AFB FL//
USCINCLANT NORFOLK VA//J5//
USCINCEUR VAHINGEN GE//EC.
DA WASHINGTON DC//DALO-ZC//
OSAF WASHINGTON DC//IAPP//
NETSFA PENSACOLA FL//N1//
MCSATFA QUANTICO VA//TE30F,
COMDT COGARD WASHINGTON DC,
SECSTATE WASHINGTON DC//PM-
DISAM WRIGHT PATTERSON AFB

UNCLAS

FROM DSAA/PLANS-TOMD, 1-002668/91

SUBJ: IMET LIVING ALLOWANCE POLICY REVIEW

REF: USCINCPAC MSG 251810Z APR 91 (NOTAL)

1. REFERENCE REQUESTED SUPPLEMENTARY IMET LIVING ALLOWANCE REVIEW TO CONSIDER INCREASES TO OFFSET STEADY EROSION IN THE LIVING ALLOWANCE ESTABLISHED IN 1986.

2. DSAA ADDRESSED THE ISSUE AT THE SECURITY ASSISTANCE TRAINING PROGRAM MANAGEMENT REVIEW HELD AT QUANTICO ON 22-23 MAY 91 AND IT WAS DECIDED TO DEVELOP A PROPOSAL. DSAA COMPTROLLER PROVIDED THE FORMULA TO INCREASE THE ALLOWANCES IN ACCORDANCE WITH INFLATION SINCE 1986. THE FOLLOWING TABLE (SAMM TABLE 1001-1) SHOWS THE PROPOSED INCREASED LIVING ALLOWANCES WITH THE CURRENT AMOUNTS IN PARENTHESES:

STATUS	OFFICER	ENLISTED
DEPENDENTS AUTHORIZED	\$50 (\$40)	N/A
NEITHER QUARTERS NOR MESS	\$50 (\$40)	\$50 (40)
ORIENTATION TOUR PARTICIPANTS	\$34 (\$27)	N/A
MESS AVAILABLE, QUARTERS NOT	\$34 (\$27)	\$28 (\$22)
QUARTERS AVAILABLE, MESS NOT	\$30 (\$24)	\$25 (\$20)
BOTH QUARTERS AND MESS AVAILABLE, OFFICERS CHARGED FOR MESS	\$15 (\$12)	N/A
BOTH QUARTERS AND MESS AVAILABLE, FREE OF CHARGE	\$11 (\$9)	\$11 (\$9)
IN MILITARY HOSPITAL	\$11 (\$9)	\$11 (\$9)
ON LEAVE	VARIOUS	VARIOUS

3. THE RESPONSE TO THIS PROPOSAL WAS FAVORABLE AND IN SOME CASES ADVOCATED EVEN HIGHER INCREASES. HOWEVER, SINCE TLA INCREASES IMPACT THE TOTAL TRAINING PROGRAM, THEY SHOULD BE KEPT IN LINE WITH INFLATION, SINCE IT IS DESIGNED TO COVER ONLY AN AVERAGE COST DIFFERENTIAL OF THE STUDENT LIVING AWAY FROM HIS/HER HOME STATION. DSAA RECOGNIZES THE IMPORTANCE OF THE IMS HAVING ENOUGH RESOURCES TO PARTICIPATE IN OFFICIAL AND SOCIAL ACTIVITIES ON AND OFF BASE TO REINFORCE THE INFORMATIONAL PROGRAM AND INCREASE HIS/HER EXPOSURE TO THE AMERICAN WAY OF LIFE.

4. BASED UPON THE NEED TO PROVIDE A REALISTIC LIVING ALLOWANCE TO THE IMS AND THE SUPPORT EXPRESSED FOR INCREASING THE CURRENT ALLOWANCES, DSAA APPROVES THE ABOVE TABLE FOR IMPLEMENTATION ON 1 OCT 91 FOR ALL IMS IN TRAINING. THIS CHANGE IS APPLICABLE TO IMS FUNDED IN FY91 WHO CONTINUE IN CONUS TRAINING AFTER THE END OF THE FISCAL YEAR AS WELL AS FY92 IMS.

5. DSAA POC FOR THIS MESSAGE IS MR. THOMAS S. CUSHING. DSAA/PLANS-TOMD, DSN 227-2294/2543 OR COMMERCIAL 703 697-2294/2543. BT

5
Above + add'l added to SAMM per Cushing - will be 10/1/91.

JOINT STAFF

ACTION USDP:DSAA (1)

(D,6,7,F)

INFO QUAL CONTROL (1) SECDEF-N(1) USDP:FILE (1) USDP:IA (1)

89

100212.B.

B. **Privileges.** International military students involved in security assistance training, on competent orders (ITOs) authorized by the MILDEPs, and bona fide dependents, will be extended commissary, exchange, and similar privileges ordinarily available to military personnel of the U.S. armed forces of similar rank. Equivalent rank assigned in the ITO must be based on U.S. armed forces grade structure, not the rank title of the foreign country.

C. **Medical Care.**

(1) NATO personnel involved in SA training, on competent orders (ITOs) authorized by the MILDEPs, and bona fide dependents are eligible for outpatient care in DOD medical (to include dental) facilities, on the same basis as U.S. military personnel and their dependents. In-patient medical care and emergency dependent dental care must be reimbursed at rates established by DOD.

(2) Non-NATO personnel and their dependents and all associated civilian students and their dependents will be provided medical care on a space-available, reimbursable basis at rates established by DOD.

(3) Personnel from countries that have negotiated reciprocal medical arrangements authorized by U.S. law, will be provided medical care in accordance with those arrangements.

(4) *The SATP will not be utilized for the sole purpose of obtaining medical care for FMS or their dependents.*
100213 FINANCING OF STUDENT TLA UNDER AN LOA. Policy is shown in Paragraph 60003.M. Exceptions should not be encouraged. When an exception is to be requested, the following guidance applies: **

A. The recipient country must provide a written request to the SAO. Ideally, the request should be included in the LOR. In addition to normal distribution, a copy of the request should be provided to DSAA Plans.

B. As a minimum, requests for exception will include:

1. Ways in which the training program supports USG goals and objectives in the recipient country.
2. Factors which preclude host country payment of TLA directly to its students.
3. If the recipient country requests use of FMS financing, why its national funds cannot be used to defray TLA.
4. Military equipment and training already purchased using national funds.
5. Positive and negative impacts on recipient military capabilities and USG goals if an exception is not approved.

C. LOA period of performance extensions beyond six months and follow-on LOAs will require new justifications and determinations.

D. Regardless of the source of financing, if a TLA (including baggage weight) exception is approved by DSAA, IMET criteria (Paragraphs 100106-100109) will apply.

110104.B.4.a.(1).

- (1) Redistributable MAP property, and
- (2) Items being returned for U.S. MILDEP's stock or disposal.

b. Redistributable Property Sold Under FMS. Packing, crating and handling costs will be borne by the purchasing country for redistributable MAP property sold under FMS.

5. Rehabilitation Costs. Rehabilitation costs will be borne:

a. Redistributable MAP Property. By the receiving country current year MAP program for redistributable property.

b. Property Being Returned to U.S. Stocks. By the MILDEP for property being returned to its stock.

c. Redistributable Property Sold Under FMS. By the country purchasing the redistributable MAP property under FMS.

6. Application of Accessorial Charges. Accessorial charges will be applied in accordance with DOD Instruction 7510.4.

~~110105 CANNIBALIZATION AND RETENTION OF MAP PROPERTY.~~ In accordance with paragraph 110102 of this section, requests for authority to cannibalize MAP property will be addressed to the Department of State with info copy to DSAA. The Department of State will prepare and transmit the response to the U.S. mission in the country concerned. Requests for authority to retain MAP property to be used for purposes other than those for which originally furnished will be handled in the same manner as requests for authority to cannibalize MAP property.

See next under for replacement

110106 DISPOSAL OF MAP PROPERTY.

A. Legislative Requirements.

1. As regards to the method of disposal in paragraph 110106.B.2., below, the 1973 legislation amended the FAA of 1961 with Section 505(f), which provides: "Effective July 1, 1974, no defense article shall be furnished to any country on a grant basis unless such country shall have agreed that the net proceeds of sale received by such country in disposing of any weapon, weapons system, munition, aircraft, military boat, military vessel, or other implement of war received under this chapter will be paid to the USG and shall be available to pay all official costs of the USG payable in the currency of that country, including all costs relating to the financing of international, educational, and cultural exchange activities in which the country participates under the programs authorized by the Mutual Education Cultural Exchange Act of 1961. In the case of items which were delivered prior to 1975, the President may waive the requirement that such net proceeds be paid to the USG if he determines that to do so is in the national interest of the U.S."

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2. The FAA, Section 505(f) does not legally affect paragraph 110106.B.1., method of disposal, or alter the requirements of the FAA, Section 605(d) with regard to deposit of sale proceeds exclusively in the parent MAP account.

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6 May 1991

To: DISAM

Subject: SAMP Change 4

Replace section 110105, Cannibalization and Retention of MAP Property with the following:

110105 DISPOSAL APPROVAL Requests for consent under section 110102 should be addressed through diplomatic channels to DoS, Bureau of Politico-Military Affairs, Office of Defense Relations and Security Affairs (PM/DRSA), with an information copy to the Director, DSAA. Requests should provide the following information for SME or other significant individual items, or for "lots" of non-SME, low technology, and unclassified minor items:

A. The foreign designation or description of the item, including the name, class, identification number, or other pertinent descriptive information if a vessel.

B. Former U.S. designation of equipment, including the name, class, identification number, or other pertinent descriptive information if a vessel.

C. Date of acquisition by the U.S. and original acquisition cost. Date of acquisition of equipment by the host nation and estimated value of equipment at that time. This information should be based on records if possible. If records are unavailable, best estimates should be provided and described as such.

D. Current estimated value.

E. Why termination or waiver is being requested and item condition (e.g., vessel sank in typhoon, recovery impractical; aircraft totally destroyed in crash; item unserviceable due to normal wear and tear, no longer repairable; supply and maintenance no longer available in country, item presently serviceable; incompatible with current country doctrine, item unserviceable but repairable).

F. Proposed means of disposal (e.g., sale as scrap; sale or donation, following demilitarization if applicable, to third party; sale to third country). For sales to a third country without prior demilitarization, also see section 60004.

G. Whether retention of funds by the host nation is requested and whether the request is supported by the SAO.

110106.A.3.

3. The FAA, Section 505(f) extends to disposals by the recipient countries of MAP origin defense articles if such countries were the recipient of grant aid materiel after 1 July 1974 whenever the articles were originally granted to any such country, even if granted prior to date of agreement required under Section 505(f). "Net proceeds" means the balance of the gross proceeds of sale to be paid to the USG after reasonable administrative costs of the sale of MAP origin equipment are deducted by the foreign government.

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

~~Revised~~
~~2/1/89~~
5. For countries other than those in ⁴ above no agreement pursuant to the FAA, Section 505(f) is legally required so long as no grant defense articles were programmed for them after 30 June 1974. Nevertheless, defense policy with regards to such other countries is to require (unless an agreement with a particular country in force on 30 June 1974 provides to the contrary) a recipient country commitment to return to USG (for deposit in Treasury miscellaneous receipts, along with funds received by USG under the FAA, Section 505(f)) the net proceeds of sale whenever such country requests release of disposable MAP property to it.

B. Methods of Disposal. Assuming an item has survived screening for further utilization and has been determined to be disposable MAP property, it may be disposed of in one of two following methods:

1. Disposal Through Defense Reutilization and Marketing Office. This method is in accordance with the provisions of the Defense Disposal Manual (DOD 4160.21M) through the DRMOs, in which case net funds generated thereby are deposited in the parent MAP account. The FAA, Section 605(d) provides: "Funds realized by the USG from the sale, transfer, or disposal of defense articles returned to the USG by a recipient country or international organization as no longer needed for the purpose for which furnished shall be credited to the respective appropriation, fund or account used to procure such defense articles or to the appropriation, fund, or account currently available for the same general purposes."

2. Country-to-Country Special Arrangements. This method is in accordance with the provisions of special country-to-country disposal arrangements under which the MAP recipient country disposes of disposable MAP property.

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

C. Demilitarization of Disposal MAP Property. Where munitions list materiel is involved, regardless of its economical recoverability, if the SAO is unable to ensure by physical inspection that appropriate demilitarization has been accomplished in accordance with DOD Manual 4160.21, the materiel will be recovered by the U.S. and disposed of through the DRMS.

CHAPTER 12

LEASES AND LOANS OF DEFENSE ARTICLES

SECTION 1200 - LEASES

120001 AUTHORITY AND PURPOSE

A. Use of Leases. Normally, the USG makes defense articles available to foreign governments by FMS under the AECA. However, there may be exceptional instances in which a lease agreement would be the most appropriate method whereby U.S. defense articles can be made available to eligible foreign countries or international organizations. Such arrangements are authorized under the AECA, Chapter 6 when it is determined that there are compelling foreign policy and national security reasons for providing such articles on a lease rather than a sales basis, and the articles are not for the time needed for public use. For example, a foreign government may desire to obtain a defense article for a short period under a lease for testing purposes to assist it in determining whether to procure the article in quantity. As another example, the USG may only be able to respond to an urgent foreign requirement for defense property by making it available from inventory, but for national defense reasons cannot sell the property and must require its return to inventory after a specified term. Leases of defense articles to foreign countries or international organizations will be concluded under the AECA, Chapter 6; leases (or loans) to foreign countries or international organizations under Title 10, USC 2667 are not authorized.

B. DOD Approval. The approval of the Director, DSAA, must be obtained before entering into a lease of a defense article with a foreign country or international organization by any DOD component. DOD components will advise the DSAA and obtain DSAA concurrence before indicating to a foreign country or international organization that a lease is being favorably considered or is an available option. The cognizant DOD Component will provide a Determination, in the format at Table 1200-1, under the cover memorandum at Table 1200-2 for DSAA signature when the draft lease is provided to the DSAA for coordination and countersignature. Especially important in this submission are the reason(s) why the defense article(s) are being leased rather than sold. Detailed rationale must be provided for any proposed lease.

C. Administration. *maintaining a record of all items, including associated tools, GSE, or other material to be recovered at the end of the lease period;*

1. DOD Component Responsibility. The administration of leases is delegated to the DOD Component logistically responsible for the defense article(s) being leased. This responsibility includes: preparing the lease; providing data for Congressional notifications as required by paragraph D of this section; maintaining the lease through its effective period; ensuring monitorship of the defense articles during the period of the lease; advising the DSAA of non-compliance by the lessee; ensuring that the lease is properly terminated, extended, or revised; ensuring that the appropriate rental payment schedule is maintained; ensuring that all related costs are recovered under FMS procedures; and ensuring that the leased material is returned by the lessee and restored to its original condition, in accordance with the terms of the lease. Within the DOD component, a specific individual or activity will be assigned the responsibility for administering the lease during the lease period, for reporting to the DSAA, and for ensuring return/disposition of the defense article(s) upon expiration or termination of the lease.

2. SAO Responsibilities. The U.S. SAO in the host country will be provided a copy of each lease entered into with the host government, and will assist DOD components in the direct monitorship of the use of USG owned equipment in the host country. To the best of its ability and within the access authorized by the host country, the SAO will observe and report on

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120002.

the use of the U.S. owned equipment to insure that it is consistent with the terms and conditions of the lease. Any indications of unauthorized use or non-compliance will be reported to the DOD component originating the lease and DSAA/OPS-E. Annually, not later than 31 December of each year, each SAO will provide confirmation to the responsible DOD Components with an information copy to DSAA/OPS-E that all leased equipment in the host country is being used in compliance with the provisions of the lease.

120002 LEASE TERMS AND CONDITIONS

A. **Lease Format.** The basic lease format at Table 1200-3 will be used for leases of defense articles to foreign countries or international organizations by DOD Components. This format may not be amended unless the operational requirements or special circumstances of a specific lease require a one-time variation. Further, additional provisions may be added to a specific lease when determined to be appropriate and with concurrence of the legal office of the DOD component concerned and with DSAA approval. Specific variations and the rationale for them will be provided to the DSAA in the forwarding memorandum at Table 1200-2. The lease will not be provided on a DD Form 1513, but the DD Form 1513 will be used for packing, crating, handling, transportation, and the sale of associated articles and services, including refurbishment of the defense article(s) required prior to, during, or after the lease period. The DD Form 1513 will also be used to recover applicable costs if the article is lost or destroyed during the lease period. The lease will be signed by the appropriate DOD component and provided to DSAA/OPS-E for staffing and countersignature by DSAA prior to signature by the foreign country representative.

B. **Lease Identification.** The cognizant DOD component will assign a lease designator to each lease, which is to be separate and distinct from the identifier used for FMS cases. The lease designator should be so constructed that it clearly differentiates the lease from FMS cases. The lease designator will be developed as follows: Country Code--DOD component Identification--Tri-alpha Identifier. Where no DOD component Identifier has been established, an X will be used for the DOD component Identification. This lease designator will be clearly shown on the top of each page of the lease, on the top of each page of Schedules and Appendices, and on any accompanying documents. The associated FMS case must reference the lease designator.

permanent } *unique to a country and implementing agency*

C. **Duration.**

1. **Not to Exceed Five Years.** Leases shall be for a fixed duration of time not to exceed five years and shall provide that, at any time during the leasing period, the USG may terminate the lease and require the immediate return of the defense article(s). Leases of less than five years may provide for renewals but the total lease period may not exceed five years. The lease period will normally begin when the foreign country signs the lease, and provides payment for any required initial deposit, unless the lease period is otherwise specified within the lease terms and conditions.

2. **Extensions.** Extensions of leases beyond five years by mutual agreement are authorized; however, each extension will require the cognizant DOD component to submit a separate determination to the DSAA for staffing and signature, along with the revised lease to identify the terms and conditions of the extension. For those extensions which meet the one year Congressional reporting requirement, the DOD component will also provide to the DSAA the required reporting data in the format at Table 1200-4 at least 60 days prior to the projected date for providing the lease renewal to the foreign country or international organization.

Request attached change be included in the next change to the SAMRA.

Change 4
Background
DOD 5105.38-M

*DSAA/OPS-E
9/20/91*

the use of the U.S. owned equipment to insure that it is consistent with the terms and conditions of the lease. Any indications of unauthorized use or non-compliance will be reported to the DOD component originating the lease and DSAA/OPS-E. Annually, not later than 31 December of each year, each SAO will provide confirmation to the responsible DOD Components with an information copy to DSAA/OPS-E that all leased equipment in the host country is being used in compliance with the provisions of the lease.

120002 LEASE TERMS AND CONDITIONS

A. **Lease Format.** The basic lease format at Table 1200-3 will be used for leases of defense articles to foreign countries or international organizations by DOD Components. This format may not be amended unless the operational requirements or special circumstances of a specific lease require a one-time variation. Further, additional provisions may be added to a specific lease when determined to be appropriate and with concurrence of the legal office of the DOD component concerned and with DSAA approval. Specific variations and the rationale for them will be provided to the DSAA in the forwarding memorandum at Table 1200-2. The lease will not be provided on a DD Form 1513, but the DD Form 1513 will be used for packing, crating, handling, transportation, and the sale of associated articles and services, including refurbishment of the defense article(s) required prior to, during, or after the lease period. The DD Form 1513 will also be used to recover applicable costs if the article is lost or destroyed during the lease period. The lease will be signed by the appropriate DOD component and provided to DSAA/OPS-E for staffing and countersignature by DSAA prior to signature by the foreign country representative.

B. **Lease Identification.** ^{also} The cognizant DOD component will assign a lease designator, ^{permanent} to each lease, which is to be separate and distinct from the identifier used for FMS cases. The lease designator should be so constructed that it clearly differentiates the lease from FMS cases. The lease designator will be developed as follows: Country Code--DOD component Identification--Tri-alpha Identifier. Where no DOD component Identifier has been established, an X will be used for the DOD component Identification. This lease designator will be clearly shown on the top of each page of the lease, on the top of each page of Schedules and Appendices, and on any accompanying documents. The associated FMS case must reference the lease designator.

unique within a single country and implementing agency?

*concur
FMD
9-19*

C. **Duration.**

1. **Not to Exceed Five Years.** Leases shall be for a fixed duration of time not to exceed five years and shall provide that, at any time during the leasing period, the USG may terminate the lease and require the immediate return of the defense article(s). Leases of less than five years may provide for renewals but the total lease period may not exceed five years. The lease period will normally begin when the foreign country signs the lease, and provides payment for any required initial deposit, unless the lease period is otherwise specified within the lease terms and conditions.

2. **Extensions.** Extensions of leases beyond five years by mutual agreement are authorized; however, each extension will require the cognizant DOD component to submit a separate determination to the DSAA for staffing and signature, along with the revised lease to identify the terms and conditions of the extension. For those extensions which meet the one year Congressional reporting requirement, the DOD component will also provide to the DSAA the required reporting data in the format at Table 1200-4 at least 60 days prior to the projected date for providing the lease renewal to the foreign country or international organization.

TABLE 1200-3

(Lease Designator)

LEASE OF _____
BETWEEN
THE UNITED STATES GOVERNMENT
AND

This LEASE, made as of the _____ (DATE) between the United States Government (hereinafter called the "Lessor Government") represented by its Department of the _____ and the GOVERNMENT OF _____ (hereinafter called the "Lessee Government") represented by its (Ministry of Defense or applicable organization),

WITNESSETH:

WHEREAS, The Lessor Government has determined that (article(s)) ^{if applicable,} and all associated nonexpendable support equipment (including but not limited to tools, ground support equipment, test equipment, and publications) (hereinafter referred to as the "Defense Articles") are not for the time needed for public use, and

WHEREAS, The Lessor Government has determined that there are compelling foreign policy and national security reasons for providing such Defense Articles on a lease basis rather than on a sales basis under the Arms Export Control Act, and

WHEREAS, This lease is made under the authority of Chapter 6 of the Arms Export Control Act,

NOW THEREFORE, The parties do mutually agree as follows:

1. In consideration of a rental charge as indicated in Schedule A, and the maintenance and other obligations assumed by the Lessee Government, the Lessor Government hereby leases to the Lessee Government and the Lessee Government hereby leases from the Lessor Government the Defense Articles for the period of _____ commencing on the date first above written and under the terms and conditions set forth in the General Provisions hereto annexed.

TABLE 1200-3. SAMPLE LEASE.

NOTE: Recommended distribution: Original to: MILDEP JAG
Copies to: DSAA
MILDEP SA Activity
SAO

10. **Place of Redelivery.** Upon expiration or termination of this lease, the Defense Articles shall be returned to the Lessor Government (at _____, or as mutually agreed).

11. **Title.** Title to the Defense Articles shall remain in the Lessor Government. The Lessee Government may, however, place the Defense Articles under its Flag, or display its national insignia when appropriate.

12. **Reimbursement for Support.** The Lessee Government will pay the Lessor Government for any services, packing, crating, handling, transportation, spare parts, materials, or other support furnished for the Defense Articles by the Lessor Government pursuant a Letter of Offer and Acceptance under the Arms Export Control Act. (FMS Case _____ applies.)

13. **Covenant Against Contingent Fees.** The Lessee Government warrants that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage or contingent fee.

14. **Officials Not to Benefit.** No members of or Delegate to Congress of the United States, or Resident Commissioner of the United States shall be admitted to any share or part of this Lease or to any benefit that may arise therefrom.

15. **Proprietary Rights.** The Lessee Government will insure, by all means available to it, protection of proprietary rights in any Defense Article and any plans, specifications, or information furnished, whether patented or not.

*

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16. **Cost of Lessor Government.** The Lessee Government agrees to pay in United States dollars all costs incurred by the Lessor Government in leasing the Defense Articles covered by this Lease, including without limitation reimbursement for depreciation of such Defense Articles while leased, the costs of restoration or replacement if the Defense Articles are damaged while leased, and the replacement costs (less any depreciation in the value during the term of the lease) of the Defense Articles if the Defense Articles are lost or destroyed while leased, as identified in Schedule A. Such costs for restoration or replacement will be billed to the Lessee Government under the Lessor Government's foreign military sales procedures. The rental charge shown in Schedule A is based on costs identified at the time of signature of this lease and does not relieve the Lessee Government from liability for other costs in accordance with the provisions of this Lease.

⁸
17. **Distribution.** Copies of the accepted Lease will be distributed by the Lessee as follows:

- a. (Insert Leasing DOD Component) - Original
- b. (Insert U.S. SAO in host country) - copy
- c. SAAC - copy and check for initial deposit
- d. DSAA/OPS-E - copy

* 16. The Lessee agrees that the ~~Lessee~~^{leasing DOD Component} shall be provided formal reports or other data developed during use of the Defense Articles. These data may be released to third parties subject to normal Lessor release approval and Lessor review, consultation and, where appropriate, inclusion of data provided by the Lessor in the report.

TABLE 1200-3. (Continued)

TABLE 1200-13
LEASE CLOSURE INFORMATION

SUBJECT: (Chapter 6, AECA/10 USC 2667) Lease for Case Closure.
(Insert as appropriate)

TO: (Insert DOD Component Address)

References: Lease Case (Insert Designator)

1. Prior to certifying case closure, the Security Assistance Accounting Center (SAAC) requests the following information:

Property returned to USG custody* _____ ~~Date~~
or _____ Location _____ Date

Lease extended (renewed) _____
If lease renewed, provide lease designator _____ Date

2. Action, as required above, for lease closure has been completed:

Signed _____
Title _____
Agency _____

3. Please complete above data and return to AFAFC/SAAC/FSOS, Denver CO 80279
NLT _____. Point of contact is: _____.

*For 10 USC 2667 leases include confirmation that all financial requirements are complete.



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

Change 4

DW
4/10

Background

8 April 1991

Memorandum for Mr. ~~Rudd~~ *OK Gnd*
Through Mr. ~~McKalip~~ *4-10*
Mr. ~~Tyler~~
Mrs. Ludlow-MacMurray *SMM*

Subject: Proposed SAMP Change, Leases

In late Jan 91, I was asked to implement a change to the SAMP concerning FMS sale of leased items, with unit prices decreased by depreciation costs paid to the U.S. under each lease.

A draft incorporating that and other changes was coordinated with the MILDEPs, DSAA directorates, and DSAA GC. The draft is at Tab A and written comments are at Tab B.

SAMP extracts with changes annotated are at Tab C. DSAA GC indicated you now believe that a change which could encourage countries to believe leased items are routinely sold at depreciated prices may not be in our best interests; therefore, that has been excluded from Tab C.

Unless requested to do otherwise, Tab C changes will be included in Change 4 to the SAMP.

W. Wells
W. Wells
OPS-E, X78108

attachments
as

pscwd3

130104.A.2.

services furnished, preparation of FMS documents, reporting of delivery, performance or progress payments, and administering and closing FMS cases by all elements administering the program.

2. Payment in U.S. Dollars. In compliance with the AECA, Annex A of the DD Form 1513 contains provisions which make it mandatory for the FMS purchaser to pay in U.S. dollars for the full value of the transaction, regardless of the estimated costs, payment schedule, or terms of sale specified on the LOA.

B. Cost Recoupment Waivers. Certain charges may be waived by statute. Paragraph 10103 of DOD 7290.3-M lists those that have been approved. Section 720 provides guidance on submitting requests for recoupment waivers. *

1. Waiver of Nonrecurring Charges. *

a. The pro rata recoupment charges may be reduced or waived for particular sales that would significantly advance U.S. interests in standardization with NATO, NATO member countries, Australia, Japan, or New Zealand. "Waiver" includes reductions. Waivers will be considered where it is demonstrated that a sale will advance U.S. interests in standardization. The burden of such demonstration rests with the purchasing foreign government or international organization. Waivers will be considered on a case-by-case basis taking into account the unique circumstances of the particular transaction. Waivers must be specific by law and blanket waivers are not provided by general agreements. Full waivers solely on the basis of standardization may be granted to eligible countries for which MAP funding has been approved for the current fiscal year.

FUNDING HAS BEEN

b. ^{CURRENT FISCAL YEAR} For countries and organizations other than ^{ELIGIBLE COUNTRIES FOR WHICH MAP} those specified in the preceding sentence, there will be a presumption against granting a waiver unless additional or unusual benefits can be demonstrated. These benefits must be identifiable and attributable to a unique military, foreign policy, or economic advantage of the sale. A description of such benefits will be included in documentation relating to the case. Seldom, if ever, will NC charges be waived for programs involving offshore production of major components, unless such programs are subject to the AECA, Section 27.

c. Authority to approve waivers is vested in the SECDEF and delegated to the Director, DSAA. A waiver request will be considered by DOD only if it is initiated by the country or international organization involved, and forwarded to the Director, DSAA. The Director, DSAA is responsible for coordination and for submitting cases involving opposing views to the SECDEF for decision.

d. These charges are exempted by the AECA and the FAA for those countries and organizations whose ^{cases} are fully financed with MAP Grant and/or nonrepayable credit funds, effective 21 November 1989. **

e. This policy applies to all sales, direct commercial as well as government-to-government (FMS), and regardless of whether the items involved are classified as MDE or non-MDE. It does not nullify or modify government-to-government agreements for waiver of NC or asset use charges that were signed prior to 1 January 1982. *

2. Waiver or Reduction of Tooling ^{OF TOOLING} Asset Use/Rental Charges for Use of DOD Assets. ~~In the event the request is provided by the country to the contractor, it should be submitted to the contracting officer who shall refer it through procurement channels to the Director, DSAA, ATTN: DSAA/OPS-E, for decision.~~ Contracting officers should indicate any potential interference with U.S. requirements prior to forwarding a waiver request for DSAA, and assure that the request identifies the total amount of charges involved.

IN CASES OF DIRECT COMMERCIAL SALES TO FMS ELIGIBLE COUNTRIES, REQUEST FOR WAIVER OF TOOLING RENTAL CHARGES SHALL BE SUBMITTED BY THE CONTRACTOR TO THE 1301-2 Change No. 2, 2 July 1990

CONTRACTING OFFICER WHO SHALL REFER THE MATTER THROUGH CONTRACTING CHANNELS TO THE DIRECTOR, DSAA. ATTN: DSAA/OPS-E. FOR DECISION.

(P)

101

3. Waiver or Reduction of Quality Assurance, Inspection, Audit and other Contract Administration Services.

a. Quality assurance and inspection, contract audit services, and other CAS provided in connection with contracts for defense articles or defense services entered into after October 29, 1979, by a NATO member country, or pursuant to an LOA with a NATO member country, may be provided without charge if that government provides such services in accordance with an agreement on a reciprocal basis to the USG.

b. These services may also be provided without charge in connection with the placement or administration of any contract for defense articles or defense services pursuant to NATO infrastructure programs in accordance with an agreement under which the foreign governments participating in such programs provide such services, without charge, in connection with similar contracts.

c. Agreements for the provision of such services without charge will be negotiated by the OUSD(A) and will be implemented by the Director, DSAA, under the authority of the AECA, Section 21(h)(1); Section 106, P.L. 99-661 (NATO-E3A); and Section 132, P.L. 99-83 (Germany-Patriot). Since the reciprocal nature of providing such services can normally only be provided on a country-wide basis, agreements for reciprocal waivers will normally not be made for specific programmatic requirements.

d. A listing of approved reciprocal waiver agreements is provided at Figure 1301-1. *See attached for addition*

4. Waiver of Administrative Charges for NAMSA FMS Programs. **

Section 21(E)(3) AECA provides--“(a) The President may waive the charges for administrative services that would otherwise be required by paragraph (1)(a) [AECA] in connection with any sale to the Maintenance and Supply Agency of the NATO in support of (I) A weapon system partnership agreement; or (II) A NATO/SHAPE project. (b) The SECDEF may reimburse the fund established to carry out Section 43(B) of this Act in the amount of the charges waived under subpara (a) of this paragraph. Any such reimbursement may be made from any funds available to the DOD. (c) As used in this paragraph - the term ‘weapon system partnership agreement’ means an agreement between two or more member countries of the Maintenance and Supply Agency of the NATO that (I) is entered into pursuant to the terms of the charter of that organization; and (II) is for the common logistic support of a specific weapon system common to the participating countries; and (III) the term ‘NATO/SHAPE project’ means a common funded project supported by allocated credits from NATO bodies or by host nations with NATO infrastructure funds.” In implementing this legislation, the following procedural guidance applies:

a. General -

(1) This legislation is not retroactive; only LOAs implemented after 1 October 1988 are eligible for consideration of FMS administrative charge waivers.

(2) Only NAMSA LOAs in support of weapon system partnership agreements or NATO/SHAPE projects (i.e., common-funded projects supported by allocated credits from NATO bodies or by host nations with NATO infrastructure funds) qualify for FMS administrative charge waivers.

(3) Administrative charges waived under this program must be reimbursed to the FMS Administrative Account from Program 10 funds controlled by the U.S. Mission to NATO.

Change 4

11 October 1991

PROPOSED CHANGE TO DOD 5105.38-M
SECURITY ASSISTANCE MANAGEMENT MANUAL

Add the following to Section 130104.B.3.d: The waiver under each agreement applies only to new FMS LOAs (DD Forms 1513) with implementation dates, as recorded in DIFS, on or after the Effective Date of the agreement. Figure 1301-1 waivers apply to LOAs as a whole and not to individual LOA lines.

pscnd2

Change 4
Background

DEFENSE SECURITY ASSISTANCE AGENCY

Date 10 OCT 1991

MEMORANDUM FOR MR. WAYNE WELLS, OPS-E

SUBJECT: Proposed Change to DOD 5105.38-M,
Security Assistance Management Manual

The attached proposed change to Section 130104.B.3.d. of DOD 5105.38-M delineates the effective date of Contract Administration Services (CAS) waivers resulting from reciprocal agreements. In the past, there have been numerous questions as to when the CAS waiver begins for a case - e.g., the offer date, the acceptance date, or the implementation date? The change should preclude future questions on the CAS waiver effective date.

Request the proposed change be included in the next published change to DOD 5105.38-M. If you have questions, please contact Mr. Jerry Friesz, DSAA-COMPT-FMD, X41173.

Attachment
as stated


James R. Woods
Comptroller

Change A

DOD 5105.38-M

(Dn. B. 11/1/91)

130705.E.

~~Asset Use Charge~~

Replaced with
~~3~~
ATTACHED
PARA
E.

~~E. Asset Use~~

~~1. Charges for Use of USG-owned Facilities. Sale of defense articles to any foreign country or international organization shall include appropriate charges for any use of USG-owned facilities, plant and production equipment in connection with the production of the defense articles. Charges for use of USG-owned facilities, production and research property shall be assessed as follows:~~

~~a. Rental Charges for Use of DOD Assets. Sales of defense articles which were produced in government-owned facilities or with government-owned industrial plant and production equipment, for which a rental is assessed in accordance with the provisions of DOD FAR Supplement 45.4 and FAR 52.245-9, will be priced to include the appropriate rental charge. When there is a provision for rental charges for use of U.S. facilities, plant, production or research property, in the DOD facilities contract, the rental charge will be assessed ~~WAIVED ON A CASE-BY-CASE BASIS.~~ ~~SEE 130104.B.2.~~ ~~IAW~~~~

~~b. Use of U.S. Industrial Plant Equipment for Work for Foreign Governments or International Organizations. Non-government use of USG-owned industrial plant equipment requires prior written approval of the contracting officer or Departmental level approval depending upon the percentage of usage, in accordance with the provisions of the DOD FAR Supplement 45.407.~~

~~c. Use of U.S. Production and Research Property for Work for Foreign Countries or International Organizations. Non-government use of U.S. production and research property for foreign procurement requires the prior written approval of the MILDEP having cognizance of the property. Such approval may be granted only if use will not interfere with U.S. requirements, and the work is in support of FMS or a direct commercial sale approved under the terms of the AECA. ~~Either the asset use or applicable rental charges will be assessed.~~ ~~WAIVED ON A CASE-BY-CASE BASIS IAW 130104.B.2.~~ ~~THE FINDING~~~~

2. Charges for Items Provided from Inventory

(a) Military Department Delivery Reporting. The MILDEPs will report inventory item shipments to SAAC at stock list price or replacement price as applicable. At case closure a certificate will be submitted from the MILDEP to SAAC.

(b) Attrition Charges for FMS Training. Attrition charges for FMS training, 4 percent for flying and 1 percent for non-flying, are to be included in the tuition rates billed to the customers. Attrition charge collections made by the MILDEPs will be forwarded to SAAC for deposit. See DOD 7290.3-M, Section 104. Use of these funds must be approved by DSAA. When equipment is damaged beyond repair due to FMS student error, a report of the loss and request for finding to cover procurement of the replacement items shall be submitted to the DSAA Comptroller for approval.

~~(c) Applicability. These provisions do not apply to rental charges made under the provisions of the FAR for items provided from procurement initiated to meet FMS customer requirements. FAR rental charges for items furnished from procurement will vary depending on the degree of use of DOD facilities and are included in contractor billings.~~

F. Quality Assurance and Inspection, Contract Audit Services, and Other Contract Administration Services.

1. Refer to DOD 7290.3-M, paragraph 70305 for guidance regarding recovery of CAS costs incurred in support of new procurement for FMS.

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E. Asset Use, Tooling Rental, or Facility Rental Charges

1. Charges for Use of USG-owned Facilities. For ~~all LOA~~ ~~Foreign Military Sales (FMS) cases~~ using Government property, Fair Pricing legislation has removed the requirement to apply asset use, tooling rental, or facilities rental charges. Commercial sales of defense articles to any foreign country or international organization shall include appropriate charges for any use of USG-owned facilities, plant, and production or research equipment in connection with the production of the defense articles. Charges for use of USG-owned facilities, plant, production, and research property shall be assessed as follows:

a. Rental Charges for Use of DOD Assets. Commercial sales of defense articles which were produced in government-owned facilities or with government-owned industrial plant and production or research equipment, for which a rental is assessed in accordance with the provisions of DOD FAR Supplement 245.4 and FAR 52.245-9, will be priced to include the appropriate rental charge. The rental charge in commercial contracts will be waived on a case-by-case basis in accordance with section 130104.B.2.

2. Use of U.S. Industrial Plant Equipment or Production and Research Property for Foreign Countries or International Organizations. For industrial plant equipment or production and research property, non-government use requires prior written approval of the contracting officer or Departmental level approval, depending upon the percentage of usage, in accordance with the provisions of the DOD FAR Supplement 45.406 and 45.407. Such approval may be granted only if use will not interfere with U.S. requirements, and the work is in support of FMS or a direct commercial sale approved under the terms of the AECA. The rental charges in commercial contracts will be waived on a case-by-case basis in accordance with section 130104.B.2.

Change 4
Background



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

9 July 1991

Memorandum for Mr. McKalip
Through Mr. Tyler
Mrs. Ludlow-MacMurray

Subject: Proposed SAMP Change

With your clearance, the attached will be included in SAMP change 4 to add Finland to those countries authorized dependable undertaking arrangements on LOAs.

Cleared to add 7/9-15-91 Other _____

Wayne Wells
W. Wells
OPS-E, X78108

Attachment
As stated

Coordination:

DSAA GC J. Sullivan 7/11/91

DSAA Compt Attached (Second under) with financial summary

DSAA Plans Attached (next under)

OPS-A D. J. Valvasara 7/11/91

pscwd

TABLE 1301-3
FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS
AUTHORIZED DIRECT ARRANGEMENTS FOR DEPENDABLE
UNDERTAKING

COUNTRIES

Africa

Algeria
Botswana
Cameroon
Kenya
Liberia

Morocco
Nigeria
Sudan
Tunisia

Europe

Austria
Belgium
Denmark
France
Germany (Fed.
Rep. of)
Greece
Iceland
Ireland
Italy

Luxembourg
Netherlands
Norway
Portugal
Spain
Sweden
Switzerland
Turkey
United Kingdom
Yugoslavia

Far East

Australia
Brunei
Indonesia
Japan
Korea
Malaysia

New Zealand
People's Republic
of China (PRC)
Philippines
Singapore
Taiwan
Thailand

Near East and South Asia

Bahrain
Bangladesh
Egypt
India
Israel
Jordan
Kuwait
Malta

Nepal
Pakistan
Oman
Qatar
Saudi Arabia
United Arab Emirates
Yemen Republic
Lebanon

Western Hemisphere

Argentina
Bahamas
Barbados
Brazil
Canada
Colombia
Costa Rica
Dominica
Dominican Republic
Ecuador
El Salvador
Guatemala

Haiti
Honduras
Jamaica
Mexico
Panama
Peru
St. Lucia
St. Vincent
Surinam
Trinidad and
Tobago
Uruguay
Venezuela

International Organizations

NATO (North Atlantic Treaty
Organization and its agencies)

Finland →

←

TABLE 1301-3. Foreign Countries and International Organizations Authorized
Direct Arrangements for Dependable Undertaking.

140105.E.6.a.

- a. Identify the specific individual within the SAO who will be familiar with the agreement and who is responsible for monitoring the status of the agreement in country. This will include maintaining contact with the cognizant DOD component. Provisions will be made for continuity of the requirement after departure of the first individual identified.
- b. Be responsive to all requests for information from the program manager or DSAA regarding any security assistance program MOU/MOA.
- c. Provide to all involved organizations any information on problems with an MOU/MOA or information on potential or alleged non-compliance brought to the SAOs attention.
- d. When required, to serve as the conduit for production status information from the country to the responsible DOD component.

with a copy to OUSD (ISA)
F. Status Report of Coproduction Programs. The cognizant DOD Component will provide to DSAA a semi-annual update of the status of coproduction programs under its purview. DSAA Reports Control Symbol DSAA 1226 is established for this report. The following information is required on a semi-annual basis as of 30 June and 31 December (The reports will be submitted not later than 31 July and 31 January respectively):

- 1. Country/International Organization
- 2. Date of MOU/MOA
- 3. Expiration of MOU/MOA
- 4. Item(s) and Quantity(s) authorized for production in MOU/MOA
- 5. Status of foreign country's production; i.e., items in production, quantities produced during previous six months, quantity produced to date.
- 6. Third Country Sales authorized, if any, specifying country and quantity involved.
- 7. Identification/summary of any reports of MOU/MOA noncompliance received during the previous six months (if none, state none).
- 8. Source of information for data provided under Sections 5, 6, and 7 of the report, and a summary of monitoring actions taken during the previous six months. *
- 9. Name, organization, and telephone number of the assigned project officer.
- 10. *Status/summary of technology flowback received and its use.*

140106 COOPERATIVE PROJECTS UNDER THE AECA, SECTION 27.

A. General.

1. One of the components of the DOD relationship with its allies, within the arena of defense cooperation, involves NATO Cooperative Projects. These projects are authorized by Section 115 of the International Security and Development Cooperation Act of 1985 which amends Section 27 of the AECA and, by Section 1102 of the DOD Authorization Act of 1986 which adds a new Section 2407 to Title 10 of the USC.

DSAA will provide a copy of each report to OUSD (ISA)

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DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

21 AUG 1991

In reply refer to:
I-04513/91

*to Samm
Change 4*

*OPS-E
Chron*

*Change 4
Background*

MEMORANDUM FOR ASSISTANT DEPUTY CHIEF OF STAFF FOR LOGISTICS
(ADCSLOG) (SECURITY ASSISTANCE)
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS OFFICE
DEPARTMENT OF THE NAVY

ASSISTANT DEPUTY UNDER SECRETARY
(INTERNATIONAL AFFAIRS)
DEPARTMENT OF THE AIR FORCE

SUBJECT: Collection of Technology Flowback Implementation Data

It has come to our attention that, although the implementation of technology flowback provisions in coproduction Memoranda of Understanding (MOU's) is an important aspect of the U.S. share of benefits derived from such MOU's, there is no formal requirement for DoD Components to report on their technology flowback implementation activities. In light of the high level Executive Branch and Congressional interest in technology flowback, we have decided to require DoD Components to monitor their own implementation of technology flowback activities and to report regularly the status of such activities.

Effective immediately, DoD Components should include in the semi-annual coproduction report required by Security Assistance Management Manual (SAMM) Section 140105.F. an additional data element which addresses "Status/summary of technology flowback received and its use." Additionally, DoD Components should make the Under Secretary of Defense for Acquisition an additional addressee of the report. These changes to Section 140105.F. will be included in the next Change to the SAMM.

Teddy G. Allen
Lieutenant General, USA
Director

Pre'd by: LUDLOW-MACMURRAY/11d/x78108
DSAA/OPS-E

Distributions: Orig Addes & cc

DSAA CHRON
USDP
CMD(1)
OPS-E SUBJ
OPS-E CHRON
OPS CHRON

cf: USD(A)

CC:



OFFICE OF THE UNDER SECRETARY OF DEFENSE

WASHINGTON, DC 20301-3000

Change 4
Background

ACQUISITION

15 AUG 1991

(IP)

MEMORANDUM FOR DEPUTY DIRECTOR, DEFENSE SECURITY ASSISTANCE
AGENCY

SUBJECT: Amendment of SAMP to Collect Technology Flowback
Implementation Data

Gleason
We would like DSAA's assistance in collecting summary data on Military Department technology flowback implementation activities for coproduction MOUs.

As you know, implementation of technology flowback provisions in coproduction MOUs is a hot topic right now which is being addressed by the DoD International Programs Committee. However, there is no formal requirement for the Military Departments to report on their technology flowback implementation activities.

Section 140105(F) of DoD 5105.38-M (Security Assistance Management Manual) requires cognizant DoD components to provide to DSAA a semi-annual update of the status of coproduction programs under its purview, and prescribes the data elements to be reported. It would be very helpful to the technology flowback implementation effort if future semi-annual status reports included a data element on technology flowback, which might read "Status/summary of technology flowback received and its use."

Your assistance in this matter would be greatly appreciated.

I-004513/91

James M. Compton
JAMES M. COMPTON
Principal Assistant Deputy
Under Secretary
(International Programs)

If possible, it would be helpful if we were also an addressee for the semi-annual reports. We have been then up from your office.

*add name #9
#97 #10*

J

111

SECTION 1501 - DSAA 1200 FOREIGN MILITARY SALES SYSTEM OUTPUT PRODUCTS

150101 PURPOSE. The purpose of this section is to provide users of the Foreign Military Sales Information System (DSAA (AR) 1200), commonly referred to as the DSAA 1200 System, with a description of the various reports which can be produced from the System. In addition, this chapter will outline the procedures to be used when requesting reports.

150102 SOURCE OF OUTPUT REPORTS. The reports discussed herein are drawn from the DSAA 1200 System data base.

150103 CATEGORIES OF DSAA 1200 SYSTEM OUTPUT REPORTS. The following categories of reports are produced from the System: (1) Update (Data Management) Products; (2) Item Detail Level Reports; (3) Summaries by Category from Item Detail Level; and (4) Case Level and Summary Management Reports.

150104 REQUESTS FOR A DSAA 1200 SYSTEM OUTPUT REPORTS.

2 requests
no process
within FMS Control and Reports
A. Requirements for Request. Requests for reports described in this chapter will be honored by DSAA, Comptroller, ~~Data Management Division~~, if releaseable and if a valid requirement is established. However, requesting agencies should insure that requirements are carefully screened prior to submission. ~~In those instances where assistance is required in selecting the proper report, a telephone or written inquiry will be given prompt attention by the Data Management Division.~~ ~~Requests will be honored as rapidly as possible.~~ Normal processing time is approximately ~~one week~~. Subordinate elements of the MILDEPs should submit requests for reports through appropriate departmental channels.

Route distribution of recurring monthly reports was discontinued several years ago due to a reduction in personnel and lack of storage space. However, all ad hoc.
B. Submission of Requests. All requests should be directed to DSAA, Office of the Comptroller, Data Management Division, Washington D.C. 20301-2800.

C. Report Parameters. Agencies requesting reports must specify the report(s) desired, the number of copies for each report, the sort sequence, and the select options for each report. All select options should be reviewed carefully in order to limit the data desired. Data will be provided only on a need-to-know basis; i.e., UCOMs will receive data for their area of concern, an SAO will receive data only for its country, etc. To facilitate users in ordering reports, a sample request is shown in Table 1501-11 of this section.

Selected
D. Classification of Reports. Reports described herein are classified in accordance with guidelines set forth in this manual. Since a portion of the 1200 data base contains classified data, requestors with a need-to-know and appropriate security clearances will be provided this information. All requests for reports should address this consideration where appropriate.

Reports containing classified cases will be appropriately labeled
150105 DSAA 1200 SYSTEM OUTPUT REPORTS.

A. Availability of Reports. The following paragraphs outline the specific reports produced from the 1200 System. Unless otherwise indicated, these reports are available for users of the System. As shown in Tables 1501-13 and 1501-14, applicable sort and select options have been grouped together for a series of reports which are similarly controlled. A sample of each report is shown at Tables 1501-1 through 1501-10 of this section. These sample reports are to be viewed as examples for format purposes only. The data contained in the sample illustrations are not necessarily actual data from the file nor are the dates and numbers consistent from one sample to the next. All codes referred to in sort and select options may be found in Appendix D.

*Please note that A compilation of unclassified FMS LOA case-level data is also considered classified as Confidential if the data covers a single period longer than five consecutive calendar quarters (also see Chapter 5 of this Manual, Section 50203) **Release of Information 111a 1026*

no process
FMS Control and Reports

add to the

vertical scribble

b. Description/Unit of Issue Information. The MASL match provides a description of each item entered into the 1200 system and also provides information on the U/I in each record.

2. FMS Training 1000 System. All input data cards which constitute an addition of training (Card format 4) to the FMS training program are matched against the appropriate FY MASL for that category of training and the following is accomplished:

a. Verification of Data. The MASL match determines that the program requirement is a valid line in the MASL.

b. Description/Unit of Issue Information. The MASL match provides a description and U/I of each course being added to the program master file for FMS training.

c. Course Cost and Duration. The match ensures that the most up-to-date course cost and duration information is used in each record being added.

C. Summary MASL. The Summary MASL is used along with the regular MASL data to assign supplemental information to each record in the master program file to facilitate subsequent preparation of reports.

150305 MASL DISTRIBUTION.

A. Schedule. The Training MASLs are printed and distributed to all MILDEPs, UCOMs, SAOs, and numerous other activities, including schools and component commands, on a semi-annual basis. Materiel MASLs are no longer provided by DSAA and each MILDEP is required to maintain a Materiel MASL database with transaction data provided by DSAA and is responsible for distributing copies to their user activities.

B. Requests for MASL Information. ^{FMS contract and reports} ^{Materiel on training} MASL data may be obtained by submitting a request to the ~~Data Management Division, Office of the Comptroller, Defense Security Assistance Agency, Washington, D.C. 20301-2800.~~ ^{DSAA} All requests should specify the particular MASL(s) desired and the format; i.e., punched card, magnetic tape, microfiche, or in printed form. (Sample MASL reports are shown in Tables 1503-1 through 1503-5 and abbreviated titles in Table 1503-1 of this section.) ^{Training MASL data may be obtained by submitting a request to the Special Consultant to the DSAB Comptroller for Information Resources Management (SRM), Defense Security Assistance Agency, Washington, D.C. 20301-2800.}

150306 INQUIRIES ON MASL CONTENT.

A. MATERIEL INQUIRIES.

1. Clarification of Data. All requests pertaining to the source of supply and availability of items should be directed to the MILDEP indicated by the MRI Code of the item as having inventory management responsibility.

2. New Major Items. Requests for addition of major items to the MASL should be forwarded to the MILDEP to which single-service wholesale inventory management responsibility has been assigned. When the assignment is not known, requests should be directed to the MILDEP indicated in the MASL as having responsibility for a similar type item.

3. Other Requests. All requests pertaining to the materiel MASL, except those listed above, should be directed to the DSAA, Data Management Division, Office of the Comptroller, Washington, D. C. 20301-2800. OK

Change 4

3 October 1991

The following changes apply to Acronyms in Appendix A:

Delete "ADCSLOG" line

Change "ASF Army Stock Fund" to read "ASF Army Stock Fund
(incorporated in DBOF October 1991)"

Delete "AUTODIN" line

Add "DBOF Defense Business Operating Fund"

Delete "BOE" line

Delete "COMP DOD" line

Delete "DAR" line

Delete "DASD(ISA)" line

Add "DFAS Defense Finance and Accounting Service"

Add "DoD(C) Department of Defense (Comptroller)"

Add "DSN Defense Switched Network (formerly AUTODIN)"

Delete "DUO" line

Change "DUSD(I&IP)" line to read "DUSD(IP) Deputy Under
Secretary of Defense (International Programs)"

Delete "EPG" line

Delete "ERP" line

Delete "FAAS" line

Delete "FABS" line

Change "FMSO" line to read "FMSO Fleet Materiel Support Office
or Foreign Military Sales Order (in context)"

Delete "MAPEX" line

Change "MDA(A)" line to read "MDA Mutual Defense Assistance or
Mutual Defense Agreement"

Delete "MIMEX" line

112

Change 4

Add "MIS Management Information System

Delete "NAVOTTSA" line

Delete "NCAD" line

Delete "NRC" line (this was previously replaced with "NC")

Change "OMC" line to read "OMC Office of Military Cooperation"

Delete "(P&R)" from the "P&A" line

Change "SAAC" line to read "SAAC Security Assistance Accounting
Center (consolidated with DFAS 1991)"

Add "(US Air Force)" at the end of the "SAMIS" line

Delete "SAPCO" line

Delete "SNSP" line

Delete "SSA" line

Delete "SST" line

Delete "SVI" line

Delete "TECOM" line

Delete "USAFAC" line

Delete "USAF AFC" line

appendA

P

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

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

Planning and Review (P&R) Data - Price and Availability (P&A) Data. **

Planning, Programming, and Budgeting System (PPBS) - An integrated system for the establishment, maintenance, and revision of the Five Year Defense Plan (FYDP) and the DOD budget.

Price and Availability (P&A) Data - Prepared by the MILDEPs, DSAA, and other DOD components in response to a foreign government request for preliminary data for the possible purchase of a defense article or service. P&A data are not considered valid for the preparation of an LOA. Furnishing of this data does not constitute a commitment for the USG to offer for sale the articles and services for which the data are provided. **

Program Decision Memorandum (PDM) - A document which provides Secretary of Defense decisions on the Program Objectives Memorandum (POM) and the Joint Program Assessment Memorandum (JPAM).

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

Project Definition - The process of exploring more thoroughly all aspects of the proposed project and to examine the relations between required performance, development time and cost. The areas of technical uncertainty are examined and possible trade-offs, are evolved in order to achieve a satisfactory balance between performance, development time and cost. These trade-offs may lead to amending the operational requirement. From then on, performance requirements regarding the technical characteristics are established so as to meet the operation requirements under the best conditions. These requirements will form the basis for the establishment of a development program and of more detailed and realistic estimates of development time and cost.

The overall results of the studies carried out during project definition will be used for the discussion on whether to proceed with the development or not.

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

R

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



REPLY TO
ATTENTION OF

DEPARTMENT OF DEFENSE
UNITED STATES SOUTHERN COMMAND
APO MIAMI 34003

*Change 4
Background*



E

1930 Aug 91

SCJ5-SA

MEMORANDUM FOR Defense Security Assistance Agency (DSAA),
Operations Directorate, Washington DC 20301-2800

SUBJECT: Security Assistance Management Manual (SAMM), DOD
5105.38M

1. During our review of subject publication, we detected an inconsistency in the "Glossary of Selected Terms" at Appendix B. Specifically, the definition for Public Law (PL) 480 Funds (Sec. 104c) is no longer correct. Although PL 480 is still in effect, Congress repealed Section 104c of that law on 20 Dec 75 (by Public Law 94-161 Title II § 204(3)).

2. Request forthcoming changes to the SAMM make the above correction. (Note also that the same definition appears in "The DISAM Lexicon of Security Assistance Terminology: Acronyms, Abbreviations, and Definitions," Jan 91).

3. SCJ5-SA POC: LCDR John D. INGERSOLL, AV 313-282-4605.

BOB HARMON
LtCol, USAF
Chief, Security Assistance Division

DSAA/GC agree with deletion of definition (auth expired) - 9/19/91

TABLE 701-9
Instructions for Preparing the United States Department of Defense
Offer and Acceptance (DD Form 1513)

A. Block (1). Purchaser.

1. For a country, enter "Government of (name of country)" and show the office and address of the purchaser's activity designated to receive the LOA (e.g., Defense Attache, 1111 24th Street, N.W., Washington, D.C. 20301-2800).

2. For an international organization, enter the title of the organization along with the appropriate office and address.

B. Block (2). Purchaser's Reference. A reference will always be shown. The reference may be a letter, telegram, conference, meeting, oral request, etc. The reference will always include any pertinent data (e.g., letter serial number, message date time group (DTG)). In the event that the reference is from other than the purchaser, indicate the source of the request made on behalf of the purchaser.

C. Block (3). Case Identifier. Enter the appropriate country or organization code, implementing agency code and ~~case~~ designator (e.g., UK-P-DLG).
LOA

D. Block (4). Signature. This block should be filled in by an authorized U.S. Military Department or Defense Agency representative prior to forwarding the LOA to the DSAA Comptroller for the required countersignature.

E. Block (5). Typed Name and Title. Type or stamp the name and title of the U.S. representative who signed Block (4).

F. Block (6). Address. Enter the name of the issuing organization along with the address.

G. Block (7). Date. Enter the day, month and the year that the LOA is submitted to DSAA for countersignature.

H. Block (8). This Offer Expires. Enter the appropriate expiration date, normally 85 days from the date in Block (7).

I. Block (9). Countersignature. The authorized representative within the DSAA Comptroller for Countersignature of the LOA should sign in this block. Signature will not occur unless all the necessary information is contained on the DD Form 1513.

J. Block (10). Typed Name and Title. Type the name and title of the DSAA Comptroller authorized representative for countersignature who signed Block (9).

K. Block (11). DSAA Accounting Activity. The following address should be placed in this block. AFAFC-SAAC, Lowry AFB, Denver, Colorado 80279-5000.

L. Block (12). Item or Reference Number. For programs which involve more than one item, enter a separate number for each item. Commence with number 1 and number consecutively to the last item; for reference to another description enter the exact reference number. In the case of weapons systems procurement, the reference identifier will relate to an attachment to the DD Form 1513. This attachment will include descriptive information on the generic items procured.

<u>Code</u>	<u>Meaning</u>
1	Use to add, change and/or delete a record in the Materiel MASL.
2	Use to add, change and/or delete a record in the training MASLs.
G-0	Trailer cards used in the Materiel MASL to add supplemental data and/or a brief description to a record

9. ^{LOA} ~~Case~~ Amendment Number - 1200 System. A two position numeric code assigned by the Implementing Agency (IA) to identify and distinguish between the basic FMS or Foreign Military Construction (FMCS) ^{LOA} ~~case~~ and subsequent amendments thereto. All amendment numbers must fall in the range of 01 through 99.

10. ^{LOA} ~~Case~~ Description - 1200 System. A short title specifically prepared for each ^{LOA} ~~case~~ and containing from 15 to 40 characters. In the case of ships, combat vehicles, aircraft, and other designated major defense equipment (MDE), the description will contain the quantity of the MDE item in parenthesis. Data entered in this field should be as descriptive as possible. Any special characters used are restricted to the character set used in the 1200 system.

11. ^{LOA} ~~Case~~ Designator - 1200 System. A unique designation within a single country and implementing agency, assigned by the IA to each FMS or FMCS ^{LOA} ~~case~~, consisting of a three digit code to identify a specific offer to a country customer. This designator, assigned upon receipt of the Letter of Request (LOR), permanently identifies the sale or offer unless deleted jointly by the DSAA and the IA. The first ^{LOA} ~~digit~~ is always alpha and the second and third ^{LOA} ~~digits~~ may be alpha or numeric ^{LOA} ~~characters~~ (See Table D-16). ^{LOA} ~~characters~~

12. ^{LOA} ~~Case~~ Establishment Date - 1200 System. A six position numeric code expressed in a YYMMDD format, which reflects the actual date a country customer is notified that FMS or FMCS ^{LOA} ~~case~~ is implemented on its behalf.

13. ^{LOA} ~~Case~~ Identifier - 1200 System. The ^{LOA} ~~case~~ identifier is a means of identifying a ^{LOA} ~~case~~ throughout its existence. It consists of the country code, implementing agency code, ^{LOA} ~~case~~ designator, and the amendment number if any.

14. Change Originator Code.

a. 1000 System. The change originator code identifies the organization originating a change (add, change, or delete card) to the DSAA master program file. Changes originated by an overseas Security Assistance Organization (SAO) are required to be submitted through a military department. The Military Department enters change originator codes A, N, or F, as appropriate, prior to forwarding the card to DSAA. Approved codes are as follows:

<u>Code</u>	<u>Explanation</u>
A	Department of the Army
C	Coast Guard
F	Department of the Air Force
J	Department of the Air Force (Headquarters and Foreign Military Training Affairs Group - IMET)
K	Marine Corps
N	Department of the Navy
S	Defense Security Assistance Agency (DSAA)
U	Unified Command

b. 1200 System. Change originator codes identify the organization originating a change (add, change or delete) in the 1200 system.

Change 4

ADDS/CHANGES/DELETES TO APPENDIX D, TABLE D-5,
COUNTRY/ACTIVITY CODE - ALPHABETIC

ADD:

<u>Code</u>	<u>Description</u>	<u>Unified Command</u>	<u>Area/Cong Grouping</u>
CZ	Czechoslovakia	EU	EUR
HU	Hungary	EU	EUR
PL	Poland	EU	EUR
M1	NATO European Fighter Aircraft Development, Production & Logistic Management Agency (NEFMA)	NR	NR
M6	NATO HAWK Production & Logistics Organization (NHPLO)	NR	NR
M7	NATO Southern Region Signal/Communications	NR	NR
M8	NATO Maintenance and Supply Agency-PATRIOT (NAMSA-PATRIOT)	NR	NR
M9	NATO Maintenance and Supply Agency-General-Other (NAMSA-General-Other)	NR	NR
66	Expanded IMET (Non-Country Specific)	NR	NR

CHANGE:

- AG Algeria - Change Unified Command from EG to EU
- BM Burma - add the word "(Myanmar)"
- FO Faeroe Islands - Change Unified Command from EU to AT
- GL Greenland (DEN) - Change Unified Command from SO to AT
- GY Germany - delete the word "(Bonn)" and change Area/Congr Grouping from AFR to EUR
- RE Reunion (FR) - Change Unified Command from EU to PA

117a

<u>Code</u>	<u>Description</u>
SB	St Pierre and Miquelon (FR) - Change Unified Command from SO to AT
SH	St Helena (UK) - Change Unified Command from EU to AT. (NOTE: St Helena is not in alphabetical sequence; it should be listed before St Kitts and Nevis)
UV	Burkina - add the word "Faso"
YE	Yemen - delete the word "(Sanaa)"
N4	Change to "NATO Maintenance and Supply Agency-General + NIKE (NAMSA-General + NIKE)"
N7	Change to "NATO Maintenance and Supply Agency-HAWK (NAMSA-HAWK)"
DELETE:	
YS	Yemen (Aden)

<u>Code</u>	<u>Explanation</u>
A	A MIMEX transaction. Indicates item is on a refined shortfall list.
C	This line is included in a government-to-government commitment.
D	Items programmed with Source of Supply "T" (from MAPOM which were part of the MAPOM inventory on 30 Jun 1963.)
J	Item was located in Philippines prior to delivery.
K	Equipment transferred to the Republic of Korea under PL 91-652 at no cost to MAP.
L	Item was located in Laos prior to delivery.
P	A PAMEX transaction.
R	Item was located in Thailand prior to delivery.
A	A SIMEX transaction.
T	A MIMEX transaction. Indicates item is on the country gross shortfall but is not included on the refined shortfall list.
V	Item was located in South Vietnam prior to delivery.
X	A MAPEX transaction.

84. State Department Approval Date - 1200 System. A six position numeric code expressed in a YYMMDD format which reflects the date on which the State Department approves a 36(b) case.

85. Status Code.

a. 1000 System. A single digit alpha code used to indicate the approval, funding or deferral action of a program line.

<u>Code</u>	<u>Explanation</u>
A	Approved Requirement. Implementation is not authorized until a MAP or IMET Order is issued and financed.
D	Deferred by MILDEP.
F	Funded requirement which has been released via MAP/IMET Order for implementation.
S	Deferred by DSAA.
U	Item is posted to the master program file indicating a requirement over and above the ceiling of the program currently approved by the Secretary of Defense.

b. 1200 System. A single digit alpha code used to denote the status of a FMS or FMCS case from its inception as a letter of request to a foreign government until all deliveries and financial transactions have been completed. (For a list of all codes along with the explanation for each code, see Table D-13 of this appendix).

87. Student Code - 1000 System. A single digit alpha code designating the civilian or military category of students as follows:

<u>Code</u>	<u>Meaning</u>
S	Senior Officer
O	Officer
C	Civilian
E	Enlisted
I	Interpreter - Officer
J	Interpreter - Enlisted

CATEGORY

TABLE 16

FIRST POSITION OF ~~THE~~ DESIGNATOR ~~LOA~~

	<u>U.S. ARMY</u>	<u>U.S. NAVY</u>	<u>U.S. AIR FORCE</u>	<u>OTHER</u>
1. Defined Order (also known as Firm Order and Push cases)	G- SELPO/Communications Security	A- Ammunition and other explosives	A- Munitions (AFLC)	A-Z - Excess articles through the Defense Property Disposal Service
	H- Construction (Corps of Engineers)	B-C- Individual spares and components	B- Munitions (Non-AFLC Managed)	A-Z - Miscellaneous Cases through the Defense Security Assistance Agency
	J- SDAF (Special Defense Acquisition Fund)	G- Technical and engineering services	C- CAD/PAD	G- Communications equipment (Army other)
	M- Medical (U.S. Army Medical Materiel Agency)	L- Major end items (components and equipment)	D- Communication/Electronic System Sale	U- Aeronautical charts/flips through the Defense Mapping Agency, Aerospace Center
	N- Coproduction	M- Repair and Return	F- Training films and film strips	
	O- Training (TRADOC)	N- Repairable, Return and Requisition	G- AFLC services	
	P- Planning	N- Repairable, Return and Requisition	H- Transportation, PC&H Support	
	Q- Materiel/services (from U.S. activities located in Europe)	P- Cartridge Actuated Devices (CAD), Propellant Actuated Devices (PAD), Aircrew Escape Propulsion Systems (AEPS)	J- Aircraft ferry	
	S- Materiel/services (U.S. Army Security Assistance Agency - Latin America)	S- Weapon system sale (ship or aircraft)	L- Equipment	
	T- Publications	T- Training	M- Maintenance	
	U-Z- Materiel/services (provided from various AMCOM Materiel Readiness Cmts (including but not limited to system/package sales, munitions, spare parts, equipment, technical services, maintenance, etc.))	Z- Leases	N- Special support	
			O- Communications security (COMSEC)	
			P- Publications	
			Q- AFLC system sale	
			S- Aircraft system sale	
		T- Training		
		V- Class IV Modifications		
		W- Class V Modifications		
		X- Special Financial		
		Y- USAF system sale (Missiles, etc.)		
		Z- Leases		
2. Blanket Order (also known as Blanket Open End, Direct Requisitioning Procedure, Open End Requisitioning, and Pull Cases)	B- Repair parts	G- Technical and Engineering Services	E- Equipment	A- Audit services from Defense Contract Audit Agency
	G- SELPO/Communications Security	H- Direct Requisitioning Procedures (non-fiscal year)	F- Training film, filmstrips	A-Z - Excess articles sold via Defense Property Disposal Service
	O- Training (TRADOC)	J- Direct Requisitioning Procedures (as assigned on a fiscal year basis)	G- AFLC Services	U- Aeronautical charts/flips through the Defense Mapping Agency, Aerospace Center
	Q- Materiel/services (from U.S. activities located in Europe)	M- Repair and Return	M- Maintenance	Y-Z - Federal catalog data/catalog services through the Defense Logistics Services Center, Battle Creek, Michigan
	T- Publications	R- Open End Requisitioning Procedures	P- Publications	X- Miscellaneous Financial Account with SAAC
	U-Z- Materiel/services from various AMCOM Materiel Readiness Cmts (e.g., maintenance, services, etc.)	T- Training	R- Spares	
			T- Training	
			V- Class IV Modifications	
3. Cooperative Logistics Supply Support Arrangements (CLSSA)	K- Foreign Military Sales Order I (FMSO I) (new cases) and II	KX- FMSO I (KA - KB - FMSO II - FMSO I and KB-KW FMSO II)	KX- FMSO I (KA - FMSO I KB-KW - FMSO II and KB-KW - FMSO II)	
	K- Foreign Military Sales Order II (FMSO II) (new cases)			

~~(Note: These cases were formerly "C" cases in the U.S. Army)~~

TABLE 16

Change 4

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Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	

The alpha codes indicated will be used by the Military Departments when submitting MASL data for air launched missiles or associated dollar lines:

- | | | | |
|-----------------|--------------------------|-------------|-----------|
| A. Shrike | F. Aerial Target Missile | S. Bullpup | Z. AMRAAM |
| B. Harm | G. Maverick | T. Phoenix | |
| C. Standard Arm | H. Hellfire | V. Corporal | |
| D. Standard | N. Falcon | W. Sparrow | |
| E. Walleye | R. Sidewinder | Y. Matador | |

The alpha codes indicated will be used by the Military Departments when submitting MASL data for sea launched missiles or associated dollar lines:

- K. Polaris
- L. Trident
- M. UK Fleet Ballistic Missile
- N. Rolling Airframe Missile (RAM)
- P. Terrier
- Q. Tartar
- R. Harpoon
- W. Seasparrow

**

B 4 Q	Drones.	FSC 1520, 1550	X
6 A	Modification of Missiles.		X
8	Multipurpose Missile Equipment:		
A	Multipurpose Missile Equipment (includes FAAR)	FSC 1410, 1425, 1430, 1440, 4935	X
B	Multipurpose Missile Equipment Parts (includes FAAR).		X
9	Missile Spares & Spare Parts:		
A	Guided Missile Parts.	FSG 14XX, FSC 1190, 1195, 4935	X
B	Guided Missile Warhead.	FSC 1336, 1337, 1338	X
C	Free Missile Parts.	FSC 1055, 1190, 1195, 1340	X
C	SHIPS		
1	Warships:		
A	Destroyer (DD).	FSC 1905	X
B	Submarine (SS).	FSC 1905	X
C	Ocean Escort (DE).	FSC 1905	X
D	Light Aircraft Carrier (CVL).	FSC 1905	X
E	Light Cruiser (CL).	FSC 1905	X
F	Guided Missile Frigate.	FSC 1905	X

Table D-7 (continued) (Page 3 of 25)

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Change 4
Reference pg D-35

Table D-7 (continued) (Page 13 of 25)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
J 7	Other Support Equipment:				
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 35XX (except 3510, 3520)		X	
J	General Purpose ADP Equipment	FSG 70XX		X	
K	Office Machines	FSG 74XX		X	
L	Pumps & Compressors	FSG 43XX		X	
M	Plumbing & Heating Equipment.	FSG 45XX		X	
N	Engines	FSG 28XX (except 2810, 2840, 2845)		X	
P	Prefab & Portable Structures.	FSG 54XX (except 5420)		X	
Q	Mine Drilling Equipment	FSC 3820		X	
R	Refrigeration & Air Conditioning Equipment.	FSG 41XX		X	
S	Firefighting Equipment.	FSC 4210		X	
Z	Other Support Equipment	FSG 37XX, 46XX, 47XX, 48XX, 71XX, 72XX, 73XX		X	
8	Books, Maps, & Publications:				
A	Technical, Non-Technical Books & Publications	FSG 76XX		X	
B	Maps and Charts	FSG 76XX		X	
K	SUPPLIES				
1	Clothing & Textile Supplies:				
A	Clothing/Textiles & Individual Equipment.	FSG 83XX, 84XX		X	
2	Medical Supplies:				
A	Drugs, Biologicals & Surgical Dressings	FSC 6505, 6510		X	
Z	Other Dental & Medical Supplies	FSG 65XX (except 6505, 6510)		X	
3	Subsistence:				
A	Human Subsistence	FSG 89XX		X	
B	Human Subsistence (Offshore Procurement).	FSG 89XX		X	
4	General Supplies:				
A	Hand & Measuring Tools.	FSG 51XX, 52XX		X	

changed 4
reference pg D-41

Table D-7 (continued) (Page 16 of 25)

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
M 1 H	Technical Coordination Program (TCP)	02		X	
J	Aircraft Structural Integrity Program (ASIP).	02		X	
K	Non-Standard Item Support	02		X	
L	PMEL Calibration.	02		X	
M	Engine CIP.	02		X	
P	Contractor Engineering Tech Services (CETS)	02		X	**
Q	Ship Maintenance Technical Assistance	02		X	
R	Logistics Technical Assistance.	02		X	
2	Repair/Rehabilitation/Replacement of Equipment:				
A	Repair/Rehab/Replacement of Aircraft & Aircraft Engine Overhauls (Incl a/c IRAN)	02	X	X	
B	Overhaul of Ships	02	X	X	
C	Repair/Rehab/Replacement, Other	02	X	X	
D	Combat Vehicles	02	X	X	
E	Tactical/Support Vehicles	02	X	X	
F	Weapons	02	X	X	
G	Ammunition.	02		X	
H	Communications/Electronics, & Meteorological Equipment.	02		X	
J	Support Equipment	02		X	
K	Missiles.	02	X	X	
3	Repair & Rehabilitation (R&R) of Excess Material (FY 63 and Prior Year Only):				
A	Repair & Rehab of Aircraft & Aircraft Engine Overhauls (Including IRAN).	01		X	
B	Overhaul of Ships	01		X	
C	Repair & Rehabilitation, Other.	01		X	
4 A	Contractor-Provided Overhaul/Repair & Rehabilitation of Non-Standard Equipment			X	
N	TRAINING (FMS 1200 SYSTEM ONLY)				
0	Training:				
O	Training.	00		X	
7	Training - Medical Services:				
E	Medical Services.	00		X	
9	Training:				
A	Aids, Devices, Spare Parts.	00		X	
B	Books, Publications, Other.	00		X	
X	PCH&T Costs	00		X	

Change 4
Rpt no P9 D-48

Table D-7 (continued) (Page 17 of 25)

Generic Code	Item Ident. No.	Description/Category	Program as:		Remarks
			Major Item	Dollar Line	
N		TRAINING (MAP 1000 SYSTEM ONLY)			*
1		FORMAL TRAINING - UNITED STATES			
A	0110000	Flying Training, U.S.:			
	0111000	Pilot, Jet, Fixed Wing	X		
	0112000	Pilot, Conventional, Fixed Wing.	X		
	0113000	Pilot, Helicopter.	X		
	0114000	Non-Pilot.	X		
	0115000	Instructor	X		
	0116000	Special Techniques	X		
	0117000	Crew/Transition.	X		
	0118000	Flight Test.	X		
	0119000	Other.	X		
B	0120000	Operations Training, U.S.:			
	0121000	Combat Operations.	X		
	0122000	Weapons/Tactics/FAM.	X		
	0123000	Mine Warfare/ASW	X		
	0124000	Amphibious Operations.	X		
	0125000	Reconnaissance, Mapping/Photo.	X		
	0126000	Counterinsurgency/Psychological Warfare.	X		
	0127000	CBR.	X		
	0128000	Training Devices/Simulators.	X		
	0129000	Other.	X		
C	0130000	Communications/Electronics Training, U.S.:			
	0131000	Electronic Fundamentals.	X		
	0132000	Ground Comm/Signal	X		
	0133000	Air Comm/Signal.	X		
	0134000	Fire Control Sys/Surface-to Air.	X		
	0135000	ASW Systems/Surface-to-Air	X		
	0136000	ECM Systems/Surface-to-Air	X		
	0137000	Other Radar Systems/Surface-to-Air	X		
	0138000	(Unassigned)	X		
	0139000	Other.	X		
D	0140000	Maintenance Training, U.S.:			
	0141000	Aviation	X		
	0142000	Armament/Ammunition.	X		
	0143000	Auto/Ground Support.	X		
	0144000	Combat/Special Vehicle	X		

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Reference PD-49

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Change 4
Background

DEFENSE SECURITY ASSISTANCE AGENCY

JA 1/31/91

Memo for: Jerry Fraisz, FMD

29 Jan 91

SUBJECT: DISAM-suggested changes to the SAMM
(your whitey, 29 Jan 91)

The following comments relate to the questions
in your whitey:

1. The "S" for commercial cases is not used in 1200 system, so it would be inappropriate to add it to the table on pg D-10. We are working on a revision to SAMM Chapter 9 which will, among other things, explain the use of "S" for commercial contracts in the FMS credit system, but won't have it ready in time for this SAMM change. (We want to wait until SAAC takes over disbursements to incorporate new procedures, addresses, FMD responsibilities, etc.) Pseudo case IS-S-FRB is an internal mechanism set up to handle disbursement of funds between DSAA and SAAC and certainly should NOT be included in the SAMM.

2. Concur with addition of proposed Table D-16.

Change 4

3. I would prefer not to put in this policy at this time. It may "go away" when all FY90 funds have been committed, or may have to be extended for future years' funds--I don't know yet, until we have some experience with handling the FY91 funding.

Attached also is a correction that needs to be made on page D-16.

change 4

Also recommend the SAMM index be amended to add a reference to country codes (page D-24) and Status Codes (page D-16) (see atch).

change 4

Joan Brubaker
DSAA/COMPT-FMD(R)
43109

**Case Identifiers/Case Designators
(Credit Programs)**

1. Chapter 7, Table 701-9, Paragraph C, page 701-28; Appendix D, C.13, page D-3 and C.51.b, page D-10. Subject is Case Identifiers/Designators – MILDEP/Agency Codes, etc. We have been notified of “pseudo” codes, such as “S” for DCS which use credit funds and IS-S-FRB. I understand these codes are in the DSAA credit system but not the DSAA 1200 system. Should they be defined in the SAMM?

2. Why doesn't the SAMM include a chart of MILDEP case designators such as is in the DISAM green textbook, *The Management of Security Assistance*, 10th Edition, page 9-10? The data has been provided by the MILDEPs but has never appeared in the SAMM. SAO personnel, etc., often say they have to use the textbook for “official” case designator information. However, the textbook is not an official document.

Country	Code	Unified Command Cognizance	Area/Congres- sional Grouping
Jamaica	JM	AT	AR
Japan	JA	PA	EAP
Jordan	JO	CE	NESA
Kampuchea (Cambodia)	CB	PA	EAP
Kenya	KE	CE	AFR
Kiribati	KR	PA	EAP
Korea (Seoul)	KS	PA	EAP
Kuwait	KU	CE	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
Macau (PORT)	MC	PA	EAP
Madagascar	MA	PA	AFR
Malawi	MI	EU	AFR
Malaysia	MF	PA	EAP
Maldives	MV	PA	NESA
Mali	RM	EU	AFR
Malta	MT	EU	EUR
Martinique (FR)	MB	AT	AR
Mauritania	MR	EU	AFR
Mauritius	MP	PA	AFR
Mexico	MX	SO	AR
Monaco	MN	EU	EUR
Mongolia	MG	PA	EAP
Montserrat (UK)	MH	AT	AR
Morocco	MO	EU	NESA
Mozambique	MZ	EU	AFR
Nambia	WA	EU	AFR
Nauru	NR	PA	EAP
Nepal	NP	PA	NESA
Netherlands	NE	EU	EUR
Netherlands Antilles (NE)	NA	AT	AR
New Caledonia (FR)	NC	PA	EAP
New Zealand	NZ	PA	EAP
Nicaragua	NU	SO	AR
Niger	NK	EU	AFR
Nigeria	NI	EU	AFR
Niue	NQ	PA	EAP
Norfolk Islands (AUST)	NF	PA	EAP
Norway	NO	EU	EUR

TABLE D-5. (Continued) [Page 3 of 7]

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TABLE D-11
TYPE OF ASSISTANCE CODE - 1000 SYSTEM

<u>Code</u>	<u>Meaning</u>
1	Grant Aid rendered under the authority of the Foreign Assistance Act of 1961, as amended, for which the United States receives no reimbursement.
C	Presidential Determination to order defense articles from stock and performance of defense services to satisfy Grant Aid requirements with reimbursement from subsequent military assistance appropriations. (Section 506 FAA of 1961, as amended.)
D	Military Assistance Service Funded. Grant Aid programs transferred to the Department of Defense budget, which were not controlled and implemented through the MAP documentation and ADP system.
H	Grant Aid share of cost sharing agreements.
K	Grant Aid of MAP-owned assets obtained through barter arrangements with the Federal Republic of Germany (used in conjunction with Source of Supply Code "B" only).
L	Grant Aid provided through the NATO Hawk Production and Logistics Organization (NTPLO) for maintenance support of the Hawk Missile System (used in conjunction with Source of Supply Code "N" only.)
N	Section 23 or 24, AECA, FMS credit (Non-Repayable) Grant Aid of articles or services available as a result of liquidation of MAP's investment in the spare parts stock of the NATO Maintenance Supply Organization (NAMSO).
P	Grant Aid Programs transferred to the Department of Defense budget which were controlled and implemented through the MAP documentation and ADP system.
R	Grant Aid of U.S. recovered materiel resulting from liquidation of NATO Maintenance Supply Agency excess stockage.
S	Assigned to all records in the Republic of Korea Equipment Transfer program authorized by Public Law 95-384 at no charge to MAP. This code is also assigned to all PY 71 update & 72 equipment transferred to the ROK under Public Law 91-652 at no cost to MAP. This code is also assigned to ammunition transferred to the Royal Thai Government from Army FMS Case UEB. Transfer at no cost to MAP was authorized by Section 24, Public Law 96-92, 29 October 1979
Z	Section 23 or 24, AECA, FMS credit.

TABLE D-11. TYPE OF ASSISTANCE CODE - 1000 SYSTEM.

UNCLASSIFIED

JOINT STAFF
INFO SERVICE CENTER

*Change 4
Background*

ROUTINE ZYUW RUEKJCS7944 1350531
R 150531Z MAY 91
FM SECDEF WASHINGTON DC//USDP:DSAA//
TO DLA CAMERON STATION ALEXANDRIA VA//DLA-OS/CFG//
ZEN/DLSSO CAMERON STATION ALEXANDRIA VA
HQ USAF WASHINGTON DC//SAF/IAF//
AFLC WRIGHT PATTERSON AFB OH//ILC/MIN//
COMNAVSUPSYSCOM WASHINGTON DC//SUPO7//
CDRUSAFAC INDIANAPOLIS IN//SAFM-FAP-S//
CRDUSASAC NEW CUMBERLAND MD
CRDUSASAC ALEXANDRIA VA//AMSAC-MP-R//
NAVY IPO WASHINGTON DC
NAVCOMPT WASHINGTON DC//NAFC 53//

E

UNCLAS

FROM DSAA/COMP-FMD
SUBJECT: TYPE OF ASSISTANCE CODE "N"
REFS: A. USDP MESSAGE 140828Z MAR 90, SUBJECT: REVISION TO THE SECURITY ASSISTANCE MANAGEMENT MANUAL (SAMM), DOD 5105.38-M, INTERIM CHANGE TYPE OF ASSISTANCE CODE (NOTAL)
B. CRDUSASAC (AMSAC-MP-R) MESSAGE 201230Z APR 90, SUBJECT: REVISION TO THE SECURITY ASSISTANCE MANAGEMENT MANUAL. DOD 5105.38-M, INTERIM CHANGE (NOTAL)
C. AFLC ILC/MIM MESSAGE 251230Z APR 90, SUBJECT: TYPE ASSISTANCE CODE "N", FMS CREDIT (NON-REPAYABLE) (NOTAL)
D. USDP MESSAGE 160535Z JUN 90, SUBJECT: REVISION TO THE SECURITY ASSISTANCE MANAGEMENT MANUAL (SAMM) DOD 5105.38-M, INTERIM CHANGE (NOTAL)
E. AFLC ILC MESSAGE 231200Z JUL 90, SUBJECT REVISION TO THE SECURITY ASSISTANCE MANAGEMENT MANUAL (SAMM) DOD 5105.38-M, INTERIM CHANGE (NOTAL)
F. DLA CAMERON STATION VA//DLA-OS MESSAGE 021200Z OCT 90, SUBJECT: TYPE OF ASSISTANCE CODE "N"
1. REFERENCES A. THROUGH E. PROVIDED INFORMATION REGARDING THE CHANGE TO THE SECURITY ASSISTANCE MANAGEMENT MANUAL TO REDEFINE THE TYPE OF ASSISTANCE CODE (TAC) "N". REFERENCE F. IDENTIFIED PROBLEMS IN IMPLEMENTING THE SAMM CHANGE AND OPERATIONAL PROBLEMS AS MILSTRIP REQUISITIONS WERE BEING RECEIVED USING THE TAC "N".
2. REQUEST THAT ADDRESSEES ADVISE DSAA/COMP-FMD WHEN ALL AUTOMATED SYSTEMS SUPPORTING MILSTRIP/MILBILLS/MILSTRAP/ETC. PROCESSES HAVE BEEN OR WILL BE MODIFIED TO TREAT TAC "N" AS FMS SEC. 23 OR 24 AECA FMS CREDIT (NON-REPAYABLE) VICE "GRANT AID OF ARTICLES OR SERVICES AVAILABLE AS A RESULT OF LIQUIDATION MAP'S INVESTMENT IN THE SPARE PARTS STOCK OF THE NATO MAINTENANCE SUPPLY ORGANIZATION (NAMSO)".
3. TO THE EXTENT POSSIBLE, NEW REQUISITIONS SHOULD NOT BE PROCESSED UNTIL THE REQUIRED SYSTEMS CHANGES ARE COMPLETED. THOSE REQUISITIONS "IN THE MILL" USING TAC "N" SHOULD BE TREATED AS TAC "Z" UNTIL CHANGES ARE COMPLETED.
4. TABLE D-11, DOD 5105.38-M, "SECURITY ASSISTANCE MANAGEMENT MANUAL" (SAMM), WILL BE CHANGED IN THE NEXT SCHEDULED REVISION TO READ AS FOLLOWS: "CODE N: SECTION 23 OR 24, AECA, FMS CREDIT (NON-REPAYABLE)". IN ADDITION, THE FOLLOWING CODE WILL BE ADDED TO TABLE D-11, "CODE Z:SECTION 23 OR 24, AECA, FMS CREDIT". REQUEST THAT DLSSO INITIATE AN INTERIM CHANGE TO DOD 4000.25-1, APPENDIX B22, AND OTHER RELEVANT DIRECTIVES/MANUALS TO INCLUDE THESE CHANGES.
5. THE NEXT SCHEDULED CHANGE TO THE SAMM WILL INCLUDE ALL OF THE TACS IDENTIFIED IN DOD 4000.25-1-M. SOME OF THESE CODES MAY REQUIRE REDEFINITION DUE TO CHANGES IN THE MAP/GRANT AID AND FMS PROGRAMS OVER THE PAST FEW YEARS.
6. DSAA WILL ADVISE WHEN ALL AUTOMATED SYSTEMS MODIFICATIONS HAVE BEEN COMPLETED AND TAC "N" CAN BE USED. ADDRESS QUESTIONS TO DSAA/COMP-FMD, CARL MILLER, AV 224-1173. BT

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ACTION USDP:DSAA(6) (D,6,7,F)
INFO QUAL CONTROL(1) SECDEF-N(1) USDP:FILE(1) USDP:IA(1)

125

FMS Control and Reports

D. 2. b. The report should be prepared quarterly as of the last day of the last month of the quarter and is due in the DSAA ~~Comptroller, Data Management Division~~, by the 15th of the following month. The DSAA ~~Comptroller, Program Control Division~~, is designated as the coordinating office for all EDA sold under FMS in addition to prevailing coordination currently required in the SAMM for FMS cases. See Table E-2 for sample reporting format.

D. 3. Foreign Military Construction Sales (RCS: DSAA(O)1145). The AECA, Section 36(a) requires quarterly reporting of each Foreign Military Construction sale made under Section 29 during the quarter for which such report is made. The report should cover all sales of design and construction services to any eligible foreign country or international organization specifying (1) the purchaser; (2) the U.S. Government department or agency responsible for implementing the sale; (3) an estimate of the dollar amount of the sale; and (4) a general description of the real property facilities to be constructed pursuant to such sale. These reports must be submitted to the DSAA Comptroller, Data Management Division, not later than 20 days after the reporting period. See Table E-3 for a sample reporting format.

125a

TABLE E-3
Foreign Military Construction Sales

FOREIGN MILITARY CONSTRUCTION SALES
(RCS: DSAA(Q) 1145)

Delete

Quarter Beginning

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Quarter Ending

(In Full Dollars)

Country	Implementing Agency	Estimated Sales Value	Description of Facilities To be Constructed
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TABLE E-3. Foreign Military Construction Sales.

125b

SAMM, TABLE E-6

STATUTORY REPORTS TO CONGRESS SUBMITTED BY DOD ON SECURITY ASSISTANCE

REPORT ITEM	AUTHORIZING LEGISLATION	RECIPIENT*	TRIGGER	RESPONSIBLE DOD COMPONENT
1. Notification to Congress of Defense Articles, Services, Education & Training provided under emergency draw-down authority	Sec. 506(b)(2), FAA of 1961	SHR, Pres. of Senate, HFAC, SFRC, HAC, SAC	Any provision of aid under Sec. 506, FAA of 1961; at least monthly	DSAA/COMPT/FMD
2. Stockpiling of Defense Articles (REPEALED - P.L. 101-510)				
3. U.S. Armed Services Personnel Assigned to SAOs: two reports				
(a) Presidential waiver of Congressional limitation of six Armed Forces personnel in country	Sec. 515(c)(1), FAA of 1961	HFAC, SFRC	30 days prior to introduction of additional personnel	DSAA/Plans/Training, Org & Manpower
(b) Notification of increase in U.S. Armed Forces personnel over levels indicated in the CPD for the FY in which the increase occurs	Sec. 515(c)(2), FAA of 1961	HFAC, SFRC	30 days prior to introduction of additional personnel	DSAA/Plans/Training, Org & Manpower
4. Notification of Program Changes (Dollar Levels)	Sec. 634A, FAA of 1961	HFAC, SFRC, HAC, SAC	15 days in advance of obligation of funds not justified, or in excess of amounts justified to the Congress for obligation under the FAA and AECA	DSAA/COMPT/FMD

125c

Change 4
Replace Table E-6

SAMM, TABLE E-6

STATUTORY REPORTS TO CONGRESS SUBMITTED BY DOD ON SECURITY ASSISTANCE

REPORT ITEM	AUTHORIZING LEGISLATION	RECIPIENT*	TRIGGER	RESPONSIBLE DOD COMPONENT
5. Notification of Obligation of Funds not justified for a particular fiscal year; Also, transfers under Sec. 610, FAA to IMET or to Foreign Military Financing	Foreign Assistance & Related Programs Appropriations Act, (For FY 1990, Sec. 523, P.L. 101-167) See also Sec. 514, first proviso *	HAC, SAC	15 days in advance of <u>obligation</u> of funds not justified, or in excess of for a particular fiscal year	DSAA/COMPT/FMD
6. Program Content Notification	Foreign Assistance & Related Programs Appropriations Act, (For FY 1991, Sec. 523, first proviso, P.L.101-513)	HAC,SAC	15 days in advance of <u>commitment</u> of loan or grant funds for MDE or major defense items not justified, or 20% in excess of quantity previously justified	DSAA/OPS/MGMT
7. Notification of Status of FY 1989 MAP Merger Funds	Foreign Assistance, Export Financing & Related Programs Appropriations Act for Military Assistance (For FY 1989, P.L. 100-461)	HAC, SAC	NLT March 1st each year	DSAA/COMPT
8. Annual Assessment on NATO Readiness (REPEALED - P.L. 101-510)				
9. Notification of sales or transfers from U.S. Active forces' inventories or current production (REPEALED - P.L. 101-510)				

* DISAM changed to 1991, as in current DAMAS. DSAA 5C apno-1/24/92.

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Change 4

SAMM, TABLE E-6

STATUTORY REPORTS TO CONGRESS SUBMITTED BY DOD ON SECURITY ASSISTANCE

REPORT ITEM	AUTHORIZING LEGISLATION	RECIPIENT*	TRIGGER	RESPONSIBLE DOD COMPONENT
10. Sale of U.S. War Reserve Stocks, POMCUS, or decrement stock to non-NATO purchasers	10 USC, Sec. 975	SHR, Pres. of Senate, HASC, SASC	NLT 60 days after Presidential determination of an "international crisis"	DSAA/OPS/Country Desk Officer
11. Report on NATO acquisition of non-interoperable major weapons systems to be used by U.S. forces in Europe under the terms of the North Atlantic Treaty	10 USC, Sec. 2457(d)	SHR, Pres. of Senate, HASC, SASC	NLT February 1st each year	USD(A)
12. Notification of grant transfer of excess defense articles (See also item #23)	Sec. 516, FAA Sec. 517, FAA Sec. 518, FAA Sec. 519, FAA	HAC, SAC, SFRC, HFAC, SASC, HASC	30 days prior to transfer	DSAA/OPS
13. Report on Significant Hostilities or Terrorist Acts	Sec. 21(c)(2), AECA	SHR, Pres. Pro Tem of Senate	Within 48 hours of change in status of hostilities or terrorist acts which would endanger American lives or property	General Counsel, DOD
14. Billing upon delivery from stock with 120-day interest-free period after delivery	Sec. 21(d) (last sentence), AECA	SHR, Pres. of Senate, HAC, SAC	Presidential determination and budget request for emergency funds	DSAA/OPS/MGMT
15. Report on FMS Training Standardization Agreements with NATO, Japan, Australia, New Zealand, or Israel	Sec. 21(g), AECA	SHR, HAC, SAC, HASC, SASC, HFAC, SFRC	U.S. conclusion of any standardization agreement on training for identified purchaser	DSAA/Plans/Training, * Organization & Manpower *

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SAMM, TABLE E-6

STATUTORY REPORTS TO CONGRESS SUBMITTED BY DOD ON SECURITY ASSISTANCE

REPORT ITEM	AUTHORIZING LEGISLATION	RECIPIENT*	TRIGGER	RESPONSIBLE DOD COMPONENT
16. Report on sales from stocks having an adverse impact on the readiness of U.S. Armed Forces	Sec. 21(i), AECA	SHR, SASC, HASC, HFAC, SFRC	In the event a proposed sale from stocks could have significant adverse impact on combat readiness of U.S. forces	DSAA/OPS/Country Desk Officer
17. Billing upon delivery from new procurement with 120-day payment after delivery	Sec. 22(b), AECA	SHR, Pres. of Senate, HAC, SAC	Presidential determination and budget request for emergency funds	DSAA/OPS/MGMT
18. Annual Estimate & Justification for Sales Program [Congressional Presentation for Security Assistance (CPD)]:	Sec. 25(a), AECA	SHR, Pres. of Senate, HAC, SAC, HFAC, SFRC, HASC, SASC, HBC, SBC, CBO	NLT February 1st of each year	DSAA/COMPT/FMS Control & Reports *
a. The "Javits" Report: covering all sales of major weapons or weapons related defense equipment for \$7M or more, or of any other weapons or weapons related equipment for \$25M or more, which are considered eligible for approval during the current calendar year. Also an indication of which sales are most likely to result in issuance of an LOA during such year	Sec. 25(a)(1), AECA		NOTE: Reported separately to State/PM and not part of the CPD	DSAA/OPS/MGMT *
b. Estimate of total sales and licensed commercial exports	Sec. 25(a)(2), AECA			DSAA/COMPT/FMS Control & Reports *

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SAMM, TABLE E-6

STATUTORY REPORTS TO CONGRESS SUBMITTED BY DOD ON SECURITY ASSISTANCE

REPORT ITEM	AUTHORIZING LEGISLATION	RECIPIENT*	TRIGGER	RESPONSIBLE DOD COMPONENT	
18. c. Estimate of aggregate dollar value and quantity of defense articles and defense services, IMET, MAP, credits and guaranties to be furnished in the next fiscal year	Sec. 25(a)(5)(A), AECA			DSAA/COMPT/FMS Control & Reports	*
d. Report on Cash Flow Financing	Sec. 25(a)(5)(B), AECA			DSAA/COMPT/FMD	
e. Analysis and description of USG services for which reimbursement is provided under Sec. 43(b) or 21(a) of the AECA	Sec. 25(a)(6), AECA	SHR, SFRC	NOTE: Reported separately and not part of CPD	DSAA/COMPT/FMS Control & Reports	*
f. Amount of funds in reserve for guaranties	Sec. 25(a)(7), AECA			DSAA/COMPT/Program Budget	*
g. Progress made in the Korean Force Modernization Program	Sec. 25(a)(9), AECA			OASD/ISA/EA&PR	
h. Status of each loan and contract of guaranty or insurance	Sec. 25(a)(11), AECA		NOTE: Reported separately and not part of CPD	DSAA/COMPT/FMD	*
19. Quarterly Report of Security Assistance Surveys	Sec. 26(b), AECA	SHR, SFRC	NLT 60 days after end of each quarter. This is included in reports required by Sec. 36(a), AECA. See Report Item #25.	DSAA/COMPT/FMS Control & Reports	*
20. Copies of Security Assistance Surveys	Sec. 26(c), AECA	SHR, HFAC, SFRC	On request of Chairman, HFAC, or Chairman, SFRC	DSAA/COMPT/FMS Control & Reports	*

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SAMM, TABLE E-6

STATUTORY REPORTS TO CONGRESS SUBMITTED BY DOD ON SECURITY ASSISTANCE

REPORT ITEM	AUTHORIZING LEGISLATION	RECIPIENT*	TRIGGER	RESPONSIBLE DOD COMPONENT
21. Proposed Agreements for NATO Cooperative Projects	Sec 27(f), AECA	SHR, HASC, SASC, HFAC, SFRC	NLT 30 days prior to signature of agreement on behalf of USG	DSAA/OPS/MGMT
22. Quarterly Report on Price and Availability; LOA Requests for \$7M or more of MDE/\$25M or more of defense articles and services or for air-to-ground/ground-to-air missiles	Sec. 28, AECA	SHR, SFRC	NLT 15 days after end of each calendar quarter	DSAA/COMPT/FMS Control & Reports *
23. List of all accepted and unaccepted LOA's to sell excess defense articles through FMS procedures (See also item #12)	HFAC Report No. 96-70 (International Security Assistance Act of 1979), 24 March 1979, page 25; Sec. 548 (1st proviso), FY 91 Foreign Operations Appropriations Act	SHR, SFRC	NLT 60 days after end of each quarter. This is included in reports required by Sec. 36(a), AECA. See Report Item #25.	DSAA/COMPT/FMD
24. Waivers of non-recurring recoupment charges	HGOC Report No. 97-214, 31 July 1981	SHR, SFRC	Included in reports required by Sec. 36(a), AECA. See Report Item #25.	DSAA/OPS/MGMT
25. Quarterly Reports on Commercial And Governmental Military Exports:	Sec. 36(a), AECA	SHR, SFRC	NLT 60 days after end of each quarter	DSAA/COMPT/FMS Control & Reports *
a. List of all unaccepted LOAs valued at \$1M or more for MDE	Sec. 36(a)(1), AECA			DSAA/COMPT/FMS Control & Reports *
b. List of all accepted LOAs valued at \$1M or more for MDE; total value of all defense articles and services sold during the fiscal year	Sec. 36(a)(2), AECA			DSAA/COMPT/FMS Control & Reports *

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SAMM, TABLE E-6

STATUTORY REPORTS TO CONGRESS SUBMITTED BY DOD ON SECURITY ASSISTANCE

REPORT ITEM	AUTHORIZING LEGISLATION	RECIPIENT*	TRIGGER	RESPONSIBLE DOD COMPONENT
25. c. Cumulative dollar amounts of FMS direct credit and guaranty agreements made during the fiscal year	Sec. 36(a)(3), AECA			DSAA/COMPT/FMD *
d. Dollar amounts of Foreign Military & Construction Sales Agreements concluded during the quarter, projections for remaining quarters (FMCS stated separately)	Sec. 36(a)(5) & (6) AECA			DSAA/COMPT/FMS Control & Reports *
e. Foreign Military Construction Sales (Sec. 29, AECA) made during the quarter	Sec. 36(a)(9), AECA			DSAA/COMPT/FMS Control & Reports *
f. Third-party transfer of defense articles or services whose value (in terms of original acquisition cost) is \$1,000,000 or more	Sec. 36(a)(10), AECA			DSAA/COMPT/FMS Control & Reports *
g. Transfers to non-DoD USG agencies of munitions list items worth \$250,000 or more	Sec. 36(a)(11), AECA			P&L/DASD for Logistics
h. See Items 19, 23 & 24				
26. Notification of LOAs for sale of excess defense articles	Sec. 548 (1st proviso), FY 91 Foreign Operations Appropriations Act	SAC, HAC	15 days prior to issuance of LOA	DSAA/OPS

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SAMM, TABLE E-6

STATUTORY REPORTS TO CONGRESS SUBMITTED BY DOD ON SECURITY ASSISTANCE

REPORT ITEM	AUTHORIZING LEGISLATION	RECIPIENT*	TRIGGER	RESPONSIBLE DOD COMPONENT
27. Reports of Proposed FMS which are: (a) For defense articles or services valued at \$50M or more, or (b) For design and construction services valued at \$200M or more, or (c) MDE valued at \$14M or more	Sec. 36(b)(1), AECA	SHR, HFAC, SFRC, HASC, SASC, HAC, SAC	15 days before issuance of an LOA to NATO, NATO members, Japan, Australia, or New Zealand; or 30 days before issuance of an LOA to other purchasers	DSAA/COMPT/FMS Control & Reports *
28. Report of Enhancement or Upgrade of Sensitivity of Technology of Items Previously Notified Under Sec. 36(b)(1), AECA	Sec. 36(b)(5)(A), AECA	SHR, HFAC, SFRC, HASC, SASC, HAC, SAC	45 days before delivery of previously notified item(s)	DSAA/COMPT/FMS Control & Reports *
29. Notification on Enhancement or Upgrade of Capability or Sensitivity of Technology	Sec. 36(b)(5)(C), AECA	SHR, HFAC, SFRC, HASC, SASC, HAC, SAC	15/30 days prior to a proposed enhancement or upgrade which meets 36(b)(1) thresholds	DSAA/COMPT/FMS Control & Reports *
30. Special Defense Acquisition Fund (SDAF) Annual Report	Sec. 53(a), AECA	SHR, Pres. of Senate, HAC, SAC, HFAC, SFRC, HASC, SASC, HBC, SBC, CBO	NLT December 31st of each calendar year	DSAA/Plans/SDAF
31. Report on Proposed Leases of Defense Articles, including reciprocal no-rent leases	Sec. 62, AECA See also Sec. 61(a), AECA	SHR, HFAC, SFRC, HASC, SASC	NLT 30 days before entering into or renewing any lease agreement for one year or longer	DSAA/OPS/MGMT & DSAA/COMPT/FMS Control & Reports *

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SAMM, TABLE E-6

STATUTORY REPORTS TO CONGRESS SUBMITTED BY DOD ON SECURITY ASSISTANCE

REPORT ITEM	AUTHORIZING LEGISLATION	RECIPIENT*	TRIGGER	RESPONSIBLE DOD COMPONENT
32. Reprogramming of FMS concessional credits	Title III, Foreign Assistance Appropriation Act, 1990 *	HAC, SAC, HFAC, SFRC	15 days in advance of obligation of funds. See Report Items #4 and #5	DSAA/COMPT/FMD
33. Aircraft grants or sales to Central America	Sec. 532(a), Foreign Assistance Appropriations Act, 1990 *	HAC, SAC, HFAC, SFRC	15 days in advance of LOA issuance or delivery	DSAA/OPS/LA

*ABBREVIATIONS:

- SHR - Speaker of the House of Representatives
- HBC - House Budget Committee
- SBC - Senate Budget Committee
- CBO - Congressional Budget Office
- HAC - House Appropriations Committee
- SAC - Senate Appropriations Committee
- HFAC - House Foreign Affairs Committee
- SFRC - Senate Foreign Relations Committee
- HASC - House Armed Services Committee
- SASC - Senate Armed Services Committee

* TO 191 MILS - Silbn 1/24/92

Change 4

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SAMM, TABLE E-7

CURRENT REPORTING REQUIREMENTS UNDER DSAA REPORTS CONTROL SYSTEM

Reports Control Symbol (RCS)	Report Title	Reporting Frequency	Reporting Components	Responsible Office
GRANT AID REPORTS:				
DSAA(AR)1000	Grant Aid (MAP/IMET) Reporting System	As required	All Implementing Agencies	DSAA/COMPT/IRM *
DSAA(M)1004	Identification of Reimbursement for Disposal of MAP Property	Monthly	All Implementing Agencies	DSAA/COMPT/AFD
DSAA/(AR)1016	Country and Amount of Increase Over CPD Levels (Section 113, Foreign Assistance and Related Programs Appropriation Act, 1975)	As required	DSAA/COMPT/FMD and DSAA/PLANS/TOM	DSAA/COMPT/FMD & DSAA/PLANS/TOM
FOREIGN MILITARY SALES REPORTS:				
DSAA(M)1101	Financial Procedures Applicable to Military Procurement Agreement Between U.S. and Federal Republic of Germany	Monthly	All Implementing Agencies, SAAC	SAAC
DSAA(M)1111	Monthly Report of Disbursements/Collections Transactions for DSAA	Monthly	SAAC	DSAA/COMPT/AFD
DSAA(Q)1112	Recoupment of Non-recurring Costs on Sales of USG Products and Technology (DOD Directive 2140.2)	Quarterly	All Implementing Agencies, SAAC	DSAA/OPS/MGMT
DSAA(Q)1113	FMS Case Listings of Major Defense Equipment (MDE) Valued at \$1 Million or More & Supporting Tables Showing Current Year Activity (Feeder for Section 36(a), Arms Export Control Act (AECA))	Quarterly	All Implementing Agencies	DSAA/COMPT/FMSCRD

*Change 4
Revised Table E-6
(Includes additions
lined thru in red - and
changes -
attributed.*

CURRENT REPORTING REQUIREMENTS UNDER DSAA REPORTS CONTROL SYSTEM

Reports Control Symbol (RCS)	Report Title	Reporting Frequency	Reporting Components	Responsible Office	
DSAA(AR)1114	FMS Letters of Offer to Sell Defense Articles or Services for \$14 Million of MDE or \$50 Million of Other (Feeder for Section 36(b), AECA)	As Required	All Implementing Agencies	DSAA/COMPT/FMSCRD	*
DSAA(Q)1118	Excess Defense Articles Sold to Foreign Governments or International Organizations at Acquisition Cost (Feeder for Section 36(a), AECA; required by H.R. 96-70, March 24, 1979)	Quarterly	All Implementing Agencies	DSAA/COMPT/FMSCRD	*
DSAA(Q)1119	Analysis of FMS Agreements Between the Army Corps of Engineers and the Government of Saudi Arabia (Later expanded to include any other countries)	Monthly	Army Corps of Engineers	DSAA/COMPT/FMSCRD	*
DSAA(A)1121	Number of U.S. Officers and Employees Engaged in Services to Foreign Governments under FMS (Feeder for Section 25(a)(6), AECA)	Annually	SAO's	DSAA/COMPT/FMSCRD	*
DSAA(Q)1126	Major Defense Equipment List	Cancelled per SecDef msg, DTG 100140Z Oct 91			*
DSAA(A)1128	Budget Call - Cost of Administering the Foreign Military Sales Program	Annually	All Implementing Agencies	DSAA/COMPT/PBD	*
DSAA(W)1129	FMS Credit Reporting System	Weekly	DSAA/COMPT/Fin Management	DSAA/COMPT/FMD	*
DSAA(AR)1133	Notification of Sales or Transfers from U.S. Active Forces' Inventories or Current Production (Feeder for Section 118, 10 USC)	Cancelled - Legislation Repealed (See SecDef msg 100140Z Oct 91)			*

Delete

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CURRENT REPORTING REQUIREMENTS UNDER DSAA REPORTS CONTROL SYSTEM

Reports Control Symbol (RCS)	Report Title	Reporting Frequency	Reporting Components	Responsible Office
DSAA(AR)1135	Peacejammer Restructuring of the Iranian FMS Program	Cancelled per SecDef msg, DTG 100140Z Oct 91		
DSAA(Q)1137	Security Assistance Surveys (Feeder for Section 36(a), Arms Export Control Act; required by Section 26(b), AECA)	Quarterly	All Implementing Agencies	DSAA/OPS/MGMT
DSAA(Q)1138	Price and Availability Report (Feeder for Section 28(a), AECA)	Quarterly	All Implementing Agencies	DSAA/COMPT/FMSCRD *
DSAA(M)1141	FMS Selected Constructive (Physical) Deliveries	Monthly	All Implementing Agencies	SAAC
DSAA(Q)1142	Intermediate Export Fighter Program (FX) Cost Tracking Report	Cancelled per SecDef msg, DTG 100140Z Oct 91		
DSAA(Q)1143	Security Assistance Master Planning and Phasing Worksheet (SAMPAP)	Cancelled per SecDef msg, DTG 100140Z Oct 91		
DSAA(SA)1144	FMS Case Closure	Cancelled		
DSAA(Q)1145	Foreign Military Construction Sales (Feeder for Section 36(a)(9), AECA)	Cancelled per SecDef msg, DTG 100140Z Oct 91		
DSAA(Q)1146	Unexpired Leases of DOD Property of Any Value (SAMM, page 1200-22)	Quarterly	All Implementing Agencies	DSAA/OPS/MGMT
DSAA(M)1147	U.S. Military Component's Deposits to Special Defense Acquisition Fund (SDAF)	Cancelled per SecDef msg, DTG 100140Z Oct 91		

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CURRENT REPORTING REQUIREMENTS UNDER DSAA REPORTS CONTROL SYSTEM

Reports Control Symbol (RCS)	Report Title	Reporting Frequency	Reporting Components	Responsible Office		
DSAA(Q)1148	Royal Saudi Naval Sources FMS Financial Report	Cancelled per SecDef msg, DTG 100140Z Oct 91			*	<i>Delete</i>
DSAA(A)1149	Status Report on Sale of Govt-Furnished Equipment/Material and Related Quality Assurance (DOD Directive 4175.1)	Annually	Army, Navy, Air Force, SAO's	DSAA/OPS/MGMT	*	<i>Delete</i>
DSAA(AR)1150	Intensive Financial Management Report	As Required	Army, Navy, Air Force, SAAC, Others, as directed	DSAA/COMPT/FMD		
DSAA(Q)1152	MAP Overhead Support Activities and SAO Budget Execution Reporting	Quarterly	Army, Navy, Air Force, Unified Cnds	DSAA/COMPT/PBD	*	
DSAA(Q)1153	Quarterly Status of FMS Administrative Expenses Allotment	Cancelled per SecDef msg, DTG 100140Z Oct 91			*	<i>Delete</i>
DSAA(A)1154	Report of FMS Administrative Fund Representational Expenditures	Annually	Army, Navy, Air Force	DSAA/COMPT/PBD	*	
DSAA(A)1155	Report on Cash Flow Financing (Section 25(a)(5)(B), AECA)	Annually	DSAA/COMPT/FMD	DSAA/COMPT/FMD		
DSAA(Q)1156	Quarterly Report on Third Country Transfers (Section 36(a)(10), AECA)	Quarterly	Department of State	DSAA/COMPT/FMSCRD	*	
DSAA(Q)1157	Quarterly Report of Munitions Items Transferred by the DOD to Other Federal Agencies Valued at \$250,000.00 or More (Section 36(a)(11), AECA)	Quarterly	Army, Navy, Air Force, Defense Agencies, AID, Depts. of Commerce, Energy, State, Treasury,	DSAA/COMPT/FMSCRD	*	

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CURRENT REPORTING REQUIREMENTS UNDER DSAA REPORTS CONTROL SYSTEM

Reports Control Symbol (RCS)	Report Title	Reporting Frequency	Reporting Components	Responsible Office
OTHER REPORTS:				
DSAA(AR)1200 (Formerly DSAA (AR)1100)	Foreign Military Sales Reporting System	As Required	All Implementing Agencies, SAAC	DSAA/COMPT/FMSCRD *
DSAA(Q)1201	Military Assistance International Balance of Payments (IBOP) Transactions	Quarterly	Army, Navy, Air Force, ASD(Admin), Treasury, Ex-Im Bank, Commercial Banks	DSAA/COMPT/FMSCRD *
DSAA(Q)1204	Export Licenses and Approvals (Feeder for Section 36(a)(4), AECA)	Quarterly	Office of Munitions Control, Dept. of State	DSAA/COMPT/FMSCRD *
DSAA(A)1211	Value of Real Property Transfers (Senate Report on Hearings Before Committee on Appropriations, Part 2)	Annually	Army, Navy, Air Force	DSAA/COMPT/FMSCRD *
DSAA(A)1213	The Journal	Annually	DSAA/COMPT/FMSCRD	DSAA/COMPT/FMSCRD *
DSAA(A)1215	Congressional Presentation for Security Assistance (Section 25(a), AECA)	Annually	AID, ACDA, DOD, Dept. of State	DSAA/COMPT/FMSCRD *
DSAA(Q)1218	Military Manpower for SAOs	Quarterly	Unified Commands	DSAA/COMPT/PBD *
DSAA(M)1219	DSAA Monthly Fund Status Report	Monthly	Latin American SAOs	DSAA/COMPT/AFD *
DSAA(Q)1221	FMS Arrearages	Quarterly	Army, Navy, Air Force, SAAC	DSAA/COMPT/AFD *

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CURRENT REPORTING REQUIREMENTS UNDER DSAA REPORTS CONTROL SYSTEM

Reports Control Symbol (RCS)	Report Title	Reporting Frequency	Reporting Components	Responsible Office
DSAA(Q)1222	Security Assistance Planning & Program Worksheets	Cancelled per SecDef msg, DTG 100140Z Oct 91		
DSAA(Q)1226	Status of Coproduction Programs Approved Under Security Assistance Program (DOD Directive 2000.9)	Quarterly	Army, Navy, Air Force	DSAA/OPS/MGMT
DSAA(Q)1228	Special Defense Acquisition Fund (SDAF) Inventory Report	Quarterly	Army, Navy, Air Force, DLA, NSA	DSAA/PLANS/SDAF
DSAA(A)1230	Foreign Military Trainee Positions of Prominence and Influence	Every Five Years (First report due 1 Jan 1990)	Unified Commands	DSAA/PLANS/TOM
DSAA(A)1231	Professional Military Education Exchanges	Annually	Army, Navy, Air Force	DSAA/PLANS/TOM
DSAA(SA)1235	Report of SAO Expenditures for Physical Security	Semi-Annually	Unified Commands	DSAA/COMPT/PBD *
DSAA(A)1236	Annual Report of Motor Vehicle Data (SF 82)	Annually	Army, Navy, Air Force, SAO's, Unified Commands	DSAA/COMPT/PBD **

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INFO SERVICE CENTER

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ROUTINE
R 100140Z OCT 91
FM SECDEF WASHINGTON DC//USDP:DSAA//
TO AIG 8797
XMT USDAO KINSHASA CG
AMEMBASSY BRAZZAVILLE
USDAO PORTAU PRINCE HA//SA//

ZYUW RUEKJCS5037 2830140

CZAMISH KINSHASA CG
CHUSMLO PORT AU PRINCE HA

UNCLAS

FROM: DSAA/COMPT-FMSCRD

SUBJECT: CANCELLATION OF REPORTING REQUIREMENTS - DSAA REPORTS CONTROL SYSTEM

1. THE FOLLOWING DSAA REPORTING REQUIREMENTS ARE HEREBY CANCELLED AS A RESULT OF AN EARLIER SURVEY CONDUCTED BY THE REPORTS CONTROL OFFICER, DSAA, AND THE CURRENT, ONGOING REVIEW BY THE POLICY FORMULATION PROCESS ACTION TEAM (PAT) SUB-TEAM ON REPORTING REQUIREMENTS. ADDITIONAL REPORTING REQUIREMENTS MAY BE CANCELLED PENDING APPROVAL OF THE PAT'S FINAL REPORT BY DIRECTOR, DSAA. THESE CANCELLATIONS WILL BE REFLECTED IN THE NEXT SAMM UPDATE IN TABLE E-7, APPENDIX E:

- ✓ DSAA (Q) 1126 - MAJOR DEFENSE EQUIPMENT LIST
- ✓ DSAA (AR) 1133 - NOTIFICATION OF SALES OR TRANSFERS FROM U.S. ACTIVE FORCES' INVENTORIES OR CURRENT PRODUCTION (FEEDER FOR SEC. 118, 10 USC - REPEALED)
- ✓ DSAA (Q) 1135 - PEACEJAMMER - RESTRUCTURING OF THE IRANIAN FMS PROGRAM
- ✓ DSAA (Q) 1142 - INTERMEDIATE EXPORT FIGHTER PROGRAM (FX) COST TRACKING REPORT
- ✓ DSAA (Q) 1143 - SECURITY ASSISTANCE MASTER PLANNING AND PHASING WORKSHEET (SAMPAP)
- ✓ DSAA (Q) 1145 - FOREIGN MILITARY CONSTRUCTION SALES (FEEDER FOR SEC. 36(A)(9), AECA)
- ✓ DSAA (M) 1147 - U.S. MILITARY COMPONENT'S DEPOSITS TO SPECIAL DEFENSE ACQUISITION FUND (SDF)
- ✓ DSAA (Q) 1148 - ROYAL SAUDI NAVAL SOURCES FMS FINANCIAL REPORT
- ✓ DSAA (Q) 1153 - QUARTERLY STATUS OF FMS ADMINISTRATIVE EXPENSES ALLOTMENT
- DSAA (Q) 1222 - SECURITY ASSISTANCE PLANNING & PROGRAM WORKSHEETS

2. POINT OF CONTACT IS JUDITH FREY, DSN 227-8960. BT

JOINT STAFF

ACTION J5(3) USDP:DSAA(1) DIA(1) (D,U,A,6,F)
INFO CJCS(1) VCJCS(1) J3(4) NIDS(1) J4(7) J4:MILSEC-J(1)
J4:SUSD-J(1) QUAL CONTROL(1) J4:MRD-J(1) SECDEF-N(1)
USDP:FILE(1) USDP:CIS(1) DA-SA(1) DIC-2(1) DIO-WE(1)
+SAFE

29

UNCLASSIFIED

130



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

08 NOV 1991

In reply refer to:
I-05313/91

Change 4
Background

MEMORANDUM FOR MR. WAYNE WELLS, SAMP COORDINATOR

THROUGH: MR. WOODS *Woods*

SUBJECT: Adds, Changes and Deletes to the SAMP

The following adds, changes or deletes should be incorporated into the next SAMP update:

1. Chapter 5, Section 50202, Security Classification Guidelines, Paragraph B.5. - Delete reference to Section 118 Reports (repealed). Note that the title line of Section 50202 incorrectly lists Section 118 as Section 113. *Done*

2. Chapter 7, Table of Contents, Section 703 - Delete reference to Section 118 Reports. *Done*

3. Chapter 15, Section 150104, Paragraph A. - beginning with the fifth line, change as follows: "...the proper report, a written inquiry will be given prompt attention by the FMS Control and Reports Division. Routine distribution of recurring monthly reports was discontinued several years ago due to a reduction of personnel and lack of storage space. However, all ad hoc requests will be honored as rapidly as possible..." Delete the sentence "Normal processing time is approximately one week." *Done*

4. Chapter 15, Section 150104, Paragraph D. - Change beginning of the first sentence by inserting the word "Selected" before the word "reports". Change beginning of the second sentence as follows: "Reports containing classified cases will be appropriately labeled since a portion of the 1200 data base contains classified data, and requestors..." Add new fourth sentence as follows: "Please note that a compilation of unclassified FMS case-level data is also considered classified as Confidential, if the data covers a single period longer than five consecutive calendar quarters (see Chapter 5 of this Manual, Section 50203, "Release of Information," Paragraph A.2.)." *Done*

5. Chapter 15, Section 150305, Paragraph B. - Change first sentence to read "Materiel MASL data may be obtained by submitting a request to the FMS Control and Reports Division, Office of the Comptroller, Defense Security Assistance Agency, Washington, D.C. 20301-2800." Add a new second and third *Done*

130a

Change 4
Background

sentence as follows: "IMET training MASL data may be obtained by submitting a request to the Special Assistant to the DSAA Comptroller for Information Resources Management (IRM), Defense Security Assistance Agency, Washington, D.C. 20301-2800. FMS training MASL data must be obtained from the appropriate military departments." The remainder of the paragraph remains unchanged.

6. Appendix D, Alphabetic List of Codes with Definitions, No. 85.b. - Change reference from Table D-13 to Table D-10. ✓ 118

7. Appendix E, Paragraph D.2.b., third line - Change from DSAA/COMPT/Program Control Division to DSAA/Operations. ✓ 125a

8. Appendix E, Paragraph D.3. - Delete entirely (reporting requirement cancelled). ✓ 125a

9. Appendix E, Table E-3 - Delete entirely (reporting requirement cancelled). ✓ 125b

The appropriate pages from the SMM for changes reflected in Items 1 through 9 above are attached.

10. Any reference to Data Management Division or DMD should be changed to FMS Control & Reports Division or FMSCRD, with the following exception: Chapter 15, Section 150005, Preparation and Submission of Data Input for the DSAA 1200 System, Paragraph B.2., second line - Change to "Special Assistant to the DSAA Comptroller for Information Resources Management (IRM)".

11. Any reference to FMS Control Division or FMSCD should be changed to FMS Control & Reports Division or FMSCRD.

12. Any reference to Countersignature Branch should be changed to Notifications Branch.

13. Any reference to Office of Munitions Control or OMC should be changed to Office of Defense Trade Controls or DTC.

Also attached are the following:

1. A list of Adds/Changes/Deletes to Appendix D, Table D-5, Country/Activity Code - Alphabetic. ✓ 125-b

2. Replacement pages Nos. 3, 13, 16, and 17 of 25 to Appendix D, Table D-7, Generic Codes - All Systems. ✓ 125a

3. A complete restatement of Appendix E, Table E-6, Statutory Reports to Congress Submitted by DOD on Security ✓ 125a


1306

Change 4
Background

Assistance, incorporating changes since the March 1, 1991 revision.

4. A complete restatement of Appendix E, Table E-7, Current Reporting Requirements Under DSAA Reports Control System, incorporating changes since the March 1, 1991 revision.

1250


Ronald J. Malachowski
Chief, FMS Control and
Reports Division

Attachments
As stated

Change 4
Background

Attached are the following:

1. A list of Adds/Changes/Deletes to Appendix D, Table D-5, Country/Activity Code - Alphabetic.
2. Replacement pages Nos. 3, 13, 16, and 17 of 25 to Appendix D, Table D-7, Generic Codes - All Systems.
3. A complete restatement of Appendix E, Table E-6, Statutory Reports to Congress Submitted by DOD on Security Assistance, incorporating changes since the March 1, 1991 revision.
4. A complete restatement of Appendix E, Table E-7, Current Reporting Requirements Under DSAA Reports Control System, incorporating changes since the March 1, 1991 revision.

SIGNED

Ronald J. Malachowski
Chief, FMS Control and
Reports Division

Attachments
As stated

DIST: CMD
COMPT RF
FMSCRD (3)

Prepd: JAFrey/4B-659/x78960/23 Oct 91

JAF

COORDINATION:

COMPT/FMD *[Signature]*

COMPT/PBD *J. Begles 25 Oct '91*

OPS *[Signature] 10-24 noted.*

COMPT/IRM Bobby Edwards 11/8/91

11-6

PLANS *MR 10-24*

Fried

GENERAL COUNSEL *J. Silber 10/24/91*

Change 4
(Replaces F-3)

DOD 5105.38-M

TABLE F-3

TRANSPORTATION COST LOOK-UP TABLE
(Effective 1 NOV 91)

ARMY ANNEX

<u>NSN</u>	<u>ITEM</u>	<u>CODE 6*</u>	<u>CODE 8*</u>	<u>CODE 9*</u>
<u>CHAPARRAL</u>				
1410-01-095-3248	MISSILE, GM, INTERCEPT AERIAL, MIM-72E	\$ 331	\$ 162	\$ 1,262
1410-01-150-2863	MISSILE, GM, INTERCEPT AERIAL, MIM-71F	331	162	1,262
1410-01-216-3775	MISSILE, GM, INTERCEPT AERIAL, MIM-72N	331	162	1,262
1440-00-937-3859	SYS, MISSILE, GM, INTERCEPT AERIAL, CARRIER MTD, M48	13,142	4,779	71,066
1440-01-069-8877	MISSILE, GM, INTERCEPT AERIAL, CARRIER MTD, M48A1	13,964	5,331	73,707
1440-01-106-3089	MISSILE, GM, INTERCEPT AERIAL, CARRIER MTD, M48A2	13,964	5,331	73,707
1440-01-181-6002	FLIR	350	260	1,409
1440-01-198-5892	MISSILE, GM, INTERCEPT AERIAL, MTD, M48A2E1	13,964	5,331	72,219
4935-01-104-9827	AN/TSM-96A	12,418	7,505	46,183
<u>DRAGON</u>				
1427-00-163-8959	MISSILE	\$ 143	\$ 96	\$ 489
1430-00-078-8340	TRACKER	310	299	623
1430-01-046-9594	NIGHT TRACKER	356	321	881
<u>HAWK</u>				
1337-00-484-8551	ROCKET MOTOR, M112	\$ 688	\$ 467	\$ 4,039
1410-00-234-3266	MISSILE	2,170	1,064	10,468
1410-01-173-9990	MISSILE, MEI	2,170	1,064	10,468
1430-00-103-5270	IPCP, AN/MSW-11	12,363	4,734	46,112
1430-00-135-0267	ICWAR	7,806	2,787	28,802
1430-00-169-1859	ICC	13,032	5,202	47,093
1430-00-178-8453	PAR	9,815	3,190	36,780
1430-00-178-8454	ROR	7,303	2,686	26,830
1430-00-782-9816	HPI	12,278	5,051	43,749

change 4

<u>NSN</u>	<u>ITEM</u>	<u>CODE 6*</u>	<u>CODE 8*</u>	<u>CODE 9*</u>
1430-00-880-3357	AN/TPQ-29	6,593	3,926	24,851
1430-01-042-4907	ICWAR/PIP, PHASE I	7,806	2,787	28,802
1430-01-042-4908	PAR/PIP, PHASE I	12,596	4,967	46,070
1430-01-042-4910	BCC/PIP, PHASE I	7,127	4,179	27,058
1430-01-042-4915	IPCP, PHASE I	12,363	4,734	46,112
1430-01-042-4918	ICC/PIP, PHASE I	12,780	5,151	46,593
1430-01-078-9643	HPI/PIP, PHASE II	12,278	5,051	43,749
1430-01-084-1130	IBCC, PHASE II	7,127	4,179	27,058
1430-01-084-1131	IPCP, PHASE II	12,363	4,734	46,112
1430-01-180-5318	PCP/PIP PHASE III	12,780	5,151	46,593
1430-01-181-5884	B&P, PHASE III	12,780	5,151	46,593
1430-01-184-6768	CWAR/PIP PHASE III	7,052	2,635	25,942
1430-01-191-8780	HPI/PIP PHASE III	12,278	5,051	43,749
1440-00-602-5055	LSCB, PHASE I	125	111	494
1440-00-805-3012	LAUNCHER	7,209	4,121	32,248
1450-00-066-8873	LOADER, XM501E3	5,612	2,199	20,808
4935-00-133-9770	SHOP EQUIP, AN/TSM-112 W/SM 35 BEAM	2,273	1,712	7,982
4935-00-604-7460	IAFU OMC GRD	1,741	1,460	5,131
4935-00-782-1957	SHOP EQUIP, AN/TSM-105	6,593	3,926	24,851
4935-00-880-4510	SHOP EQUIP, AN/TSM-107	6,593	3,926	24,851
4935-01-042-4909	SHOP EQUIP, AN/TSM-107 PIP	6,593	3,926	24,851
4935-01-043-2244	SHOP EQUIP (NO. 1), PHASE I	8,459	4,810	32,838
4935-01-051-8691	SHOP EQUIP, AN/TSM-104	6,593	3,926	24,414
4935-01-067-3362	SHOP EQUIP, GM, AN/TSM-120	2,273	1,712	8,551
4935-00-083-3128	SHOP EQUIP (NO. 8)	6,298	2,484	22,476
4935-01-083-3129	SHOP EQUIP (NO. 1), PHASE II	8,459	4,810	32,838
4935-01-085-5618	SHOP EQUIP (NO. 9)	5,545	2,333	19,302
4935-01-085-5679	SHOP EQUIP (NO. 9), PHASE II	4,119	3,558	12,425
4935-01-091-4450	TAS MAINT. KIT PHASE II	1,932	1,230	7,369
4935-01-218-7088	SHOP EQUIP (NO. 8), PHASE III	6,298	2,484	22,476
4935-01-218-7089	SHOP EQUIP (NO. 1), PHASE III	7,824	4,010	25,892
4935-01-223-9122	T.A.G., PHASE III	3,219	2,938	9,490
4935-01-282-9256	SHOP EQUIP (NO. 20), PHASE III	21,489	6,231	84,915
4935-01-286-5599	SHOP EQUIP (NO. 21), PHASE III	20,937	5,679	84,058
5821-00-192-8668	TRANSMITTING SET	125	111	393

change 4

<u>NSN</u>	<u>ITEM</u>	<u>CODE 6*</u>	<u>CODE 8*</u>	<u>CODE 9*</u>
<u>HELICOPTER, UH-1</u>				
1615-00-183-0834	TRANSMISSION	1,904	1,522	1,981
1615-01-056-4550	HUB ASSEMBLY, MAIN ROTOR	1,399	1,017	1,281
1615-01-096-5427	HUB ASSEMBLY, MAIN ROTOR	1,399	1,017	1,281
1615-01-117-8188	TAIL ROTOR BLADE	764	347	451
1615-01-145-3928	GEAR BOX	1,453	639	1,349
1615-01-168-2983	GEAR BOX	1,453	639	1,349
1615-01-230-6618	GEAR BOX	463	186	311
1615-01-237-0512	HUB ASSEMBLY, MAIN ROTOR	1,399	1,017	1,281
2840-01-093-7451	ENGINE	1,208	826	1,261
2840-01-979-1003	ENGINE	1,147	428	787
2915-01-005-9197	FUEL CONTROL	1,025	886	1,162
2915-01-216-9779	FUEL CONTROL	1,025	886	1,162
<u>MLRS</u>				
1055-01-192-0358	LAUNCHER (201 CONFIG.)	14,796	5,160	113,524
1055-01-251-9756	LAUNCHER (202 CONFIG.)	14,796	5,160	113,524
1055-01-329-6826	LAUNCHER (203 CONFIG.)	14,796	5,160	113,524
<u>PATRIOT</u>				
1410-01-087-6343	GM, INTERCEPT AERIAL, MIM-104	3,409	1,750	11,944
1410-01-205-7066	GM, INTERCEPT AERIAL, MIM-104-A	3,409	1,750	11,944
1410-01-267-6685	GM, INTERCEPT AERIAL, MIM-104-B	3,409	1,750	11,944
1410-01-286-9689	GM, INTERCEPT AERIAL, MIM-104-C	3,409	1,750	11,944
1430-01-087-6330	RADAR SET, AN/MPQ-53	25,976	7,105	121,907
1430-01-087-6337	AN/MSQ-116	23,791	6,325	100,552
1430-01-087-6338	AN/MGQ-104	23,791	6,325	103,178
1430-01-131-5373	ANTENNA MAST GROUP OA-9054 (V) 4/G	22,109	5,245	105,904
1430-01-131-5427	AN/MRC-137	23,391	5,925	93,911
1440-01-087-9844	M901 LAUNCHING STATION	23,391	5,925	94,144
<u>REDEYE</u>				
1425-00-930-9923	M41 GUIDED MISSILE	124	88	340
1425-01-078-9258	M41 MISSILE W/METL CONT.	145	95	442
1425-01-078-9259	M41 MISSILE ASSEMBLY	124	88	340
6920-00-809-0399	GUIDED MISSILE TRAINING SET	364	339	905

Change 4

<u>NSN</u>	<u>ITEM</u>	<u>CODE 6*</u>	<u>CODE 8*</u>	<u>CODE 9*</u>
<u>STINGER</u>				
1425-01-024-9982	WPN ROUND	172	108	519
1427-01-024-9967	MSL ROUND	126	85	479
1427-01-219-7116	WPN ROUND, LESS GRIPSTOCK	159	95	491
1427-01-325-3158	MISSILE ROUND	126	85	479
1427-01-325-3160	WEAPON ROUND, PARTIAL	139	89	484
1440-01-170-8618	GRIPSTOCK - CONTROL GROUP	19	16	67
1440-01-281-9458	GRIPSTOCK, CONTROL GROUP	19	16	63
6920-01-024-6948	THT	302	270	933
6920-01-246-0701	CAPTIVE FLIGHT TRAINER	302	270	860
6920-01-283-7826	TRAINING SET	302	270	933
<u>THERMAL IMAGERY</u>				
5855-01-037-7340	NIGHT SIGHT, AN/TAS-6	262	251	617
5855-01-037-7341	AN/TAM-3	258	191	995
5855-01-083-9051	AN/UAS-11	401	317	1,635
5855-01-154-3871	AN/TAM-3A	495	362	1,873
5855-01-173-0808	NIGHT SIGHT, AN/UAS-12B	302	270	1,096
<u>TOW</u>				
1410-01-007-2507	MISSILE	101	65	435
1410-01-007-2508	MISSILE	95	59	422
1410-01-106-8514	I-TOW	101	65	445
1410-01-135-2092	TOW-2 MISSILE	101	65	435
1410-01-137-9976	MISSILE, PRACTICE	95	59	422
1410-01-180-6790	I-TOW MISSILE W/CLM & MVIC	101	65	435
1410-01-229-9948	MISSILE	101	65	435
1410-01-257-7583	I-TOW MISSILE	101	65	435
1410-01-257-7584	TOW MISSILE, W/CLM	101	65	435
1410-01-257-7585	TOW PRACTICE MSL, W/CLM	95	59	422
1410-01-300-0254	TOW-2A MISSILE W/CLM, BGM-71E-1B	101	65	435
1410-01-301-0815	TOW-2 MISSILE W/CLM, BGM-71D-1B	101	65	435
1410-01-303-5172	TOW-2 MISSILE	95	59	422
1410-01-309-8302	TOW PRACTICE MISSILE W/CLM, BTM-71A-1B	95	59	422
1410-01-309-8303	I-TOW MISSILE W/CLM, BGM-71C-2B	101	65	435
1410-01-313-5364	TOW PRACTICE MISSILE W/CLM & DEU	95	59	422
1410-01-313-5365	I-TOW MISSILE, W/CLM & DEU	101	65	435

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change 4

<u>NSN</u>	<u>ITEM</u>	<u>CODE 6*</u>	<u>CODE 8*</u>	<u>CODE 9*</u>
1410-01-313-5366	TOW-2 MISSILE	101	65	435
1410-01-313-5367	TOW-2A MISSILE	101	65	435
1410-01-322-5333	TOW-2B MISSILE	101	65	435
1440-00-169-1764	LCHR	1,444	1,163	3,818
1440-01-104-9834	LCHR, TUBULAR, GM, TOW-2	1,444	1,163	4,223
1440-01-271-3015	TOW-2 LAUNCHER	1,444	1,163	4,223
1440-01-298-9788	TOW-2 LAUNCHER	1,444	1,163	4,223
4935-00-150-5905	CSS	3,310	2,047	13,105
4935-01-070-3426	FIELD TEST SET	836	555	3,435
4935-01-082-7023	ICSS	3,310	2,047	13,105
4935-01-114-3919	CSS, TOW-2	3,310	2,047	13,105
4935-01-142-9561	FIELD TEST SET, TOW-2	836	555	3,435
4940-01-154-3957	IMP. CSS, TOW-2	5,709	3,183	21,638
5855-01-083-9053	NIGHT SIGHT, AN/TAS-4A	342	314	1,123
5855-01-152-8781	NIGHT SIGHT, AN/UAS-12A	350	318	1,167
5855-01-245-8689	AN/UAS-12A	350	318	1,167
5855-01-301-0158	NIGHT SIGHT, AN/UAS-12C	350	318	1,167
6130-01-018-9786	BATTERY CHARGER	140	108	580
6920-00-179-7320	M70 TRAINER, TOW	902	621	3,362
6920-01-145-6098	M70 TRAINER, TOW-2	902	621	3,362

NAVY ANNEX

<u>NSN</u>	<u>ITEM</u>	<u>CODE 6*</u>	<u>CODE 8*</u>	<u>CODE 9*</u>
<u>HARM MISSILE</u>				
1337-01-162-3421	ROCKET MOTOR SECTION	1,290	1,216	1,820
1337-01-162-3422	WARHEAD SECTION	1,290	1,216	1,820
1410-01-242-4880	TACTICAL MISSILE	4,715	4,115	9,683
1420-00-237-4082	GUIDANCE SECTION	1,290	1,216	1,820
1420-01-241-5790	CONTROL SECTION	1,290	1,216	1,820
<u>HARPOON MISSILE</u>				
1410-01-139-1741	RGM-84D-3	1,350	972	6,641
1410-01-181-8546	AGM-84D-1	867	611	6,557
1410-01-181-8548	AGM-84D-1	1,309	932	4,846
1410-01-181-8549	UGM-84D-1	2,728	988	7,352
1410-01-198-7063	RGM-84D-4	1,356	979	6,940
<u>MK 46 TORPEDO</u>				
1356-01-282-4662	TORPEDO, MK 46 MOD 5A(S)	769	494	3,658

135

change 4

<u>NSN</u>	<u>ITEM</u>	<u>CODE 6*</u>	<u>CODE 8*</u>	<u>CODE 9*</u>
<u>SIDEWINDER MISSILE</u>				
1336-01-017-4030	SAFETY-ARMING DEVICE (S&A)	38	20	276
1336-01-044-7430	WARHEAD	67	34	280
1337-01-145-1963	ROCKET MOTOR (RM)	229	117	760
1420-01-101-8233	TARGET DETECTOR (AOTD)	312	306	904
1427-01-114-2054	GUIDANCE & CONTROL SECTION (GCS)	628	607	1,292

SPARROW MISSILE

1410-00-149-3507	AIM-7M	4,317	3,637	3,834
1410-00-149-3508	AIM-7M	2,274	1,988	3,896

AIR FORCE ANNEX

<u>NSN</u>	<u>ITEM</u>	<u>CODE 6*</u>	<u>CODE 8*</u>	<u>CODE 9*</u>
<u>MAVERICK MISSILE</u>				
1336-00-138-2910JE	AGM-65B	4,519	4,309	6,876
1336-00-883-5361	WARHEAD	1,510	1,460	3,446
1336-00-883-2682	BOOSTER WARHEAD	1,453	2,901	1,466
1337-01-118-4657	ROCKET MOTOR	1,546	1,467	2,140
1410-00-125-6760JE	AGM-65B	4,519	4,309	6,876
1410-00-238-1486JE	AGM-65A	4,519	4,309	6,876
1410-01-089-2505JE	AGM-65B	4,519	4,309	6,876
1410-01-101-8490JE	AGM-65A	4,519	4,309	6,876

SIDEWINDER MISSILE

1410-01-135-2771AB	AIM-9L	255	177	1,502
1410-01-137-5971AB	AIM-9P-2	255	177	1,502
1410-01-137-5972AB	AIM-9P-3	255	177	1,502
1410-01-162-9395AB	AIM-9M	255	177	1,502
1427-01-255-3015XZ	AIM-9P-4 GCS	124	67	392
1427-01-342-3811XZ	AIM-9P-4 GCS	124	67	392
1427-01-346-8789XZ	AIM-9P-4 GCS	124	67	392

SPARROW MISSILE

1410-01-101-8237BL	AIM-7E-3	466	321	3,082
1410-01-135-6167BL	AIM-7E	466	321	3,082

*If the priority changes and the actual delivery of materiel does not correspond with the Delivery Term Code (DTC) designated in the LOA, a

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change 4

Transportation Bill Code (TBC) indicating the actual method of shipment is to be entered on the DD Form 1517 (Position 59).



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

Change 4
Background

28 OCT 1991

In reply refer to:
I-04910/91ct

MEMORANDUM FOR ASSISTANT DEPUTY CHIEF OF STAFF FOR LOGISTICS
(ADCSLOG) (SECURITY ASSISTANCE)
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS OFFICE
DEPARTMENT OF THE NAVY

ASSISTANT DEPUTY UNDER SECRETARY
(INTERNATIONAL AFFAIRS)
DEPARTMENT OF THE AIR FORCE

DIRECTOR, DEFENSE FINANCE ACCOUNTING SERVICE
DENVER CENTER
DENVER, COLORADO

DEFENSE INSTITUTE FOR SECURITY ASSISTANCE
MANAGEMENT/DISAM

SUBJECT: Revision to the Security Assistance Management Manual
(SAMM)

The purpose of this revision to the SAMM is to update the
Transportation Cost Look-Up Table, Appendix F.

The attached revision to the SAMM is effective beginning on
November 1, 1991, and will be included in the next formal SAMM
change.

GLENN A. RUDD
ACTING DIRECTOR

Attachment
As stated

Copy furnished:
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