

8 February 1994

SUBJECT: Publication of Change 6 to the SAMP

The more significant changes in the attached package are listed below in the order of the first page of each change. Papers marked as background are included for DISAM course development purposes:

<u>Tab</u>	<u>Description of Change</u>	<u>Page</u>
1	Inclusion of 1992 air travel guidance [msg 140440Z Oct 92]	3
2	US Munitions List Replacement [22 CFR 121]	6
3	Changes to depleted uranium and MANPADS, and addition of anti-personnel landmine guidance	14
4	Update of country and organization Info (adds Guyana, Czech Rep, and Slovak Rep as FMS-eligible)	23
5	Update to include other than MILDEPS (e.g., DLA) among organizations authorized to sell GFE and GFM	39
6	New guidance statement on P&A for non-standard subsystems	41
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DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

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

SUBJECT: Request for Use of Express Mail

This request is provided in accordance with 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 which is being mailed for publication. The manual to be changed provides day-to-day operating guidance for DoD recipients and is a reference for an additional 2,000 paying non-US Government 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. Due to the need for an original draft for publication, and time and effort necessary for replacement, it is particularly 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.

William L. Brandt
William L. Brandt
Chief

Operations MANAGEMENT Division

USD/P INTEROFFICE COORDINATION SHEET

DATE (940208)

I- 00841/94

Wells

SUBJECT: SAMM CHANGE 6, LETTER OF TRANSMITTAL

CURRENT SUSPENSE DATE

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

BACKGROUND Tab A contains edit and policy refinements since publication of SAMM Change 5 (92). Most changes involve substitutions, causing very little overall change in SAMM name. Some are difficult to read and we will work closely with DISAM to minimize introduction of errors. The cover Letter of Transmittal at the Signature Tab is needed to complete the package. Staffing was completed as individual changes were coordinated and cleared for publication.

RECOMMENDATION Sign proposed Letter of Transmittal at the Signature Tab.

NO.	DIR/OFC	SEC INITIAL	(Mo,Day)	DATE NO.	DIR/OFC	SEC INITIAL	(Mo,Day)	DATE NO.	DIR/OFC	SEC INITIAL	DATE (Mo,Day)
	OOSD/P				ISP (Continued)				PDUSD/S&R (Continued)		
	USD/P				DIR EUR POL				ADUSD(SEE)		
	AT USDP										
	MA				DASD/NF&ACP						
	SA				MA						
	ADMIN				TNF						
	COMM MGT				STRAT FORCES						
	ISA				SACP						
	ASD/ISA										
	MA				DASD/SDS&VP						
	SA				MA						
	PDASD/ISA				VERIF POL						
	MA				SD & SPACE						
	FMRA				SPACE POLICY						
	DASD/AFR				DASD/CF&ACP				ASTOR		
	FR				MA				ODUSD/TSP		
	DASD/EAP				EUR SEC NEGOT				ODUSD/TSP		
	EAP				MULTINEGOT				MA		
	PW/MIA				SODC				ADUSD/TSP		
	DASD/FA				ASD/SO-LIC				DTSA		
	FA				MA				DIR		
	DASD/FA				PDASD/SO-LIC				DEP DIR		
	FA				MA				RESOURCE MGT		
	DASD/NESA				DASD/F&R				IGA		
	NESA				DIR, PA				MUNITIONS		
	DASD/GA				DIR, B&E				MUN TECH		
	HUMAN ASSIST				DIR, A				WPNS SEC PLAN		
	NON-PRODF								STRAT TRADE		
	DC(MS)/COMP				DASD/P&R				TECH COOP & SEC		
	SEC DEF REPS				DIR, PP				TECH SEC OPS		
	PDASD/ISP				DIR, R			X	DSAA		
	MA							X	DIR		
	DASD/EDR-NATO				DASD/M&A				DEP DIR		
	EXEC OFFICER				DIR, MA				EXEC OFFICER		
	PD EUR-NATO				DIR, CI				COUNSEL		
	DIR NATO POL				PDUSD/S&R				PLANS		
					PDUSD/S&R				CONG REL		
					AT PDUSD/S&R			X	COMPT		
					MA			X	OPS		
					ADUSD(PP)				OPS-MGT		
									Other		

*Please do not mail.
Call Wayne Wells for pickup when signed -
Thanks,
x78108*

Wells 2-10

*M 8-10-94
WBS 9 Feb 94*

ORIGINATOR: W. Wells | DIRECTORATE/OFFICE: OPS | EXTENSION: 78108 | SIGNATURE: Wayne Wells



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

10 Feb 94

In reply refer to:
I-00841/94

MEMORANDUM FOR COMMANDANT, DEFENSE INSTITUTE OF SECURITY
ASSISTANCE MANAGEMENT

SUBJECT: Publication of Change 6 to the SMM

The attachment is provided for publication as Change 6 to DOD 5105.38-M, Security Assistance Management Manual. Questions may be directed to Mr. Wayne Wells, DSAA/OPS-MGT, DSN 227-8108.

H. Diehl McKalip
Director

Security Assistance Operations

Attachment
As stated

Pre'd by: Mr. W. Wells X78108
DSAA/OPS-MGT
Distribution: Orig Addee & cc

DSAA CHRON
CMD(1)
OPS-MGT SUBJ
OPS-MGT CHRON
OPS CHRON

CC:



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

Date will be
added by DISAM
when sent to
publisher -
w.

Letter of Transmittal

You are encouraged to review the attached Change 6 to the 1 October 1988 SMM as it is collated into the manual in order that changes to current policies and procedures may be noted.

Many of the refinements in this change started with questions and comments from you, the manual user. We continue to encourage suggestions for improving DoD 5105.38-M, and information in Chapter 1, section 10008, has been expanded to make access easier for your formal or informal feedback.

Thomas G. Rhame

2/10/94

Thomas G. Rhame
Lieutenant General, USA
Director

Attachment
As stated

Pre'd by: Mr. W. Wells X78108
DSAA/OPS-MGT
Distribution: Orig Addee & cc
DSAA CHRON
CMD(1) CC:
OPS-MGT SUBJ
OPS-MGT CHRON
OPS CHRON

10008.

and Reports

Such distribution will be in accordance with addressee lists developed and provided by the DSAA Comptroller, Office of FMS Control, Division, Washington DC, 20301-2800. Requests for commercial purchases of the SAMM should be directed to the Defense Institute of Security Assistance Management, DISAM/DIR, Building 125, Area B, Wright-Patterson AFB OH 45433-5000.

10008 INTERPRETATION, RECOMMENDATIONS, AND DEVIATIONS.

Requests for clarification or interpretation of, or changes to, the provisions of this Manual should be submitted through security assistance management channels to the DSAA (ATTN: DSAA/OPS-MGT), Washington DC, 20301-2800. Any guidance contained in this Manual that appears to be in conflict with other DOD issuances or governing statutes and regulations, should be reported to DSAA/OPS-MGT. Deviations from the policies presented in this Manual may not be implemented without the explicit prior approval of the Director, DSAA, based upon justified requests from the components of the DOD.

MGT

10009 EFFECTIVE DATE AND IMPLEMENTATION. The provisions of this Manual are effective upon date of transmittal.

telephone (703) 697-8108/DSN 697-8108/DSN datafax 697-1656.

Section 101 - Rationale and Scope

10101 PURPOSE. This section summarizes the rationale and scope of the SA program.

10102 RATIONALE FOR SECURITY ASSISTANCE PROGRAM.

A. Security assistance has historically played a prominent role in foreign and defense policy. The SA Program is an essential complement to the overall U_XS_X defense effort. When we directly assist other nations in meeting their defense requirements, we also make a contribution to our own security.

B. Security assistance represents a most visible aspect of our foreign and defense policy in that its implementation results in tangible evidence of U_XS_X interests and presence. Such evidence is represented by the delivery of defense weapon systems to friendly foreign governments; by the numbers of international military students in U_XS_X service schools; by U_XS_X personnel advising other governments in increasing their internal defense capabilities; and by providing guidance and assistance in establishing a practical infrastructure and economic base through which regional stability can be achieved and maintained.

10103 SA SCOPE.

A. Security assistance, defined in its simplest terms, concerns the transfer of military and economic assistance through sale, grant, lease, or loan to friendly foreign governments. Transfers are carried out under the principle that if they are essential to the security and economic well-being of such governments and international organizations, they are equally vital to the security and economic well-being of the United States.

B. SA consists of the following major programs:

1. Programs administered by ~~the~~ DOD:
 - a. FMS;
 - b. FMS Financing; ^(FMF)
 - c. MAP;
 - d. IMET.
2. Programs administered by the Department of State:
 - a. ESF;
 - b. PKO;
 - c. Commercial Export Sales licensed under the AECA.

10104 IMPLEMENTATION. DOD administers and manages all transactions that involve the transfer of defense articles and services. In this regard, SA is an integral element of the DOD mission. The development and execution of the program shall be accorded the same high degree of attention and efficiency as other DOD programs. To the extent practical, security assistance requirements shall be integrated with other DOD requirements and implemented through the same DOD systems, facilities, and procedures.

7. **Materiel Standards.** It is DOD policy that defense articles offered and sold to foreign governments and international organizations should reflect favorably upon the United States. Therefore, defense articles offered and sold under FMS will normally be new or unused, or as a result of rehabilitation, possess original appearance insofar as possible, and, as a minimum, have serviceability standards prescribed for issue to U.S. forces. If the customer country desires exclusively new end items of equipment, this requirement will be stated in the LOA. If the customer desires to purchase "as is/where is," this will also be stated in the LOA.

8. **Procurement in Foreign Countries.** Unless dictated by overriding logistics considerations approved by the SECDEF, the DOD will not enter into sales arrangements which entail commitments for DOD procurement in foreign countries.

C. **Financial Management.**

1. **Recovery of Cost.** The FMS program must be managed at no cost to the USG (with certain exceptions specifically covered by law), while insuring prompt and complete service to the customer. This requires a thorough understanding of procedures for pricing items or services furnished, administering FMS cases, and reporting of deliveries of materiel or services. The LOA agreement makes it mandatory for the purchaser to pay for the full value of the transaction, regardless of terms of sale specified for the individual case.

2. **Payment in U.S. Dollars.** Sales may be made under FMS only if the eligible purchaser agrees to pay in U.S. dollars (AECA, Secs. 21 and 22). Payment in kind (barter) is authorized by Section 21(h) AECA under the limited circumstances specified therein.

3. **Credits.**

a. **Use of Credit for Essential Items.** Credit and credit guaranties under the AECA will be used only to assist countries in acquiring essential items which cannot reasonably be financed by other means and normally will be used only to finance investment requirements.

b. **Use of Concessionary Credit Terms.** Concessionary credit terms (i.e., interest rates less than cost of money to the USG) will be granted only when determined by the President (Sec. 23, AECA).

c. **Repayment of Credit.** FMS credits must be repaid in U.S. dollars within 12 years after the loan agreement has been signed on behalf of the USG (Sec. 23, AECA), unless otherwise provided for by U.S. law.

d. **Use of Credit Payments.** Cash received from FMS and from repayments of FMS credits shall not be used for financing new credits or guaranties. (Sec. 37, AECA).

e. **Air Travel.** Military and civilian individuals who are traveling to and from a foreign country on SA business, whether the travel is financed by FMS administrative funds, FMS LOA funds, or FMF funds, should utilize a U.S. commercial air carrier, unless one of the two exceptions described below applies. In the absence of one of these exceptions, the SA traveler is required to use the same commercial carrier, routing, and class of service that the transportation officer requires of other DOD travelers. Waivers from normal travel procedures will be granted SA travelers on the same basis and in the same manner as provided for DOD personnel traveling on regular defense business. The following exceptions to this general guidance apply:

(1) Members of the U.S. Military Training Mission (USMTM) to Saudi Arabia and some other FMS-funded organizations in Saudi Arabia have been granted blanket

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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 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).

TLK change 6

MGT

ROUTINE
R 140440Z OCT 92
FM SECDEF WASHINGTON DC//USDP:DSAA//
TO AIG 8797

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UNCLAS
FROM DSAA/COMPT (CORRECTED COPY)
SUBJECT: INTERIM CHANGE TO SAMM, DOD 5105.38-M
1. SUBPARAGRAPH 20202.C.3.E. (CHAPTER 2, SECTION 202, PARAGRAPH 20202) OF THE SAMM IS CHANGED TO READ AS FOLLOWS:

~~e. COMMERCIAL AIR TRAVEL. U.S. MILITARY PERSONNEL AND DOD CIVILIAN OFFICIALS AND EMPLOYEES WHO TRAVEL TO AND FROM A FOREIGN COUNTRY ON SA BUSINESS, WHETHER THE TRAVEL IS FINANCED BY FMS ADMINISTRATIVE FUNDS, FMS CASE FUNDS, OR FME FUNDS, MUST USE A U.S. COMMERCIAL AIR CARRIER WHENEVER POSSIBLE AND MUST TRAVEL ECONOMY CLASS. THUS, THE SA TRAVELER IS REQUIRED TO USE THE SAME COMMERCIAL AIR CARRIER, CLASS OF SERVICE, AND ROUTING THAT THE TRANSPORTATION OFFICER REQUIRES OF OTHER DOD TRAVELERS. WAIVERS FROM THE NORMAL TRAVEL PROCEDURES SHALL BE GRANTED SA TRAVELERS ON THE SAME BASIS AND IN THE SAME MANNER AS PROVIDED FOR DOD PERSONNEL TRAVELING ON REGULAR DEFENSE BUSINESS. ANY FMS CASE OR CASE AMENDMENT OFFERED AFTER THE~~

new
20202.C.3.e

~~DATE OF THIS MESSAGE SHALL NOT CONTAIN A REQUIREMENT OR AN AUTHORIZATION TO USE A DESIGNATED FOREIGN AIR CARRIER AND SHALL NOT REQUIRE OR AUTHORIZE A CLASS OF SERVICE OTHER THAN ECONOMY FOR DOD PERSONNEL TRAVEL ASSOCIATED WITH THE CASE. FOR AN EXISTING FMS CASE IMPLEMENTED BEFORE THE DATE OF THIS MESSAGE WHICH (A) IS WHOLLY FINANCED WITH CUSTOMER NATIONAL FUNDS AND (B) PROVIDES FOR THE UTILIZATION OF A DESIGNATED FOREIGN AIR CARRIER WHENEVER POSSIBLE, THE U.S. MILITARY OR DOD CIVILIAN TRAVELER IS EXPECTED TO COMPLY WITH THE CONTRACTUAL ARRANGEMENT. HOWEVER, ALL SUCH EXISTING FMS CASES CONTAINING A PROVISION REQUIRING OR AUTHORIZING OTHER THAN ECONOMY CLASS SHALL BE MODIFIED PROMPTLY TO ELIMINATE THE PROVISION.~~

2. THIS CHANGE IS EFFECTIVE IMMEDIATELY AND WILL BE INCORPORATED INTO CHANGE 6 TO SAMM. DSAA POC IS BILLY MURRELL, DSAA/ DEP COMP, (703) 697-9797 AND DSN 227-9797. BT

**** CORRECTED COPY ****

SECDEF V2
ACTION USDP:DSAA (1) (D,F) 3
INFO USDA:DSAA (1) USDA:FILE (1)

AIG/CAD V5
ACTION J5 (3) DIA (1) (A) 17
INFO SJS-N (0) CJCS (1) VCJCS (1) J3 (3) NIDS (1) J4 (5)
J4:MILSEC-J (1) J4:SUSD-J (1)

5

30 August 1993

MEMORANDUM FOR DISAM

SUBJECT: SAMP Change, Table 202-1 (USML) Replacement

The republished United States Munitions List, dated July 22, 1993, attached should replace the present Table 202-1.

The new introductory to Table 202-1 should read "[Extracted from Amendments to the International Traffic in Arms Regulations (ITAR) printed in 22 Code Federal Regulations (CFR) Part 120, et al, by DoS, July 1993. Further details can be found in the CFR.]"

pscfil

between the United States, the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced on April 16, 1987, to restrict sensitive missile-relevant transfers based on the MTCR Annex, and any amendments thereto;

(b) The term *MTCR Annex* means the Guidelines and Equipment and Technology Annex of the MTCR, and any amendments thereto;

(c) List of all items on the MTCR Annex. Section 71(a) of the Arms Export Control Act (22 U.S.C. § 2797) refers to the establishment as part of the U.S. Munitions List of a list of all items on the MTCR Annex, the export of which is not controlled under section 6(l) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(l)), as amended. In accordance with this provision, the list of MTCR Annex items shall constitute all items on the U.S. Munitions List in § 121.16 of this subchapter.

PART 121—THE UNITED STATES MUNITIONS LIST

Enumeration of Articles

- Sec.
- 121.1 General. The United States Munitions List.
- 121.2 Interpretations of the United States Munitions List and the Missile Technology Control Regime Annex.
- 121.3 Aircraft and related articles.
- 121.4 Amphibious vehicles.
- 121.5 Apparatus and devices under Category IV(c).
- 121.6 Cartridge and shell casings.
- 121.7 Chemical agents.
- 121.8 End-items, components, accessories, attachments, parts, firmware, software and systems.
- 121.9 Firearms.
- 121.10 Forgings, castings and machined bodies.
- 121.11 Military demolition blocks and blasting caps.
- 121.12 Military explosives.
- 121.13 Military fuel thickeners.
- 121.14 Propellants.
- 121.15 Vessels of war and special naval equipment.
- 121.16 Missile Technology Control Regime Annex.

Authority: Sec. 2, 38, and 71, Pub. L. 90-629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2797); E.O. 11958, 42 FR 4311; 3 CFR 1977 Comp. p. 79; 22 U.S.C. 2658.

Enumeration of Articles

§ 121.1 General. The United States munitions list.

(a) The following articles, services and related technical data are designated as defense articles and defense services pursuant to sections 38 and 47(7) of the Arms Export Control Act (22 U.S.C. 2778 and 2794(7)). Changes in designations will be

published in the Federal Register. Information and clarifications on whether specific items are defense articles and services under this subchapter may appear periodically in the Defense Trade News published by the Center for Defense Trade.

(b) Significant military equipment: An asterisk precedes certain defense articles in the following list. The asterisk means that the article is deemed to be "significant military equipment" to the extent specified in § 120.19. The asterisk is placed as a convenience to help identify such articles.

(c) Certain items in the following list are placed in brackets. The brackets mean that the item is (1) scheduled to be moved to the licensing jurisdiction of the Department of Commerce upon establishment of a foreign policy control or (2) in the case of spacecraft and related equipment, the item is under review by an interagency space technical working group. The interagency review will result in a recommendation as to whether an item should be moved to the jurisdiction of the Department of Commerce or to USML category XV which was established for this purpose.

(d) Missile Technology Control Regime Annex (MTCR). Certain defense articles and services are identified in § 121.16 as being on the list of MTCR Annex items on the United States Munitions List. These are articles as specified in § 120.29 of this subchapter and appear on the list at § 121.16.

Category I—Firearms

* (a) Nonautomatic, semi-automatic and fully automatic firearms to caliber .50 inclusive, and all components and parts for such firearms. (See § 121.9 and §§ 123.16-123.19 of this subchapter.)

(b) Riflescopes manufactured to military specifications, and specifically designed or modified components therefor; firearm silencers and suppressors, including flash suppressors.

* (c) Insurgency-counterinsurgency type firearms or other weapons having a special military application (e.g. close assault weapons systems) regardless of caliber and all components and parts therefor.

(d) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (c) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated SME.

Category II—Artillery Projectors

* (a) Guns over caliber .50, howitzers, mortars, and recoilless rifles.

* (b) Military flamethrowers and projectors.

(c) Components, parts, accessories and attachments for the articles in paragraphs (a) and (b) of this category, including but not limited to mounts and carriages for these articles.

(d) Technical data (as defined in 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (c) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated SME.

Category III—Ammunition

* (a) Ammunition for the arms in Categories I and II of this section. (See § 121.6.)

(b) Components, parts, accessories, and attachments for articles in paragraph (a) of this category, including but not limited to cartridge cases, powder bags, bullets, jackets, cores, shells (excluding shotgun shells), projectiles, boosters, fuzes and components therefor, primers, and other detonating devices for such ammunition. (See § 121.6.)

(c) Ammunition belting and linking machines.

* (d) Ammunition manufacturing machines and ammunition loading machines (except handloading ones).

(e) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (d) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated SME.

Category IV—Launch Vehicles, Guided Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs and Mines

* (a) Rockets (including but not limited to meteorological and other sounding rockets), bombs, grenades, torpedoes, depth charges, land and naval mines, as well as launchers for such defense articles, and demolition blocks and blasting caps. (See § 121.11.)

* (b) Launch vehicles and missile and anti-missile systems including but not limited to guided, tactical and strategic missiles, launchers, and systems.

(c) Apparatus, devices, and materials for the handling, control, activation, monitoring, detection, protection, discharge, or detonation of the articles in paragraphs (a) and (b) of this category. (See § 121.5.)

* (d) Missile and space launch vehicle powerplants.

* (e) Military explosive excavating devices.

* (f) Ablative materials fabricated or semi-fabricated from advanced composites (e.g., silica, graphite, carbon, carbon/carbon, and boron filaments) for the articles in this category that are derived directly from or specifically developed or modified for defense articles.

(g) Non/nuclear warheads for rockets and missiles.

All specifically designed or modified components, parts, accessories, attachments, and associated equipment for the articles in this category.

(i) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (h) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated SME.

Category V—Explosives, Propellants, Incendiary Agents, and Their Constituents

* (a) Military explosives. (See § 121.12.)

* (b) Military fuel thickeners. (See § 121.13.)

(c) Propellants for the articles in Categories III and IV of this section. (See § 121.14.)

(d) Military pyrotechnics, except pyrotechnic materials having dual military and commercial use.

(e) All compounds specifically formulated for the articles in this category.

(f) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (e) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated SME.

(g) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (f) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated SME.

Category VI—Vessels of War and Special Naval Equipment

* (a) Warships, amphibious warfare vessels, landing craft, mine warfare vessels, patrol vessels, auxiliary vessels and service craft, experimental types of naval ships and any vessels specifically designed or modified for military purposes. (See § 121.15.)

* (b) Turrets and gun mounts, arresting gear, special weapons systems, protective systems, submarine storage batteries, catapults and other components, parts, attachments, and accessories specifically designed or modified for combatant vessels.

(c) Mine sweeping equipment, components, parts, attachments and accessories specifically designed or modified therefor.

(d) Harbor entrance detection devices, (magnetic, pressure, and acoustic ones) and controls and components therefor.

* (e) Naval nuclear propulsion plants, their land prototypes, and special facilities for their construction, support, and maintenance. This includes any machinery, device, component, or equipment specifically developed, designed or modified for use in such plants or facilities. (See § 123.21 of this subchapter)

(f) All specifically designed or modified components, parts, accessories, attachments, and associated equipment for the articles in this category.

(g) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8) directly related to the defense articles enumerated in paragraphs (a) through (f) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated SME.

Category VII—Tanks and Military Vehicles

* (a) Military type armed or armored vehicles, military railway trains, and vehicles specifically designed or modified to accommodate mountings for arms or other specialized military equipment or fitted with such items.

* (b) Military tanks, combat engineer vehicles, bridge launching vehicles, half-tracks and gun carriers.

* (c) Self-propelled guns and howitzers.

(d) Military trucks, trailers, hoists, and skids specifically designed, modified, or equipped to mount or carry weapons of Categories I, II and IV or for carrying and handling the articles in paragraph (a) of Categories III and IV.

* (e) Military recovery vehicles.

* (f) Amphibious vehicles. (See § 121.4)

* (g) Engines specifically designed or modified for the vehicles in paragraphs (a), (b), (c), and (f) of this category.

(h) All specifically designed or modified components and parts, accessories, attachments, and associated equipment for the articles in this category, including but not limited to military bridging and deep water fording kits.

(i) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (h) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated SME.

(j) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (i) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated SME.

Category VIII—Aircraft, [Spacecraft] and Associated Equipment

* (a) Aircraft, including but not limited to helicopters, non-expansive balloons, drones, and lighter-than-air aircraft, which are specifically designed, modified, or equipped for military purposes. This includes but is not limited to the following military purposes: Gunnery, bombing, rocket or missile launching, electronic and other surveillance, reconnaissance, refueling, aerial mapping, military liaison, cargo carrying or dropping, personnel dropping, airborne warning and control, and military training. (See § 121.3.)

* (b) Military aircraft engines, except reciprocating engines, [and spacecraft engines] specifically designed or modified for the aircraft in paragraph (a) of this category.

* (c) Cartridge-actuated devices utilized in emergency escape of personnel and airborne equipment (including but not limited to

airborne refueling equipment) specifically designed or modified for use with the aircraft, [spacecraft] and engines of the types in paragraphs (a), (b), [and (h)] of this category.

(d) Launching and recovery equipment for the articles in paragraph (a) [and (i)] of this category, if the equipment is specifically designed or modified for military use [or for use with spacecraft]. Fixed land-based arresting gear is not included in this category.

* (e) Inertial navigation systems, aided or hybrid inertial navigation systems, Inertial Measurement Units (IMUs), and Attitude and Heading Reference Systems (AHRS) specifically designed, modified, or configured for military use and all specifically designed components, parts and accessories. For other inertial reference systems and related components refer to Category XII(d).

* (f) Developmental aircraft and components thereof which have a significant military applicability, excluding such aircraft and components that have been certified by the Federal Aviation Administration and determined through the commodity jurisdiction procedure specified in § 120.4 of this subchapter, to be subject to the export control jurisdiction of the Department of Commerce for purposes of section 17(c) of the Export Administration Act, as amended.

* (g) Ground effect machines (GEMS) specifically designed or modified for military use, including but not limited to surface effect machines and other air cushion vehicles, and all components, parts, and accessories, attachments, and associated equipment specifically designed or modified for use with such machines.

[(h) * Spacecraft, including manned and unmanned, active and passive satellites (except those listed in Category XV).

[(i) Power supplies and energy sources specially designed or modified for spacecraft in paragraph (b).]

(j) Components, parts, accessories, attachments, and associated equipment (including ground support equipment) specifically designed or modified for the articles in paragraphs (a) through (i) of this category, excluding aircraft tires and propellers used with reciprocating engines.

(k) Technical Data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (j) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated SME.

[(l) Non-military aircraft inertial navigation systems, except those systems or components that are standard equipment in civil aircraft, including spare parts and spare units to be used exclusively for the maintenance of inertial navigation equipment incorporated in civil aircraft and that are certified by the Federal Aviation Administration (FAA) as being an integral part of such aircraft.]

[(m) Technical data for the design, development, production or manufacture of

Inertial navigation equipment or its related parts, components or subsystems which are standard equipment in civil aircraft and which are certified by the Federal Aviation Administration as being an integral part of such aircraft. FAA certified inertial navigation systems and all other technical data associated with such systems is under the licensing jurisdiction of the Department of Commerce.]

Category IX—Military Training Equipment

(a) Military training equipment including but not limited to attack trainers, radar target trainers, radar target generators, gunnery training devices, antisubmarine warfare trainers, target equipment, armament training units, operational flight trainers, air combat training systems, radar trainers, navigation trainers, and simulation devices related to defense articles.

(b) Components, parts, accessories, attachments, and associated equipment specifically designed or modified for the articles in paragraph (a) of this category.

(c) Technical Data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) and (b) of this category. (See § 125.4 for exemptions.)

Category X—Protective Personnel Equipment

(a) Body armor specifically designed, modified or equipped for military use; articles, including but not limited to clothing, designed, modified or equipped to protect against or reduce detection by radar, infrared (IR) or other sensors; military helmets equipped with communications hardware, optical sights, slewing devices or mechanisms to protect against thermal flash or lasers, excluding standard military helmets.

(b) Partial pressure suits and liquid oxygen converters used in aircraft in Category VIII(a).

(c) Protective apparel and equipment specifically designed or modified for use with the articles in paragraphs (a) through (d) in Category XIV.

(d) Components, parts, accessories, attachments, and associated equipment specifically designed or modified for use with the articles in paragraphs (a), (b), and (c) of this category.

(e) Technical Data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (d) of this category. (See § 125.4 of this subchapter for exemptions.)

Category XI—Military (and Space) Electronics

(a) Electronic equipment not included in Category XII of the U.S. Munitions List which is specifically designed, modified or configured for military application. This equipment includes but is not limited to:

* (1) Underwater sound equipment to include active and passive detection, identification, tracking, and weapons control equipment.

* (2) Underwater acoustic active and passive countermeasures and counter-countermeasures.

(3) Radar systems, with capabilities such as:

- * (i) Search,
- * (ii) Acquisition,
- * (iii) Tracking,
- * (iv) Moving target indication,
- * (v) Imaging radar systems,
- (vi) Any ground air traffic control radar which is specifically designed or modified for military application.

* (4) Electronic combat equipment, such as:

- (i) Active and passive countermeasures,
- (ii) Active and passive counter-countermeasures, and
- (iii) Radios (including transceivers) specifically designed or modified to interfere with other communication devices or transmissions.

* (5) Command, control and communications systems to include radios (transceivers), navigation, and identification equipment.

(6) Computers specifically designed or developed for military application and any computer specifically modified for use with any defense article in any category of the U.S. Munitions List.

(7) Any experimental or developmental electronic equipment specifically designed or modified for military application or specifically designed or modified for use with a military system.

* (b) Electronic systems or equipment specifically designed, modified, or configured for intelligence, security, or military purposes for use in search, reconnaissance, collection, monitoring, direction-finding, display, analysis and production of information from the electromagnetic spectrum and electronic systems or equipment designed or modified to counteract electronic surveillance or monitoring. A system meeting this definition is controlled under this subchapter even in instances where any individual pieces of equipment constituting the system may be subject to the controls of another U.S. Government agency. Such systems or equipment described above include, but are not limited to, those:

(1) Designed or modified to use cryptographic techniques to generate the spreading code for spread spectrum or hopping code for frequency agility. This does not include fixed code techniques for spread spectrum.

(2) Designed or modified using burst techniques (e.g., time compression techniques) for intelligence, security or military purposes.

(3) Designed or modified for the purpose of information security to suppress the compromising emanations of information-bearing signals. This covers TEMPEST suppression technology and equipment meeting or designed to meet government TEMPEST standards. This definition is not intended to include equipment designed to meet Federal Communications Commission (FCC) commercial electro-magnetic interference standards or equipment designed for health and safety.

[(c) Space electronics:

* (1) Electronic equipment specifically designed or modified for spacecraft and spaceflight, and

(2) Electronic equipment specifically designed or modified for use with non-military communications satellites.

(3) Components, parts, accessories, attachments, and associated equipment specifically designed or modified for use with the equipment in subparagraphs (1) and (2).]

(d) Components, parts, accessories, attachments, and associated equipment specifically designed or modified for use with the equipment in paragraphs (a) and (b) of this category, except for such items as are in normal commercial use.

(e) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (d) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated as SME.

Category XII—Fire Control, Range Finder, Optical and Guidance and Control Equipment

* (a) Fire control systems; gun and missile tracking and guidance systems; gun range, position, height finders, spotting instruments and laying equipment; aiming devices (electronic, optic, and acoustic); bomb sights, bombing computers, military television sighting and viewing units, and periscopes for the articles of this section.

* (b) Lasers specifically designed, modified or configured for military application including those used in military communication devices, target designators and range finders, target detection systems, and directed energy weapons.

* (c) Infrared focal plane array detectors specifically designed, modified or configured for military use; image intensification and other night sighting equipment or systems specifically designed, modified, or configured for military use; second generation and above military image intensification tubes (defined below) specifically designed, developed, modified, or configured for military use, and, infrared, visible, and ultraviolet devices specifically designed, developed, modified, or configured for military application.

Note: Special Definition. For purposes of this subparagraph, second and third generation image intensifier tubes are defined as having:

A peak response within the 0.4 to 1.05 micron wavelength range and incorporating a microchannel plate for electron image amplification having a hole pitch (center-to-center spacing) of less than 25 microns, and having either:

(a) An S-20, S-25 or multialkali photocathode; or

(b) A semiconductor photocathode;

* (d) Inertial platforms and sensors for weapons or weapon systems; guidance, control and stabilization systems except for those systems covered in category VIII; astro-compasses and star trackers and military and [non-military] accelerometers and gyros. For

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aircraft inertial reference systems and related components refer to Category VIII.

(f) Non-military second generation and image intensification tubes, non-military infrared focal plane arrays, and image intensification tubes identified in paragraph (c) of this section when a part of a commercial system (i.e. those systems originally designed for commercial use). This does not include military systems comprised of non-military specification components.]

(f) Components, parts, accessories, attachments and associated equipment specifically designed or modified for the articles in paragraphs (a), (b), (c) and (d) of this category, except for such items as are in normal commercial use.

(g) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8) directly related to the defense articles enumerated in paragraphs (a) through (f) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to manufacture and production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated as SME.

Category XIII—Auxiliary Military Equipment

(a) Cameras [including space cameras] and specialized processing equipment therefor, photointerpretation, stereoscopic plotting, and photogrammetry equipment which are specifically designed or modified for military purposes, and components specifically designed or modified therefor;

(b) Information Security Systems and equipment, cryptographic devices, software, and components specifically designed or modified therefor, including:

(1) Cryptographic (including key management) systems, equipment, assemblies, modules, integrated circuits, components or software with the capability of maintaining secrecy or confidentiality of information or information systems, except cryptographic equipment and software as follows:

(i) Restricted to decryption functions specifically designed to allow the execution of copy protected software, provided the decryption functions are not user-accessible.

(ii) Specially designed, developed or modified for use in machines for banking or money transactions, and restricted to use only in such transactions. Machines for banking or money transactions include automatic teller machines, self-service statement printers, point of sale terminals or equipment for the encryption of interbanking transactions.

(iii) Employing only analog techniques to provide the cryptographic processing that ensures information security in the following applications:

(A) Fixed (defined below) band scrambling not exceeding 8 bands and in which the transpositions change not more frequently than once every second;

(B) Fixed (defined below) band scrambling exceeding 8 bands and in which the transpositions change not more frequently than once every ten seconds;

(C) Fixed (defined below) frequency inversion and in which the transpositions change not more frequently than once every second;

(D) Facsimile equipment;

(E) Restricted audience broadcast equipment;

(F) Civil television equipment.

Note: *Special Definition.* For purposes of this subparagraph, *fixed* means that the coding or compression algorithm cannot accept externally supplied parameters (e.g., cryptographic or key variables) and cannot be modified by the user.

(iv) Personalized smart cards using cryptography restricted for use only in equipment or systems exempted from the controls of the USML.

(v) Limited to access control, such as automatic teller machines, self-service statement printers or point of sale terminals, which protects password or personal identification numbers (PIN) or similar data to prevent unauthorized access to facilities but does not allow for encryption of files or text, except as directly related to the password or PIN protection.

(vi) Limited to data authentication which calculates a Message Authentication Code (MAC) or similar result to ensure no alteration of text has taken place, or to authenticate users, but does not allow for encryption of data, text or other media other than that needed for the authentication.

(vii) Restricted to fixed data compression or coding techniques.

(viii) Limited to receiving for radio broadcast, pay television or similar restricted audience television of the consumer type, without digital encryption and where digital decryption is limited to the video, audio or management functions.

(ix) Software designed or modified to protect against malicious computer damage, (e.g., viruses).

Note: A procedure has been established to facilitate the expeditious transfer to the Commodity Control List of mass market software products with encryption that meet specified criteria regarding encryption for the privacy of data and the associated key management. Requests to transfer commodity jurisdiction of mass market software products designed to meet the specified criteria may be submitted in accordance with the commodity jurisdiction provisions of § 120.4. Questions regarding the specified criteria or the commodity jurisdiction process should be addressed to the Office of Defense Trade Controls. All mass market software products with cryptography that were previously granted transfers of commodity jurisdiction will remain under Department of Commerce control. Mass market software governed by this note is software that is generally available to the public by being sold from stock at retail selling points, without restriction, by means of over the counter transactions, mail order transactions, or telephone call transactions; and designed for installation by the user without further substantial support by the supplier.

(2) Cryptographic (including key management) systems, equipment, assemblies, modules, integrated circuits,

components or software which have the capability of generating spreading or hopping codes for spread spectrum systems or equipment.

(3) Cryptanalytic systems, equipment, assemblies, modules, integrated circuits, components or software.

(4) Systems, equipment, assemblies, modules, integrated circuits, components or software providing certified or certifiable multi-level security or user isolation exceeding class B2 of the Trusted Computer System Evaluation Criteria (TCSEC) and software to certify such systems, equipment or software.

(5) Ancillary equipment specifically designed or modified for paragraphs (b) (1), (2), (3), (4) and (5) of this category;

(c) Self-contained diving and underwater breathing apparatus as follows:

(1) Closed and semi-closed circuits (rebreathing) apparatus;

(2) Specially designed components for use in the conversion of open-circuit apparatus to military use; and

(3) Articles exclusively designed for military use with self-contained diving and underwater swimming apparatus.

(d) Carbon/carbon billets and preforms which are reinforced with continuous unidirectional tows, tapes, or woven cloths in three or more dimensional planes (i.e. 3D, 4D, etc.). This is exclusive of carbon/carbon billets and preforms where reinforcement in the third dimension is limited to interlocking of adjacent layers only, and carbon/carbon 3D, 4D, etc. end items which have not been specifically designed or modified for defense articles (e.g., brakes for commercial aircraft or high speed trains). Armor (e.g., organic, ceramic, metallic), and reactive armor which has been specifically designed or modified for defense articles. Structural materials including carbon/carbon and metal matrix composites, plate, forgings, castings, welding consumables and rolled and extruded shapes which have been specifically designed or modified for defense articles.

(e) Concealment and deception equipment, including but not limited to special paints, decoys, and simulators and components, parts and accessories specifically designed or modified therefor.

(f) Energy conversion devices for producing electrical energy from nuclear, thermal, or solar energy, or from chemical reaction which are specifically designed or modified for military application.

(g) Chemiluminescent compounds and solid state devices specifically designed or modified for military application.

(h) Devices embodying particle beam and electromagnetic pulse technology and associated components and subassemblies (e.g., ion beam current injectors, particle accelerators for neutral or charged particles, beam handling and projection equipment, beam steering, fire control, and pointing equipment, test and diagnostic instruments, and targets) which are specifically designed or modified for directed energy weapon applications.

(i) Metal embrittling agents.

(j) Hardware and equipment, which has been specifically designed or modified for military applications, that is associated with

the measurement or modification of system signatures for detection of defense articles. This includes but is not limited to signature measurement equipment; prediction techniques and codes; signature materials and treatments; and signature control design methodology.

(k) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) related to the defense articles listed in this category. (See § 125.4 of this subchapter for exemptions; see also § 123.21 of this subchapter). Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated as SME.

Category XIV—Toxicological Agents and Equipment and Radiological Equipment

(a) Chemical agents, including but not limited to lung irritants, vesicants, lachrymators, tear gases (except tear gas formulations containing 1% or less CN or CS), sternutators and irritant smoke, and nerve gases and incapacitating agents. (See § 121.7.)

(b) Biological agents.

(c) Equipment for dissemination, detection, and identification of, and defense against, the articles in paragraphs (a) and (b) of this category.

(d) Nuclear radiation detection and measuring devices, manufactured to military specification.

(e) Components, parts, accessories, attachments, and associated equipment specifically designed or modified for the articles in paragraphs (c) and (d) of this category.

(f) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) related to the defense articles enumerated in paragraphs (a) through (e) of this category. (See § 125.4 of this subchapter for exemptions; see also § 123.21 of this subchapter). Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated as SME.

Category XV—Spacecraft Systems and Associated Equipment

(a) Spacecraft and associated hardware, including ground support equipment, specifically designed or modified for military use.

(b)(1) [Reserved]

(2) Communications satellites (excluding ground stations and their associated equipment and technical data not enumerated elsewhere in § 121.1 of this subchapter; for controls on such ground stations, see the Commerce Control List) with any of the following characteristics:

(i) Anti-jam capability. Antennas and/or antenna systems with ability to respond to incoming interference by adaptively reducing antenna gain in the direction of the interference.

(ii) Antennas:

(A). With aperture (overall dimension of the radiating portions of the antenna) greater than 30 feet; or

(B). With sidelobes less than or equal to -35dB; or

(C). Designed, modified, or configured to provide coverage area on the surface of the earth less than 200 nm in diameter, where "coverage area" is defined as that area on the surface of the earth that is illuminated by the main beam width of the antenna (which is the angular distance between half power points of the beam).

(iii) Designed, modified or configured for intersatellite data relay links that do not involve a ground relay terminal ("cross-links").

(iv) Spaceborne baseband processing equipment that uses any technique other than frequency translation which can be changed several times a day on a channel by channel basis among previously assigned fixed frequencies.

(v) Employing any of the cryptographic items controlled under Category XIII (b) of this subchapter.

(vi) Employing radiation-hardened devices controlled elsewhere in § 121.1 that are not "embedded in the satellite in such a way as to deny physical access. (Here "embedded" means that the device either cannot feasibly be removed from the satellite or be used for other purposes.)

(vii) Having propulsion systems which permit acceleration of the satellite on-orbit (i.e., after mission orbit injection) at rates greater than 0.1g.

(viii) Having attitude control and determination systems designed to provide spacecraft pointing determination and control better than 0.02 degrees azimuth and elevation.

(ix) Having orbit transfer engines ("kick-motors") which remain permanently with the spacecraft and are capable of being restarted after achievement of mission orbit and providing acceleration greater than 1g. (Orbit transfer engines which are not designed, built, and shipped as an integral part of the satellite are controlled under Category IV of this subchapter.)

(c) Global Positioning System (GPS) receiving equipment specifically designed, modified or configured for military use; or GPS receiving equipment with any of the following characteristics:

(1) Designed for encryption or decryption (e.g., Y-Code) of GPS precise positioning service (PPS) signals;

(2) Designed for producing navigation results above 60,000 feet altitude and at 1,000 knots velocity or greater;

(3) Specifically designed or modified for use with a null steering antenna or including a null steering antenna designed to reduce or avoid jamming signals;

(4) Designed or modified for use with unmanned air vehicle systems capable of delivering at least a 500 kg payload to a range of at least 300 km.

Note: GPS receivers designed or modified for use with military unmanned air vehicle systems with less capability are considered to be specifically designed, modified or configured for military use and therefore covered under this subparagraph.

Any GPS equipment not meeting this definition is subject to the jurisdiction of the Department of Commerce (DOC). Manufacturers or exporters of equipment under DOC jurisdiction are advised that the U.S. Government does not assure the availability of the GPS P-Code for civil navigation. It is the policy of the Department of Defense (DOD) that GPS receivers using P-Code without clarification as to whether or not those receivers were designed or modified to use Y-Code will be presumed to be Y-Code capable and covered under this subparagraph. The DOD policy further requires that a notice be attached to all P-Code receivers presented for export. The notice must state the following: "ADVISORY NOTICE: This receiver uses the GPS P-Code signal, which by U.S. policy, may be switched off without notice."

(d) Components, parts, accessories, attachments, and associated equipment (including ground support equipment) specifically designed, modified or configured for the articles in paragraphs (a) through (c) of this category, as well as for any satellites under the export licensing jurisdiction of the Department of Commerce, except as noted below.

Explanatory Note

This language is not intended to preclude a license application of a complete satellite that is under the jurisdiction of the Department of Commerce from including in that license application any directly associated components, parts, accessories, attachments and associated equipment (including ground support equipment) unless such items are specifically identified for control in paragraph (a) or (b) of this category or any other category of § 121.1 of this subchapter. It is understood that spares, replacement parts, ground support and test equipment, payload adapter/interface hardware, etc. are typically provided as part of a satellite launch campaign; however, such items are only exempt from USML licensing when their intended use is directly related to supporting the Commerce-licensed satellite launch campaign. Once the satellite has been successfully launched, it is understood that such items remaining unlaunched will be returned to the United States.

(e) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (d) of this category. (See § 125.4 of this subchapter for exceptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated SME. In addition, detailed design, development, production or manufacturing data for all spacecraft systems and specifically designed or modified components thereof, regardless of which U.S. Government agency has jurisdiction for export of the hardware. (See § 125.4 of this subchapter for exceptions.) This restriction does not include that level of technical data (including marketing data) necessary and reasonable for a purchaser to have assurance

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that a U.S.-built item intended to operate in space has been designed, manufactured and tested in conformance with specified contract requirements (e.g., operational performance, reliability, lifetime, product quality, or delivery expectations) and data necessary to evaluate in-orbit anomalies and to operate and maintain associated ground equipment.

Category XVI—Nuclear Weapons Design and Test Equipment

(a) Any article, material, equipment, or device which is specifically designed or modified for use in the design, development, or fabrication of nuclear weapons or nuclear explosive devices. (See § 123.21 of this subchapter and Department of Commerce Export Regulations, 15 CFR part 778).

(b) Any article, material, equipment, or device which is specifically designed or modified for use in the devising, carrying out, or evaluating of nuclear weapons tests or any other nuclear explosions, except such items as are in normal commercial use for other purposes.

(c) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (b) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated SME.

Category XVII—Classified Articles, Technical Data and Defense Services Not Otherwise Enumerated

(a) All articles, technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) relating thereto which are classified in the interests of national security and which are not otherwise enumerated in the U.S. Munitions List.

Category XVIII—[Reserved]

Category XIX—[Reserved]

Category XX—Submersible Vessels, Oceanographic and Associated Equipment

(a) Submersible vessels, manned or unmanned, tethered or untethered, designed or modified for military purposes, or powered by nuclear propulsion plants.

(b) Swimmer delivery vehicles designed or modified for military purposes.

(c) Equipment, components, parts, accessories, and attachments specifically designed or modified for any of the articles in paragraphs (a) and (b) of this category.

(d) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (c) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated as SME.

Category XXI—Miscellaneous Articles

(a) Any article not specifically enumerated in the other categories of the U.S. Munitions List which has substantial military applicability and which has been specifically designed or modified for military purposes. The decision on whether any article may be included in this category shall be made by the Director of the Office of Defense Trade Controls.

(b) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) of this category.

§ 121.2 Interpretations of the U.S. Munitions List and the Missile Technology Control Regime Annex.

The following interpretations (listed alphabetically) explain and amplify the terms used in § 121.1. These interpretations have the same force as if they were a part of the U.S. Munitions List (USML) category to which they refer. In addition, all the items listed in § 121.16 shall constitute all items on the United States Munitions List which are Missile Technology Control Regime Annex items in accordance with section 71(a) of the Arms Export Control Act.

§ 121.3 Aircraft and related articles.

In Category VIII, "aircraft" means aircraft designed, modified, or equipped for a military purpose, including aircraft described as "demilitarized." All aircraft bearing an original military designation are included in Category VIII. However, the following aircraft are not included so long as they have not been specifically equipped, re-equipped, or modified for military operations:

(a) Cargo aircraft bearing "C" designations and numbered C-45 through C-118 inclusive, C-121 through C-125 inclusive, and C-131, using reciprocating engines only.

(b) Trainer aircraft bearing "T" designations and using reciprocating engines or turboprop engines with less than 600 horsepower (s.h.p.)

(c) Utility aircraft bearing "U" designations and using reciprocating engines only.

(d) All liaison aircraft bearing an "L" designation.

(e) All observation aircraft bearing "O" designations and using reciprocating engines.

§ 121.4 Amphibious vehicles.

An amphibious vehicle in Category VII(f) is an automotive vehicle or chassis which embodies all-wheel drive, is equipped to meet special military requirements, and which has sealed electrical systems or adaptation features for deep water fording.

§ 121.5 Apparatus and devices under Category IV(c).

Category IV includes but is not limited to the following: Fuzes and components specifically designed, modified or configured for items listed in that category, bomb racks and shackles, bomb shackle release units, bomb ejectors, torpedo tubes, torpedo and guided missile boosters, guidance systems equipment and parts, launching racks and projectors, pistols (exploders), ignitors, fuze arming devices, intervalometers, thermal batteries, hardened missile launching facilities, guided missile launchers and specialized handling equipment, including transporters, cranes and lifts designed to handle articles in paragraphs (a) and (b) of this category for preparation and launch from fixed and mobile sites. The equipment in this category includes robots, robot controllers and robot end-effectors specially designed or modified for military applications.

§ 121.6 Cartridge and shell casings.

Cartridge and shell casings are included in Category III unless, prior to export, they have been rendered useless beyond the possibility of restoration for use as a cartridge or shell casing by means of heating, flame treatment, mangling, crushing, cutting, or popping.

§ 121.7 Chemical agents.

A chemical agent in Category XIV(a) is a substance having military application which by its ordinary and direct chemical action produces a powerful physiological effect. The term "chemical agent" includes, but is not limited to, the following chemical compounds:

- (a) Lung irritants:
 - (1) Diphenylcyanoarsine (DC).
 - (2) Fluorine (but not fluorene).
 - (3) Trichloronitro methane (chloropicrin PS).
- (b) Vesicants:
 - (1) B-Chlorovinyl dichloroarsine (Lewisite, L).
 - (2) Bis(dichloroethyl)sulphide (Mustard Gas, HD or H).
 - (3) Ethyldichloroarsine (ED).
 - (4) Methyl dichloroarsine (MD).
- (c) Lachrymators and tear gases:
 - (1) A-Bromobenzyl cyanide (BBC).
 - (2) Chloroacetophenone (CN).
 - (3) Dibromodimethyl ether.
 - (4) Dichlorodimethyl ether (ClCi).
 - (5) Ethyldibromoarsine.
 - (6) Phenylcarbylamine chloride.
 - (7) Tear gas solutions (CNB and CNS).
 - (8) Tear gas orthochlorobenzalmalononitrile (CS).
- (d) Sternutators and irritant smokes:
 - (1) Diphenylamine chloroarsine (Adamsite, DM).

19 November 1993

Memorandum for DISAM

Subject: Change to SMM Section 20301

Request the following changes be included in SMM section 20301:

- Change section 20301.I as annotated in the attached.
- Add to section 20301

"J. Sec 527, Foreign Operations, Export Financing, and Related Programs Appropriations Act, FY94 continues the prohibition on sale of M-833 depleted uranium ammunition and comparable anti-tank rounds except to NATO member countries, major non-NATO allies, Taiwan, and countries for which a Presidential national security interest determination has been completed.

"K. Sec 532, Foreign Operations, Export Financing, and Related Programs Appropriations Act, FY94 continues the prohibition on provision of Stinger MANPADS to countries bordering the Persian Gulf (Iraq, Iran, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, and Oman). Based on a Presidential Determination and other specific circumstances discussed in Sec 581, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990/PL 101-167, this prohibition does not apply to Bahrain's one-for-one purchase of replacement missiles.

"L. Sec 1094 of the Defense Authorization Act of 1994 extends the moratorium on sale, transfer, or assistance with respect to the provision of anti-personnel landmines. DSAA/OPS-MGT will provide detailed guidance as required."

Attachment
As stated

20301.I.

In incendiary Items White Phosphorus and Riot Control Agents

I. ^{These} The USG generally discourages the purchase of incendiary items and riot control agents, but recognizes that there are occasions when a country will have a legitimate need for certain types of such items. The following is USG policy regarding the sale of such items:

1. Napalm, including napalm thickener, dispensers, and fuses will not be provided through FMS or on a commercial basis.

2. Requests for white phosphorus munitions should be submitted in accordance with the procedures established for SME (see Chapter 7, Section 700 of this manual). Requests should indicate, by type of ammunition requested, the quantity and intended use of the ammunition. Requests should be accompanied by the U.S. mission's opinions as to whether the amount requested is reasonable in relation to the intended use, current on-hand inventories, and predictable usage rates of such items; and requests must also contain assurance from the host government that the white phosphorus munitions will be used only for purposes such as signalling and smoke screening. DSAA will be responsible for coordinating approval of the request. Upon approval, DSAA will advise the cognizant DoD component of the approval along with the conditions for its use which will be made a part of the LOA.

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

^{DoS} * ^{Defense Trade} *

20302 SHIP TRANSFERS.

A. Vessels 20 years old or more and no more than 3,000 tons (light load displacement) or less may be transferred after 30 continuous days of the date that the USN notifies Congress of its intent to make the transfer. Naval vessels less than 20 years old or more than 3,000 tons may be transferred only after enactment of specified legislation authorizing the transfer. These criteria and Congressional oversight provisions are prescribed by 10 USC 7307.

B. Regardless of the method of transfer (sale or lease) the foreign government will normally pay all costs incidental to the transfer.

C. Leasing of ships must be in accordance with the AECA, Chapter 6, unless otherwise expressly authorized by separate legislation. Such leasing is reserved for exceptions where a sale is not feasible.

D. Ship transfer and approval procedures:

1. The foreign government normally requests price and availability (P&A), followed by a formal request for transfer expressed in diplomatic notes. The latter is a prerequisite to Congressional notification under the AECA for a lease, and to submitting notification to the Congress or requesting authorizing legislation under 10 USC 7307.

2. Ship transfers are coordinated by the Director, Navy IPO. DSAA coordinates all transfers within OSD and with the Department of State. DSAA ensures compliance with statutory notification and authorizing legislation requirements. The Navy prescribes policies and procedures for ship transfers in OPNAV Instruction 4900.90 series.

SECNAV 4900.48

3. Navy IPO submits each request for sale to the Director, DSAA. This takes the form of either a draft Congressional notification letter or a draft ship transfer bill, pursuant to 10 USC 7307. Each request will include a statement of approval from the Secretary of the Navy or his designee.

Pen H.
DANAM
8/31/93

* See addition of 20301. J, K, and L in cover memo for DISAM (11/19/93).



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

Change 6
Background

DIR _____
DDIP _____
EX 4629 _____
EA _____

26 November 1993

Memorandum for LTG Rhame
Through ~~Mr. Rudd~~ *by name of SA*
~~Mr. McKalip~~
COL Anthony *A 11/29*
Mr. Brandt *WB*

Subject: Proposed SAMP Change, Depleted Uranium and Stinger

In reviewing our FY94 Foreign Operations Appropriations Legislation (summary Tab B), it appears legislation pertaining to depleted uranium rounds and to Stinger MANPADS should be included in the SAMP. Because it has now been extended for three more years, inclusion of the ban on transfer of anti-personnel landmines (in the Landmine Moratorium Extension Act passed by Congress and expected to be signed into law next week) is also recommended.

Okay to Include *JML 30 NOV* Other _____

W
Wayne Wells
OPS-MGT, X78108

Attachments
As stated

Concurrences: DSAA-GC Mrs. Ludlow-MacMurray
OPS-MAA COL Raphael
OPS-ERP Mr. Laskofski

psowd *Jm*

Change 6 Background

ROUTINE
R 081830Z NOV 93
FM SECDEF WASHINGTON DC//USDP:DSAA//
TO AIG 8797

ZYUW RUEKJCS1850 3130137

UNCLAS SECTION 01 OF 02
FROM DSAA/PLANS/LPD

SUBJECT: FY94 FOREIGN OPERATIONS APPROPRIATIONS LEGISLATION

A. SUMMARY. THIS MESSAGE SUMMARIZES THE FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1994 (P.L. 103-87), SIGNED INTO LAW BY THE PRESIDENT ON 30 SEPTEMBER 1993. AS IT AFFECTS FOREIGN MILITARY ASSISTANCE AND SALES. OTHER LEGISLATION AFFECTING FOREIGN MILITARY ASSISTANCE AND SALES PROGRAMS NOT YET ENACTED WILL BE ADDRESSED BY SEPTEL FOLLOWING ENACTMENT.
B. FOR FY94, MILITARY ASSISTANCE FUNDING IS SUBSTANTIALLY REDUCED. FOREIGN MILITARY FINANCING (FMF) GRANTS ARE REDUCED TO \$3,149,279M AS COMPARED TO \$3,300M IN FY93. ONLY \$25,721M IS AVAILABLE AFTER ISRAEL, EGYPT, AND ADMINISTRATIVE COSTS. ALL FMF FOR GREECE, PORTUGAL, AND TURKEY IS PROVIDED AS TREASURY-RATE LOANS AND AT PROGRAM LEVELS 10 PERCENT BELOW FY93. INTERNATIONAL MILITARY EDUCATION AND TRAINING (IMET) HAS BEEN REDUCED BY 50 PERCENT, AND SPECIAL DEFENSE ACQUISITION FUND (SDAF) OBLIGATIONAL AUTHORITY WAS NOT PROVIDED.
C. LEGISLATIVE INITIATIVES. ONLY A FEW OF THE ADMINISTRATION'S LEGISLATIVE INITIATIVES WERE ENACTED. THE ADMINISTRATION DID NOT SUBMIT A FOREIGN AID AUTHORIZATION BILL FOR FY94. ACTION ON THE AUTHORIZATION LEGISLATION INITIATED IN CONGRESS IS BEING DELAYED PENDING THE RECEIPT OF THE ADMINISTRATION'S FOREIGN ASSISTANCE ACT (FAA) REWRITE IN EARLY NOVEMBER. END SUMMARY.
D. SPECIFIC PROVISIONS OF P.L. 103-87 THAT AFFECT FOREIGN MILITARY ASSISTANCE AND SALES ARE DISCUSSED IN THE PARAGRAPHS BELOW.
E. GENERAL FUNDING.

1. FMF. FMF GRANTS ARE FUNDED AT \$3,149,279,000. THE SUBSIDY PORTION OF FMF LOANS IS FUNDED AT \$46,530,000 TO SUPPORT TREASURY-RATE LOANS FOR GREECE, PORTUGAL, AND TURKEY AT PROGRAM LEVELS OF \$283.5M, \$81M, AND \$405M, RESPECTIVELY. THE ACTUAL TERMS OF THESE LOANS WILL BE DETERMINED ON THE BASIS OF THE CURRENT AVERAGE MARKET YIELD ON OUTSTANDING MARKETABLE OBLIGATIONS OF THE UNITED STATES OF COMPARABLE MATURITIES AT THE TIME THE LOAN AGREEMENTS ARE SIGNED (THE RATE FOR THE 1 OCT-31 DEC 93 QUARTER IS 5.61 PERCENT). NO MORE THAN \$23,558M MAY BE USED FOR ADMINISTRATIVE COSTS. FY94 FMF IS PROHIBITED FOR ZAIRE, SUDAN, LIBERIA, GUATEMALA, PERU, AND MALAWI.
2. IMET. THE IMET APPROPRIATION IS \$21,25M, WHICH IS HALF THE FY93 LEVEL. THE USE OF IMET IS AUTHORIZED FOR THE TRAINING OF MEMBERS OF NATIONAL LEGISLATURES WHO ARE RESPONSIBLE FOR THE OVERSIGHT AND MANAGEMENT OF THE MILITARY. THERE IS NO LEGISLATED EARMARK FOR EXPANDED IMET PROGRAMS, BUT THE SENATE REPORT LANGUAGE SPECIFIES \$4M, WHICH THE DEPARTMENT INTENDS TO HONOR. UP TO \$300K OF FY94 IMET MAY BE PROVIDED TO COUNTRIES WHOSE ANNUAL PER CAPITA GNP EXCEEDS \$2,349 ON THE CONDITION THAT SUCH COUNTRIES AGREE TO FUND FROM ITS OWN RESOURCES THE TRANSPORTATION AND LIVING COSTS OF ITS STUDENTS. INDONESIA AND ZAIRE ARE PROHIBITED FROM RECEIVING FY94 IMET FUNDS.
3. SDAF. AS REQUESTED BY THE ADMINISTRATION, NO NEW OBLIGATIONAL AUTHORITY WAS PROVIDED FOR THE SDAF. THE FY93 OBLIGATIONAL AUTHORITY IS REDUCED TO \$160M, WHICH EFFECTIVELY RESCINDS \$65M IN PRIOR YEAR OBLIGATIONAL AUTHORITY.

F. COUNTRY AND REGIONAL FUNDING LEVELS.

1. ISRAEL. FMF IS EARMARKED AT \$1.8B. ISRAEL FMF MUST BE DISBURSED WITHIN 30 DAYS OF ENACTMENT. \$475M OF THIS AMOUNT IS EARMARKED FOR OFF-SHORE PROCUREMENT IN ISRAEL. UP TO \$150M MAY BE USED FOR RESEARCH AND DEVELOPMENT IN THE UNITED STATES.
2. EGYPT. FMF EARMARKED AT \$1.3B.

JOINT STAFF V1

ACTION (U.A)
INFO SJS-N(1) JS(3) NIDS(1) J4(5) J4:MILSEC-J(1)
J7(6) JS(1) JS:FLANKS-J(1)

SECDEF V2

ACTION USDP:DSAA(1) (D.6.F)
INFO SECDEF-411 USDP:FILE(1)

IA V3

ACTION (U.A)
INFO DIA/MRB(1)
+SAFE

G. OTHER FUNDING-RELATED PROVISIONS.

1. MI-ITARY COUPS (SEC 508). NO FY94 FUNDS MAY BE OBLIGATED OR EXPENDED TO FINANCE DIRECTLY ANY ASSISTANCE TO ANY COUNTRY WHOSE DULY ELECTED HEAD OF GOVERNMENT IS DEPOSED BY MILITARY COUP OR DECREE. ASSISTANCE MAY BE RESUMED IF THE PRESIDENT DETERMINES AND REPORTS TO THE COMMITTEES ON APPROPRIATIONS THAT A DEMOCRATICALLY ELECTED GOVERNMENT HAS TAKEN OFFICE.

2. DEOB/REOB AUTHORITY (SEC 510). PRIOR-YEAR FMF MAY BE DEOBLIGATED AND REOBLIGATED DURING FY94.

3. BROOKE SANCTIONS (SEC 512). NO FUNDS MAY BE PROVIDED TO ANY COUNTRY IN DEFAULT FOR A PERIOD IN EXCESS OF ONE CALENDAR YEAR IN THE PAYMENT TO THE UNITED STATES OF PRINCIPAL OR INTEREST ON ANY LOAN MADE TO SUCH COUNTRY BY THE UNITED STATES PURSUANT TO AN APPROPRIATED AID PROGRAM. THIS SECTION AND SECTION 620(Q) OF THE FAA DO NOT APPLY TO ANY ASSISTANCE FOR NICARAGUA OR ANY COUNTERNARCOTICS-RELATED ASSISTANCE FOR COLOMBIA, BOLIVIA, AND PERU AUTHORIZED BY THE FAA OR AECA.

4. SPECIAL NOTIFICATION REQUIREMENTS (SEC 520). COUNTRIES REQUIRING SPECIAL 15-DAY NOTIFICATION PRIOR TO THE OBLIGATION OR EXPENDITURE OF FY94 FUNDS ARE AS FOLLOWS: AFGHANISTAN, CAMBODIA, COLOMBIA, EL SALVADOR, GUATEMALA, HAITI, INDONESIA, JORDAN, LIBERIA, MALAWI, NICARAGUA, PERU, SUDAN, TOGO AND ZAIRE.

5. RECIPROCAL LEASING (SEC 524). THE AUTHORITY OF SEC 61(A) TO ENTER INTO RECIPROCAL LEASING ARRANGEMENTS WITH ONE COUNTRY IS EXTENDED THROUGH FY94.

6. NOTIFICATION OF EXCESS DEFENSE EQUIPMENT (SEC 525). SALES OF EXCESS DEFENSE ARTICLES (EDA) MUST BE NOTIFIED TO THE COMMITTEES ON APPROPRIATIONS 15 DAYS PRIOR TO ISSUING A LETTER OF OFFER.

7. DEPLETED URANIUM AMMUNITION (SEC 527). M-833 DEPLETED URANIUM (DU) AMMUNITION AND COMPARABLE ANTITANK SHELLS MAY ONLY BE SOLD TO NATO MEMBER COUNTRIES, MAJOR NON-NATO ALLIES, OR TAIWAN WITHOUT A PRESIDENTIAL NATIONAL SECURITY INTEREST DETERMINATION.

8. COMMERCIAL LEASING OF DEFENSE ARTICLES (SEC 530). CONTINUES AUTHORITY TO PROVIDE FINANCING TO ISRAEL, EGYPT, NATO AND MAJOR NON-NATO ALLIES FOR THE PROCUREMENT BY LEASING OF DEFENSE ARTICLES FROM US COMMERCIAL SUPPLIERS, SUBJECT TO A PRESIDENTIAL DETERMINATION OF COMPELLING FOREIGN POLICY OR NATIONAL SECURITY REASONS FOR DOING SO.

9. STINGERS IN THE PERSIAN GULF REGION (SEC 532). RETAINS PROHIBITION ON THE SALE OR PROVISION OF STINGER MISSILES TO ANY COUNTRY BORDERING THE PERSIAN GULF EXCEPT BAHRAIN.

10. WAR RESERVE STOCKPILES (SEC 535). AUTHORIZES ADDITIONS TO STOCKPILES IN FY94 OF UP TO \$200M IN ISRAEL, UP TO \$72M IN KOREA, AND UP TO \$20M IN THAILAND.

11. POW/MIA DRAWDOWN (SEC 540). EXTENDS FOR FY94 THE AUTHORITY TO DRAW DOWN UP TO \$15M IN DEFENSE ARTICLES AND SERVICES FOR CAMBODIA AND LAOS TO AID IN POW/MIA SEARCH EFFORTS. AIRCRAFT PROVIDED UNDER THIS AUTHORITY MAY ONLY BE PROVIDED TO LAOS AND ONLY ON A LEASE OR LOAN BASIS.

12. MEDITERRANEAN EXCESS DEFENSE ARTICLES (SEC 541). EXTENDS REQUIREMENT TO MAINTAIN A BALANCE (7:10) BETWEEN GREECE AND TURKEY IN OFFERS OF FAA SEC 516 AND FAA SEC 519 EDA.

13. PRIORITY DELIVERY OF EQUIPMENT (SEC 542). CONTINUES REQUIREMENT TO GIVE PRIORITY TO NATO AND MAJOR NON-NATO ALLIES IN THE DELIVERY OF FAA SEC 516 (SOUTHERN REGION AMENDMENT) EDA.

14. ISRAELI DRAWDOWN (SEC 543). EXTENDS THE BALANCE OF THE \$700M SPECIAL DRAWDOWN AUTHORITY FOR ISRAEL THROUGH FY94.

15. CASH FLOW FINANCING (SEC 544). CONTINUES REQUIREMENT TO NOTIFY 15 DAYS IN ADVANCE ALL PROPOSED CASH FLOW FINANCING ARRANGEMENTS FOR PROCUREMENTS IN EXCESS OF \$100M.

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16. BOSNIA-HERCEGOVINA ASSISTANCE (SEC 548). PURSUANT TO A LIFTING OF THE UNITED NATIONS ARMS EMBARGO AGAINST BOSNIA-HERCEGOVINA AND SUBJECT TO A PRESIDENTIAL CERTIFICATION, THE PRESIDENT MAY TRANSFER TO THAT NATION UP TO \$50M IN DEFENSE ARTICLES FROM DOD STOCKS IN FY94. IN ADDITION, IF THE PRESIDENT DETERMINES THAT DOING SO WILL CONTRIBUTE TO A JUST RESOLUTION OF CHARGES REGARDING GENOCIDE OR OTHER VIOLATIONS OF INTERNATIONAL LAW IN THE FORMER YUGOSLAVIA, PURSUANT TO SEC 552(C) OF THE FAA UP TO \$25M OF COMMODITIES AND SERVICES MAY BE DRAWN DOWN FROM THE INVENTORY AND RESOURCES OF ANY AGENCY OF THE UNITED STATES GOVERNMENT FOR PROVISION TO THE UNITED NATIONS WAR CRIMES TRIBUNAL, WITHOUT REGARD TO THE CEILING LIMITATION IN PARAGRAPH (2) OF THAT SECTION.

17. EXCESS DEFENSE ARTICLES (SEC 555). AUTHORIZES THE PROVISION OF NONLETHAL EDA (FAA SEC 519) TO COUNTRIES FOR WHICH FOREIGN ASSISTANCE HAS BEEN REQUESTED AND FOR WHICH RECEIPT OF SUCH ARTICLES HAS BEEN

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SEPARATELY JUSTIFIED FOR THE FISCAL YEAR. (NOTE: PREVIOUSLY, FAA SEC 519 ELIGIBILITY WAS RESTRICTED ONLY TO COUNTRIES JUSTIFIED FOR FMF.)

18. ANDEAN NARCOTICS INITIATIVE (SEC 561). USE OF FMF OR ECONOMIC SUPPORT FUND (ESF) FOR THE ANDEAN NARCOTICS INITIATIVE (I.E., BOLIVIA, COLOMBIA, AND PERU) IS PROHIBITED UNTIL THE SECRETARY OF STATE CONSULTS WITH, AND PROVIDES A NEW ANDEAN COUNTERNARCOTICS STRATEGY TO, THE COMMITTEES ON APPROPRIATIONS.

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19. ASSISTANCE FOR HAITI (SEC 563). NO FY94 FUNDS MAY BE OBLIGATED OR EXPENDED FOR THE PURPOSE OF MILITARY-RELATED CIVIC ACTION PROGRAMS, POLICE TRAINING, OR MILITARY TRAINING FOR HAITI (1) PRIOR TO 30 OCTOBER 1993 UNLESS SUCH PROGRAM OR TRAINING IS PART OF A UNITED NATIONS SPONSORED INITIATIVE; OR (2) ON OR AFTER 30 OCTOBER 1993, IF SUCH PROGRAM OR TRAINING IS TO STRENGTHEN CIVILIAN CONTROL OVER THE MILITARY AND TO ESTABLISH AN INDEPENDENT CIVILIAN POLICE FORCE, WITHOUT THE CONCURRENCE OF THE DULY-ELECTED PRESIDENT OF HAITI. NO MILITARY ASSISTANCE FUNDS MAY BE USED TO PROVIDE TRAINING TO ANY MEMBER OF THE HAITIAN ARMED FORCES WHO HAS BEEN AN ILLICIT TRAFFICKER IN NARCOTICS OR WHO HAS PARTICIPATED IN GROSS VIOLATIONS OF INTERNATIONALLY RECOGNIZED HUMAN RIGHTS.

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20. SPECIAL DEBT RELIEF FOR THE POOREST (SEC 570). THE PRESIDENT MAY REDUCE AMOUNTS OWED TO THE UNITED STATES BY AN ELIGIBLE COUNTRY AS A RESULT OF CREDITS EXTENDED OR GUARANTEES ISSUED UNDER THE AECA. THIS AUTHORITY MAY ONLY BE EXERCISED (1) TO IMPLEMENT MULTILATERAL OFFICIAL DEBT RELIEF AND REFERENDUM AGREEMENTS (I.E., PARIS CLUB AGREED MINUTES); (2) ONLY IN SUCH AMOUNTS OR TO SUCH EXTENT PROVIDED IN ADVANCE BY APPROPRIATIONS ACTS; AND (3) ONLY WITH RESPECT TO COUNTRIES WITH HEAVY DEBT BURDENS THAT ARE ELIGIBLE TO BORROW FROM THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) BUT NOT FROM THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (I.E., IDA-ONLY COUNTRIES). THIS AUTHORITY MAY ONLY BE EXERCISED WITH RESPECT TO A COUNTRY WHOSE GOVERNMENT (1) DOES NOT HAVE AN EXCESSIVE LEVEL OF MILITARY EXPENDITURES; (2) HAS NOT REPEATEDLY PROVIDED SUPPORT FOR ACTS OF INTERNATIONAL TERRORISM; (3) IS NOT FAILING TO COOPERATE ON INTERNATIONAL NARCOTICS CONTROL MATTERS; AND (4) DOES NOT ENGAGE IN A CONSISTENT PATTERN OF GROSS VIOLATIONS OF INTERNATIONALLY-RECOGNIZED HUMAN RIGHTS.

21. FMF DIRECT COMMERCIAL SALES POLICY (SEC 572). THE SECRETARY OF DEFENSE IS PROHIBITED FROM IMPLEMENTING CHANGES IN POLICY ALLOWING THE USE OF FOREIGN MILITARY FINANCING FUNDS FOR DIRECT COMMERCIAL SALES UNLESS AND UNTIL ALL PARTIES AFFECTED BY SUCH CHANGES HAVE BEEN CONSULTED AND ALLOWED TO PROVIDE INPUT INTO ANY SUCH POLICY CHANGES. IN THE PROCESS, THE SECRETARY MUST ALSO CONSULT WITH THE COMMITTEES ON APPROPRIATIONS, THE HOUSE FOREIGN AFFAIRS COMMITTEE, THE SENATE FOREIGN RELATIONS COMMITTEE, THE COMMITTEES ON ARMED SERVICES, AND RELEVANT AGENCIES OR DEPARTMENTS OF THE EXECUTIVE BRANCH. (NOTE: ON 27 OCT 93, DEPUTY SECRETARY OF DEFENSE PERRY AMENDED HIS 1 JUN 93 DECISION TO TERMINATE THE FMF OF DCS PROGRAM BY 1 JAN 94 BY DELAYING THE EFFECTIVE PROGRAM TERMINATION DATE UNTIL 1 JUL 94.)

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22. TERRORISM-SUPPORTING COUNTRIES (SEC 573). FUNDING TO ANY COUNTRY WHICH PROVIDES LETHAL MILITARY EQUIPMENT TO A TERRORIST GOVERNMENT IS PROHIBITED. PRESIDENTIAL NATIONAL INTEREST WAIVER IS PROVIDED FOR.

H. MISCELLANEOUS PROVISIONS.
1. AIRSHOWS. CONTINUES PROHIBITION ON DSAA EMPLOYEES OR FMF BEING USED TO FACILITATE THE TRANSPORT OF AIRCRAFT TO COMMERCIAL ARMS SALES SHOWS.

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2. REPRESENTATIONAL ALLOWANCES (SEC 505). LIMITS TO \$2K ENTERTAINMENT EXPENSES AND TO \$50K REPRESENTATIONAL ALLOWANCES FOR FMF AND TO \$50K ENTERTAINMENT ALLOWANCES FOR IMET.

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3. FMF ADMINISTRATIVE EXPENSES. CAPS ADMINISTRATIVE FUND EXPENDITURES AT \$290M. CAP MAY BE EXCEEDED ONLY THROUGH NOTIFICATION OF THE COMMITTEES ON APPROPRIATIONS.

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I. THE DSAA POC IS MR. PETER IPSEN, PLANS/LPD, DSN 227-9201 OR COMMERCIAL (703) 697-9201. BT

agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of such individuals (including for the personal services of such individuals detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out family planning activities, child survival activities and activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome in developing countries: *Provided*, That such individuals shall not be included within any personnel ceiling applicable to any United States Government agency during the period of detail or assignment: *Provided further*, That funds appropriated by this Act that are made available for child survival activities or activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: *Provided further*, That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act of 1961.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 523. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, the Socialist Republic of Vietnam, Iran, Syria, North Korea, People's Republic of China, or Laos unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

RECIPROCAL LEASING

SEC. 524. Section 61(a) of the Arms Export Control Act is amended by striking out "1993" and inserting in lieu thereof "1994".

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 525. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (c) of that section: *Provided*, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: *Provided further*, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 526. Funds appropriated by Title I through V of this Act may be obligated and expended notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956: *Provided*, That the Secretary of the Treasury is authorized to agree on behalf of the United States to participate in the tenth replenishment of the resources of the International Development Association, the fifth replenishment of

the Asian Development Fund, and the replenishment of the permanent Global Environment Facility, subject to obtaining the necessary appropriations: *Provided further*, That pursuant to the replenishment of the resources of the International Development Association, \$2,500,000,000 is authorized to be appropriated.

DEPLETED URANIUM

SEC. 527. None of the funds provided in this or any other Act may be made available to facilitate in any way the sale of M-833 antitank shells or any comparable antitank shells containing a depleted uranium penetrating component to any country other than (1) countries which are members of NATO, (2) countries which have been designated as a major non-NATO ally for purposes of section 1105 of the National Defense Authorization Act for Fiscal Year 1987 or, (3) Taiwan: *Provided*, That funds may be made available to facilitate the sale of such shells notwithstanding the limitations of this section if the President determines that to do so is in the national security interest of the United States.

OPPOSITION TO ASSISTANCE TO TERRORIST COUNTRIES BY INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 528. (a) INSTRUCTIONS FOR UNITED STATES EXECUTIVE DIRECTORS.—The Secretary of the Treasury shall instruct the United States Executive Director of each international financial institution designated in subsection (b), and the Administrator of the Agency for International Development shall instruct the United States Executive Director of the International Fund for Agriculture Development, to use the voice and vote of the United States to oppose any loan or other use of the funds of the respective institution to or for a country for which the Secretary of State has made a determination under section 6(j) of the Export Administration Act of 1979.

(b) DEFINITION.—For purposes of this section, the term "international financial institution" includes—

(1) the International Bank for Reconstruction and Development, the International Development Association, and the International Monetary Fund; and

(2) wherever applicable, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the African Development Fund, and the European Bank for Reconstruction and Development.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 529. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall

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publish each waiver in the Federal Register and, at least fifteen days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 530. Notwithstanding any other provision of law, and subject to the regular notification requirements of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel and Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

22 USC 2763 note.

COMPETITIVE INSURANCE

SEC. 531. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

SEC. 532. Except as provided in section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

PL 101-167
103 Stat.
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attached.

PROHIBITION ON LEVERAGING AND DIVERSION OF UNITED STATES ASSISTANCE

SEC. 533. (a) None of the funds appropriated by this Act may be provided to any foreign government (including any instrumental-ity or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law.

(b) For the purposes of this section the term "funds appropriated by this Act" includes only (1) assistance of any kind under the Foreign Assistance Act of 1961; and (2) credits, and guaranties under the Arms Export Control Act.

(c) Nothing in this section shall be construed to limit—

(1) the ability of the President, the Vice President, or any official or employee of the United States to make statements or otherwise express their views to any party on any subject;

20

(2) the ability of an official or employee of the United States to express the policies of the President; or

(3) the ability of an official or employee of the United States to communicate with any foreign country government, group or individual, either directly or through a third party, with respect to the prohibitions of this section including the reasons for such prohibitions, and the actions, terms, or conditions which might lead to the removal of the prohibitions of this section.

DEBT-FOR-DEVELOPMENT

SEC. 534. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under the heading "Agency for International Development" and any interest earned on such investment may be for the purpose for which the assistance was provided to that organization.

Change to Background

LOCATION OF STOCKPILES

SEC. 535. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "\$389,000,000 for fiscal year 1993, of which amount not less than \$200,000,000 shall be available for stockpiles in Israel, and up to \$189,000,000 may be available for stockpiles in the Republic of Korea" and inserting in lieu thereof "\$200,000,000 for stockpiles in Israel for fiscal year 1994", up to \$72,000,000 may be made available for stockpiles in the Republic of Korea, and up to \$20,000,000 may be made available for stockpiles in Thailand.

22 USC

ASSISTANCE FOR PAKISTAN

SEC. 536. (a) The date specified in section 620E(d) of the Foreign Assistance Act of 1961 is amended to read as follows: "September 30, 1994".

22 USC

(b) None of the funds appropriated in this Act shall be obligated or expended for Pakistan except as provided through the regular notification procedures of the Committees on Appropriations.

SEPARATE ACCOUNTS

SEC. 537. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.— (1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I (including the Philippines Multi-lateral Assistance Initiative) or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—

22 USC note.

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

STINGERS IN THE PERSIAN GULF REGION

SEC. 580. Except as provided in section 581, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

STINGERS FOR BAHRAIN

SEC. 581. (a) PREVIOUSLY TRANSFERRED STINGERS.—Notwithstanding section 580, section 573(b)(4) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, and section 566(b)(4) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, shall cease to apply with respect to Stingers made available to Bahrain under those sections if the President determines, and notifies the Committees on Appropriations and the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, that—

- (1) the Stingers are needed by Bahrain to counter an immediate air threat or to contribute to the protection of United States personnel, facilities, equipment, or operations;
- (2) no other appropriate system is available from the United States;
- (3) Bahrain has agreed, in writing, to such safeguards to protect against diversion of the Stingers as may be required by the United States; and
- (4) Bahrain has agreed in writing to return to the possession and control of the United States all Stingers made available under those sections and subsection (b) of this section, other than Stingers which have been fired or otherwise destroyed, at any time the United States determines, subject to subsection (c).

(b) REPLACEMENT STINGERS.—Notwithstanding section 580, Stingers may be made available to Bahrain under the Arms Export Control Act or the Foreign Assistance Act of 1961 after September 30, 1989, in order to replace, on a one-for-one basis, Stingers previously made available under this subsection, section 573 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, or section 566 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, that have been fired or otherwise destroyed, subject to the following conditions:

- (1) DETERMINATIONS.—Replacement Stingers may be made available to Bahrain pursuant to this subsection only if the President makes the determinations specified in paragraphs (1) through (4) of subsection (a).
- (2) NOTICE TO CONGRESS BEFORE STINGERS ARE TRANSFERRED.—At least 30 days before making any replacement Stingers available to Bahrain pursuant to this subsection, the President shall notify the committees designated in subsection (a) that he has made the determinations required by paragraph (1). Any such notification shall include the information required in a certification under section 36(b) of the Arms Export Control Act. This paragraph applies without regard to the value of the Stingers to be made available.

(c) RETURN OF STINGERS TO THE UNITED STATES.—All Stingers made available to Bahrain pursuant to subsections (a) and (b), other

than those fired or otherwise destroyed, shall be returned to the possession and control of the United States not later than September 30, 1991, unless the President—

- (1) determines that each of the conditions specified in subsection (a) continues to apply; and
- (2) notifies the committees designated in subsection (a) not later than September 15, 1991, in accordance with the regular reprogramming procedures of such committees, that the United States intends to waive the requirement that the Stingers be returned to the United States by the date specified in the subsection.

PROHIBITION ON LEVERAGING AND DIVERSION OF UNITED STATES ASSISTANCE

SEC. 582. (a) None of the funds appropriated by this Act may be provided to any foreign government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law.

(b) For the purposes of this section the term "funds appropriated by this Act" includes only (1) assistance of any kind under the Foreign Assistance Act of 1961; and (2) credits, and guaranties under the Arms Export Control Act.

(c) Nothing in this section shall be construed to limit—

- (1) the ability of the President, the Vice President, or any official or employee of the United States to make statements or otherwise express their views to any party on any subject;
- (2) the ability of an official or employee of the United States to express the policies of the President; or
- (3) the ability of an official or employee of the United States to communicate with any foreign country government, group or individual, either directly or through a third party, with respect to the prohibitions of this section including the reasons for such prohibitions, and the actions, terms, or conditions which might lead to the removal of the prohibitions of this section.

APPROPRIATIONS OF EXCESS CURRENCIES

SEC. 583. The provisions of section 1306 of title 31, United States Code, shall not be waived to carry out the provisions of the Foreign Assistance Act of 1961 by any provision of law enacted after the date of enactment of this Act unless such provision makes specific reference to this section.

DEBT-FOR-DEVELOPMENT

SEC. 584. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including debt-for-development and debt-for-nature exchanges, a nongovernmental organization may invest local currencies which accrue to that organization as a result of economic assistance provided under the heading "Agency for International Development" and any interest earned on such investment may be used, including for the establish-

Change to Background

31 USC 13 note.

(21)

2. The Assistant Secretaries with regional responsibilities ^{and coordination responsibilities} have an interest in security assistance policy that directly affects their regions and work with the Director, DSAA, on regional SA policy matters and budget development. ~~With regard to Armaments Cooperation, ASD (ISP) has policy coordination responsibility for Europe/NATO/Nuclear/Chemical programs. ASD (ISA) has policy coordination responsibility for African/Asian/Inter-American and Near East programs.~~

3. USD(A) is responsible to promote coordination, cooperation, and mutual understanding of all matters related to assigned activities, both inside and outside of the DOD, including oversight and policy formulation for international agreements on systems acquisition matters with NATO allies and other friendly nations in coordination with the USDP and, where appropriate, the ASD (P&L). Serves as National Armaments Director (NAD) and interfaces with allied NADs.

4. ASD (P&L) is responsible for delivery and movement policy for ^{SA} security assistance materiel. ASD (P&L) is also responsible for the oversight and policy formulation for international logistics and military construction agreements and implementation of coproduction agreements with NATO allies and other friendly nations in coordination with USDP. ASD (P&L) is also responsible for development of policies, systems, plans and reviews directed at industrial base and resources, industrial preparedness, production and manufacturing support, technical data management and the DOD procurement focal point for armaments cooperation and international acquisition policy.

5. ASD(C) establishes policy and procedures involving financial management, fiscal matters, accounting, pricing, auditing, and international balance of payments as these matters relate to security assistance. ~~Within this office, the Foreign Military Sales Financial Management Manual (DOD 7290.3-M) is published.~~

6. DSAA is the principal organizational element through which the SECDEF carries out his responsibilities for SA. It serves as the DOD focal point and clearinghouse for tracking arms transfers, budgetary, legislative, and other SA matters through the analysis, coordination, decision, and implementation processes. It keeps all concerned elements of the DOD informed about the status of ongoing SA actions and raises issues through appropriate channels when decision of higher authority is required. The agency is also responsible for the conduct of international logistics and sales negotiations with foreign countries, and the maintenance of liaison with and the provisions of assistance to UxSx industry in the export of military equipment and services. All authorities conferred on the SECDEF by the FAA and the AECA, and all authorities under those acts delegated by the President to the SECDEF, are redelegated to the Director, DSAA.

7. The Secretaries of the MILDEPs advise the SECDEF on all SA matters that have an impact on their departments. They act for the SECDEF on SA matters only when the responsibility has been specifically delegated. The Secretaries also ensure that their departments are responsive to the SECDEF (or to those to whom an appropriate delegation of authority has been made).

8. MILDEPS have the performance of SA as an integral part of their overall defense mission. They procure and provide defense articles and services to meet approved SA requirements. They also are responsible for providing information necessary to ensure that proper SA planning can be accomplished; e.g., information related to production capacity that is associated with integrating MILDEPs and SA procurement planning.

9. The Director, DLA advises the SECDEF on all SA matters impacting on or relating to DLA and acts for the SECDEF where responsibility for such action is delegated. DLA is responsible for preparing FMS cases for cataloging services, contract administration services on our allies' commercial contracts for defense supplies and equipment produced in the UxSx, and the sale of DOD and MAP disposable defense articles. DLA will coordinate on military service FMS

articles and services managed for DoD by DLA, including

TABLE 600-1

COUNTRY AND INTERNATIONAL ORGANIZATION INFORMATION **

The following acronyms or abbreviations are used in this table:

Country/Organization and Code. The short names and two digit Code listed are those assigned for FMS purposes (e.g., for assignment of LOA identifiers or SA communications) and are generally consistent with National Institute of Standards and Technology (NIST) codes in "Status of the World's Nations", DoS Office of the Geographer Publication 9694. If a territory, the host country Code is listed in parenthesis to the right of the Country name. Where FMS and NIST codes differ, NIST codes are listed parenthetically to the right of the SA Code.

UCOM (unified command area). NR - Nonregional, AT - Atlantic Command, CE - Central Command, EU - European Command, PA - Pacific Command, and SO - Southern Command

Req (Region/Congressional grouping). NR - Nonregional, AFR - Africa Region, AR - American Republic, EUR - European, EAP - East Asia and Pacific, NESAs - Near East and South Asia

FMS (AECA eligibility). F - Countries/Organizations determined by the President under AECA Sec 3(a)(1) to be eligible to purchase defense articles and defense services under authority of the AECA. A determination by itself does not signify that sales will be made since sales may have been suspended for legal or policy reasons. Questions regarding eligibility may be referred to DSAA Operations.

DU (dependable undertaking). U - authorized terms of sale DU.

DTS (defense transportation service). T - authorized to use DTS for all FMS shipments. Not all countries authorized DTS have active FMS programs. No international organization has DTS authority.

All interim or permanent changes to this table must be made by DSAA Operations Directorate, Management Division. Country/organization/other codes which are not included below will not be introduced into records, including automated local records, without formal approval.

<u>Country</u>	<u>Code</u>	<u>UCOM</u>	<u>Req</u>	<u>FMS</u>	<u>DU</u>	<u>DTS</u>
Afghanistan	AF	CE	NESA	F ¹		
Albania	AL	EU	EUR	F		
Algeria	AG	EU	NESA	F	U	
Andorra	AN	EU	EUR			
Angola	AO	EU	AFR			
Anguilla	AV	AT	AR			
Antigua and Barbuda (UK)	AC	AT	AR	F		T
Argentina	AR	SO	AR	F	U	
Armenia	AM	EU	EUR			
Australia	AT (AS)	PA	EAP	F	U	

Change x

<u>Country</u>	<u>Code</u>	<u>UCOM</u>	<u>Req</u>	<u>FMS</u>	<u>DU</u>	<u>DTS</u>
Austria	AU	EU	EUR	F	U	
Azerbaijan	AJ	EU	EUR			
Bahamas	BF	AT	AR	F	U	
Bahrain	BA	CE	NESA	F	U	
Bangladesh	BG	PA	NESA	F	U	
Barbados	BB	AT	AR	F	U	T
Belarus	BO	EU	EUR			
Belgium	BE	EU	EUR	F	U	
BE F16; reserved for DFAS	F1	EU	EUR	F	U	
Belize (UK)	BH	SO	AR	F		T
Benin	DA (BN)	EU	AFR	F		T
Bermuda (UK)	BD	AT	AR			
Bhutan	BT	PA	NESA			
Bolivia	BL	SO	AR	F		T
Bolivia INC	DY 1 *	SO	AR	F		
Bosnia-Herzegovina	BK	EU	EUR			
Botswana	BC	EU	AFR	F	U	T
Brazil	BR	SO	AR	F	U	
British Indian Ocean (UK)	IO	PA	NESA			
British Virgin Islands (UK)	VI	AT	AR			
Brunei	BX	PA	EAP	F	U	
Bulgaria	BU	EU	EUR	F		
Burkina Faso	UV	EU	AFR	F		T
Burma - see Myanmar	-	-	-			
Burundi	BY	EU	AFR	F		T
Cambodia	CB	PA	EAP	F 1		
Cameroon	CM	EU	AFR	F	U	T
Canada	CN (CA)	NR	EUR	F	U	
Cape Verde, Republic of	CV	AT	AFR	F		T
Cayman Islands (UK)	CJ	AT	AR			
Central African Republic	CT	EU	AFR	F		T
Chad	CD	EU	AFR	F		T
Chile	CI	SO	AR	F	U	
China	CH	PA	EAP	F	U	
Colombia	CO	SO	AR	F	U	T
Colombia INC	D5	SO	AR	F	U	T
Comoros	CR (CN)	PA	AFR	F		
Congo	CF	EU	AFR	F		
Cook Islands	CW	PA	EAP	F		
Costa Rica	CS	SO	AR	F	U	T
Croatia	HR	EU	EUR			
Cuba	CU	AT	AR			
Cyprus	CY	EU	EUR			
Czech Republic	EZ	EU	EUR	F		
Denmark	DE (DA)	EU	EUR	F	U	
DE F16; reserved for DFAS	F2	EU	EUR	F	U	
Djibouti	DJ	CE	AFR	F		T
Dominica	DO	AT	AR	F	U	T
Dominican Republic	DR	AT	AR	F	U	T
Ecuador	EC	SO	AR	F	U	T
Ecuador INC	D6	SO	AR	F	U	T
Egypt	EG	CE	NESA	F	U	

TABLE 600-1. Country and International Organization Information (Pg 2 of 7)

<u>Country</u>	<u>Code</u>	<u>UCOM</u>	<u>Req</u>	<u>FMS</u>	<u>DU</u>	<u>DTS</u>
El Salvador	ES	SO	AR	F	U	T
Equatorial Guinea	EK	EU	AFR	F		T
Eritrea	ER	CE	AFR			
Estonia	EN	EU	EUR	F		
Ethiopia	ET	CE	AFR	F		T
Falkland Islands (UK)	FA	AT	AR			
Faeroe Islands	FO	AT	EUR			
Fiji	FJ	PA	EAP	F		
Finland	FI	EU	EUR	F	U	
France	FR	EU	EUR	F	U	
French Guiana (FR)	FG	SO	AR			
French Polynesia (FR)	FP	PA	EAP			
Gabon	GB	EU	AFR	F		T
Gambia	GA	EU	AFR	F		T
Georgia	GG	EU	EUR			
Germany	GY (GM)	EU	EUR	F	U	
Ghana	GH	EU	AFR	F		T
Gibraltar (UK)	GI	EU	EUR			
Greece	GR	EU	EUR	F	U	
Greenland (DE)	GL	AT	AR			
Grenada	GJ	AT	AR	F		T
Guadeloupe (FR)	GP	AT	AR			
Guatemala	GT	SO	AR	F	U	T
Guinea	GV	EU	AFR	F		T
Guinea-Bissau	PU	EU	AFR	F		T
Guyana	GU	SO	AR	F		
Haiti	HA	AT	AR	F	U	T
Honduras	HO	SO	AR	F	U	T
Hong Kong (UK)	HK	PA	EAP			
Hungary	HU	EU	EUR	F		
Iceland	IL (IC)	AT	EUR	F	U	
India	IN	PA	NESA	F	U	
Indochina	IC	PA	EAP			
Indonesia	ID	PA	EAP	F	U	
Iran	IR	CE	NESA			
Iraq	IQ	CE	NESA			
Ireland	EI	EU	EUR	F	U	
Israel	IS	EU	NESA	F	U	
Italy	IT	EU	EUR	F	U	
Ivory Coast	IV	EU	AFR	F		T
Jamaica	JM	AT	AR	F	U	T
Japan	JA	PA	EAP	F	U	
Jordan	JO	CE	NESA	F	U	
(Kampuchea) See Cambodia	-	-	-			
Kazakhstan	KZ	EU	EUR			
Kyrgyzstan	KG	EU	EUR			
Kenya	KE	CE	AFR	F	U	T
Kiribati	KR	PA	EAP			
Korea (Seoul)	KS	PA	EAP	F	U	
Kuwait	KU	CE	NESA	F	U	

Change to

F

TABLE 600-1. Country and International Organization Information (Pg 3 of 7)

<u>Country</u>	<u>Code</u>	<u>UCOM</u>	<u>Req</u>	<u>FMS</u>	<u>DU</u>	<u>DTS</u>
Laos	LA	PA	EAP	F\1		
Latvia	LG	EU	EUR	F		
Lebanon	LE	EU	NESA	F	U	
Lesotho	LT	EU	AFR	F		T
Liberia	LI	EU	AFR	F	U	T
Libya	LY	EU	NESA	F\1		
Liechtenstein	LS	EU	EUR			
Lithuania	LH	EU	EUR	F		
Luxembourg	LX (LU)	EU	EUR	F	U.	
Macau (PT)	MC	PA	EAP			
Macedonia	MK	EU	EUR			
Madagascar	MA	PA	AFR	F		T
Malawi	MI	EU	AFR	F		T
Malaysia	MF (MY)	PA	EAP	F	U	
Maldives	MV	PA	NESA			
Mali	RM (ML)	EU	AFR	F		T
Malta	MT	EU	EUR	F	U	
Marshall Islands	RZ ¹ (RM)	PA	EAP	F		
Martinique (FR)	MB	AT	AR			
Mauritania	MR	EU	AFR	F		T
Mauritius	MP	PA	AFR	F		T
Mexico	MX	SO	AR	F	U	
Micronesia	FM	PA	EAP	F		
Moldova	MD	EU	EUR			
Monaco	MN	EU	EUR			
Mongolia	MG	PA	EAP			
Montserrat (UK)	MH	AT	AR			
Morocco	MO	EU	NESA	F	U	T
Mozambique	MZ	EU	AFR	F		T
Myanmar (formerly Burma)	BM	PA	EAP	F		
Namibia	WA	EU	AFR	F		T
Nauru	NR	PA	EAP			
Nepal	NP	PA	NESA	F	U	
Netherlands	NE (NL)	EU	EUR	F	U	
NE F16; reserved for DFAS	F3	EU	EUR	F	U	
Netherlands Antilles (NE)	NA (NT)	AT	AR			
New Caledonia (FR)	NC	PA	EAP			
New Zealand	NZ	PA	EAP	F	U	
Nicaragua	NU	SO	AR	F\1		
Niger	NK (NG)	EU	AFR	F		T
Nigeria	NI	EU	AFR	F	U	T
Niue	NQ	PA	EAP			
Norfolk Islands (AT)	NF	PA	EAP			
Norway	NO	EU	EUR	F	U	
NO F16; reserved for DFAS	F4	EU	EUR	F	U	
Oman	MU	CE	NESA	F	U	
Pakistan	PK	CE	NESA	F\1	U	
Panama	PN (PM)	SO	AR	F	U	
Papua-New Guinea	PP	PA	EAP	F		
Paraguay	PA	SO	AR	F		T
Peru	PE	SO	AR	F	U	T
Peru INC	D3	SO	AR	F	U	

TABLE 600-1. Country and International Organization Information (Pg 4 of 7)

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<u>Country</u>	<u>Code</u>	<u>UCOM</u>	<u>Req</u>	<u>FMS</u>	<u>DU</u>	<u>DTS</u>
Philippines	PI (RP)	PA	EAP	F	U	
Pitcairn (UK)	PC	PA	EAP			
Poland	PL	EU	EUR	F		
Portugal	PT (PO)	EU	EUR	F	U	
Qatar	QA	CE	NESA	F	U	
Reunion (FR)	RE	PA	AFR			
Romania	RO	EU	AFR	(F)		
Russia	RS	EU	EUR			
Rwanda	RW	EU	AFR	F		T
San Marino	SM	EU	EUR			
Sao Tome and Principe	TP	AT	AFR	F		T
Saudi Arabia	SR (SA)	CE	NESA	F	U	
Saudi Arabia National Guard	SI	CE	NESA	F	U	
Senegal	SK (SG)	EU	AFR	F		T
Serbia	S2 (SR)	EU	EUR			
Seychelles	SE	PA	AFR	F		T
Sierra Leone	SL	EU	AFR	F		T
Singapore	SN	PA	EAP	F	U	
Slovak Republic	LO	EU	EUR	F		
Slovenia	S3 (SI)	EU	EUR			
Solomon Islands	BP	PA	EAP	F		
Somalia	SO	CE	AFR	F		T
South Africa	UA (SF)	EU	AFR			
Spain	SP	EU	EUR	F	U	
Sri Lanka	CE	PA	NESA	F		
St Helena (UK)	SH	AT	AFR			
St Kitts and Nevis	SC	AT	AR	F		T
St Lucia	ST	AT	AR	F	U	T
St Pierre and Miquelon (FR)	SB	AT	AR			
St Vincent and Grenadines	VC	AT	AR	F	U	T
Sudan	SU	CE	AFR	F	U	T
Suriname	NS	SO	AR	F	U	
Swaziland	WZ	EU	AFR			T
Sweden	SW	EU	EUR	F	U	
Switzerland	SZ	EU	EUR	F	U	
Syria	SY	EU	NESA			
Taiwan	TW	PA	EAP	F	U	
Tanzania	TZ	EU	AFR	F		T
Tajikistan	TI	EU	EUR			
Turkmenistan	TX	EU	EUR			
Thailand	TH	PA	EAP	F	U	
Togo	TO	EU	AFR	F		T
Tokelau (NZ)	TL	PA	EAP			
Tonga	TN	PA	EAP	F		
Trinidad-Tobago	TD	AT	AR	F	U	
Tunisia	TU (TS)	EU	NESA	F	U	
Turkey	TK (TU)	EU	EUR	F	U	
Turks and Caicos (UK)	TS	AT	AR			
Tuvalu	TV	PA	EAP			
Uganda	UG	EU	AFR	(F)		T
Ukraine	UP	EU	EUR			
United Arab Emirates	TC	CE	NESA	F	U	

Change 6

(see CPD for details)

Change 6

Country	Code	UCOM	Req	FMS	DU	DTS
United Kingdom	UK	EU	EUR	F	U	
United Kingdom Polaris Project	UZ	EU	EUR			
Uruguay	UY	SO	AR	F	U	T
Uzbekistan	U2	EU	EUR			
Vanuatu	NH	PA	EAP	F		
Venezuela	VE	SO	AR	F	U	
Vietnam	VS (VM)	PA	EAP	F	1	

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Western Sahara	WI	EU	AFR			
Western Samoa	WS	PA	EAP	F		
Yemen	YE (YM)	CE	NESA	F	1	
Yemen, Aden	YS (YM)	CE	NESA			
Zaire	CX (CG)	EU	AFR	F		T
Zambia	ZA	EU	AFR	F		
Zimbabwe	ZI	EU	AFR	F		T

4/14/94
 NAMSAs NIP
 wants to use "K2"
 for C-130 support.
 (F-104)
 says K2 is no longer used - ask
 he said can not answer,
 he said M.S.

see CPD for date

Organization \ 2 / Other	Code	UCOM	Req	FMS	DU	DTS
Central Treaty Organization (CENTO)	T3	NR	NR			
DSAA/DFAS reserved	S4	NR	NR			
Department of Defense	00	NR	NR			
FMF Administration (DFAS use through FY95)	55	NR	NR			
European Participating Group F16 follow on	PG	NR	NR			
Expanded IMET (Nonspecific)	66	NR	NR			
FMS Agreements (FACTS Data, DSAA)	C2	NR	NR			
General Cost-MAP (GC-MAP)	22	NR	NR			
MAP Owned Materiel (DSAA Records)	M3	NR	NR			
MAP Property Sales and Disposal (MAPSAD)	M2	NR	NR			
Panama Canal Area Military Schools (PACAMS)	11	SO	AR			
Special Defense Acquisition Fund (SDAF)	D2	NR	NR			
Support (Sec. 1004, PL 98-525)	N3	NR	NR			
Submarine Warning and Control System (SWCS)	W1	NR	NR			
Intl Civil Def Organization (ICDO)	T8	NR	NR			
* FAA Section 607 Sales, Reimbursement (Delayed Payment)	S5	NR	NR			
FAA Section 607 Sales, Payment in Advance	S6	NR	NR			
NATO	N2	EU	EUR	F	U	
Headquarters	N6	EU	EUR	F	U	
Airborne Early Warning and Control	W1	EU	EUR	F	U	
Operations and Support Budget (O+S)	K7	EU	EUR	F	U	
Prog Mgt Ofc (NAPMO)	N1	EU	EUR	F	U	
Commo & Info Systems Agency (NACISA)	K4	EU	EUR	F	U	
Euro Fighter Acft Dev, Prod, & Log Mgt Agency (NEFMA)	M1	EU	EUR	F	U	
HAWK Prod & Log Org (NHPLD)	M6	EU	EUR	F	U	
Missile Firing Installation (NAMFI)	N9	EU	EUR	F	U	
Multi-Role Combat Acft (MRCA) Dev & Prod Agency (NAMMA)	K3	EU	EUR	F	U	
Mutual Weapons Dev Prog (MWDP)	N8	EU	EUR	F	U	
NAMSAs-F104	K2	EU	EUR	F	U	
NAMSAs General + Nike	N4	EU	EUR	F	U	
NAMSAs General-Other	M9	EU	EUR	F	U	
NAMSAs-HAWK	N7	EU	EUR	F	U	
NAMSAs Nike Training Center (NNTC)	K6	EU	EUR	F	U	

to Don 3/11/94

to Don 3/11/94

Change 6

Organization \2 /Other

Code UCOM Reg FMS DU

NAMSA-Patriot	M8	EU	EUR	F	U
NAMSA-Weapons	M5	EU	EUR	F	U
Southern Region Signal/Communications	M7	EU	EUR	F	U
Supreme HQ, Allied Powers, Europe (SHAPE)	A2	EU	EUR	F	U

Organization of American States (OAS)	A1	NR	NR	F	
---------------------------------------	----	----	----	---	--

Regions

Africa	R6	EU	AFR		
American Republic	R5	SO	AR		
East Asia and Pacific	R4	PA	EAP		
European	R2	EU	EUR		
Near East and South Asia	R3	EU	NESA		

SE Asia Treaty Organization (ceased 24 Sep 75)	T4	NR	NR		
Supreme Allied Cdr Atlantic (SACLANT)	K5	NR	NR		

Trust Territory, Pacific Islands	PS	PA	EAP		
----------------------------------	----	----	-----	--	--

United Nations	T9	NR	NR	F	
International Civil Aviation Org (ICAO)	T7	NR	NR	F	
Office for the Coordination of UN Humanitarian and Economic Assistance Programs (UNOCHA)	A4	NR	NR	F	

/1 Program is currently restricted or suspended (suspension is noted only if extant for a prolonged period).

/2 International Treaty Organizations include:
 North Atlantic Treaty Organization (NATO) and its agencies
 Organization of American States (OAS)
 United Nations (UN) and its agencies
 Intl Commission of Control and Supervision in Vietnam (inactive)
 Intl Commission of Control and Supervision in Laos (inactive)

/3 Affiliated with, but not eligible for FMS ~~status~~ as part of, NATO.

To Don
3/15/94
←

FAX 274 1986

PRIORITY/ROUTINE
P R 111903Z MAY 94
FM SECDEF WASHINGTON DC//USDP:DSAA//
TO AIG 8797
HQDA WASHINGTON DC//DALO-SAA//
HQ USAF WASHINGTON DC//SAF-IA//

ZYUW RUEKJCS4245 1311919

DLA CAMERON STATION VA//MMS1//
NAVY IPO WASHINGTON DC//O2C//

MGT

UNCLAS
FROM: DSAA/OPS-MGT
SUBJECT: SAMM TABLE 600-1 UPDATE

1. CHANGE 6 TO DOD 5105.38-M, SECURITY ASSISTANCE MANAGEMENT MANUAL, IS EXPECTED TO BE DISTRIBUTED WITHIN TWO WEEKS. THE CHANGE WILL INCLUDE REFINEMENTS TO COUNTRY AND INTERNATIONAL ORGANIZATION INFORMATION IN TABLE 600-1. THE FOLLOWING ADDITIONAL GUIDANCE IS EFFECTIVE IMMEDIATELY AND SHOULD BE POSTED TO TABLE 600-1 FOLLOWING RECEIPT OF CHANGE 6:

- A. BOLIVIA INC (INTERNATIONAL NARCOTICS CONTROL) SHOULD BE CODED D1 (DELTA ONE) VERSUS D1.
- B. MARSHALL ISLANDS SHOULD BE CODED R1 (ROMEO ONE) VERSUS R2.
- C. THREE NEW PSEUDO CODES ARE ADDED TO ASSIST IN MANAGING SALES/TRANSACTIONS UNDER THE FOREIGN ASSISTANCE ACT, ALL SHOULD BE ANNOTATED "NR" UNDER "UCOM" AND "REG"; WITH "FMS", "DU", AND "DTS" LEFT BLANK--

FAA SEC 632 TRANSACTIONS - S4 (SIERRA FOUR)
FAA SEC 607, REIMBURSABLE (DELAYED PAYMENT) - S5 (SIERRA

FIVE)

FAA SEC 607, PAYMENT IN ADVANCE - S6 (SIERRA SIX)

2. THIS SUPERSEDES THAT PART OF GUIDANCE PROVIDED IN DSAA MEMO I-2473/94, 21 APR 94, SUBJ: POLICY REGARDING SUPPORT TRACKING FOR UN BOSNIAN ACTIVITIES, WHICH SPECIFIED EXCLUSIVE USE OF PSEUDO COUNTRY CODE "S5" (SIERRA FIVE) FOR FAA SEC 607 TRANSACTIONS. S5 OR S6 WILL BE USED, BASED ON REIMBURSABLE OR ADVANCE PAYMENT, AS DISCUSSED IN PARA ONE ABOVE. ALSO, INSERT THE WORD "NOT" IN LINE ONE OF THE SECOND NOTE, PARA 4, OF MEMO I-2473/94, MAKING IT READ "NOTE: THE PURCHASER, SHALL NOT, EXCEPT AS MAY...."

3. REQUEST YOU PROVIDE ABOVE INFORMATION TO APPROPRIATE SYSTEMS AND LOGISTICS MANAGEMENT ELEMENTS. DSAA CONTACT IS MR. WAYNE WELLS, DSN 664-6635 OR CML 703-604-6635, X367. BT

JOINT STAFF V1
ACTION

(U,A,7)

23

INFO SJS-N(1) CMAS(1) J1-J(1) DIRM:AIS-J(1)
J3(3) NIDS(1) J4(5) J4:LPEILD3-J(1) J4:MILSEC-J(1)
J5(1) J5:SAB-J(1) J5:NAC-J(1) J5:CACCON-J(1)
J5:CACMIS-J(1) J33:CNOD-J(1) J6F-J(1) J5:WTCTT-J(1)
+NATS PENTAGON WASHINGTON DC
+NACEMEAF

SECDEF V2

ACTION USDP:DSAA(1)
INFO SECDEF-N(1) SECDEF-C(1) USDP:FILE(1)

(D,6,F)

4

DIA V3

ACTION
INFO USDAT:ADMIN(1) USDP:DEPS(2)
USDP:SO-LIC(1) IPSPG-2(1) J2J-J(1) DIA/MMRB(1)
+COMBINED INTEL CTR CHEYENNE MTN AFB CO//J2V//
+CDRFORSCOM FT MCPHERSON GA//AFOP-OD//
+USCINCSOC INTEL OPS CEN MACDILL AFB FL
+SAFE

(U,A,7)

7



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

Background → Mgt
DIR _____
DDIR _____
EX _____
EA Wm 22 Dec

21 December 1993

[Handwritten signature]
Memorandum for LTG Blame
Through Mr. Rudd *[Handwritten initials]*
Mr. McKaflp
COL Anthony *11/22-93*
Mr. Brandt *[Handwritten initials]*

Subject: Proposed SAMM Change, Country/Organization Table Update

Tab A was developed due to continuing changes in eastern Europe, the Pacific, and elsewhere.

Tab A includes changes published in the message at Tab B and additional changes based on MILDEP, DLA, and DFAS/DE input resulting from Tab C. It was developed in coordination with DSAA Comptroller FMSCRD. There were no DSAA GC or DSAA Plans comments.

Guidance to be replaced is at Tab D.

Approval is requested to include Tab A in the next change to the SAMM.

Okay to Include *Wm 28 Dec* Other _____

Wayne Wells
Wayne Wells
OPS-MGT, X78108

Attachments
As stated



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

Change 6
Background

29 OCT 1993

I-04141/93

MEMORANDUM FOR ✓ DIRECTOR, DEFENSE LOGISTICS AGENCY

vmba (D. McCormick)
12/16/93

✓ DIRECTOR OF SECURITY ASSISTANCE
✓ OFFICE OF THE DEPUTY CHIEF OF STAFF FOR LOGISTICS
DEPARTMENT OF THE ARMY

12/7/93

✓ DIRECTOR, NAVY INTERNATIONAL PROGRAMS
DEPARTMENT OF THE NAVY

11/22/93

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

11/12/93

✓ Director, Defense Finance and Accounting Service 12/10/93

FROM: Director, Security Assistance Operations
Prepared By: Mr. Wells, OPS-MGT, x78108

SUBJECT: SAMP Table 600-1, Country and International
Organization Information

Work leading to development of SAMP change 5 and the DSAA message to the security assistance community, dated 012145Z September 1993, revealed variances between information in SAMP Table 600-1 and other major records. This memorandum is a step toward resolving those discrepancies.

The attachment outlines refinements to procedures for maintaining Table 600-1 data and proposes specific changes to align Table 600-1 with DSAA 1200 and other major automated files.

Your comments should be provided by 23 November 1993. The DSAA point of contact is Mr. Wayne Wells, CML 703-697-8108, DSN 227-8108, FAX 703-696-1656.

H. Diehl McKaip
Director
Security Assistance Operations

Attachment
As stated

cc: ✓ DSAA Comptroller 12/17/93
Plans no mtd
GC no mtd
DISAM (Dr. Mortsof)

Pre'd by: Mr. W. Wells X78108
DSAA/OPS-MGT
Distribution: Orig Addee & cc
DSAA
CMD(1)
OPS-MGT SUBJ
OPS-MGT CHRON
OPS CHRON

CC:

31

Change 6
Background

SUBJECT: SAMM Table 600-1, Country and International Organization Information

SAMM Table 600-1 shows countries and international organizations having certain privileges, including authority to purchase items through FMS. FMS purchase authority is based on legislation and a Presidential determination of eligibility to purchase items under the Arms Export Control Act. In addition to compromising records and reports accuracy, incorrect information in Table 600-1 could contribute to conditions leading to unauthorized sales.

Ideally, all "Country" codes in Table 600-1 should be those used for national and international communications, which are controlled by the U.S. Geographer within the Department of State. These two character (alpha-alpha) codes are integrated into our national standards. In the past, when the U.S. Geographer code for countries or other political entities being added to Table 600-1 had already been assigned, codes not yet listed in the Table were assigned to the new addition; for example, Canada (CA) was listed with code "CN", causing Comoros (CN) later to be added as "CR". CR is the Geographer code for Coral Sea Islands, which will necessitate a third incompatible code if that political entity is ultimately added to Table 600-1.

Overlapping the problem of incompatible assignment of country codes is the use of those codes for controls that should be imposed at a level lower than country. This is indicated by:

- Use of U.S. Geographer country codes for specific programs or country entities, such as SI (Slovenia) assigned to the U.S. Army-Saudi Arabia National Guard program, PG (Spratley Islands) to the U.S. Air Force-EPG F-16 Follow On, and UZ (Uzbekistan) to the U.S. Navy-UK Polaris program.

- Use of pseudo-country codes for programs such as Desert Shield Transportation (L2), F-16 programs with various countries (F1-F5, F7, and F8), and various NATO and UN agencies. These codes should assist in national level controls. Case designators, FMS item recipient agency, Purchasing Agency Codes and addresses, and other data should be used for below-national controls.

The next SAMM change will state that all interim or permanent additions to Table 600-1 must be made by DSAA Operations Directorate, Management Division. Codes which are not included in Table 600-1 will not be introduced into records, including automated local records, without Management Division formal approval. The following guidelines will be followed by DSAA in assigning codes:

- The U.S. Geographer alpha-alpha country code will be assigned to the maximum degree possible, with alternates used only when a substantial need exists to do so.

- If the Geographer code is not available, an alpha-numeric code will be assigned. This should end the domino effect of incompatible assignments.

- Following this change, sub-codes such as those currently shown for NATO agencies will no longer be added. Over time, efforts will be made to consolidate sub and primary code data under the primary code.

32

Attachment

A number of specific changes are proposed to reconcile known records with the SAMM (Note that some may not be found in your files, including those retained by DSAA only for historical purposes. Also, the pertinent "UCOM" and "Region" will be included at the time these lines are added in a future SAMM change.):

- To be deleted (parentheses show where known to appear):
 - x-- A5-European Space Agency (DFAS records) This was (A check in vran tentatively added in conjunction with FAA Sec 607(a) to support sales, 607(a) guidance is being drafted separately. FAA 607 intro-)
 - x-- C1-ICC (Laos MAP) (DSAA records) not used
 - x-- D4-MAPICP (Depot Japan, MAP) (DSAA records) not used
 - x-- KN-Dem Peoples Republic of Korea (DSAA records) "
 - x-- M4-F104G Depot (MAP) (DSAA records) "
 - x-- ✓R2-Marshall Islands (DSAA message 012145Z Sep 93)(M4 below)
 - x-- ✓S2-Sinai Peacekeeping Force (SAMM Table 600-1) (not used)
 - x-- ✓U2-Uzbekistan (DSAA message 012145Z Sep 93)(A check as U2 below)
 - x-- U1-UNTSO (Palestine) (DSAA records) not used
 - x-- 33-Eastern Caribbean (DSAA records) "

- To be added:
 - ± ✓A4-UNOCHA (UN Office for Coord of Humanitarian and Economic Assistance; authorized FMS)
 - ± ✓C2-FMS Agreements FACTS Data
 - ± ✓ER-Eritrea
 - ± ✓M3-MAP Owned Materiel
 - ± ✓M4-Marshall Islands (is authorized FMS)
 - ± ✓PS-Trust Territory Pacific Islands
 - ± ✓UZ-UK Polaris Project
 - ± ✓U2-Uzbekistan
 - ± ✓WI-Western Sahara
 - ± ✓YS (YM)-Yemen (Aden)
 - ± ✓55-FMF Admin (DFAS was thru FY95)

- Potential Adds (These codes will be added if justified by addressees; otherwise, they should be deleted from records and should not be used in the future.):

- x-- AD-Navy Pseudo
- x-- EA-Saudi Arabia
- x-- EQ-Canton & Enderbury Islands (See Kiribati in SAMM)
- ± ✓F1-F16 Belgium (Reserved for DFAS input)
- ± ✓F2-F16 Denmark " " " "
- ± ✓F3-F16 Netherlands " " " "
- ± ✓F4-F16 Norway " " " "
- x-- F5-F16 Iran
- x-- F7-F16 Israel (SME)
- x-- F8-F16 Australia
- x-- JF-Jordan Army National Guard
- x-- JS-Svalbard & Jan Mayen
- x-- L2-Desert Shield Transportation
- ± ✓PG-EPG F16 Follow On (Reserved for DFAS input)
- x-- UR-USSR (Russia, etc., in SAMM)
- x-- U1-UNTSO (Palestine)
- x-- 44-USARSA IMET
- x-- 78-Commercial Sales
- x-- 82-Attrition

UNCLASSIFIED

JOINT STAFF
INFO SERVICE CENTER

Change 6
Background

ROUTINE:
R 012145Z SEP 93
FM SECDEF WASHINGTON DC//USDP:DSAA//
TO AIG 8797

ZYUW RUEKJCS9464 2450514

UNCLAS
FROM DSAA/OPS-MGT

SUBJECT: SAMM CHANGE, ADDITION OF COUNTRY DATA (TABLE 600-1)
1. THE FOLLOWING CHANGES ARE EFFECTIVE IMMEDIATELY AND WILL BE
INCORPORATED INTO THE NEXT CHANGE TO DOD 5105.38-M:

COUNTRY CODE UCOM REGION FMS DU DTS

COUNTRY	CODE	UCOM	REGION	FMS	DU	DTS
ETHIOPIA - DELETE ASTERISK FOLLOWING "FMS"						
CZECH & SLOVAK - DELETE ENTIRE LINE						
YUGOSLAVIA - DELETE ENTIRE LINE						
ARMENIA	AM	EU	EUR			
AZERBAIJAN	AJ	EU	EUR			
BELARUS	BO	EU	EUR			
BOSNIA-HERCE	BK	EU	EUR			
COOK ISLANDS	CW	PA	EAP		F	
CROATIA	HR	EU	EUR			
CZECH REPUB	EZ	EU	EUR			
ECUADOR	D6 (INC)	SO	AR	F	U	T
GEORGIA	GG	EU	EUR			
KAZAKHSTAN	KZ	EU	EUR			
KYRGYZSTAN	KG	EU	EUR			
MARSHALL ISL	R2 (RM)	PA	EAP		F	
MICRONESIA	FM	PA	EAP		F	
MOLDOVA	MD	EU	EUR			
SR NAT'L GD	SI	CE	NESA	F	U	
SERBIA	S2 (SR)	EU	EUR			
SLOVAKIA	LO	EU	EUR			
SLOVENIA	S3 (SI)	EU	EUR			
SOLOMON ISL	BP	PA	EAP		F	
TAJIKISTAN	T1	EU	EUR			
TURKMENISTAN	TX	EU	EUR			
UZBEKISTAN	UZ	EU	EUR			
VANUATU	NH	PA	EAP		F	
WESTERN SAMOA	WS	PA	EAP		F	

Sinai Peacekeeping Force - Delete Entire Line
(Not used, duplicated S2-Serbia-w)

Change
Table
600-1

2. ALL CHANGES TO DATA IN TABLE 600-1 MUST BE APPROVED BY DSAA
THROUGH OPERATIONS DIRECTORATE, MANAGEMENT DIVISION (DSAA/OPS-MGT).
THE DSAA/OPS-MGT POINT OF CONTACT IS MR. WAYNE WELLS, DSN 227-8108.

BT

* *Enitna* ER CE AFR 24
 JOINT STAFF V1
 ACTION UNDOCHA A4 NR NR F (U,A)
 INFO SJS-N(1) J3(3) J3:JODEUR-J(1)
 J3:JODPAC-J(1) NIDS(1) J4(5) J4:LPEILD3-J(1)
 J4:MILSEC-J(1) J5(1) J5:SAB-J(1) SHAPE LNO(1)
 J5:NUC-J(1) J5:DDIN-J(1) J5:MEAF-J(1) J5:FLANKS-J(1)
 J33:CNOD-J(1) J5:WTC-J(1) J5:PAC-J(1)
 +NATS PENTAGON WASHINGTON DC
 +NACEMEAF

SECDEF V2 3
 ACTION USDP:DSAA(1) (D,6,F)
 INFO SECDEF-N(1) USDP:FILE(1)

DIA V3 8
 ACTION (U,A)
 INFO USDP:NS&CP(1) USDP:IA(1) USDP:DASDEUR(1)
 USDP:AFR(1) USDP:CIS(1) USDP:AFR POL(i)
 USDP:EUR POL(1) DIA/MMRB(1)
 +USCINCCENT MACDILL AFB FL//CARA//
 +COMJSOC FT BRAGG NC//J2//
 +SAFE

UNDOCHA - office for the Coordination of UN Humanitarian and Economic Assistance Programs (34)
 Tab B

UNCLASSIFIED

JOINT STAFF
INFO SERVICE CENTER

*Change 6
Background
7/11/11
MET*

ROUTINE

ZYUW RUEKJCS2758 0062243

R 062035Z JAN 94

FM SECDEF WASHINGTON DC//USDP:DSAA//

TO COMUSMILGP SANTIAGO CI

INFO USCINCSO QUARRY HEIGHTS PM//SCJ5-SA//

OSAF WASHINGTON DC//IAL//

CDR USASAC ALEX VA//AMSAC-MA//

NAVY IPO WASHINGTON DC//80//

DFAS-DENVER CENTER DENVER CO//IAM//

SECSTATE WASHINGTON DC//PM/DRSA//

UNCLAS

FROM DSAA/COMPT/FMD

SUBJECT: REQUEST FOR DEPENDABLE UNDERTAKING STATUS - CHILE

REF: USMILGP 071345Z DEC 93

1. REFERENCE MSG REQUESTS CHILE BE AUTHORIZED FOR PURCHASES UNDER A DEPENDABLE UNDERTAKING TRANSACTION.

2. THIS IS TO NOTIFY ALCON THAT FINANCING UNDER DEPENDABLE UNDERTAKING IS HEREBY APPROVED. DU FINANCING FOR CHILE WILL BE ADDED TO TABLE 600-1, COUNTRY ~~AND~~ INTERNATIONAL ORGANIZATION INFORMATION, OF THE SECURITY ASSISTANCE MANAGEMENT MANUAL (DOD 5105.38-M) DURING THE NEXT ROUTINE UPDATE.

3. DSAA POC IS MRS DIANE BARIN, DSN 224-7097. BT

SECDEF V2

ACTION USDP:DSAA (1)

INFO SECDEF-N (1) USDP:FILE (1)

(D,6,8,F)

3

35

MCN=94006/11289

TOR=94006/2243Z

TAD=94006/2327Z

CDSN=MAU904

PAGE 1 OF 1
062035Z JAN 94

UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON

March 22, 1994

Change 6
9406843
Background:

called to
Vicki E.
4/11/94

Presidential Determination
No. 94-18

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Eligibility of Albania, Bulgaria, Estonia, Latvia, Lithuania, and Romania 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, and section 3(a)(1) of the Arms Export Control Act, I hereby find that the furnishing of defense articles and services to the Governments of Albania, Bulgaria, Estonia, Latvia, Lithuania, and Romania will strengthen the security of the United States and promote world peace.

You are authorized and directed to report this finding to the Congress and to publish it in the Federal Register.

William J. Clinton

ORIGINAL AND 1 COPY TO:
S/S-8:
ADVANCE COPIES TO:
MAR 24 1994
S/S-2
S/S-1 SUPV.
PENDING
S
D
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CWB
Rec'd in S/S-1RM/RAD
on 3/29 at 4:30 pm

35a

such other Government agency as has experience and expertise in carrying out such programs.

(5) ADMINISTRATIVE EXPENSES.—Up to 5 percent of the funds made available to each Government agency under this subsection may be used by that agency for administrative expenses of program implementation.

(b) ENHANCEMENT OF USIA EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the United States Information Agency for fiscal year 1993 for enhancement of existing educational and cultural exchange programs the following:

(1) \$9,950,000 for Fulbright Academic Exchange Programs.

(2) \$10,850,000 for other programs administered by the Bureau of Educational and Cultural Affairs.

(c) ⁵⁰ REPEAL.—Effective 6 months after the date of enactment of this Act, section 225 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993, and the item relating to that section in the table of contents set forth in section 2 of that Act, are repealed.

(d) ⁵¹ AGRIBUSINESS EXCHANGES.—

(1) AUTHORIZATION.—The President is authorized to establish regional agribusiness offices at State universities and land grant colleges in the United States for the purpose of expanding exchanges between agribusiness practitioners in the United States and agribusiness practitioners in the independent states of the former Soviet Union.

(2) LIMITATION ON FUNDING SOURCES.—Funds authorized to be appropriated by this section or other provisions of this Act (including chapter 11 of part I of the Foreign Assistance Act of 1961) may not be used to carry out this subsection.

TITLE IX—OTHER PROVISIONS

SEC. 902.⁵² JOHNSON ACT.

Section 955 of title 18, United States Code, shall not apply with respect to any obligations of the former Soviet Union, or any of the independent states of the former Soviet Union, or any political subdivision, organization, or association thereof.

SEC. 903.⁵³ SUPPORT FOR EAST EUROPEAN DEMOCRACY (SEED) ACT.

(a) SCOPE OF AUTHORITY.—The Support for East European Democracy (SEED) Act of 1989 is amended by inserting after section 2 (22 U.S.C. 5401) the following:

⁵⁰ 22 U.S.C. 2452 note. For text, see *Legislation on Foreign Relations Through 1993*, vol. I-B.
⁵¹ Section 4 of Executive Order 12884 of December 1, 1993 (58 F.R. 64099; December 3, 1993) delegated to the Secretary of Agriculture those functions conferred upon the President in sec. 807(d). This delegation of authority is subject to the authority of the Coordinator (as established in sec. 102).

⁵² 18 U.S.C. 955 note. For text of the Johnson Act (Public Law 80-772), see *Legislation on Foreign Relations Through 1993*, vol. III.

⁵³ For text, see page 733.

(a) ELIGIBILITY.—Estonia, Latvia, and Lithuania shall each be eligible—

(1) to purchase, or to receive financing for the purchase of, nonlethal defense articles—

(A) under the Arms Export Control Act (22 U.S.C. 2751 et seq.), without regard to section 3(a)(1) of that Act, or

(B) under section 503 of the Foreign Assistance Act of 1961 (22 U.S.C. 2311), without regard to the requirement in subsection (a) of that section for a Presidential finding; and

(2) to receive nonlethal excess defense articles transferred under section 519 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321m), without regard to the restrictions in subsection (a) of that section.

(b) DEFINITIONS.—As used in this section—

(1) the term "defense article" has the same meaning given to that term in section 47(3) of the Arms Export Control Act (22 U.S.C. 2794(3)); and

(2) the term "excess defense article" has the same meaning given to that term in section 644(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2403(g)).

SEC. 907.⁵⁵ RESTRICTION ON ASSISTANCE TO AZERBAIJAN.

United States assistance under this or any other Act (other than assistance under title V of this Act) may not be provided to the Government of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh.

TITLE X—INTERNATIONAL FINANCIAL INSTITUTIONS

NOTE.—Title X amended several Public Laws relating to international financial institutions. See *International Financial Institutions in Legislation on Foreign Relations Through 1993*, vol. III.

SEC. 1004.⁵⁶ SUPPORT FOR MACROECONOMIC STABILIZATION IN THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

(a) IN GENERAL.—In order to promote macroeconomic stabilization and the integration of the independent states of the former

⁵⁴ 22 U.S.C. 2753 note.

⁵⁵ 22 U.S.C. 5812 note. Section 1(a)(1) of Executive Order 12884 of December 1, 1993 (58 F.R. 64099; December 3, 1993) delegated to the Secretary of State those functions conferred upon the President in sec. 907.

⁵⁶ 22 U.S.C. 5812 note.

* OBE - PRO Determination
Processed. See SAMM chg b

*Change 6
Background*

THE WHITE HOUSE

WASHINGTON

August 30, 1993

9320079

'93 AUG-31 7:30 PM

Presidential Determination

No. 93-35

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Eligibility of the Cooperative Republic of Guyana 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, and Section 3(a)(1) of the Arms Export Control Act, I hereby find that the furnishing, sale, and/or lease of defense articles and services to the Cooperative Republic of Guyana will strengthen the security of the United States and promote world peace.

You are authorized to report this finding to the Congress and to publish it in the Federal Register.

William Jefferson

ORIGINAL AND 1 COPY TO: S/S-JRM/RMD

ADVANCE COPIES TO: S
D
P
C
H
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AUG 31 1993

S/S-S

S/S-2

S/S-ISUPL

PENDING

RECEIVED
8/31

(36)

AT 3:15 PM.

clb

11197 / - year

Change 6
Background

THE WHITE HOUSE
WASHINGTON

January 5, 1994

9400285

Presidential Determination
No. 94-9

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Eligibility of the Czech 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 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.

William Clinton

MASS-Indexed
Change b
Background

THE WHITE HOUSE
WASHINGTON

9400286

January 5, 1994

Presidential Determination
No. 94-10

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Eligibility of the Slovak 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 Slovak 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.

William Clinton

(38)

*Rec'd in PMD
1/6 AT 2:50P
SAM*



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

26 OCT 1993

I-02714/93

MEMORANDUM FOR DIRECTOR FOR SECURITY ASSISTANCE
OFFICE OF THE DEPUTY CHIEF OF STAFF FOR LOGISTICS
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS
DEPARTMENT OF THE NAVY

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

FROM: Director, Security Assistance Operations
Prepared By: LTC Roger Casalengo, OPS-MGT, x78108

SUBJECT: Use of the Defense Transportation System (DTS)
Uruguay
ACTION MEMORANDUM

Reference: Security Assistance Management Manual, Chapter 8,
Section 80206.H. Shipment Through DTS

The Departments of the Army, Navy, and Air Force are authorized to include use of the Defense Transportation System in Letters of Offer and Acceptance (LOAs) prepared for Uruguay.

All new LOAs for Uruguay can indicate transportation by the DTS if requested by the Government of Uruguay. Tendered but unsigned LOAs may be changed if desired. Use of the DTS on signed cases should be selectively implemented where practical. The procedures established under the policy stated in reference should now be followed for Uruguay.

The use of the DTS is authorized until further notice. This authorization will be reflected in Table 600-1, Country and International Organization Information, in the next update to the Security Assistance Management Manual.

CC:
CDRUSASAC
CDRMTMC
DLA/LRI

Pre'd by: Lt Col Casalengo X78108
DSAA/OPS-MGT
Distribution: Orig Addee & cc

CMD(1) CC:
OPS-MGT SUBJ
OPS-MGT CHRON

38a

ATS ADDING



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

27 APR 1993

In reply refer to :
I-01261/93

MEMORANDUM FOR DIRECTOR FOR SECURITY ASSISTANCE
OFFICE OF THE DEPUTY CHIEF OF STAFF FOR LOGISTICS
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS
DEPARTMENT OF THE NAVY

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

SUBJECT: Use of the Defense Transportation System (DTS)
Paraguay

Reference: Security Assistance Management Manual, Chapter 8,
Section 80206.H. Shipment Through DTS

The Departments of the Army, Navy, and Air Force are authorized to include use of the Defense Transportation System in Letters of Offer and Acceptance (LOAs) prepared for Paraguay.

All new LOAs for Paraguay should indicate transportation by the DTS. Tendered but unsigned LOAs may be changed if desired. Use of the DTS on signed cases should be selectively implemented where practical. The procedures established under the policy stated in reference should now be followed for Paraguay.

The use of the DTS is authorized until further notice. This authorization will be reflected in Table 600-1, Country and International Organization Information, in the next update to the Security Assistance Management Manual.


H. Diehl McKalip
Director

Security Assistance Operations

cc:
CDRUSASAC
CDRMTMC
DLA/LRI

38b

SECTION 603 - SALE OF GFE, GFM, AND RELATED SERVICES **

60301 PURPOSE This provides guidance to execute authority in AECA Sec 30 to sell to US companies defense articles and defense services (items) in connection with proposed direct commercial exports pursuant to the ITAR. This section is based on the legislative history of AECA Sec 30 and constitutes the consistent legal interpretation of its authority and limitations.

60302 GENERAL

A. ^{IA} ~~MILDEP~~ ^{IA} ~~Execution~~. The ~~MILDEPs~~ shall execute the functions conferred by AECA Sec 30 and may redelegate the authority not below the level of the commanding officer or head of a contracting activity of the ~~MILDEP~~ responsible for acquisition of the applicable end item.

B. **Records and Reporting**. A central ^{IA} ~~MILDEP~~ record will be maintained showing the purchaser, item being sold, source (stock, DoD production, or procurement), cost estimate or (if delivered) billed price, end item (if applicable), ultimate recipient (country or international organization), and export license number and date or other DoS approval. Information from this record will be provided to DSAA upon request.

C. **Authorized Items**. Items shall not be sold if they are available to the purchaser directly from US commercial sources at such times as may be required to meet the delivery schedule. Sales may be authorized for:

1. Articles of a type approved for FMS, which have been supplied as GFE or GFM in connection with past or present DoD procurement of the end items, including concurrent or follow-on support, and where the sale would simplify and expedite the direct commercial sale involved.

2. Services, such as transportation, installation, testing, or certification, which are directly associated with the sale. They may be performed only in the US in support of the sale of defense articles. Services alone may not be provided.

D. **Authorized Purchasers**. Sales may be authorized to a company incorporated in the US when one of the following applies:

1. The company is an existing end item prime contractor as defined in this paragraph, with an approved license under the ITAR, under which contract final assembly or manufacture of the end item will take place in the US. The license must provide for inclusion of GFE or GFM in the end item which is furnished for use of the armed forces of a specific country or international organization. The licensee shall identify the end item which has been or will be exported, and the ultimate recipient. For this purpose, existing prime contractors include contractors with a DoD contract or those known to be qualified, or those considered by the commanding officer of the ^{IA} ~~MILDEP~~ procuring activity to be a responsible contractor, and which are not debarred, ineligible, or suspended for defense procurement or sales contracts or for export or import violations.

2. In the case of ammunition components, a known manufacturer, assembler, or developer that is (1) a US subcontractor (at any tier) to an authorized purchaser as defined in paragraph 1, or (2) a US contractor or US subcontractor with a foreign company that is supplying items to a friendly foreign government or international organization, provided in both (1) and (2) that the end items incorporating the ammunition components must be delivered directly to the friendly foreign government or international organization.

(39)

change 6

60303 PRIORITIES AND ALLOCATIONS

A. **Sales from Stock.** Unless approved by USD(P) in coordination with ASD(P&L), sales are not authorized if they result in stockage dropping below the reorder point. See section 80203 concerning adverse impact on combat readiness.

B. **Acquisition.** When procurement or manufacture in Government-owned facilities is required, the ~~MILDEP~~, shall determine whether a sale will be concluded. In determining production priorities, the ~~MILDEP~~, shall consider existing requirements and schedule manufacture, allocation, and delivery, normally on a first-in, first-out basis, guided by DoDD 4410.6 and related assignments of FADs by JCS. Questions of priority between two or more competing foreign requirements will be resolved by the Director, DSAA.

60304 FINANCIAL MATTERS

A. **Charges and Payments** Prices, accountability, and disposition of collections shall be in accordance with DoD 7220.9-M. Administrative surcharges and accessorial charges will be accountable as, and no less than, corresponding FMS charges. Sales shall be in cash, with payment upon signature of the sales agreement by the USG and US company representatives. Payment, in US dollars, shall precede procurement or production action or, in cases of stock sales, delivery.

B. **Planning Data** To allow planning and marketing, ^{IAw}~~MILDEP~~s are authorized to provide cost and delivery data to authorized potential purchasers in advance of execution of a sales agreement. Although efforts shall be made to provide accurate data, such data will be identified as estimates which are not binding on the USG.

C. **Full Cost Recoupment** Funds obligated for a reimbursable procurement, or internal production of articles or provision of services, may not exceed the cash received from an authorized purchaser. If there is an increase in the cost, the purchaser shall be required to make additional cash payment to fund the costs, plus applicable surcharges, when such increase is known. The cash received must be sufficient to fund the replacement cost of articles shipped from DoD stocks.

60305 SALES AGREEMENT The sales agreement shall be approved by the appropriate ~~MILDEP~~ General Counsel, or designee, prior to signature by the USG representative. It will include the following:

A. Company identity, items and quantity being sold, estimated availability, source, estimated price, and end item application (if applicable), end item purchaser (country or international organization). The number and date of the munitions export license, or other DoS approval, are also required.

B. Provisions that the USG--

1. Retains the right to cancel in whole or in part or to suspend performance at any time under unusual or compelling circumstances if the national interest so requires.

2. Provides no warranty or guarantee, either expressed or implied, regarding the item being sold.

3. Shall provide best efforts to comply with the delivery leadtime cited, but will incur no liability for failure to meet an indicated delivery schedule.

Subject: P&A Data for Competing Non-Standard Subsystems

Add to section 7⁰002.A.1:

"c. P&A data for systems will almost always reflect the incorporation of standard U.S. subsystems.(1) In exceptional cases, when requested and justified by the prospective purchasing government and approved by DSAA, P&A data for one or more non-standard subsystems may also be provided, either in lieu of or in conjunction with data for the standard U.S. subsystem. A description of the performance characteristics of the desired non-standard subsystem(s) and supporting justification should accompany the purchaser's P&A request.

(2) If an IA believes it should modify contractor-furnished data for the non-standard subsystem(s), the IA, when time permits, should expeditiously notify the contractor of the proposed modification, and contractor comments should be considered prior to the issuance of the data. If warranted, significant differences should be reconciled."

change to
Background

John Z →
Provide to for SAMM
w/2 for SAMM
inclusion of
follow up to re
ensure
we have
copy to
start
described
what is
for info
the SAMM
9/24

DEFENSE/SECURITY ASSISTANCE AGENCY

22 Sep 93

MEMORANDUM FOR

Mrs. Blundell

THROUGH:

Mr. Caves


On 9/24
On 9/23
Recommend approve,
~~approve~~

SUBJECT: Source Selection Paragraph for SAMM.

ALESA proposed several fixes to our first draft of this paragraph (Reference, ALESA additions underlined). We staffed these with the MILDEPs, and a final version incorporating their comments and those of OPS-MGT (Willy Brandt) and COMPT (Kay O'Brien) is attached.

With your approval we will transmit this version to ALESA ~~for their comments prior to publication in the SAMM.~~

as the
version we
will


John Zavales
Plans/LPD
x74145

Copy:
OPS-MGT
COMPT-FMD

Defense Trade Controls

under the control of the Office of ~~Munitions Control~~, Bureau of Politico-Military Affairs of the Department of State. The munitions list is not all inclusive nor are FMS limited solely to those items.

a. **SME.** Articles in those defense articles and services on the U_XS_X Munitions List which are preceded by an asterisk are referred to as SME.

b. **MDE.** A U_XS_X defense article is ^{USML} considered to be an item of major defense equipment when it is identified as SME on the ~~U.S. Munitions List~~ and when the USG has incurred either a nonrecurring research and development cost for the item of more than \$50 million or the item has had a total production cost of more than \$200 million. These dollar thresholds encompass all expenditures to date, including both U_XS_X military services and security assistance requirements. Each DOD component is responsible for identification of MDE items under its cognizance, and for notification of MDE items to the DSAA. DOD components will notify the DSAA of applicable MDE items by providing information cited in Table 700-1. Once identified as MDE, the item is then recorded on the Major Defense Equipment List (MDEL), which designates equipment for special scrutiny when considered for sale to foreign governments either through foreign military sales or commercial sales channels. See Table 700-6 for the current MDEL.

C. **Standard FMS Cases.** Standard FMS cases are divided into Defined Order Cases, Blanket Order Cases, and CLSSAs. These cases are used to provide major weapon systems, training, design and construction services, and related defense articles and services on a government-to-government basis from the USG.

1. **Defined Order Cases.** A Defined Order case is one in which the items, services or training to be provided are stated explicitly on the LOA.

a. A defined order case normally requires a complete price and availability study.

b. The following types of materiel and services are normally provided through Defined Order cases:

(1) System/Package Sales including major items and weapon systems and any related requirements to activate and operate the item or system for an initial period of time,

(2) Munitions, ammunition and other explosives,

(3) Transportation services,

(4) Aircraft ferry,

(5) Cartridge Activated Devices/Propellant Activated Devices (CAD/ PAD),

and

(6) TDPs.

2. **Blanket Order Cases.** ^{BO} ~~Blanket Order~~ FMS cases represent an agreement between a foreign country or international organization and the U_XS_X Government for a category of materiel or services (normally identifiable to one or more end items) with no definitive listing of items or quantities.

a. Price and availability information for ^{BO} ~~Blanket Order~~ FMS cases is not required because the purchaser normally estimates requirements and requests an appropriate case value.

Change 6

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 (Air Force has been granted an exception)
- (2) Navy managed classified publications
- (3) Explosive ordnance items.
- (4) SME, including MDE (see Table 700-6) and initial logistics support which is normally ordered for concurrent delivery with such items
- (5) Commercial items of materiel more readily provided from in-country (e.g., lumber, sand, gravel, household goods)

- (6) TDPs
- (7) *ozone depleting substances (ODS)*

3. CLSSAs. CLSSAs are military logistics support arrangements designed to provide responsive and continuous supply support at the depot level for U_XS_X-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_XS_X 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_XS_X-furnished equipment.

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

MGT

[Note: DSAA/OPS-~~E~~ 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.]

UNCLASSIFIED

JOINT STAFF
INFO SERVICE CENTER

Change 6
Background

ROUTINE
R 202115Z JUL 93
FM SECDEF WASHINGTON DC//USDP:DSAA//
TO AIG 7813

ZYUW RUEKJCS7339 2020516

UNCLAS DSAA/OPS-MGT
SUBJECT: CHLOROFLUOROCARBONS (CFC) AND HALONS
REFERENCE:

- A. ODD 6050.9, 13 FEB 89, SUBJECT SAME AS ABOVE
- B. UNDER SECRETARY OF DEFENSE (ACQUISITION AND TECHNOLOGY) MEMO TO MAJOR DOD COMPONENTS, 20 MAY 93, SUBJECT: OZONE DEPLETING CHEMICALS
1. BASED ON RECENT DATA SHOWING THE EARTH'S OZONE LAYER IS BEING DESTROYED MORE RAPIDLY THAN PREVIOUSLY THOUGHT, MONTREAL PROTOCOL BANS ON PRODUCTION OF HALONS BY JAN 94 AND CFC BY JAN 96, AND SEC 326 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FY93 (P.L. 102-484), OZONE DEPLETING SUBSTANCES (ODS) ARE BEING PHASED OUT.
2. THE FOLLOWING CLASS ONE ODS ARE MOST DAMAGING AND PRODUCTS CONTAINING THESE SUBSTANCES WILL BE PHASED OUT FIRST: CFC-11 (SOLVENT, PROPELLANT), CFC-12 (REFRIGERANT, SOLVENT, PROPELLANT), CFC-113 (SOLVENT), CFC-114 (GENERAL, REFRIGERANT), CFC-115 (REFRIGERANT), HALONS 1211, 1301, AND 2401 (FIRE EXTINGUISHERS).
3. NEW DOD CONTRACTS MUST NOT INCLUDE ODS IN PARA 2 UNLESS APPROVED AT REQUIRING ACTIVITY SENIOR EXECUTIVE SERVICE OR FLAG RANK LEVELS BASED ON TECHNICAL EXPERT FINDINGS THAT NON-DEPLETING ALTERNATIVES TO SUBJECT CHEMICALS ARE NOT AVAILABLE. MODIFICATIONS TO CONTRACTS VALUED MORE THAN \$10M REQUIRE TECHNICAL EVALUATION TO DETERMINE IF SPECIFICATIONS REQUIRING ODS CAN BE ELIMINATED. CFC AND HALONS WILL GRADUALLY BE PRODUCED IN THE U.S. ONLY FROM RECYCLED PRODUCT AND WORLDWIDE AVAILABILITY WILL DECLINE.
4. SUBJECT ITEMS ARE MANAGED BY DEFENSE GENERAL SUPPLY CENTER (DGSC). OF THOSE ITEMS WHERE SUITABLE SUBSTITUTES ARE NOT EXPECTED TO BE AVAILABLE IN THE NEAR FUTURE, DGSC RECORDS INDICATE EG, GR, PT, AND TK HAVE ORDERED CFC (R114) AND EG, IS, PT, AND SR HAVE ORDERED HALON (1301) FROM THE U.S. DURING THE PAST TWO YEARS. 119 COUNTRIES ARE PARTIES TO THE MONTREAL PROTOCOLS AS OF THIS TIME: AG, AC, AR, AT, AU, BF, BA, BG, BB, BELARUS, BE, BC, BR, BX, BULGARIA, UV, CM, CN, CT, CI, CH, CS, IV, CROATIA, CUBA, CY, CZ, DE, DO, DR, EC, EG, ES, FJ, FI, FR, GA, GY, GH, GR, GJ, GT, GV, HU, IL, IN, ID, IR, EI, IS, IT, JM, JA, JO, KE, KR, KU, LE, LY, LS, LX, MI, MF, MV, MT, MARSHALL ISLANDS, MP, MX, MN, NE, NZ, NU, NK, NI, NO, PK, PN, PP, PA, PE, PI, PL, PT, KS, RO, RS, SC, SAMOA, SR, SK, SE, SH, SLOVENIA, SLOVAKIA, BP, UA, SP, CE, SU, WZ, SW, SZ, SY, TH, TO, TD, TU, TK, UG, UP, TC, UK, TZ, UY, UZBEKISTAN, VE, YU, ZA, AND ZI. COUNTRY CODES ARE FROM SAMM TABLE 600-1. COUNTRY IS SPELLED OUT WHERE NO CODE HAS BEEN ASSIGNED. THIS MESSAGE IS FOR INFORMATION ONLY TO SAO(S) IN COUNTRIES LISTED WHICH ARE NOT ELIGIBLE TO RECEIVE FMS.
5. ODS SUBSTITUTES ARE BEING DEVELOPED, BUT AVAILABILITY OF SOME REPLACEMENTS IS UNCERTAIN. TERMINATION OF THESE ITEMS HAS BEEN IN PROCESS FOR SOME TIME, INVOLVES THE MAJORITY OF THE CFC AND HALON PRODUCING COUNTRIES, AND WILL EFFECT CIVILIAN AND DEFENSE USERS. ALL COUNTRIES, AND ESPECIALLY THOSE LISTED IN PARA 4 ABOVE, SHOULD BE IN THE ADVANCED STAGES OF PLANNING FOR THESE CHANGES.
6. SAO(S) IN COUNTRIES AUTHORIZED TO RECEIVE FMS SHOULD DISCUSS THE ABOVE WITH COUNTRY COUNTERPARTS TO ENSURE THEY ARE AWARE OF WHAT IS TAKING PLACE AND THAT APPROPRIATE ALTERNATIVES ARE BEING DEVELOPED. THIS MIGHT INVOLVE RECONFIRMING THE INTERNAL SUPPLY SOURCE, LOCATING AN ALTERNATIVE SOURCE OF SUPPLY (INCLUDING SUBSTITUTE PRODUCTS), OR A SUPPORT BUYOUT FROM THE U.S. SUPPLIER BEFORE THE PRODUCTION BAN GOES INTO EFFECT. REQUESTS FOR U.S. BUYOUTS SHOULD BE DIRECTED AS SOON AS POSSIBLE TO THE APPROPRIATE U.S. MILITARY DEPARTMENT FOR ACQUISITION OF THE ITEMS FROM DGSC THROUGH AN EXISTING OR NEW LOA.
7. ANY QUESTIONS MAY BE DIRECTED TO MR. WAYNE WELLS, DSN 227-8108.

BT

SECDEF V2
ACTION USDP:DSAA(1)
INFO SECDEF-W(1) USDP:FILE(1)

(0.6.F)

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MCN=93202/01831 TOR=93202/0516Z TAD=93202/0553Z

CDSN=MAJ468

PAGE 1 OF 1
202115Z JUL 93

UNCLASSIFIED

14 April 1993

Memorandum for DISAM

Subject: SMM Changes, OT&E Incomplete and Integration of Non-US Subsystems

In the next change to the SMM, paragraph 70003.A.2.f should be replaced with the following:

"f. OT&E Incomplete The IA will refer any LOR to DSAA before responding to a request for any MDE item that has not completed Operational Testing and Evaluation. LOA or P&A data will not be released pending approval by DSAA. A note, discussed further in section 701, will be included in the P&A correspondence or on the LOA."

Add the following as paragraph 70003.A.2.g:

"g. Integration of Non-US Subsystems Requests for integration or certification services for installation of non-US subsystems will be assessed carefully and coordinated with DSAA Weapons Systems Division prior to development of P&A or an LOA."

Also, the following should be added as subparagraph 70105.L.6:

"6. OT&E Incomplete If the LOA includes developmental systems which have not yet been approved for U.S. production [i.e., Defense Acquisition Board full rate production, following successful final OT&E (Milestone 3.b), has not been approved], a note will be added which concisely summarizes the potential effects on the program if the system does not receive production approval."

cleared thru S. Sevier 5/9/93

pscmi2

disapproved, or if further correspondence by the DOD component with the requestor should be suspended until completion of the required coordination. For MDE items, DSAA will immediately advise the DOD component of the initial approval or if difficulties are foreseen. For any MDE or non-MDE request that is not approved, DSAA will immediately advise the cognizant DOD component to stop further processing on the purchaser's request, the rationale for the decision, and of the further actions required with regard to a response to the purchaser. In the absence of such notification by DSAA, all requests will be processed for DSAA final coordination and countersignature in accordance with Chapter 7, Section 701, paragraphs 70103.I. and 70103.J.

e. **DOD Component Disapproval Recommendation.** In the event the * cognizant DOD component recommends that the purchaser's request be disapproved, the DSAA Operations Directorate will be notified. DSAA will coordinate the disapproval with the Bureau of Politico-Military Affairs, Department of State.

f. **OT&E Incomplete.** The IA will refer any LOR to DSAA before responding ** to a request for any MDE item that has not completed Operational Testing and Evaluation. LOA or P&A data will not be released pending approval by DSAA. *A note, discussed further in section 701, will be included in the P&A correspondence or on the LOA.* ←

B. **Responses to Letters of Request.**

1. **General.** Normally, when preliminary data are required by a foreign country or international organization for planning or in anticipation of a purchase under FMS, P&A data will be provided.

2. **Discussions with Foreign Governments and International Organizations.** Economic, production, and budget uncertainties all contribute to DOD component difficulties in making accurate cost and delivery estimates. The large volume of P&A estimates which are processed also increases the likelihood of human error. In any event the utmost discretion must be exercised by members of the country team or other U.S. officials in discussion of P&A data with foreign government or international organization officials. Only specific data approved and provided by the DOD component or the DSAA should be used.

3. **Format for P&A Data.** P&A data will not be used to develop an LOA. The following format must be used in responding to a request for P&A data; e.g., list the:

a. Quantity, major item/service, and estimated cost. (Cost must include adjustments for inflation. In the absence of the availability of clear inflation trends on a given system, OSD/Comptroller standard inflation factors should be used.)

b. Ancillary support equipment which is necessary for the operation and maintenance of the system requested and include the estimated cost.

c. Estimated dollar value of ILS element items in addition to those in subparagraph (b) above which are necessary to support the system; e.g., training, publications, etc.

d. Estimated accessorial charges.

e. Source of the data (e.g., last contract award, stock price).

f. Estimated availability of the articles/services.

g. Key assumptions used in developing the data, for example:

4. **Offset Costs.** LOAs with industry offset administrative costs as discussed in Section 140107 must include:

DOD policy authorizes administrative costs associated with the implementation of offset agreements between the US 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.

5. **Shipment Consolidation.** LOAs shall contain the following note when substantial shipment consolidation of the articles thereon is anticipated:

This is supplemental to LOA Standard Terms and Conditions provision 5.4. If the USG determines that delivery was delayed more than 90 days following passage of title due to shipment consolidation, the date of the shipment from the consolidation location may be used as the start point in determining the one year period for claim eligibility only.

6. **OT&E Incomplete** (Add note)
M. **Acceptance Process.** The Purchaser should sign the LOA and complete the Typed Name, Title, Agency, and Information to be Provided by the Purchaser portions. Copies should be forwarded to the IA and to DFAS-DE/F(SAAC) along with the required initial deposit before the expiration date.

1. Normally, the greater the period of time between Offer and Acceptance, the greater the likelihood of decreased accuracy of data. Requests for extension of the expiration date by the Purchaser will be honored only after a review by the IA. The Purchaser should be authorized to make any pen and ink change to the expiration date via message, with a copy to DFAS-DE. All concerned should be advised of the consequences of extension.

2. Except for DSAA issued changes to financing terms and minor arithmetic errors discussed below, pen and ink changes to Modifications are not authorized. Pen and ink changes to LOAs or Amendments are only authorized prior to acceptance, and only when the changes are minor, administrative, or corrective, 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 an Amendment. 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 minor arithmetic errors that result in an increase to the total value may be made only with the prior concurrence of DSAA Compt FMSCRD, which will coordinate with DSAA-OPS prior to authorization. The IA must confirm authorized pen and ink changes, prior to the expiration date, by message or letter to the Purchaser with a copy to DFAS-DE/F (SAAC) and DSAA. The IA must submit appropriate changes to the 1200 System (Chap 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 pen and ink changes must be distributed to DFAS-DE and other organizations following purchaser acceptance or acknowledgement of receipt.

3. When accepted, distribution will made in accordance with instructions in the LOA.

4. Each SAO will immediately advise DSAA COMPT and the IA by priority message when the LOA has been accepted or rejected. When LOAs are accepted for a foreign country or

Background



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

14 JAN 1993

In reply refer to:
I-001026/93

MEMORANDUM FOR THE UNDER SECRETARY OF DEFENSE (ACQUISITION)

SUBJECT: Foreign Military Sales of Major Defense Systems Which Have Not Satisfactorily Completed Operational Test and Evaluation

This is in response to your memorandum to the Under Secretary of Defense (Policy), dated 5 January 1993, regarding notices in Letters of Offer and Acceptance when a system being offered has not been approved for U.S. production.

Your request is to be implemented through changes to the Security Assistance Management Manual, DoD 5105.38-M. As information, the draft changes are at attachment 1. The sections being changed are at attachment 2.

Any questions or comments concerning the SAMM changes may be directed to DSAA/OPS-MGT, Mr. Wells, x78108.

GLENN A. RUDD
ACTING DIRECTOR

Attachments
As stated

cc: HQDA(DALO-SA)
Navy Intl Progs (02C)
HQ USAF (SAF/IA)
Cmndt, DISAM

Pre'd by: Mr. W. Wells X78108
DSAA/OPS-MGT
Distribution: USDP
Orig Addee & cc
DSAA
CMD(1)
OPS-MGT SUBJ
OPS-MGT CHRON
OPS CHRON

CC:

pscmo

OPTIONAL FORM 99 (1-90) 695-4235	
FAX TRANSMITTAL	
# of pages 6	
From: Wayne Wells	To: Rich. Wojciechowski
Phone #: 703 604 6609, X315	Dept./Agency: OUSD(ASST)
Fax #: 703 693 9616	Fax #: 703 693 9616
GENERAL SERVICES ADMINISTRATION 5099-101	
NSN 7540-01-317-7368	

64

Background



ACQUISITION

THE UNDER SECRETARY OF DEFENSE
WASHINGTON, DC 20301

JAN 05 1993

MEMORANDUM FOR THE UNDER SECRETARY OF DEFENSE (POLICY)

SUBJECT: Foreign Military Sales of Major Defense Systems which have not satisfactorily completed Operational Test and Evaluation

I recently reviewed the Letter of Offer and Acceptance (LOA) for the sale of F-16 aircraft to Korea. I note that the LOA includes the Airborne Self Protection Jammer (ASPJ) as part of the F-16 electronic protection suite. Although the Koreans have been advised of the termination status of the ASPJ there is nothing in the LOA that indicates to Korea that the ASPJ has not been approved for U.S. production and that there is a risk it might not be. I am concerned by this because I believe that the LOA ought to provide this information.

If any further foreign sales are made of developmental systems prior to approval for U.S. production, I request that the LOA note this fact and indicate the potential programmatic consequences if the system does not receive production approval. This request is in addition to our agreement that USD(A) concurrence will be obtained before price and availability information is offered or a LOA is issued to a foreign customer.


Don Yockey

(50)
1026/93
A

*Change to
Background*



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

24 SEP 1992

In reply refer to:
I-000817/92

MEMORANDUM FOR DIRECTOR FOR SECURITY ASSISTANCE
OFFICE OF THE DEPUTY CHIEF OF STAFF FOR LOGISTICS
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS
DEPARTMENT OF THE NAVY

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

SUBJECT: Foreign Military Sales of Integration and/or
Certification Services for Installation of Non-U.S.
Subsystems in U.S. or Foreign Weapon Systems

From time-to-time, the Department of Defense receives requests from foreign governments to provide integration and/or certification services, under Foreign Military Sales (FMS) procedures, for installation of non-U.S. subsystems in U.S. or foreign weapon systems. It is important that such requests be examined carefully to assess any potential negative impact upon the U.S. defense industrial base, and ensure that approval would result in a clear net benefit to the U.S. public interest. Accordingly, to establish an appropriate dimension of oversight, all future FMS requests for integration and/or certification services to install foreign subsystems into U.S. or foreign weapon systems or platforms will require Military Department coordination with the Weapons Systems Division, Plans Directorate, Defense Security Assistance Agency.

The above guidance will be incorporated in a future change to the Security Assistance Management Manual.

A handwritten signature in black ink, appearing to read "Glenn A. Rudd", is positioned above the typed name.

GLENN A. RUDD
ACTING DIRECTOR

DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

*change 6
Background*

In reply refer to:
I-000817/92

MEMORANDUM FOR DIRECTOR FOR SECURITY ASSISTANCE
OFFICE OF THE DEPUTY CHIEF OF STAFF FOR LOGISTICS
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS
DEPARTMENT OF THE NAVY

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The above guidance will be incorporated in a future change to the Security Assistance Management Manual.

*Concur with the proviso that this office be the
office of coordination within OASD(A) for determination of industrial
base impact.*

J. [Signature]
9/23/92

(52)

(1) Standard DOD component factors were used in developing the ancillary equipment and/or ILS elements necessary to support the quantity of items requested.

(2) Training and publication cost estimates are based on criteria used by the DOD component.

h. Key factors which will effect the above planning data, for example:

(1) Current contract for this item expires on (indicate date) and an LOA must be accepted by (indicate date) so that options can be added to the current contract.

(2) Production line is due to phase out by (indicate date). Start-up costs would have to be applied if an LOA is not accepted by (indicate date).

(3) Materiel has a shelf-life of (indicate date).

i. Validity: The above information is not valid for purposes of preparing an LOA and may not be adequate for budgetary purposes. It is planning information for review purposes only, to assist in your government's determination of the feasibility of requesting an LOA.

j. The LOA will not be used to provide P&A data.

4. P&A Estimates are not Commitments. All responses for P&A data will include the following note: ~~"The provisions of the foregoing P&A data does not constitute an agreement between the U.S. Government and the Government of (insert the appropriate foreign country), nor a U.S. Government commitment to provide the articles or services for which these estimates are provided."~~ *Replace with new note below -*

5. Agents Fees or Commissions. Any P&A quotation which contains agents fees or commissions will be coordinated with the Management Division of the DSAA Operations Directorate before dispatch.

6. LOA.

a. Purpose. The LOA will be used for all FMS of defense articles and services and sales of design and construction services by all DOD components. Annex A of the LOA contains the General Conditions which are an official part of every offer issued.

b. Periods of Effectiveness. The LOA will itemize the defense articles and services offered, and when executed becomes an official tender by the USG. An accepted LOA is effective until all articles offered are delivered and all services completed. BO LOAs remain in effect until the purchaser has requisitioned articles or services up to funds available on the LOA (also see Section 130503).

c. Acceptance. Signing of the LOA by the designated foreign official, together with applicable funding constitutes the agreement of the foreign government or international organization to the offer and constitutes a contractual commitment between the U.S. and foreign government or international organization.

7. Response to Requests which Involve Less than EOQ. When a request is received for P&A or an LOA which cannot be supplied from stock and cannot be immediately obtained from normal procurement because it represents less than an EOQ, the response to such requests should provide the following information to the country or international organization:

"If the Government of (insert the appropriate foreign country) is interested in pursuing this potential purchase, it must request a Letter of Offer and Acceptance."

Background W? - This work with
changed terms as changed by
McRudd -

Sec 3/31

**DEFENSE SECURITY ASSISTANCE AGENCY
OPERATIONS MANAGEMENT DIVISION**

yhb

March 30, 1993

MGT
I like it.
7/3-31-93

MEMO FOR: Mr. Rudd *see counterproposal, GJG*
Mr. McKalip
Col. Ahearn 7/3-31-93

SUBJECT: Disclaimer in Presentation of P&A Data

Your note to Mr. McKalip (attached) indicated that you were not convinced by OPS MGT explanation of the utility of the P&A disclaimer found in SAMM section 70003.B.4. and that you think the disclaimer is useless 99%⁺ of the time.

AND PATRONIZING

The disclaimer serves a number of purposes by stating, in effect, that the P&A which it accompanies is not a formal offer. Making a formal offer would require State approval of the sale (as required by the AECA) and DoD/State making any applicable Congressional notifications (section 36b, 42b, 42c...) As a legal matter, the disclaimer protects the USG from having a non-offer accepted before the USG is ready to be contractually bound. (If the P&A were an offer, simple acceptance by the foreign government would seal a contract and the USG would be obliged to provide the defense articles and services described in it.) As a policy matter, P&A is generally provided with minimal staffing, since it is used as a budgetary tool and is believed to be time sensitive. Deletion of the disclaimer would mean that State approval and Congressional notifications would have to be completed before P&A was submitted. Since countries have been known to request P&A but never actually buy equipment, completion of these actions before submission of P&A could be a substantial waste of staff time and blue chips on the Hill.

[Handwritten scribbles and signatures]

In order to address your concern that the language mandated by the SAMM is patronizing, perhaps Section 70003.B.4. might be redrafted as follows:

4. P&A Estimates are not Commitments. DoD Components providing P&A data must ensure that the recipient understands the inexact nature of the information provided and that provision of the P&A is

Background
change to

not a commitment of the U.S. Government. Accordingly, a statement to the effect of the following should be included in all responses to requests for P&A: "This P&A information is neither an offer nor a commitment to sell these items to the Government of _____."

*

Susan C. O-Murray
Susan C. Ludlow-MacMurray
Division Chief
Operations Management Division

Coord: DSAA GC : attached

How about

"If the Government of _____ is interested in pursuing this potential ^{purpose} ~~letter~~, it ~~should~~ must request a formal Letter of Offer and Acceptance"

* I could live without prescribing language, just the admonition in the first sentence. This would leave any wording to the office providing the P&A.

my

TABLE 700-2

change 6

MEMORANDUM FOR THE CHAIRMAN, JOINT CHIEFS OF STAFF
 ASSISTANT ~~DEPUTY UNDER~~ SECRETARY OF DEFENSE
~~INDUSTRIAL AND INTERNATIONAL PROGRAMS) OUSD(A)~~
 (ECONOMIC SECURITY), OUSD(A&T)
 SUBJECT: Security Assistance Request [Insert Country or International Organization]

(* The attached request from [Insert Country or International Organization] for [Insert Identification of Articles] which is identified as MDE or is considered to be of a sensitive nature has been received by this Agency.

(* [Insert additional information, if required].

(* If you have any views or recommendations regarding this request, please advise DSAA by [Normally 15 days from date of this memo].

(Leave space for signature by)
 (Director/Deputy Director, DSAA)

Attachment[s]X
~~[Identify letter, message, or other request]~~
 no attach
 Copy Furnished:

- OJCS, Director, J-5
- DUSD(TSP)
- Applicable SAO
- Applicable DOD Component
- Applicable Unified Command
- ~~Applicable ASD (ISA or ISP)~~
- OASD (RSA)

*Memoranda will normally be classified ~~Confidential~~ ^{if applicable}.

TABLE 700-2. Memorandum -- Subject: Security Assistance Request for MDE or Sensitive Articles.

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ACQUISITION

THE UNDER SECRETARY OF DEFENSE
WASHINGTON, DC 20301

*Background
change 6*

19 MAY 1993

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
COMPTROLLER
GENERAL COUNSEL
INSPECTOR GENERAL
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR OF THE DEFENSE AGENCIES

SUBJECT: Reorganization of OUSD(Acquisition and Technology)

Since taking office, I have been working with the Secretary and the Deputy Secretary, and my staff to realign acquisition and technology functions to focus on the Department's changing mission to strengthen Acquisition Reform, Environmental Security, Advanced Technology Demonstration Management, Logistics, and Economic Security. Effective immediately, the following realignments will be implemented.

The USD(Acquisition) title will be changed to USD(Acquisition and Technology) to emphasize the importance of the technology function in the acquisition process.

The Principal Deputy Under Secretary will be my chief advisor, act in my absence, and oversee the DAB and DAES related functions to eliminate the two step review process for the day to day issues related to systems acquisition. The Director (Defense Procurement), Director (Acquisition Program Integration), Director (Test and Evaluation), Director (Computer-Aided Acquisition and Logistics Support and Electronic Data Interchange), Director (Tactical Systems), Director (Strategic and Space Systems), and the ASD(C3I) Committee for acquisition matters, will report to the PDUSD(A&T).

The Assistant Secretary of Defense (Economic Security) will be responsible for setting policies for Economic Reinvestment, BRAC, Dual-Use Technology, International Programs, Industrial Base, and community relations. It is expected that internal changes will take place when the new ASD(ES) is in place. In the interim, the ASD(P&L) will continue to operate as in the past in these areas, providing matrix support to the other elements as necessary. The ASD(ES) will provide guidance to the DIR(SABU)

change 6
Background

concerning small business opportunities in relation to OUSD(A) economic initiatives. The Office of Economic Adjustment (OEA) will report to the ASD(ES).

The Deputy Under Secretary of Defense (Acquisition Reform) will identify and implement ways to improve the Acquisition processes, both within the Department's infrastructure, and between the Department and its suppliers. The Director (Acquisition Education, Training and Career Development); the President (Defense Acquisition University); and the Commandant (Defense Systems Management College) will report to the DUSD(AR).

The Deputy Under Secretary of Defense (Environmental Security) is established to increase the awareness and emphasis on environmental issues throughout the Department in the areas of environmental compliance, clean-up, pollution prevention, and energy conservation. The DASD (Environmental Technology) and the DASD (Installations) will report to the DUSD(ES).

The Deputy Under Secretary of Defense (Advanced Technology) will focus on Ballistic Missile Defense as embodied in the Strategic Defense Initiative Office. The DUSD(AT) will provide guidance to the Director (SDIO) in this area. The Office of the Thrust Leaders will report to the DUSD(AT).

The Deputy Under Secretary of Defense (Logistics) will oversee all aspects of Logistics, as they rise in significance when force levels decline. All existing DASD(Logistics) offices and the Logistics Systems Development Directorate will report to the DUSD(L).

The Director Defense Research and Engineering will focus on oversight and management of DoD scientific matters, basic and applied research; and laboratory research and management in the development of weapon systems. The Director, Advanced Research Projects Agency (ARPA) will report to the DDR&E.

The Assistant to the Secretary of Defense for Atomic Energy in addition to current duties will have responsibility for oversight of the On-Site Inspection Agency and the Defense Nuclear Agency. The ATSD(AE) will report to the USD(A&T).

We are working with the Director, Administration and Management to make appropriate changes to charters, realign manpower and resources and accomplish necessary personnel actions. I look forward to your continued cooperation and support during this reorganization effort.



John M. Deutch

Change 6

UNITED STATES DEPARTMENT OF DEFENSE
LETTER OF INTENT

Purchaser name and address

*(self-explanatory)

*
Purchaser's reference

*
LOA Identifier

A The Government of *, acting through its Ministry of Defense (hereafter referred to as the Purchaser) hereby declares its firm intent to procure, under United States Arms Export Control Act (AECA) procedures, from the Government of the United States (USG), ~~long-leadtime items~~ pertaining to the ~~procurement of the following defense articles and/or defense services:~~

*(use line item numbers and line data from the LOA. Include terms of payment and LOA dependable undertaking payment schedule.)

B Standard Terms and Conditions - United States (US) Department of Defense (DoD) Letter of Intent (LOI), attached, are hereby made part of this agreement. In order to permit the USG to proceed immediately with the purchase described herein and to cover associated administrative expenses, the US DoD is herewith authorized to incur obligations and expend up to the sum of \$ * (which includes estimated administrative and termination costs) on a Foreign Military Sales dependable undertaking basis, to be exceeded only in the event of a decision by either a Court or Board which increases the contractor's entitlement.

[Use the applicable section C version shown below. The first version is to be used when the LOA has not yet been provided to the Purchaser. The second is to be used when the LOA has been issued to the Purchaser.]

C It is understood that the U.S. Department of the * [Army, Navy, or Air Force] plans to present to the Purchaser a Letter of Offer and Acceptance within * days after signature of the Letter of Intent.

C A Letter of Offer and Acceptance ^{or} ~~for items in section B~~ ^{that includes items in section A} was issued to the Purchaser by the U.S. Department of the * [Army, Navy, or Air Force] on * [date LOA released]. Purchaser intends to sign said Letter of Offer and Acceptance not later than * [date by which the LOA is expected to be signed, normally not later than the expiration date].

*	*	**	**
_____ U.S. Signature	_____ Date	_____ Purchaser Signature	_____ Date
*		**	
_____ Typed name and title		_____ Typed name and title	
*		**	
_____ Implementing Agency		_____ Agency	
***	***		
_____ DSAA	_____ Date		

_____ Typed name and title			

* Data entered by IA
** Entered by Purchaser
*** Entered by DSAA, Office of Comptroller

TABLE 700-3. U.S. DoD Letter of Intent.

**

D. The undersigned ARE AUTHORIZED REPRESENTATIVES of their GOVERNMENTS AND hereby COMMIT their GOVERNMENTS to this Letter of Intent (LOI);

unwilling to delete

**

**Standard Terms and Conditions - United States (U.S.)
Department of Defense (DOD) Letter of Intent (LOI)**

1 Except to the extent directly inconsistent with the provisions hereof, the terms and conditions set forth in "Letter of Offer and Acceptance Standard Terms and Conditions" of the Letter of Offer and Acceptance on which this LOI is based will apply to all activities undertaken pursuant to this LOI, and the estimated costs of such activities will be included in the Letter of Offer and Acceptance. In particular, Conditions 2.2, 2.3, and 3 are hereby incorporated by reference and made an integral part of this LOI. This LOI shall be superseded upon Purchaser's signature of the Letter of Offer and Acceptance.

2 In anticipation of the Purchaser's signature of the above mentioned Letter of Offer and Acceptance, the Purchaser ~~consents to the~~ Government to the following:

COMMITTS

2.1 If, prior to Purchaser signature of the above mentioned Letter of Offer and Acceptance, the U.S. DoD has reason to believe that the costs which it expects to incur in the performance of this LOI will exceed the amount set forth in block section B, it shall promptly notify the Purchaser in writing to that effect. The notice shall state the estimated amount of and the date by which the additional obligational authority (by a new or amended LOI) will be required from the Purchaser in order to continue performance.

2.2 If, after such notification, the additional obligational authority is not granted by the date set forth in the notification, the U.S. Government is authorized, at its discretion, to terminate any and all activities under this LOI at Purchaser's expense, in accordance with section 2.3 below, in an amount not to exceed the amount set forth in section B.

2.3 The Purchaser agrees to pay the full amount of such authorized obligations and to make funds available in such amounts and at such times as may be requested by the U.S. Government for expenditures against such obligations.

3 This LOI does not prejudice the Purchaser's decision on the acceptance of the Letter of Offer. Moreover, the Purchaser may cancel all or any part of this LOI at any time by notifying the U.S. Government. Upon receipt of such notification the U.S. Government is authorized to terminate any and all activities initiated hereunder, at Purchaser's expense, in accordance with section 2.3 above, in an amount not to exceed the amount set forth in section B.

4 Certain items for which procurements may be initiated hereunder are normally the subject of definitization conferences, at which specific items and quantities are agreed upon. If it is necessary to place any such items on order prior to any such conference, the U.S. DoD is authorized to do so, using its best judgment, and will furnish a list of the items so ordered at the conference.

TABLE 700-4. LOI Standard Terms and Conditions

determined by line dollar value, sequence of phased execution, or other organized breakout). Sub-lines may be used to the extent they are compatible with MASL breakout and reporting by generic code identification.

2. The LOA will group dollar-denominated items (U/I "XX" or blank), such as spare parts and training, to the extent that common generic codes apply (e.g., tool kits with identical generic codes should be under a single line).

3. Item Description/Condition must include the correct Generic Code and MASL line data (Section 1503), NSN or part number, MDE(Y)/non-MDE(N) code, a description of the articles or services, and the condition code or reference to a note in which the condition will be shown.

a. References to other information within the LOA may also be included; for example, for weapons systems, the reference may relate to an attachment to the LOA which will include descriptive information for individual items grouped generically in the item description column.

b. When EDA are sold under the AECA and included in an LOA line, "Excess Defense Articles, Acquisition Value is \$ _____" must be at the bottom of the item description for that line.

4. If all line items cannot be listed on the second page of an LOA Offer, show only the program total and list the remaining items on continuation sheets.

F. Quantity, Unit of Issue, and Unit and Total Costs information should be entered, as applicable. Source Code, Months (availability following acceptance), Type of Assistance (TA) or Training Notes, Offer Release Code, and Delivery Term Code entries are discussed in LOA Information (Table 701-1). When more than one code applies, "Note ____" should be shown and an explanatory note should be included in the LOA.

G. Where the unit or extended price exceeds \$100, cost information may be rounded to the nearest whole dollar. Charges other than those below should be detailed in a note.

1. Net Estimated Cost is the estimated articles/services costs, which should not include administrative or assessorial charges.

2. Charges for Packing, Crating, and Handling; Administrative Charge; and Supply Support Arrangement are based on percentages in DOD 7290.3-M, Ch. FMR

H. Terms of Sale are based on Paragraph 130104.C (Cash, FMS Credit, FMS Credit Non-Repayable, or MAP). The IA should enter the type and amount of funds. DSAA will adjust the type and amount of funds at the time of countersignature, consistent with availability of funds, or return the LOA to the IA for repricing as required. In order to reduce prices charged to MAP or FMS Credit Non-Repayable, the IA should advise recipients to use these funds to wholly finance LOAs which include NC or military pay costs.

I. "Initial Deposit" will be shown in lieu of the date as the first entry under Payment Date, with the amount under Quarterly and Cumulative.

70105 ADDITIONAL CONSIDERATIONS. The following subparagraphs are aligned to the column "Supplementary Information for Letters of Offer and Acceptance" in Table 701-3. The Checklist shown in Table 701-4 may be used at the option of the IA.

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Change 6

DOD 5105.38M
(AS OF: 4 FEBRUARY 1994)

TABLE 700-6

MAJOR DEFENSE EQUIPMENT LIST (MDEL)

<u>ITEM DESCRIPTION</u>	<u>APPROVED CHARGE</u>	<u>EFFECTIVE DATE/NOTES</u>
<u>CATEGORY I - FIREARMS</u>		
GUN, MACHINE, M2, 50 CAL. (A)	2	28MAR89(B)
GUN, MACHINE, M240 SERIES (A)	65	28MAR89(B)
GUN, RIFLE, M16 SERIES, 5.56MM (A)	8	25MAR80
<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
HOWITZER, M101A1, TOWED, 105MM (A)	850	11JUN87
<u>CATEGORY III - AMMUNITION</u>		
CARTRIDGE, 20MM (A)		(D)
CARTRIDGE, 30MM GAU-8 (AF)	0.50	28MAR89(B)
CARTRIDGE, 40MM, HE (A)	0.11	28MAR89(B)
CARTRIDGE, 40MM, M385 DUMMY (A)	0.19	15MAY91
CARTRIDGE, 40MM, M406 HE (A)		(D)
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)		(D)
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)		(D)
CARTRIDGE, 81MM, M374A3 HE W/M567 FUZE (A)	3.24	15MAY91
CARTRIDGE, 105MM, M393A2 HE, HEP-T (A)		(D)
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, M774 APFSDSD-5 2/BX (A)	24.00	15MAY91
CARTRIDGE, 105MM, M833 APFSDS-T (A)	88.00	05JUL91
CARTRIDGE, 105MM HE (A)	0.87	21MAY79
CARTRIDGE, 120MM, M829 APFSDS-T (A)	126.60	02DEC88

change 6

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)		(D)
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)		(D)
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, M864 HE (A)	47.00	10AUG93(A)
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)		(D)
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

BOMB, BLU-109 (AF)	747	18MAY89
BOMB, CBU-87 COMBINED EFFECTS BOMBLETS (AF)	1,080	06DEC84
BOMB, CBU-89 CLUSTER, TMD/GATOR MINES (N)		(D)
BOMB, CBU-90 ANTI-ARMOR CLUSTER MUNITION (AF)	3,351	28MAR89(B)
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
COUNTERMEASURE, MK214/MK216 SEA GNAT (N)	145	01APR92
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)	1,232,863	14DEC87
SYSTEM (VLS) (8 CELL VARIANT)	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

change 6

MISSILE, AGM-65D MAVERICK (AF)	5,343	03NOV87
MISSILE, AGM-65E LASER MAVERICK (AF)	24,213	06DEC84
MISSILE, AGM-65F/G MAVERICK (AF)	6,331	03NOV87
MISSILE, AGM-78 STANDARD ARM (N)		(D)
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-9H SIDEWINDER (N)	3,457	03OCT78
MISSILE, AIM-9 J/P/N SIDEWINDER (AF)	134	12MAR82
MISSILE, AIM-9L SIDEWINDER (N)	2,604	18MAY78
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, MIM-72 CHAPARRAL SERIES (A)	2,100	16DEC88
MISSILE, RGM-66D STANDARD ARM (N)		(D)
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, X-RIM-116A, 5" ROLLING AIRFRAME, RAM (N)		(D)
MISSILE, DRAGON, HEAT AND PRACTICE (A)	378	24MAR80
MISSILE, I-HAWK SERIES (A)	7,053	12NOV80
MISSILE, LANCE (A)	76,205	21MAY79
MISSILE, NIKE HERCULES (A)	448,055	28MAR89 (B)
MISSILE, PERSHING SERIES (A)	128,378	
MISSILE, REDEYE (A)		(D)
MISSILE, TOMAHAWK (N)		(D)
MISSILE, NATO SEASPARROW SURFACE MISSILE SYSTEM (NSSMS) (N)		(D)
MISSILE SYSTEM, AMRAAM (AF)		
MISSILE, AIM-120	114,182	22JAN92
MISSILE, AIM-120 AIR VEHICLE INSTRUMENTED (AAVI) (AF)	114,182	22JAN92
LAUNCHER, LAU-127/A (F/A-18)	3,530	22JAN92
LAUNCHER, LAU-128/A (F-15)	3,530	22JAN92
LAUNCHER, LAU-129/A (F-16)	3,530	22JAN92
MISSILE SYSTEM, ARMY TACTICAL (ATACMS) (A)	148,275	31OCT88

Change 6

MISSILE SYSTEM, HARPOON (N)		
LAUNCHER, AN/SWG-1(V) BASELINE	80,562	20JAN78
LAUNCHER, HARPOON SHIPBOARD		
COMMAND AND LAUNCH CONTROL SYSTEM,		
AN/SWG-1A(V) (HSCALCS)	109,603	11DEC86
MISSILE, AGM-84 (RGM/UGM)	44,083	20JAN78
MISSILE SYSTEM, AGM-114 HELLFIRE (A)		14MAY85
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)		
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 2	658	19DEC83
MISSILE, BGM-71E TOW 2A		
MISSILE, M65 SUBSYSTEM AIRBORNE		
TOW	27,800	17MAY89
MISSILE, I-TOW (Basic + Warhead)	487	03NOV81
ROCKET, 2.75" SERIES (A)	0.87	26MAR80
ROCKET, M72 SERIES, LIGHT ANTITANK		
WEAPON (LAW), 66MM (A)	1.32	28MAR89 (B)
ROCKET, ANTISUBMARINE, (ASROC) (N)	885	20DEC84
ROCKET, VERTICAL LAUNCH ANTISUBMARINE		
(ASROC) (VLA) (N)	98,926	14DEC87
ROCKET SYSTEM, M77, MULTIPLE LAUNCH		
(MLRS), TACTICAL, PRACTICE,		
TRAINING (A)		02DEC85
LAUNCHER	173,000	
ROCKET (6 ROCKETS PER POD)	615	
TORPEDO, MK46 MOD 2 (N)	8,993	28MAR89
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

Change 6

TORPEDO, MK48 ADCAP KIT (N)	103,322	25NOV80	(D)
WEAPON, FUEL AIR EXPLOSIVE, FAE II (N)			

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)			(D)
DD-963, DESTROYER (N)			(D)
DD - DESTROYER (N)			(D)
DDG - GUIDED MISSILE DESTROYER (N)			(D)
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)			(D)
LHD - AMPHIBIOUS ASSAULT SHIP (N)			(D)
LPD - AMPHIBIOUS TRANSPORT DOCK (N)			(E)
LSD - DOCK LANDING SHIP (N)			(E)
LST - TANK LANDING SHIP (NEWPORT CLASS) (N)	824,840	25JAN84	
LKA - AMPHIBIOUS CARGO SHIP (N)			(E)
LPA - GENERAL PURPOSE AMPHIBIOUS ASSAULT SHIP (N)			(E)
MSO - MINESWEEPER, OCEAN, NONMAGNETIC (N)			(E)
PHM - PATROL COMBATANT MISSILE (NATO) HYDROFOIL (N)	1,000,000	28MAR89	(B)
PHM - PATROL COMBATANT MISSILE (FRG VARIANT) HYDROFOIL (N)	1,250,000	28MAR89	(B)
SS - SUBMARINE, CONVENTIONALLY POWERED (N)			(E)

Change 6

CATEGORY VII - TANKS AND MILITARY VEHICLES

AIR DEFENSE SYSTEM, M163 AND M167 SERIES, VULCAN (A)	29,439	26MAR80
GUN, M107 SELF-PROPELLED, 175MM (A)	40,258	26MAR80
HOWITZER, M109A1-A3 SELF-PROPELLED, 155MM, (A) (INCLUDES CANNON ASSEMBLY)	8,771	23JUN87
(WITHOUT CANNON ASSEMBLY)	7,447	23JUN87
HOWITZER, M110A 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 TOWED, 155MM (A)	47,483	14FEB86
TANK, M1 ABRAMS (A)	114,443	27OCT88
TANK, M1A1 (A)	226,725	27OCT88
TANK, M1A2 (A)	248,001	07JAN93(A)
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/Thermal Tank Sights	31,427	03MAR80
W/O Thermal Tank Sights	21,939	03MAR80
TANK ENGINE, AGT-1500 (M1 TANK SERIES)(A)	18,714	07JAN93(A)
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
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

Change 6

VEHICLE, M113 SERIES, ARMORED PERSONNEL CARRIER (APC)	688	11SEP78
FAMILY OF VEHICLES (FOV) (A)		
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		
VEHICLE, M551 ARMORED RECONNAISSANCE ASSAULT (A)	33,213	
VEHICLE, M578 RECOVERY (A)		(D)
VEHICLE, M723 MECHANIZED INFANTRY COMBAT (A)		(D)
VEHICLE, M728 COMBAT ENGINEERING (CEV) (A)		(D)
VEHICLE, M981 FIRE SUPPORT TEAM (FISTV) (A)	68,476	03FEB86
VEHICLE, M992 FIELD ARTILLERY AMMUNITION SUPPORT (FAASV)(A)	12,805	22NOV89
VEHICLE, M998 SERIES, HIGH MOBILITY MULTI-PURPOSE WHEELED (HMMWV) (A)		
CARRIER, M996 TOW MISSILE	232	26OCT90
CARRIER, M1025 ARMAMENT, BASIC ARMOR	232	26OCT90
CARRIER, M1026 ARMAMENT, BASIC ARMOR	232	26OCT90
CARRIER, M1036 TOW MISSILE, BASIC	232	26OCT90
CARRIER, M1043 ARMAMENT, SUPPLEMENTAL	232	26OCT90
CARRIER, M1044 ARMAMENT, SUPPLEMENTAL	232	26OCT90
CARRIER, M1045 TOW MISSILE, SUPPLEMENTAL	232	26OCT90
CARRIER, M1046 TOW MISSILE, BASIC	232	26OCT90
VEHICLE, FIRE DIRECTION CONTROL CENTER (FDCV) (A)	3,382	21MAY86

CATEGORY VIII - AIRCRAFT, SPACECRAFT AND ASSOCIATED EQUIPMENT

AIRCRAFT

767 AWACS (AF)	8,700,000	11AUG92
BASIC CONFIGURATION (\$6,900,000)		
INFORMATION SYSTEM,		
JTIDS (\$1,600,000)		
RADIO, HAVE QUICK (\$200,000)		
A-NET SYSTEM		
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)	33,226	20OCT83
A-6 (N)		(D)

change 6

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(B)
AV-8B HARRIER (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
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
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)		(D)
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 CRUSADER (N)	56,859	12MAY81
F-14 (W/ENGINE) (N)	1,600,000	29NOV76
F-15A/B EAGLE (W/O ENGINES, AN/APG-63 RADARS, MSIP, & TEWS) (AF)	1,849,611	05FEB92
F-15C/D EAGLE (W/O ENGINES, AN/APG-63 RADARS, MSIP, & TEWS) (AF)	1,897,460	05FEB92
F-15E EAGLE (W/O ENGINES, AN/APG-63 RADARS, MSIP, & TEWS) (AF)	3,938,594	05FEB92
F-16 A/B FIGHTING FALCON (W/O EPG SPECIAL NC \$85,000) (AF)	640,000	04JUN80
F-16C/D (W/ ENGINES) (AF)	1,018,050	24FEB89
F-18 Airframe (N)	1,117,281	30MAR87
F-20 (AF)	941,504	30MAR87
F-100A (AF)	37,840	06DEC84
F-100C (AF)	25,800	06DEC84
F-100D (AF)	25,440	06DEC84
F-100F (AF)	27,840	06DEC84

change 6

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
KC-10 EXTENDER (AF)	1,176,667	12MAR82
KC-135A STRATOTANKER (AF)	217,034	12MAR82
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-3A VIKING (N)	3,502,643	26JUN81
T-2 (N)	39,968	10JAN78
TA-4F (W/O ENGINE) (N)	28,110	20OCT83
TA-4J (W/O ENGINE) (N)	51,176	20OCT83
T-33A (AF)	2,857	12MAR82
T-37 (AF)	19,651	28MAR89(B)
T-38A (AF)	80,972	12MAR82
TH-55 OSAGE (A)	6,000	11JUN87
VEHICLE, REMOTELY PILOTED (RPV)		
ACQUILA (A)		(D)

HELICOPTERS

AH-1J AIRFRAME, SEACOBRA (N)	52,245	11OCT85
AH-1S COBRA (W/T-53-L-703 ENGINE) (A)	147,604	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
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
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

Change 6

H-3E (N)		(D)
H-46 (N)		(D)
H-53 (S-65) (N)	166,029	27FEB79
OH-6 CAYUSE	18,000	11JUN87
OH-58A KIOWA (A)	22,000	11JUN87
OH-58C KIOWA (A)	48,000	11JUN87
OH-58D KIOWA (W/MAST MOUNTED SIGHTS) (A)	663,082	10AUG93(A)
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	
TH-55 OSAGE	1,131,227	
UH-1H IROQUOIS (A)	6,000	11JUN87
UH-1N (N)	4,501	01MAY81
UH-60A BLACKHAWK AIRFRAME (A)	48,032	12JUL85
	169,692	03OCT81

ENGINES

CFM-56 (AF)	20,000	25MAY89
CFM-56 ENGINE INTEGRATION, E-3 (AF) (SPECIAL RECOUPMENT, EXP. 01JUL94)	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
F100-PW-100/200 ALTERNATE FIGHTER ENGINE (AFE) (AF)	284,001	27JAN92
F100-PW-220 ALTERNATE FIGHTER ENGINE (AFE) (AF)	364,783	27JAN92
F100-PW-229 INCREASED PERFORMANCE ENGINE (IPE) (AF)	637,802	27JAN92
F101 (AF)		(D)
F101X (AF)		(D)
F107 (N)		(D)
F-109-GA-100 TURBOFAN (AF)	86,546	14MAY91
F110-GE-100 ALTERNATE FIGHTER ENGINE (AFE) (AF)	364,783	27JAN92
F110-GE-129 INCREASED PERFORMANCE ENGINE (IPE) (AF)	637,802	27JAN92
F404 (N)	63,840	30MAR87
F404-GE-400/402	164,222	09OCT92(A)
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

Change 6

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)	17,901	23MAR83
RM-12	110,029	09OCT92(A)
T33-P-100 (AF)		(D)
T53 (N)	1,542	07MAY81
T53-L-703 (A)	2,220	17MAY89
T55 (A)	3,200	06NOV70
T56 (AF)	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
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)		(D)
CENTER, MODULAR TACTICAL COMMUNICATIONS (MTCC) (A)		(D)
CENTER, TACTICAL FLAG COMMAND (N)		(D)
COMMUNICATION, AN/TSC-86 SATELLITE (SATCOM) GROUND SYSTEM (AF)		(D)
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

change 6

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)		(D)
ELECTRONIC WARFARE SUPPORT, TACTICAL (TEWS) SYSTEM (AF)	225,434	05FEB92
EQUIPMENT, VERSATILE AVIONICS SHOP TEST (VAST) (AN/USM-247(V) (N)		(D)
INFORMATION SYSTEM, JOINT TACTICAL, INFORMATION DISTRIBUTION SYSTEM (JTIDS) (AF)	1,600,000	11AUG92(A)
INFORMATION SYSTEM, OCEAN SURVEILLANCE (OSIS), BASELINE UPGRADE (OBU) (N)	6,551,852	27JAN92
OSIS, REMOTE GRAPHIC WORKSTATION	5,874,074	27JAN92
MAPPING SYSTEM, MK90 DIGITAL (DMA)	35,102,998	18MAY89
DATA EXTRACTION MODULE	324,248	
DATA SERVICES MODULE	34,254,561	
PRODUCT GENERATION MODULE	91,898	
SOURCE PREPARATION MODULE	432,291	
POSITIONING SYSTEM, NAVSTAR GLOBAL (GPS) (AF)	1,000	28OCT87
RADIO, AN/ARA-54 (A)	40	28MAR89
RADIO, AN/PRC-119 SINGGARS (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 SINGGARS (A)	803	26JAN90
RADIO, RT-1439 RECEIVER/TRANSMITTER (A)	296	26JAN90
RADIO, HAVE QUICK A-NET SYSTEM (AF)	200,000	11AUG92(A)
SONAR, AN/SQQ-32 MINE HUNTING	1,562,119	13OCT92(A)
SONAR, AN/SQR-18A (N)	267,069	
SONAR, AN/SQR-18A(V)1 (N)	601,837	24MAY84
SONAR, AN/SQR-19, COMPLETE SYSTEM (N)	1,756,900	21MAR90
SHIPBOARD ELECTRONIC SYSTEM (SES)	1,071,800	21MAR90
TOWED ARRAY GROUP (TAG)	359,400	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)		(D)
TELEPHONE, AN/TTC-39 (A)		(D)
TELEPHONE, AN/TTC-42, UNIT LEVEL CIRCUIT SWITCH (N)		(D)

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

change 6

FIRE CONTROL, AN/GSG-10 DIRECTOR, TACFIRE (A)	740,331	
FIRE CONTROL, AN/GSG-11 DIRECTOR, TACFIRE (A)		(D)
FIRE CONTROL, MK1A COMPUTER (N)		(D)
FIRE CONTROL, MK25 RADAR (N)		(D)
FIRE CONTROL, MK37 GUN SYSTEM (N)	24,800	06DEC84
FIRE CONTROL, MK51-2 DIRECTOR (N)		(D)
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)		(D)
FIRE CONTROL, MK86 GUN SYSTEM (N)		(D)
FIRE CONTROL, MK92 MISSILE SYSTEM (MFCS) (N)		(D)
FREQUENCY, AN/TSC-85 AND AN/TSC-93 SUPER HIGH (SHF) SYSTEM, MULTICHANNEL		(D)
GUIDED BOMB UNIT, GBU-10/12 (AF)	203	15JUN87
GUIDED BOMB UNIT, GBU-15 (AF)	12,528	11MAY81
GUIDED BOMB UNIT, GBU-16 (AF)		(D)
LANTIRN NAVIGATION AND TARGETING SYSTEM (AF)		
NAVIGATION POD, AN/AAQ-13	217,453	18MAY89
TARGETING POD, AN/AAQ-14	201,057	18MAY89
TARGETING POD, SUPPORT EQUIPMENT (FMS)	1,418,320	18MAY89
MANPACK, AN/PSC-1 AND AN/PSC-7 SINGLE CHANNEL UHF SYSTEM (A)		(D)
MANPACK, AN/PSN-6 LOREN		(D)
MISSION PAYLOAD SUBSYSTEM (MPS) DAYLIGHT (A)		(D)
MISSION PAYLOAD SUBSYSTEM (MPS) FORWARD LOOKING INFRARED (FLIR) (A)		(D)
NIGHT VISION, AN/PVS-5 GOGGLES (A)		(C)
NIGHT VISION, AN/PVS-7A/B GOGGLES (A)	50	19JUN91
POSITION LOCATION REPORTING SYSTEM, (PLRS) (A)	11,775,783	30NOV88
BASIC USER UNIT, RT-1343/TSQ-129	41,298	
MASTER STATION, AN/TSQ-129	1,179,261	
RADAR, AN/APG-63 (AF)	410,407	28MAR89
RADAR, AN/APG-65 (F-18) (N)	29,471	30MAR87
RADAR, AN/APG-65 (EPA MOU ONLY)	23,543	21APR89
RADAR, AN/APG-66 (F-16A/B) (AF)	30,400	12APR84
RADAR, AN/APG-68 (F-16C/D) (AF)	101,120	12APR84
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(B)
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	

change 6

RADAR, AN/MPS-39 MULTIPLE OBJECTS TRACKING RADAR (A)	320,471	21JAN93(A)
RADAR, AN/SPS-40B (N)	216,746	07MAY82
RADAR, AN/SPS-46 (N)		(D)
RADAR, AN/SPS-48E (N)		(D)
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
RADAR, AN/TPQ-36 (A)	252,968	05JUL91
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-71 RELOCATABLE OVER THE HORIZON (ROHTR) (N)	15,076,923	20APR90
SIGHT, MAST MOUNTED (A)	209,265	10AUG93(A)
SYSTEM, MARINE INTEGRATED FIRE AND AIR SUPPORT SYSTEM (MIFASS) (N)		(D)
TARGET ACQUISITION, MK23 MOD-0/8, SYSTEM (TAS) (A)		(D)
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)		(D)
TERMINAL, LIGHT FOR AN/TSC-86 (A)		(D)
TERMINAL, SINGLE SUBSCRIBER (SST) (A)		(D)
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

CATEGORY XIII - AUXILIARY MILITARY EQUIPMENT

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

NOTES

- A. NEW SINCE 12AUG92.
- B. THE EFFECTIVE DATE OF 28MAR89 HAS BEEN ASSIGNED TO ITEMS WHERE ONE CHARGE EXISTS WITHOUT AN EFFECTIVE DATE IDENTIFIED
- C. NO CHARGE
- D. 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.
- E. 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.

MDE\MDL

Memorandum for DISAM

Subject: SMM Change, Section 70105.F and Table 701-7

Replace section 70105.F and Table 701-7, and add Table 701-8 as follows:

F. Personnel Protection and Related Costs For the purpose of performing services outside the US, "US personnel" as discussed below and in Table 701-7 pertains to personnel involved in the performance of actions under the LOA.

1. In carrying out LOA programs, it is desirable that US personnel operate to the extent possible in safety and immunity in US-type conditions. A government-to-government SOFA is the normal means for acquiring safety and immunity for US personnel. Where the MILDEP General Counsel (GC) indicates a SOFA (see Table 701-8) or SOFA-like agreement exists, that agreement should be referenced in the LOA and noted in the countersignature cover memo in order to highlight to DSAA that DSAA/DoD GC approval may be required.

2. The DoD GC has advised that inclusion of SOFA-like status provisions in an LOA requires that the LOA be staffed through DoD in accordance with procedures for staffing international agreements in DoDD 5530.3 (see section 140103). Since these procedures are complex and require the development of specialized supporting documentation, inclusion of status provisions in LOAs should be avoided if possible. Status provisions will not normally be used to require compliance when authority to ensure compliance is outside the Purchaser's defense establishment. Individual situations should be brought to the attention of DSAA for coordination during LOA preparation.

3. Provisions for recouping costs associated with in-country duty (e.g., currency revaluation, unanticipated import/export charges) are covered in LOA Standard Terms and Conditions and do not normally require special LOA provisions. Where it is envisioned that failure by the Purchaser to abide by existing SOFA or other status provisions may result in increased costs associated with an FMS program, Table 701-7 shows sample terms and conditions and required Purchaser actions which can be used as a guide.

change 6

TABLE 701-7

Sample Terms and Conditions - Personnel Related Costs

The brackets below show provisions which typically would be applicable to USG commercial contractor (including subcontractor) or to military and civilian USG personnel.

A. Passports, Visas, Licenses, and Permits.

1. [USG, contractor] Cost and delivery estimates herein anticipate the Government of [country] (GO_) [e.g., Government of Turkey (GOT)] will, within the framework of the laws of GO_, ensure the timely issuance of work, entry, or exit visas; work, vehicle operator, residence, or in-country travel permits; and any other appropriate licenses or permits required of the personnel, including dependents, to carry out this effort.

2. [Contractor] The US contractor shall be responsible for timely and complete submittal of the necessary information and forms directly to the appropriate GO_ agency for the required passports, visas, licenses, or permits. The contractor shall be responsible for the sponsorship of its employees and their dependents and shall process said permits directly with the appropriate GO_ agency.

B. Access. [USG, contractor] Cost and delivery schedules herein anticipate that US personnel in [country] will be authorized, at no cost, reasonable access to all data, plans, reports, or other information and all existing and proposed offices, sites, and areas within [country] as required to accomplish this effort.

C. Export of Data. [Contractor] US personnel shall not be required or expected to deliver to the Government of [country], nor to any person or entity not a citizen of the United States of America, any technical data produced or utilized under this LOA until the Government of [country] has been furnished with clear evidence that such delivery of the data is (1) approved by the US State Department pursuant to the International Traffic in Arms Regulation, or (2) approval is not required.

D. Taxes, Duties, and Charges for Doing Business. [Contractor] The contract(s) implementing this LOA will include the clause entitled "Taxes-Foreign Fixed-Price Contracts (Jan 1991)" set forth in Federal Acquisition Section 52.229-6; therefore, price and delivery estimates within this LOA anticipate the following:

1. Property, materiel, equipment, household furniture, appliances, and supplies imported into [country] by contractor exclusively for use in support of the contractor and its personnel and consigned and marked as required or approved by the USG will be exempt from import and export duties, taxes,

licenses, excises, imposts, and any other identifiable charges. The contractor will maintain any inventory control and accounting system adequate to reflect the usage and disposition of all contractor-owned property which has entered [country] duty-free under this LOA.

2. The GO_, its agencies, and political subdivisions will levy no taxes or fees (including taxes on individual or corporate income or property, customs and import duties, or other taxes on employee personal household goods, supplies and personal effects imported into [country] for personal use) on the contractor, its employees, or the dependents of such employees.

3. If any charges under D.1 or D.2 are imposed by the GO_, costs thereby incurred by the contractor will be reimbursed to the contractor at cost, including applicable overhead and General and Administrative, but excluding profit, out of national funds to be provided by the GO_ under this LOA.

E. Security. [USG, contractor] Price and delivery estimates anticipate that the Purchaser will provide adequate security to protect personnel and property associated with this LOA and located on Purchaser military bases, installations, or other designated work sites.

TABLE 701-8

STATUS OF FORCES AGREEMENTS

As of 15 May 1992, the United States has entered into formal SOFAs with the following countries, the existence of the SOFA itself being unclassified:

COUNTRIES HAVING A FORMAL SOFA WITH THE UNITED STATES
[Numerical references are to the published Treaties and Other International Acts Series (T.I.A.S.) of the Department of State]

- Antigua and Barbuda (9054)
- Australia (5349)
- Italy (2846)
- Bahamas
- Bahrain (8632)
- Belgium (2846)
- Canada (2846, 3074)
- Denmark (2846, 4002)
- Diego Garcia [with the United Kingdom] (6196, 8230)
- Dominican Republic
- Egypt (10238)
- Federated States of Micronesia [in Compact with U.S.]¹ France (2846)
- Germany (2846, 5351, 5352, 7759)
- Greece (2846, 3649)
- Honduras
- Iceland (2295)
- Japan (4510)
- Korea (6127)
- Luxembourg (2846)
- Marshall Islands [in Compact with U.S.]¹ again
- The Netherlands (2846, 3174)
- New Zealand (4151)
- Norway (2846, 2950)
- Panama (10032)
- Papua New Guinea
- Philippines (1775, 5851, 9224, 10585)
- Portugal (2846) [Lajes Agreement is unpublished]
- Singapore
- St. Kitts and Nevis
- St. Vincent and the Grenadines
- Spain (2846, 10589)
- Turkey (2846, 3020, 3337, 6582, 9901)
- United Kingdom (2846, 6196) See also, Visiting Forces Act²
- Western Samoa

1. For both the Federated States of Micronesia and the Marshall Islands see: *Compact of Free Association Act* of 1985, Pub. L. No. 99-239 (January 14, 1986). The SOFA was concluded pursuant to Section 323 of the Act and has been reprinted in the *Compilation of Agreements Between the Government of the United States and the Freely Associated States of the Federated States of Micronesia, The President's Personal Representative for Micronesian Status Negotiations, 1987.*

2. The 1952 *Visiting Forces Act* is a unilateral British statute enacted to implement the NATO SOFA within the United Kingdom. Britain has elected this approach, rather than conclude a supplementary agreement to the NATO SOFA with the United States as sending state. Unfortunately the *Visiting Forces Act* does not fully agree with the NATO SOFA and this has lead to disputes from time to time.

CYS: { Dep
MAA
MGT

DIR *W 27 Oct*
EDIR *27 10-27-95*
EX
EA *W 27 Oct* *Wa*

October 27, 1995

W 27 Oct

MEMO FOR LTG RHAME
Mr. McKalip

I think the USAF do not understand this issue. We do not want to reopen 1977 USMTM agreement would lose more than we'd gain

SUBJECT: Status of DoD Civilians in Saudi Arabia under FMS

As you may recall, the USAF has developed an interest in the status of DoD civilians present in Saudi Arabia pursuant to the security assistance program. This interest has stemmed in part from Saudi insistence that the USAF remove from certain LOAs the status provision which they had recently been including, which states that "US Government personnel shall be accorded all of the rights and privileges provided in pertinent agreements concerning United States forces personnel in Saudi Arabia." A 1991 DSAA memo to SAF/IA had provided this language, stating that ISA/FMRA believed that the three agreements currently governing the status of personnel in Saudi Arabia could be interpreted to cover security assistance personnel.

*Ops: Ops
: Plans
: Org-GE
27 10-27-95*

The Saudis told the Air Force to remove this note and instead to make reference only to the 1977 USMTM agreement. That agreement provides certain limited status to US military personnel, particularly insofar as criminal jurisdiction is concerned, but subjects DoD civilians (and all dependents) to Saudi law. The Air Force General Counsel finds the provision inadequate.

↑

See

In brief there are three pertinent agreements, the 1977 USMTM agreement, the 1965 Corps of Engineers Agreement, and the SANG agreement. The SANG agreement provides technical and administrative staff status to DoD civilians. The Corps of Engineers agreement is moribund but provides for transfer of alleged civilian offenders to U.S. custody.

In 1989, DoD did approach State asking them to propose according A&T status for all security assistance personnel to the Saudis. State did so, but the Saudis did not reply. Informally, the reply was not to expect anything on this until the USG resolves the status of certain official Saudis in the U.S. but not actually attached to their embassy.

The status of DoD non-security assistance civilians has been covered under a number of other agreements, most recently the Operational Forces agreement entered into at the beginning of Desert Shield. A follow-on Forces agreement is currently under negotiation.

On September 26, I met with SAF/GCI, SAF/IA, ISA/NESA, ISA/FMRA and DOD/OGC to discuss the issue, which was urgent at the time since one LOA offer expiration date was a few days distant. SAF/GC felt strongly that the note should not be deleted since the 1977 USMTM agreement was not the only agreement applying to DoD civilians in kingdom pursuant to FMS cases. NESA, FMRA, OGC and I disagreed, believing that the 1977 agreement was the only applicable agreement. In the event, once it was determined that only 3 USAF civilians would be permanently in Saudi Arabia

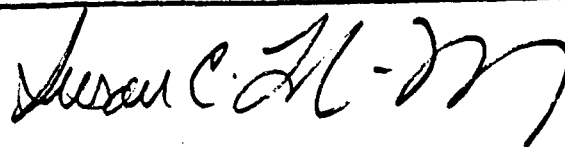
pursuant to this case, and that they were already living there under the predecessor case and hence their legal status regime would not change, that the USAF would sign the case under some sort of protest (a letter was to be sent by Mr. Bauerlein to the Saudis). The agreed course of action for the USAF to press the status issue was as follows: USAF would raise then issue with you and the Counterparts, seeking information from Army and Navy concerning the numbers of civilians they had in kingdom and their views as to whether the status arrangements for those civilians were acceptable to Army and Navy. After reaching a consensus among the services and DSAA, it was agreed that we would collectively approach ISA asking them to approach State with a view towards raising the issue with the Saudis.

On September 28, Mr. Bauerlein did not raise the issue with the Counterparts. Instead, he raised various Saudi issues with you one-on-one after the meeting. Thus, the process has not yet begun to develop a DoD consensus before approaching State.

Nevertheless, on Monday October 23, SAF/IA approached ISA/NESA asking them to have Dr. Perry raise the issue with Prince Sultan. ISA refused, believing that the issue was premature since there was not yet even a DoD much less USG consensus on the issue. At the same time, apparently, the Air Force GC Sheila Cheston called Judy Miller to ask her to raise it with Dr. Perry. On Tuesday October 24, I briefed SAF/GCI on the reasons for ISA's refusal to put the issue on the agenda. Just in time, it turns out, for SAF/GCI was then able to explain the issue to Ms. Cheston, who then intended to call Judy Miller to rescind her former request as premature.

I believe that Air Force will bring this issue up at the next Counterparts meeting in order to start the agreed staffing process. They are not happy that ISA, FMRA, DoD/GC, DSAA and USMTM all feel the only agreement covering USAF security assistance civilians in Saudi Arabia is the USMTM agreement and want the matter raised with the Saudis urgently. They can't have any legal argument that any other agreement applies — they aren't COE, SANG, or operational forces. They are saying, I think, that they don't find the protection adequate, even though it has sufficed since 1953. The total number of DOD civilians (and dependents) in the Kingdom is very small in proportion to the total number of USG personnel: 212 DOD civs, 790 dependents, of a total of 6466 (and the AF portion of that is lower than SANG or even DCMAO.)

You might wish to put the issue on the Counterparts agenda from a DSAA perspective, to insure evenhanded treatment of the facts and international agreements involved. If you wish to do this, I will be happy to prepare a paper for the book.



Susan C. Ludlow-MacMurray

cc: DoD/DGC(I&I)
DSAA OPS

—OK



Change 6
Background

DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20304-2800

DIR _____
DDIR _____
EX 11/11
EA Wm 13 JAN 94

GEN. RHAME

24 Jan

12 January 1994

16

Memorandum for ~~Mr. Rudd~~
Through ~~Mr. McKalip~~
COL Anthony ~~A~~
Mr. Brandt ~~WB~~

Recommend comment Tab-2. 4/11/94
I think this fixes it as best we can;
allows case-by-case approach where
SOFA does not exist. 271-13-94

Subject: SAMM Change, Personnel Protection and Related Costs

This is to propose fixes based on the note at Tab 1 in order to move package at Tab 2 forward for Director, DSAA approval.

OSD Military Rights Affairs reports there are many "SOFA-like" agreements, in varied forms, with numerous countries. A list similar to Table 701-8 (which is applicable only to SOFAs) was not found. Based on a belief that each MILDEP GC has ready access to agreements information, their view is the best way to reference "SOFA-like" agreements is country-by-country, as LOAs or other programs are developed.

SAMM chapter 14 shows more detailed guidance for coordinating international agreements and a reference to the most pertinent guidance, section 140103, is added to Tab 2 guidance.

Changes developed in consultation with DSAA GC, highlighted at Tab 1, have been included in the package at Tab 2, Subtab A.

Recommend the package at Tab 2 be cleared for Director, DSAA approval to publish in SAMM change 6.

W.
W. Wells
OPS/MGT, x78108

Attachments
As stated

GC *[Signature]* 1/12/94

pscnd3



DEFENSE LEGAL SERVICES

*Change &
Background*

GENERAL COUNSEL
DEFENSE SECURITY ASSISTANCE AGENCY
WASHINGTON, DC 20301-2800

August 17, 1993

MEMORANDUM FOR MR. WELLS, OPS-MGT

SUBJECT: Status Clauses in LOAs

I have reviewed the April 19, 1993 memorandum from Mr. Stamps of the Air Force Office of General Counsel to Colonel Boggan, SAF/IAYM, concerning the inclusion of contractor protection provisions in LOAs (Tab 5) and have discussed this issue with the DoD Office of General Counsel. Our conclusion, based on those discussions and on the DoD GC memorandum of October 21, 1992 (Tab 6), is that the contractor protection provisions in the SMM must be revised to comply with the DoD GC guidance. Accordingly, we have revised the contractor protection provisions which the Air Force provided to you. That revision is at Tab 7. The Air Force should be advised of these revisions to their "Air Force standard" conditions. The DSAA standard contractor protection provisions in Chapter 7 of the SMM should be revised to correspond to these. I'll be happy to help you in this effort.

Susan C. Ludlow-MacMurray

⑧

04147/93

B

Change 6
Background



DEPARTMENT OF DEFENSE
OFFICE OF GENERAL COUNSEL
WASHINGTON, D.C. 20301-1600

21 OCT 1992

MEMORANDUM FOR GENERAL COUNSEL, DEPARTMENT OF THE ARMY
GENERAL COUNSEL, DEPARTMENT OF THE NAVY
GENERAL COUNSEL, DEPARTMENT OF THE AIR FORCE
CHIEF, INTERNATIONAL AFFAIRS DIVISION,
OFFICE OF THE JUDGE ADVOCATE GENERAL, ARMY
DEPUTY ASSISTANT JUDGE ADVOCATE GENERAL
(INTERNATIONAL LAW), NAVY
CHIEF, INTERNATIONAL AND OPERATIONS LAW, OFFICE OF
THE JUDGE ADVOCATE GENERAL, AIR FORCE

SUBJECT: DOD 5105.38 M, Paragraph 70103.H.2.f, "Agreements
Regarding Status or Facilities for U.S. Government or
Contractor Personnel in the Host Country." 70105.F

Paragraph 70103.H.2.f. of the subject DOD Manual authorizes the inclusion of supplemental status of forces conditions in Foreign Military Sales Letters of Offer (LOA) in order to "insure that U.S. personnel can operate to the extent possible in safety, immunity, and under U.S.-type conditions." Sample status clauses are set forth in Table 701-14 of the Manual. 701-7

It has come to our attention that the Military Departments in certain instances have included supplemental status provisions in LOAs presented to foreign defense establishments even though a separate status of forces agreement (SOFA) is already in force. Such action is contrary to subparagraph (2) of the subject paragraph, which limits the negotiations of supplemental status conditions to "countries for which no Status of Forces Agreement (SOFA) exists."

Including supplemental status conditions in the LOA can produce misunderstandings with host countries and complicate DOD's task of proper SOFA administration and interpretation. Indeed, in one case, the SOFA provisions presented in the LOA may have led a host country to conclude that its view that the existing SOFA applied narrowly only to US activities within facilities made available had been confirmed. Such provisions in LOAs have also led to demands for reciprocal treatment in the United States. Moreover, DSAA representatives are concerned that proliferation of unnecessary status provisions may adversely affect the conclusion of some FMS LOAs.

Accordingly, you are requested to ensure that (a) those in your military department charged with the preparation of FMS LOAs understand that your office "should be consulted to provide the salient agreements which protect [the] status of US personnel in a given country", in accord with subparagraph (1); (b) the provisions of all FMS LOAs submitted to your office for review

(82)

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Background

comply fully with the requirements of subparagraph (2); and (c) in circumstances where no SOFA exists, the inclusion of SOFA provisions in an LOA will be accomplished in compliance with DOD Directive 5530.3, International Agreements. Regarding point three, although DOD Directive 5530.3 does not apply to FMS cases, the Directive does apply to SOFA matters and any attempt to include SOFA matters within an FMS case will require compliance with that Directive and, in particular, the "policy significance" provisions therein.

John H McNeill

John H. McNeill
Acting Principal Deputy General Counsel

70201.C.1.a.

condition of sale, the following are required for all LOAs, Amendments, or Modifications which include program management lines:

a. "Subtotal Cost of Ordered Articles and Services" and corresponding value will be entered at the end of items being offered.

b. The program management line(s) and value(s) ^{are} ~~is~~ to be entered following the above subtotal cost.

c. Block (8) will be the total of the entries required in a and b above.

2. The FMS administrative surcharge shall be applied by ^{DFAS-DE} ~~SAAC~~ to the Subtotal entry of ordered items without exception. If the surcharge has been waived and not included in the LOA, the drafting IA is responsible for funding and paying the surcharge in accordance with Paragraph 70505, DOD 7290.3-M.

3. Program management lines will be identified as such and include Generic Code R6B, ~~and appropriate MASI data in accordance with Table 701-9, Paragraph M. Note: Generic Code L8A is no longer authorized for use by IAs in new LOAs.~~ Existing case management lines which use Generic Code L8A may continue in use until case closure.

4. FMS workload prior to LOA implementation is to be charged to the administrative budget. Communications, utilities, ADP, office supplies and equipment, and rental may be charged to a program management line to the extent they directly result from program management efforts.

5. An auditable methodology must be maintained to document work each individual performs on a program management line. Personnel charges must be identifiable by position number, employee identification number, or other traceable means.

6. For LOAs in which program management lines are justified by the non-standard nature of the program, the non-standard administrative fee should not be charged in accordance with ~~Paragraph 70502.b.2 of DOD 7290.3-M~~ ^{the FMR.}

70202 CONTINGENCY REQUIREMENTS. FMF LOAs may not include contingency (R9A Non-Specific Requirements) lines. Contingency lines will not be used as a substitute for BO LOAs. Inclusion of contingency lines in other LOAs is discouraged. *The FMS administrative surcharge will be applied to the contingency line value.*

A. When requested and justified in writing by the Purchaser, the Director of SA of the IA, or designee, may approve a contingency line limited to:

1. Services or non-SME articles on a major program LOA.
2. A value of ten percent or less of the LOA value.

B. Obligation authority will not be granted for contingency lines, nor will orders be placed for deliveries reported against them.

1. When requirements are identified by the Purchaser, the applicable dollar values included in the contingency line must be moved to specific defense articles or services (non-contingency) lines, with commensurate payment schedule and other LOA adjustments, as needed.

←
D.S.A.F. Comp
(unlocked)

Col. Joe Edwards (JMEMAB-A)
4/13/94

Added background
to section 7010 S.F.
5 April 1994 → table 701-7
changed

FKDC-SA

MEMORANDUM FOR MKAF (Major Scott Anderson)

SUBJECT: ACMI/LOA Granted SOFA Status

1. Re your letter of 25 Feb 94, we have conducted a review of your concerns over DSAA policy to accept as binding on the ROKG, a signature from the ROK military attaché regarding ROKG consent for SOFA status and other considerations to contractors supporting FMS in Korea. Our findings are as follows:

a. The only authority that can confer SOFA status is the Agreement (SOFA) itself, not DSAA or the ROK military attaché.

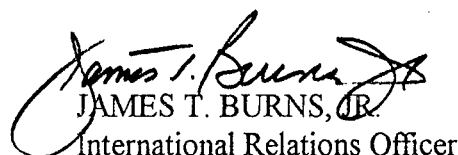
b. In the sample LOA that was provided, "USG contractor personnel" referred to in Section C, are not entitled to SOFA status, since they do not meet any conditions as defined in Articles I or XV. They may be provided certain logistics support, but only with the "express consent" of the ROKG and only through the US-ROK SOFA Joint Committee, which is empowered to implement the SOFA. Since the US-ROK Joint Committee is the authorized forum for consultation on matters of implementation of the SOFA that are binding on the ROK and US Governments, the ROK military attaché of necessity is divested of this power and cannot grant any status, rights or privileges for either Government under the SOFA. Granting other non SOFA-related concessions, such as tax exemptions, importation privileges, visas, driver's licenses, etc., may be within the scope of authority of the ROK military attaché if that authority was granted by the ROKG. (see legal opinion at enclosure)

c. "USG personnel", referred to in Section D of the sample LOA, may be eligible for some special status if they meet the requirements of the pertinent agreement (SOFA, MOFA, etc.). In order for civilian employees of DOD to qualify for SOFA status, they must be in Korea in support of USFK. As stated in the enclosed legal opinion, if the employee is in Korea primarily to work on security assistance matters, his status is best probably handled under the JUSMAG-K Agreement, since he would probably not be eligible for status under the SOFA. US military personnel, however, are covered by the SOFA when in the ROK unless they are covered under the JUSMAG-K Agreement or are assigned/attached to the US Embassy.

2. In summary, Section D, paragraph 5. of the sample LOA is misleading and future references to granting SOFA status or rights, privileges and logistics support should be coordinated with USFK prior to being included in US LOAs.

3. POC, the undersigned, 723-7718.

Incl
as


JAMES T. BURNS, JR.
International Relations Officer



HEADQUARTERS, UNITED STATES FORCES, KOREA

UNIT #15237
APO AP 96205-0010

REPLY TO
ATTENTION OF:

FKJA-IA (27-1a)

28 March 1994

MEMORANDUM FOR SOFA SECRETARIAT, ATTN; MR. BURNS, APO AP 96205

SUBJECT: SOFA Status for FMS Contractors in the Republic of Korea (ROK)

1. This responds to your request dated 16 March 1994 for a legal opinion on whether Foreign Military Sales (FMS) contractors and administrative personnel can obtain status under the US-ROK Status of Forces Agreement (SOFA) through the signature of a ROK Army Attache on a "Letter of Offer and Acceptance" (LOA) purporting to grant such status. We conclude that the signature of the ROK Army Attache is insufficient in itself to grant such status. There may be, however, methods by which SOFA status can be granted to US military personnel in Korea to work on FMS cases, and in special cases logistic support (although not SOFA status) may be granted to civilian contractor personnel.

2. SOFA Status:

a. The Agreement Under Article IV of the Mutual Defense Treaty Between the United States of America and the Republic of Korea, Regarding Facilities and Areas and the Status of United States Armed Forces in the Republic of Korea (US-ROK SOFA), TIAS 6127, 17 UST 1677, signed on 9 July 1966, although an executive agreement under US law, is considered by the ROK Government to be a treaty. As such, under the ROK Constitution, it is a part of ROK domestic law, and supersedes ROK domestic law where there is a conflict. As it is a treaty derogating from sovereign rights, or limiting their exercise, it is strictly construed.

b. The SOFA, in Articles I and XV, specifically defines who is provided status under the agreement. Civilians can acquire status in one of three ways:

(1) Article I, paragraph b, confers SOFA status on civilian persons of US nationality who are "in the employ of, serving with, or accompanying" the US armed forces in the ROK. The defining aspect is that the civilians are here in the ROK in support of the US armed forces in the ROK. Included in the civilian component under the SOFA are what are termed "Technical Representatives", civilian contract personnel who support USFK weapons systems, USFK support activities (e.g., the commissary), or USFK functions (e.g., dental clinics). The FMS contractor personnel, if they are supporting systems being purchased by the

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SUBJECT: SOFA Status for FMS Contractors in the Republic of Korea (ROK)

host nation rather than being used by USFK, do not qualify for inclusion in this category.

(2) Article I, paragraph c, confers SOFA status on certain dependents of SOFA personnel. It is unlikely that any FMS contractors would qualify for coverage under this provision, and if they did qualify, it would be in spite of rather than because of their position as FMS contractor personnel.

(3) As to civilians who are not in the employ of, serving with, or accompanying the US armed forces in the ROK and are not dependents of SOFA personnel, status can be acquired under the SOFA only as Invited Contractors in accordance with Article XV of the SOFA. Article XV permits SOFA status to be conferred on civilians ordinarily resident in the United States who are present in Korea to work on a contract with (or as employees of a US corporation executing a contract with) the United States for the benefit of the US armed forces in the ROK or for the non-Korean armed forces which are a part of the UNC in Korea. Again, as FMS contractors are not working on contracts in support of US armed forces in Korea, they would not qualify for SOFA status as Invited Contractors. This point was established in the early days of the SOFA.

c. As to civilian employees of the Department of Defense in Korea working on FMS cases, SOFA status is dependent on whether the employee works in support of USFK or in support of Security Assistance/FMS. If he is a USFK employee who only occasionally deals with FMS matters, he would probably be eligible for status under the SOFA; if he is primarily working on Security Assistance matters, his status, if any, should probably be under the Agreement for the Establishment of the Joint United States Military Affairs Group to the Republic of Korea (JUSMAG-K Agreement) signed 25 January 1991. JUSMAG-K is the Security Assistance Office in the ROK.

d. Finally, as to military personnel, any military person on active duty is covered by the SOFA when in the ROK, unless he is covered by the JUSMAG-K Agreement or is attached to the United States Embassy.

3. Logistic Support:

a. The SOFA permits the United States under certain limited conditions to provide certain logistic support to persons who do not have status under the SOFA. For example, the Agreed Minute to Article XIII permits USFK to grant use of non-appropriated fund organizations (clubs, MWR facilities, post exchanges) to non-SOFA persons and organizations with the express consent of

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SUBJECT: SOFA Status for FMS Contractors in the Republic of Korea (ROK)

the ROK Government. This has been interpreted to also allow USFK to grant commissary access with the express consent of the ROKG.

b. In the past, in exceptional cases, the ROKG has expressly consented to extending such logistic support to certain FMS contractor employees. Two such examples were the extension in 1971 of support to non-Korean employees of Colt Inc., and their dependents, present in Korea in connection with the production of M-16 rifles, and the extension of support in 1992 to certain non-Korean employees of FMS contractors, and their dependents, present in Korea in connection with the Korean Fighter Program. The ROKG was careful to specify, however, that this was not meant to establish a precedent for other FMS contractors, see Encl 45 to the Minutes of the 171st SOFA Joint Committee Meeting.

c. It is important to keep two things in mind in connection with the extension of logistic support:

(1) Granting logistic support does not grant SOFA status. Persons to whom logistic support is granted are only granted access to certain facilities (e.g., clubs, Post Exchange, commissary, APO); they do not become members of the civilian component or Invited Contractors under the SOFA. They are not, for instance, permitted the tax exemptions, criminal justice protections, duty-free import privileges, and entry-exit special consideration extended to persons covered by the SOFA.

(2) Granting logistic support is possible because the SOFA specifically provides that it may be done; the SOFA does not have a similar provision authorizing the granting of SOFA status with the express consent of the ROKG.

4. Under ROK law, an official cannot act to bind the ROKG unless he is acting within a grant of authority which carries that power.

a. As the SOFA is considered to be a treaty under ROK law, and as the SOFA itself, in Article XXVIII establishes a Joint Committee, gives it certain powers to consult on matters requiring mutual consultation regarding the implementation of the SOFA, and directs it to refer matters it is unable to resolve to the respective governments for further consideration, when the SOFA Joint Committee acts in accordance with this grant of authority, it binds the two governments.

b. Similarly, since the Joint Committee is granted this power to implement the SOFA, other ROK agencies are of necessity

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divested of that power. In other words, since it the Joint Committee through which the ROKG provides the "express consent" to the extension of logistic support to non-SOFA persons and organizations, a ROK Army Attache acting outside the Joint Committee would not be authorized to do so.

c. Further, since the SOFA is a treaty under ROK law, and was ratified by the ROK National Assembly, changes to the SOFA must follow the same route to be valid. For example, a ROK Army Attache could not bid the ROKG by performing an act which had the effect of amending the SOFA to, for instance, increase the classes of persons or organizations covered by the SOFA, even if the document he signed stated that he was an "authorized representative" of the ROKG. As noted in subparagraph e, below, he may well be the "authorized representative" of the ROKG for one purpose, but not for another.

d. Under the ROK Government Organization Law certain ROK agencies and ministries are given responsibility for certain functions. For example, the Ministry of Finance is given responsibility for imposition and collection of customs duties, the Ministry of Environment is given responsibility for issuance of certain environmental regulations and permits, etc. When a ministry acts within its area of responsibility (and within any legal constraints imposed by the National Assembly or Presidential Decree), its action is the action of the ROKG; however, when it acts outside its area of responsibility, that act may not be binding on the ROKG even though the ministry purports to act for the ROKG.

e. In accordance with the ROK Government Organization Law, the Ministry of National Defense is responsible for acquiring and disposing of military weapons and other munitions. When it buys such defense articles and services, provided it acts within the constraints of applicable law and regulation, it is an "authorized representative" of the ROKG as to that purchase. However, that does not empower MND to act for the ROKG in areas where it does not have responsibility under the ROK Government Organization Law. For instance, MND would not normally be authorized to act for the ROKG in granting exemptions to passport and visa laws, customs laws, or tax laws.

5. In sum:

a. The signature of the ROK Army Attache on an LOA is insufficient to confer SOFA status on someone not given SOFA status by the terms of the SOFA.

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b. A grant of logistic support under the SOFA to organizations and persons not otherwise authorized such support by the SOFA is subject to the express consent of the ROKG, given through the SOFA Joint Committee process. Standing alone, the signature of the ROK Army Attache on an LOA is insufficient to constitute ROKG express consent.

6. We would strongly recommend that provisions of this nature not be included in LOAs without prior coordination. Since they are not, standing alone, binding on the ROKG, they can cause confusion and misunderstanding if US contractor or government personnel come to Korea in reliance on such provisions. If status for government personnel is considered necessary or desirable, perhaps consideration should be given to seeking it from the ROKG under the JUSMAG-K Agreement.

7. Point of contact is the undersigned, 723-8707.



DONALD A. TIMM
Attorney-Advisor (International)
International Affairs Division

3. Sensitivity of Technology.

a. ~~The~~ AECA, Section 36(b)(1), as amended by Section 20(b) of the International Security Assistance Act of 1979, and the International Security and Development Cooperation Act of 1985 require a Sensitivity of Technology Statement concerning the extent to which the items to be included in the proposed sale contain sensitive technology or classified information and a justification for the proposed sale in view of the sensitivity of such technology.

(1) For purposes of this requirement, the term "sensitivity of technology" will be construed to mean the extent to which the unauthorized disclosure or diversion of any equipment, technical data, training, services, or documentation required to be conveyed in connection with the proposed sale could be detrimental to the national security interests of the U.S. The evaluation will address not only sensitive technological information contained in equipment components or technical documentation related to the sale, whether classified or not, but also restricted information contained in classified components or classified documentation required to be released in connection with the sale.

(2) It should be noted that the evaluation of sensitivity is to be made solely with reference to unauthorized disclosure or diversion of the defense equipment, technical data, training, services, and documentation to be provided and need not address either the risk of such unauthorized disclosure or diversion (covered by NDP-1 procedures and OUSD (X) review) or the foreign policy implications of authorized use by the proposed recipient (~~covered by Arms Export Control Board (AECB) procedures~~). *(covered by the ATMG).*

(3) Whenever the transfer of sensitive technological information is involved, the equipment components, types of documentation, or technical data containing the sensitive information are to be identified, and the reasons for considering them as sensitive information must be provided. Whenever the transfer of classified defense equipment or ~~classified documentation is required, the classified components or types of documentation containing the classified information must be identified and the reasons for the classification are to be provided.~~

(4) When release of the classified or sensitive technology is within classification guidelines for disclosure to a specific government as stipulated in NDP-1, a separate paragraph should be included in the Sensitivity of Technology Statement (Table 703-6A) to show that a determination has been made that the recipient government can provide substantially the same degree of protection for the technology being released as the USG. That paragraph should also include a statement to the effect that the sale is necessary in furtherance of the U.S. foreign policy and national security objectives as outlined in the policy justification portion of the notification.

(5) When an exception to NDP-1 has been granted for release of the classified or sensitive technology, a separate paragraph on the Sensitivity of Technology Statement (~~Table 703-6A~~) should provide information to the effect that the sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the policy justification. Moreover, the benefits to be derived from the sale, ~~as outlined in the policy justification of the notification~~, outweigh the potential damage that could result if the sensitive technology were revealed to unauthorized persons. Additional justification for granting the exception to NDP-1, such as that included in the request for the exception, should also be provided in that paragraph when ~~that~~ *such* information is available.

(6) DSAA will forward the required Sensitivity of Technology Statement by a separate classified annex since the public disclosure of such information could adversely affect the foreign and defense policy interests of the United States.

84a

^{AECA}

b. ^A Section 36(b)(5)(A) of the AECA requires that a report will be sent to Congress when the sensitivity of technology or the capability of major defense articles (including electronic devices, which, if upgraded would enhance the mission capability of a weapons system), MBE, or services are enhanced or upgraded from the level of sensitivity or capability described in the original Section 36(b)(1) certification. This legislation also provides a continuing requirement for ten years following the original certification unless deliveries are completed sooner. Only such changes in the levels of sensitivity or capability as previously described in the Section 36(b)(1) certification provided to the Congress are required to be reported to Congress and this action must be performed at least 45 days prior to delivery of the article or equipment or the furnishing of the service. Accordingly, it is necessary for the ~~MILDEPs and other agencies~~ to monitor programs before deliveries are made to determine whether enhancements or upgrades have occurred. Copies of the original Section 36(b)(1) certification may be obtained from the DSAA Comptroller. Should reportable enhancements or upgrades be identified, ~~military departments and agencies~~ will submit a report to DSAA (FMSCD):

- (1) Describing the manner in which the technology or capability has been enhanced or upgraded, including the significance of such enhancement or upgrade, and
- (2) Providing a detailed justification for the sale of such enhancement or upgrade.

This report will be sent to DSAA (FMSCD) in the format provided in Table 703-4 with a copy of the original Section 36(b)(1) certification attached. A minimum of an additional 15 days prior to delivery of the items to the Purchaser (a total of 60 days) is required for DSAA review and transmittal to the Congress. Rather than submitting multiple 36(b)(5)(A) reports to DSAA, the ~~MILDEPs and agencies~~ should consolidate and provide these reports to DSAA not less than 60 days prior to the forecast delivery of the affected equipment or services. Note that it is essential for the ~~MILDEPs and agencies~~ to maintain adequate documentation of each decision that justifies non-submission of Section 36(b)(5)(C) reports. A Section 36(b)(5)(A) report is not required before delivery of enhancements or upgrades previously identified in a Section 36(b)(5)(C) notification.

^{AECA}

c. ^A Section 36(b)(5)(C) of the AECA requires that any enhancement or upgrade, the net cost of which meets or exceeds dollar thresholds for Section 36(b)(1) certification, as outlined in Paragraph 70302.A.1.(a) of this chapter, must be treated as though it were a separate LOA. Accordingly, if the net cost of an enhancement or upgrade of the ~~previously described sensitivity of technology or capability of major defense equipment or defense articles as well as defense services or design and construction services~~ meets or exceeds Section 36(b)(1) thresholds, the ~~MILDEP or agency~~ will provide 36(b)(1) input that clearly describes the enhancement or upgrade, explains the level of sensitivity or capability that the change produces, and provides the estimated net cost of the change. The requirement to report enhancement or upgrade of previously described capability or sensitivity of technology applies only to items or services that have not been delivered or performed. When the capability was clearly described in the Section 36(b)(1) certification and there is a current request to purchase an enhancement or upgrade thereof, data will be provided on Table 703-6C only when the net cost of the enhancement or upgrade portion reaches the Section 36(b)(1) dollar threshold as follows:

Equipment/Services To Be Enhanced	Net Cost of Enhancement (Millions)
Major Defense Equipment	\$ 14
Other Defense Equipment/Services	\$ 50
Design and Construction Services	\$200

84b

change 6

Statutory notification^R for enhancements or upgrades of sensitivity of technology should be submitted within 30 days of the request to purchase in the format provided in Table 703-6C to DSAA (FMSCD) for review and submission to Congress. Such changes in enhancement or upgrade requiring 36(b)(5)(C) certification may not be implemented nor may a corresponding ~~DD-LOA~~ ~~Form 1513, DD Form 1513-1, or DD Form 1513-2~~ be issued until the certification has been processed to the Congress and the required time period pursuant to Section 36(b)(1) has elapsed. ~~Deliveries of unmodified items on a case for which other items are to be enhanced or upgraded, such as unmodified spare parts, are unaffected and may continue to be delivered without interruption. Advance 20-day notifications prior to the statutory certifications will not be required for enhancement certifications.~~

C. Price and Availability.

Exception. No Sec 36(b) notification is required for the provision to a prospective purchaser of separately stated P&A data even though applicable notification thresholds are met or exceeded.

70303 CRITERIA AND RESPONSIBILITIES FOR CONGRESSIONAL SUBMISSIONS.

A. Processing Letters of Offer for \$50 Million or More or for Major Defense Equipment of \$14 Million or More, or for Design and Construction Services for \$200 Million or More.

1. In compliance with the AECA, Section 36(b)(1), Congress must be provided with a notification of all "Letters of Offer" to sell any defense articles or services for \$50 million or more, any MDE of \$14 million or more, or for design and construction services for \$200 million or more, before such LOA is issued. DSAA has been designated to submit this notification to the Congress.

2. The DOD General Counsel has determined that the term "Letter of Offer" used in the AECA pertains to any proposed sale of defense articles or services to any foreign government or entity, whether or not the initial document (or set of documents) to be used to consummate the sale is ~~DD Form 1513, Letter of Offer and Acceptance~~ or a document bearing another name. If a document other than a ~~DD Form 1513~~ is used for this purpose, a ~~DD Form 1513~~ shall be subsequently executed to conclude the final details of the agreement unless an exception is authorized by the Director, DSAA. If there is a conflict between the terms of the agreement and the ~~DD Form 1513~~, the agreement shall provide that the ~~DD Form 1513~~ will govern.

3. The statutory requirement for notification, ~~as well as~~ ^{and} the requirement for advance notification to Congress, extend to any undertaking by DOD to establish an FMS transaction. This includes, but is not limited to FMS transactions embodied in the following:

- a. MOU for Coproduction of military items,
- b. Cooperative Research and Development Agreements, and
- c. Providing specific items or services under any existing general agreement, such as the Engineering Assistance Agreement entered into between the Army Corps of Engineers and the Saudi Arabian Government in 1965.

4. AECA, Section 36(b)(1), notifications to Congress are to be made when:

Change 6

the final date of the Congressional review. When the signed LOA and all subsequent amendments and notices are submitted to the DSAA, they will include in Block 11 under "~~DSAA Accounting Activity~~" the identifying DSAA Transmittal Number used for the statutory Congressional notification (e.g., 85-29). This number will be shown on the message sent to DOD component advising of the dispatch of the statutory notification.

10. ^{LOA} ~~Cases~~ ⁹⁴⁻¹⁵ for \$7 million or more must be submitted to the Countersignature Branch with a TLW-- except for FMSO I and II cases, spare parts requisition cases, training cases, equipment and services cases where the source is DOD inventories, or programs for which termination liability requirements have been waived pursuant to ~~DOD 7290.3-M~~.

11. Upon the expiration of the statutory 15 or 30 day waiting period the Comptroller, DSAA, will, if Congress has not adopted a joint resolution objecting to the proposed sale, countersign the LOA and return the original to the ~~cognizant DOD component~~ ^{The FMR} and forward a copy to SAAC. Upon receipt of the DSAA countersigned LOA, the ~~cognizant DOD component~~ may forward the original signed LOA to the prospective Purchaser.

70305 CLASSIFICATION

A. Advance Section 36(b)(1) Notifications. All data, information, and advance Congressional notifications of proposed sales to all prospective Purchasers will be treated as, and marked "SECRET" or "CONFIDENTIAL" until the statutory notification is provided to Congress. The following classification guidelines apply to all inputs of supporting data required for advance notifications by the Foreign Military Sales Control Division:

1. If none of the data presented is classified, the documents will be stamped "SECRET" or "CONFIDENTIAL" on the top and bottom of each page, all paragraphs will be preceded by "(U)," and the following marking will be shown on the bottom of the first page of each submittal:

"CLASSIFIED BY SAMM (DOD 5105.38-M) (CHAPTER 7, SECTION 703)
DECLASSIFY ON STATUTORY NOTIFICATION TO
CONGRESS UNLESS REQUIRED OTHERWISE
BY COMPETENT AUTHORITY."

2. If any of the data presented is classified, the documents will be stamped with the required level of classification on the top and bottom of each page, each classified paragraph will be marked with the required classification, and the appropriate "classified by" and "declassify on" data are to be entered on the bottom of the first page of each submittal. The marking indicated in paragraph 1.a. above will not be used on these submittals.

B. Statutory Section 36(b)(1) Notifications. As specified in the AECA, Section 36(b), each statutory notification provided to Congress is to be unclassified except that the dollar amount and quantity of the offer and details of the description of the defense articles or services offered may be classified. Furthermore, the justification may also be classified. However, if any of the items are to be classified, the rationale must be provided, fully justified, and the justification attached to the statutory notification data submission (Table 703-5). Supporting data inputs pertaining to statutory notifications will be submitted to DSAA/Compt-FMSCD in accordance with the following classification guidelines:

1. If none of the data presented is classified, the procedures indicated in paragraph A.1. above are to be followed.

Change 6

**TABLE 703-5
STATUTORY NOTIFICATION DATA**

(CLASSIFICATION)

MEMORANDUM FOR (or LETTER TO) THE COMPTROLLER, DSAA (Attention: FMSCD)

SUBJECT: Data for a Possible Statutory Section 36(b)(1) Notification (U)

(U) The following supporting data are provided in accordance with Chapter 7, DOD 5105.38-M: *

- a. (*) Prospective purchaser;
- b. (*) DOD component;
- c. (*) Case designator;
- d. (*) Total dollar value (amount to be the same as that entered ^{on line (13)} in ~~block 26~~ ²⁰⁴ of the ~~DD Form 1513~~ and the dollar value of major defense equipment;
- e. (*) Description and quantity or quantities of all articles and/or services under consideration for purchase (to include all MDE and non-MDE items, segregating the MDE items and indicating the MDE value);
- f. (*) Expected security classification of the sale after statutory notification (If the sale is to be classified, cite rationale and attach justification.);
- g. (*) Sales commission, fee, etc. paid, offered. or agreed to be paid (See Note 1);
- h. (*) The impact of such sales or transfers on the current readiness of United States forces;
- i. (*) The adequacy of reimbursements to cover, at the time of replenishment to United States' inventories, the full replacement costs of those items sold or transferred;
- j. (*) If reimbursements are inadequate, explain impact and justification for such disparity;

section 703)
CLASSIFIED BY: ~~*(See DOD 5105.38-M, Chapter 7, Section 703)~~

(CLASSIFICATION)

TABLE 703-5. Statutory Notification Data.

change 6

TABLE 703-7

TRANSMITTAL LETTER FOR THE UNSIGNED LOA

Dear

Enclosed for ~~consideration and analysis by your Government~~ ^{and planning purposes} is an unsigned advance copy of the "United States ~~Department of Defense~~ Offer and Acceptance," ~~DD Form 1513~~, for FMS case ~~(case designator)~~ ^{of America}.

Section 36(b) of the Arms Export Control Act requires that notification be given to the Congress of the United States before the Department of Defense issues any offer to: (1) sell defense articles and services, the estimated total costs of which are \$50,000,000 or more, or (2) sell major defense equipment, the estimated total costs of which are \$14,000,000 or more. Section 36(b) further provides that the offer to sell not be issued if the Congress, within ~~(*)~~ ^(*) calendar days after receiving such notification, adopts a joint resolution stating in effect that it objects to the proposed sale.

The Department of Defense has transmitted the required notification of the enclosed proposed ~~FMS case (case designator)~~ ^{sale} to the Congress on ~~(date)~~ ^(date). Assuming that the Congress does not object to this proposed ~~FMS case~~ ^{sale}, enclosed ~~DD Form 1513~~ will be signed and issued to your Government by the authorized Department of Defense representative on or about ~~(date)~~. In the event that the Congress should object to this proposed sale, you will be notified promptly of that fact.

Should your Government wish to accept this proposed FMS case, ~~wait until receipt of the signed DD Form 1513 (forwarded after the Congressional notification period is completed) and complete Blocks 29 through 37 on the original and top three copies of the signed DD Form 1513 only.~~ ^{you should} Completion by your Government of Blocks 29 through 37 on the enclosed unsigned advance copy of the DD Form 1513 will not be deemed to be valid.

Sincerely yours,

* For exempted Purchasers (paragraph 70304), enter "15", for non-exempted Purchasers, enter "30".

* For non-exempted purchasers enter: ~~thirty (30)~~
For exempted purchasers enter: ~~fifteen (15)~~

TABLE 703-8. Transmittal Letter for the Unsigned LOA.

SECTION 704 - CASE MANAGEMENT

70401. THE SCOPE OF CASE MANAGEMENT.

^{IA}
A. The ~~MILDEPs and Agencies~~ will assign a manager to each LOA. ~~The FMS LOA manager is to be designated by the Component responsible for implementing sales agreements, ~~DD Form 100~~ and leases.~~ The 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.)

^{Case}
B. ~~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 LOA 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.

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

^{Case}
D. These objectives are threefold: (1) to ^{provide all articles or services successfully completed and included,} accomplish the ~~LOA~~ (performance) on schedule; (2) to ^{provide} accomplish the ~~LOA~~ within the ~~LOA~~ value; and (3) to close the ~~LOA~~ as planned. Successful performance is realized when the objectives of the ~~LOA~~ are met.

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

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

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

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

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

1. Authority.

^{Case}
FMS LOAs require concentrated management effort. The ~~LOA~~ manager should have the authority to take actions and task inter- and intra-organizational areas relating to financial,

Change 6

logistics, procurement, and administration matters in day-to-day operations. A Charter for Case Managers is at Table 704-1.

2. Responsibilities.

The ~~LOA~~^{LOA and resultant FMS case.} manager is responsible for all management aspects of the ~~LOA~~^{LOA}. **

Responsibilities include:

- a. Establish initial and long-range goals and objectives for execution. *
- b. Prepare a master plan, including a plan for closing the ~~LOA~~^{case} when it is 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. *
- 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.
- j. Initiate, when necessary, working agreements with supporting activities as appropriate.
- k. Analyze performance in relation to required performance specifications. *
- l. Maintain a complete chronological history (significant events and decisions).
- m. Provide status, progress, and forecast reports.
- n. Ensure DIFS and ~~DOD Component~~^{IA} LOA records are in agreement. *
- o. ~~the FMR~~ Ensure that ~~LOA~~^{case} records are retained in an identifiable location in accordance with ~~DOD 7290.3-M~~^{P&P} and this manual. Comptroller, Department of Defense issued a July 1988 memorandum directing that all documentation supporting a disbursement be retained indefinitely. Supporting documentation will include those for recording obligations, proof of delivery/shipment, contractor/vendor invoices, and disbursements. ** —
- p. Ensure that schedules are accurate and timely. *

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

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B. Form Letter.

Director
 Defense Security Assistance Agency
 Room 4E837, The Pentagon
 Washington, D.C. 20301-2800

Dear Sir:

The Government of [country] hereby appoints [name] whose address is [address] as its Agent for the purpose of receiving deliveries of the following items: Above items will be used for the [manufacture/assembly/repair/rehabilitation]* of the [program]. Said Agent is hereby authorized to sign in the name of the Government of [country] as its Agent for the receipt of these items as indicated by the shipping instructions contained in Blocks 33 and 34 of the DD Form 1513. The Government of [country] undertakes to instruct [name] as its Agent to maintain possession of the above specified items in accordance with paragraph B.9 of Annex A (General Conditions) of the DD Form 1513 until transferred by such Agent of the Government of [country].

Yours ~~Very~~ Truly,

Such agency is acknowledged.

 (Signature of Agent)

LOA
LOA

^{word(s)}
* Insert the appropriate phrase describing the Agent's function.

15 December 1993

Memorandum for DISAM

Subject: SMM Change, Warranties

Request the following be added as SMM section 80105:

"80105 WARRANTIES DoD normally obtains for FMS the same warranties on conformance to design and manufacturing requirements and against defects in material and workmanship as it acquires for itself. These warranties are exercised within the RoD process and do not normally require special actions by the Purchaser. Essential performance warranties are normally obtained upon request, with acquisition and administrative costs borne by the Purchaser. Any warranty in addition to LOA Standard Terms and Conditions section 6 should be described in a note/supplemental condition on the LOA. The Purchaser should also be informed, in the LOA note or by documentation such as a technical bulletin accompanying the item when shipped, of any steps necessary to maintain or exercise rights under these additional warranties."

80105

Change 6
Background

D. Exceptions to Notification Procedures.

1. The procedure contained in paragraph A.1. above will not be followed in the case of Australia, Egypt, Greece, Israel, Japan, Jordan, Korea (Republic of), Kuwait, Pakistan, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, and the Venezuelan Air Force. At the request of these governments all LOAs issued to these countries will include one of the following statements:

(For Saudi Arabia) "All U.S. Government contracts resulting from this Offer and Acceptance shall contain one of the following provisions, unless laws of the Kingdom of Saudi Arabia call for prescribing sales commissions or agents' fees, and payment thereof is approved in writing by S.A.G. before contract award:"

(For other countries granted an exception) "All U.S. Government contracts resulting from this Offer and Acceptance shall contain one of the following provisions, unless the sales commission and fee have been identified and payment thereof approved in writing by the Government of (____) before contract award:"

a. For firm fixed-price contracts or fixed-price contracts with economic price adjustment:

"The contractor certifies that the contract price (including any subcontracts awarded hereunder) does not include any direct or indirect costs of sales commissions or fees for contractor sales representatives for the solicitation or promotion or otherwise to secure the conclusion of the sale of any of the supplies or services called for by this contract to the Government of (____)."

b. For all other types of contracts:

"Notwithstanding any other provision of this contract, any direct or indirect costs of sales commissions or fees for contractor (or subcontractor) sales representatives for the solicitation or promotion or otherwise to secure the conclusion of the sale of any of the supplies or services called for by this contract to the Government of (____) shall be considered as an unallowable item of cost under this contract."

2. Accordingly, approval of sales commissions and fees must be sought and obtained prior to contract award unless the contractor certifies that no such fee or commission is included in the cost of the contract.

E. Proprietary Information. Inclusion of a "Note" to the LOA with respect to sales commissions and fees shall not be deemed, with respect to distribution and availability of LOAs, as altering the proprietary nature, if any, of such data for the purpose of 18 U.S.C. 1905.

F. Agents Fees for Commercial Contracts. Agents fees for direct commercial contracts financed with FMS credit funds will be limited to \$50,000 per contract. It is the responsibility of the contractor to prove that payments of any agents fees in excess of \$50,000 are not financed with FMS credit funds.

80104. APPOINTMENT OF AN AGENT.

A. Policy. It is USG policy to deal directly with a foreign government or international organization for the purchase of defense articles via Foreign Military Sales procedures. An agent may be designated by a foreign government for the accomplishment of the following purpose only: to act as an agent for the receipt of FMS Government Furnished/Spares/Support items which are required by that agent to enable the (manufacture/assembly) (repair/rehabilitation) of defense items purchased on a direct basis by the foreign purchaser. The following form letter, which designates such an agent, should be used and a foreign government request signed at the Minister or Deputy Minister of Defense level.

(Add 80105 warranties)



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

Change 6
Background

15 December 1993

Memorandum for LTG Bname
Through Mr. Rudd *SAR*
Mr. McKalip *77 12-16-93*
COL Anthony *A 14 Dec*
Mr. Brandt *WB*

DIR _____
DDIR _____
EX _____
EA *MJ*

Subject: Proposed SAMM Change, Warranties

During an early 1993 Singapore SA Management Review, U.S. reps agreed to look into better notifications when warranties exist for FMS items.

Current procedures for communicating warranty info were reviewed (e.g., Tab B) and MILDEP input was requested (Tab C) regarding better ways to inform customers when warranties exist. The proposed change to the SAMM at Tab A, developed as a result of those efforts, has been approved by Army, Navy, and Air Force. DLA has not responded to several follow ups and is believed to have no direct interest.

Approval is requested to include Tab A in the next change to the SAMM.

Okay to Include *M.* Other _____

W.
Wayne Wells
OPS-MGT, X78108

Attachments
As stated

Concurrences: Army (DALO, Mr. J. Wallace)
Navy (IPO, Cdr J. Durso)
Air Force (SAF/IA, Col R. Kuehn)

SECTION 802 - LOGISTICS

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. 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 costs of repair. Under ~~DOD 7290.3-M, Section 70202~~ ^{The FMR}, 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 Repairable 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. Normally, materiel is furnished only when DoD plans to assure logistic support for the expected service life of the materiel. This includes follow-on spares support. Based on CLSSA or SDAF [AECA Sec 51(a)(3)] capitalization, SA requirements for all items managed by DLA will be satisfied on the same basis as US forces in accordance with UMMIPS. Guidance below pertains only to non-DLA managed items.

A. **CLSSAs.** Where a mature CLSSA is in effect, SA requirements will be satisfied on the same basis as US force requirements in accordance with the UMMIPS. For CLSSA non-programmed requisitions, the ICP head may approve issue of stocks below the secondary item

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

DISAM:
I ignore (D)
over
underlined

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 Chapter 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 --

Significant

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.

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 ^{Materiel} ~~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 or the 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. Column (5)

A Modification to LOA for
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.
Modification

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

Change 6

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. ~~Such~~ ^{PERF} 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.~~ ^{THE FMR}

a. Hazardous Sensitive Materiel. Firearms, explosives, lethal chemicals and, when required, certain other hazardous materiel will be moved within the DTS or other US/DØD-arranged transportation under US/DØD 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 materiels 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 DØD 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 DØD. Materiel entering DTS must be documented under DOD 4500.32-R, Vol. I and II. This will require 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 showing "T" in the Table 600-1 DTS column. It should be noted that * transportation to the CONUS POE is included in the unit price for ~~such~~ ^{PERF} 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 percentage 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 DØD 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 DØD component.

b. When a DØD 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 buybacks of sensitive, hazardous, and classified cargoes may

Security Assistance

Air Force ~~International~~ Logistics Center
ATTN: Code XMXA
Wright-Patterson AFB, OH 45433-~~5999~~5337
Commercial Telephone Number (513) 257-~~8157~~ 2261

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

Please replace SAMM section 803 with:

Change 6

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 and FAA Sec 519 from the ceiling.

C. FAA Sec 516 (also referred to as the Southern Region Amendment) with changes Authorizes grant transfers to Portugal, Turkey, Greece, Israel, Egypt, Pakistan, Senegal, Morocco, Oman, and Bahrain. Transfers do not count against the AECA sec 31(d) ceiling. 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 major drug producing and drug transiting countries in Latin America and the Caribbean for which the Secretary of State has certified eligibility in accordance with the International Narcotics Control Act (INCA) of 1988. Countries are limited to a current value of \$10M per country per year. A 15-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 and international organizations for purposes of protection of endangered plants and wildlife species. Countries eligible to receive EDA under section 517 are not eligible to receive transfers under this authority. 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. Section 555 of the Foreign Operations, Export Financing and Related Programs Appropriation Act, 1994, expands eligibility for FY 94 to any country for which foreign assistance was requested for FY 94 and which the administration separately justifies eligibility for this authority to Congress. Countries eligible to receive EDA under section 517 are not eligible to receive transfers under this authority. Transfers do not count against the AECA Sec 31(d) ceiling. A 15-day notification to Congress is required before making a formal offer to country.

G. Sec 525, P.L. 103-87 Foreign Operations, Export Financing and Related Programs Appropriation Act, 1994, 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 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 from Commander, Defense Reutilization and Marketing Service, ATTN: DRMS-SO, Federal Center, 74 N. Washington Avenue, Battle Creek, MI 49017-3092.

3. DRMS has no connection with commercial firms which sell surplus US 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 should provide a suggested list of recipients to receive articles. This will normally be based on EDA surveys as discussed in C. below.

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. Surveys for EDA Requirements This complements section 40102. MILDEPs and DLA should use survey messages to evaluate country requirements. This requirement does not apply for cases of SME when allocation has already been coordinated between MILDEPs and DSAA.

1. Messages will be addressed to the SAOs and cognizant CINCs for action. DSAA, DOS, and JCS will be information addressees.

2. Survey messages for SME, including MDE, will be forwarded to DSAA/OPS for coordination and approval before release. EDA survey messages for other than SME may be dispatched without DSAA coordination. Surveys will normally include item(s) description, quantity, condition, rough order of magnitude cost/value of end items, costs and leadtimes for support items, and other information as appropriate.

3. SAOs should be directed to info the cognizant CINC on their response. Their responses should include an assessment of proposed recipient's capabilities to fund follow-on operational, maintenance, and training requirements.

4. Responses from CINCs will prioritize and, if appropriate, endorse requirements submitted by SAOs in their AOR.

D. 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.

5. Potential competition with comparable new production items.

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

F. 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. DSAA should be informed in all cases where items previously offered are no longer available.

80304 LOA PROCEDURES

A. LOAs for EDA Separate LOAs should be initiated for the sale of EDA. Source of Supply Code E should appear in column (5) of the LOA and these LOAs should include "EXCESS DEFENSE ARTICLES. Acquisition Value is \$ _____.", underlined, as the last words in the item description field for items which are excess. 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. sam803

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, ~~sections of FAA Sec 517~~, and FAA Sec 519 from the ceiling.

0 mem 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 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.

dispatched without DSAA coordination. Surveys will normally include item(s) description, quantity, condition, rough order of magnitude cost/value of end items, costs and leadtimes for support items, and other information as appropriate.

3. Responses from CINCs will prioritize and justify requirements, including assessment of proposed recipient's capabilities to fund follow-on operational, maintenance, and training requirements; and list all countries which were surveyed, contacted, or considered for requirements.

D. 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.

s. potential competition with comparable new production items.
E. 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.

F. 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.

7 May 1993

Memorandum for DISAM

Subject: SMM Change, FMF Cash Flow Financing

The following should be added as SMM section 90007 in the next SMM change:

"90007 CASH FLOW FINANCING Section 586 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1993 (PL 102-391) and successor acts require Congressional notification of LOAs and Amendments and of commercial contracts, valued at \$100M or greater, which are partially or totally funded with FMF cash flow financing. Notifications as shown in Table 900-1 will be developed and staffed by DSAA Operations based on data provided for LOA or Amendment countersignature or for review of commercial contracts. Notifications will be provided to Congress by DSAA Plans, Legislative and Planning Division. Cash flow financing notifications will normally occur concurrently with formal AECA Sec 36(b) notifications (see section 703) and at least 15 days prior to countersignature for LOAs and Amendments and 15 days prior to funding clearance for commercial contracts."

Attachment
Table 900-1

changes to section 90204, including deletion of Tables 902-1 and 902-2 detailed in working draft from DISAM of 16 Mar 94 -
w.

pscmi3

[Separately to Senate Appropriations Committee
and House Appropriations Committee addresses]

Dear Mr. Chairman:

Pursuant to section 586 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1993 (Public Law 102-391) or current law, we are submitting a notification concerning the request for the Government of [Country] to cash flow finance ["a Letter of Offer and Acceptance (LOA)", "an amendment to a Letter of Offer and Acceptance (LOA)", or "a commercial contract with (company)"] for the purchase of [concise description of equipment or services].

The total estimated amount of the ["LOA", "amendment to the LOA", or "direct commercial contract"] is [value, must be \$100M or more], of which [value] will be financed on a cash flow basis*. The cash flow amount will be paid from the Purchaser's national funds in the event that sufficient fiscal year [year following current year allocations] foreign military financing (FMF) or later fiscal year FMF funds are not available to cover the anticipated payments.

*When applicable, the following sentence should be added here: "The Purchaser expects to finance approximately [value] from national funds."

TABLE 900-1. CASH FLOW FINANCING NOTIFICATION FORMAT

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 60004) 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.

Add new 90007



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

Change 6
Background

17 June 1993

Memorandum for Mr. Rudd *OK. YJS*
Through Mr. McKalip *Recommend approval 7/6-21-93*
Mr. Laskofsky *for 6/21/93*

Subject: SMM Change, Cash Flow Financing

The SMM change at Tab F is proposed based on guidance at Tab E. The SMM extract, showing where guidance would be included, is at Tab G. It is expected that cash flow financing notifications would be handled within DSAA; therefore, MILDEP/DLA input was not requested.

Recommend approval to include Tab F in the next SMM change.

Approved *W. G. Rudd* Other _____ *rt*

Wayne Wells
Wayne Wells
OPS-MGT, X78108

Attachments
As stated

Coordination:

- OPS-MAA_COL Lieuteau (attached) _____
- ERP_Ms. Galada, verbal 5/18/93_ _____
- L&PD_Mr. Caves (attached) _____
- FMD_Ms Amlin et al (attached) _____
- GC_Mr. Silber (attached) _____

SECTION 903 - TRANSPORTATION

90301 GENERAL. Public Resolution 17 (48 Stat. 500), 46 U.S.C. 1241-1, expresses the sense of Congress that export cargo generated as a result of loans made by federal instrumentalities should be carried exclusively in U.S. flag vessels. FMS loan agreements, both DOD direct and FFB guaranteed, require that all items financed with these funds, which are transported by ocean vessel, shall be transported in privately owned vessels of U.S. registry unless a waiver of this requirement is granted by the DSAA or the Maritime Administration (MARAD), ~~U.S. Department of Commerce~~. Section 901(b) of the Merchant Marine Act of 1936, as amended, 46 U.S.C. 1241, requires "at least 50 per centum" of such cargo be transported on U.S. flag privately-owned vessels. When FMS LOAs are changed from cash financing to FMS credit financing it is the recipient's responsibility to assure that the U.S. flag shipping requirements are followed.

90302 MARINE TRANSPORTATION WAIVER PROCEDURES. The following procedures and conditions shall be adhered to concerning marine transportation of defense articles, the purchase of which is to be financed under a loan agreement. All defense articles, which are transported by ocean vessel, shall be transported in privately owned vessels of U.S. registry unless a waiver of this requirement is obtained. Requests for waiver are categorized as general, non-availability, or security as outlined below:

A. General Waivers.

1. Consideration will be given to a waiver application to authorize vessels flying flags of the country to whom the loan agreement applies to participate in the transportation of cargo generated under the loan agreement provided the recipient country does not discriminate against U.S. flag vessels in the carriage of the exports or imports of the recipient nation. Approval may be granted for the recipient nation's vessels to carry up to, but not in excess of 50 percent of the cargo under this agreement. Ocean freight revenue is the main criterion for determining flag participation but cargo valuation shall also be taken into consideration. Accordingly, throughout the life of this agreement, U.S. flag vessels shall not receive less than 50 percent of the cargo valuation and ocean freight revenue insofar as practicable.

2. Applications for general waiver should be submitted as soon as practicable after determination has been made to use the recipient country flag vessels but at least 21 days in advance of intended shipping dates to enable verification of the treatment accorded vessels of U.S. registry and to process the application.

3. Subsequent to the granting of a general waiver, if it occurs that neither the U.S. flag vessels nor recipient country flag vessels are available, consideration will be given to specific waiver applications to authorize, on a shipment-by-shipment basis, the use of third country flag vessels. Applications for the use of a third country flag vessel under an approved general waiver should be submitted at least 21 days prior to the intended shipping date to allow time to process the application. If a waiver is granted to allow the use of a third country flag vessel for a particular shipment under an existing general waiver, the cargo carried by the third country flag vessel shall be recorded against the recipient country flag vessels' portion of the cargo available under the general waiver.

4. The application for a general waiver and subsequent waivers for the use of third country flag vessels should be submitted to the Director, Defense Security Assistance Agency, Room 4E841, Department of Defense, Washington, D.C. 20301-2800, with a copy to the Director, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, D.C. 20590-0001.

Change 6

Plans clearance -
1/31/94

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CHAPTER 10

TRAINING PROGRAM MANAGEMENT

SECTION 1000 - INTRODUCTION AND GENERAL

Change 6

(Final DSAA
Plans clearance
1/31/94)

100001 BASIC GUIDELINES

A. Purpose This chapter provides guidance and instructions for providing training to eligible foreign countries and international organizations as authorized under the FAA for IMET and the AECA for FMS training. Traditional IMET and FMS authority is limited to training military and civilian personnel from the host country defense establishment. Legislation for Expanded IMET provides authority to train defense and non-defense personnel with emphasis on civilians from other government agencies and legislators involved in defense matters. This chapter does not include military training or exchanges authorized under other legislative authority; e.g., foreign attendance at US military academies.

B. Definition of Training Training includes formal and informal instruction of IMS and civilian students in the US or overseas by IA officers, employees, or technicians on contract, or contractors (including instruction at civilian institutions); by correspondence courses; technical, educational, or information publications and media; English language laboratory equipment and English language books, publications, and materials; training aids, orientation, training exercises; and military advice to foreign military forces.

C. Prohibitions Personnel providing defense services (including training) are prohibited by AECA Sec 21(c) from performing duties of a combatant nature. This precludes activity related to training and advising which may engage US personnel in combat activities, outside the US, in conjunction with the performance of defense services. This prohibition is applicable only during hostilities involving the country where the training is taking place.

D. Restrictions Governments acquiring training from the US may not transfer training related to the use of US material or services to other countries or organizations, or to anyone not an officer, employee or agent of the purchasing government, nor use or permit the use of such training for purposes other than those for which furnished, without the consent of the USG. Therefore, technical skills and information acquired through IMET or FMS training programs may not be used by the recipient country to train personnel from a third country unless approved in advance. Requests to transfer training to third parties should be submitted via diplomatic note to the DoS (PM/DRSA) for action, information copy to DSAA-Plans. Training transfer requests received by the IA should be referred to DSAA for forwarding to DoS.

E. Additional Guidance The following documents provide additional information and guidance for the development of training programs: (1) MILDEP MASLs, (2) JSAT Regulation (AR 12-15, SECNAVINST 4950.4, and AFR 50-9), and (3) MILDEP handbooks or programing guides.

F. Overseas PCS See paragraph 70105.E.

(113)

A. Training Planning Particular emphasis should be placed on out-year planning of training requirements by SAOs and UCOMs. SAOs should maintain an active dialogue with host country counterparts to develop a two-year training plan which consolidates host country training needs from a joint perspective, taking into consideration all sources of funding (i.e., FMS, FMF, IMET, INM) and all potential sources of training (i.e., indigenous, third country, commercial, and US). SAOs should use the two-year training plan as the vehicle to encourage host country training counterparts to plan beyond a single year program. SAOs should also use the two-year training plan as part of the SAO input to the training AIASA in view of the overlapping reporting periods and similar statistical summary requirements by training analysis code categories. Specific guidance on preparation and presentation of the two-year training plan is contained in Table 1000-1.

B. Training AIASA Reports Input of IMET and FMS program requirements will be included by the SAO training officer in the training AIASA submitted by all SA recipients to DoS providing a rationale and justification for allocation of SA resources. Information copies of these reports will be provided to DSAA, UCOMs, and IAS.

C. Joint Service Training Program Management Reviews During each fiscal year, UCOMs will host Joint Service TPMRs on behalf of the training community to address IMET as well as FMS, INM, and other training requirements. The TPMRs cycle will be scheduled by the UCOMs during the March-May timeframe with the CENTCOM review, followed generally in sequence by the PACOM, ACOM, EUCOM, and SOUTHCOM reviews. There will be a one-week interval between consecutive UCOM TPMRs.

1. TPMR Objectives Objectives are to (1) review and coordinate the two-year training plans developed by the SAOs and approved by the UCOMs for the budget year and planning year, finalize the budget year training program for each country, reconcile training policy, program, and planning issues, and educate SAOs.

2. Format Each TPMR, consolidated on a joint service basis, will consist of two phases conducted in not more than five duty days. Phase I (Planning and Policy) will consist of a plenary session with presentations by the UCOM, SAO, and CONUS attendees as appropriate. Phase I will focus primarily on planning and policy issues and the review of SAO requests for exceptions to policy, PME, and Expanded IMET requirements. Phase II (Programs) will consist principally of MILDEP panels devoted to a detailed review of country training program data. In addition, UCOMs will use the TPMR as a forum to obtain IMET Mid-Year Review input from the SAOs.

3. TPMR Agenda UCOMs will coordinate a TPMR agenda with DSAA and the MILDEPs at least 60 days prior to the TPMR.

4. TPMR Attendance SAO attendance will normally be limited to one representative per country; this should normally be a US person charged with development and execution of the SA training program. Foreign national attendance is authorized on a case-by-case basis where the UCOM determines that attendance is critical to the presentation and review of the program.

5. SAO TPMR Briefings Selected SAOs will provide an oral presentation within a time limit, content, and format prescribed by UCOMs. At a minimum, the SAO oral presentation will cover highlights of the two-year training plan and include the three-year statistical summary (current,

Change 6

budget, and first plan year) by training analysis code categories broken out by students, dollars, and percentage of dollars for each category. The overall objective of the SAO oral presentation is to highlight and clarify the vital aspects of each plan for UCOM and CONUS TPMR attendees to enable them to better respond to the unique requirements of each country.

6. SAO Requests for Exception to Policy SAOs will submit written policy waiver requests to the UCOM that include full justification for the training, including a statement of the SAO Chief's concurrence. UCOMs and IAs will recommend waiver approval or disapproval no later than the end of the second day of the TPMR. The justifications and recommendations will be provided to the DSAA representative no later than the second day of the TPMR for final approval or disapproval. UCOMs will coordinate this effort.

D. Two-Year Training Plan SAOs will submit written two-year plans covering the budget year and the planning year in accordance with guidance from the UCOM (see Table 1000-1).

E. Training Request Submission Guidance

1. Channels of Submission SAOs will submit initial budget year requirements data and all subsequent changes directly to the IAs.

2. Submission of Final Current Year Program Changes (IMET Only) Final current year program changes to IMET program requirements must be submitted by SAOs to IAs in proper program change format no later than 5 August and be forwarded by IAs to arrive in DSAA not later than 15 August in order to be considered during the end-of-year closeout of that program 30 September. To accomplish that, SAO program changes must arrive at appropriate IAs no later than Monday of the week before 15 August. Only changes justified as an urgent requirement will be considered after the 15 August cutoff date. These must be approved prior to submission by DSAA and approval will be contingent upon sufficient time remaining to process the change and obligate funds by the end of the fiscal year.

100003 CROSS-SERVICE TRAINING Cross-service training is a training series for an international student provided by more than one MILDEP.

A. Training in Schools of Another Service When a student from one foreign military service is selected for training exclusively within schools of another US military service, such training will be requested in the program of, and administered by, the MILDEP providing the training.

B. Training in Schools of More Than One DoD Component When a student is selected for training involving courses of more than one DoD department or agency, the IA will normally be the DoD entity providing the majority of the training. Consider number of weeks of training as opposed to number of courses (ELT excluded).

C. OTs to US Installations of More Than One DoD Component The IA for OTs to US military installations of more than one DoD component will be the MILDEP corresponding to the trainee or having predominant interest.

100004 DOD INFORMATIONAL PROGRAM In accordance with DODD 5410-17. each student attending a formal course in the US is given the opportunity to participate in the IP. The objective of the program is to assist trainees in acquiring a balanced understanding of US society, institutions, and goals, in conjunction with their training experience. The program should include frank explanation and free discussion with the students about our government structure, judicial system, the political party system, the role

of a free press and other communications media, cultural issues associated with minorities, the purpose and scope of labor unions, our economic system, educational institutions, and the way in which all of these elements reflect the US commitment to the basic principles of internationally recognized human rights. Activities such as visits to private homes, local industries, industrial and cultural exhibits, farms, schools, historical points of interest, and civic activities are to be encouraged.

A. Applicability The program applies to IMS and military-sponsored visitors in the US under the SA program. As appropriate to the surrounding environment, the IP also applies to DOD training installations overseas performing SA military training functions.

B. Responsibility for Implementation IAs are responsible for implementation of the IP. Cost factors for implementing the program will be included in and derived from the course tuition costs. Commanders of US training installations will designate an IMS officer (IMSO) for consolidated administration of IMS and to conduct the IP.

C. Scope of Funded Activities IP activities include transportation, meals, lodging, admissions, programs, and related incidental expenses. The student is required to assume the costs for personal shopping and services such as laundry and telephone and other costs not directly associated with the programmed tour. IP funds may be used to finance the cost of distinctive medallions, plaques, ornaments, or mementos which serve to commemorate the student's experience in participating in a particular IP activity. They should be distinctive in design and nominal in cost so as to eliminate the feeling on the part of that reciprocation is required.

D. Use of Local Civic Groups IP activities should involve local civic groups, organizations, agencies, facilities, and historical attractions. Student sponsorship programs, including civilian and military participants are important to the success of the SA Training Program. The majority of IP activities should take place in the civilian community so that students are able to gain an understanding of the US as a whole.

E. Visits to Washington, DC A major goal of the IP is to enable selected officer students and, when justified and approved by DSAA, selected senior enlisted students to visit Washington, DC. A maximum of four days plus travel time is authorized for this part of the tour. Training schedules, weather, and other variables may preclude achievement of this goal.

F. Entertainment and Social Activities Entertainment and social events should not be a major element of the program. Social activities arranged for international students should include a proportional number of US military, civilian guests, and trainees whenever possible.

G. Duty Status of Students Students participating in IP tours are considered to be in a duty status. The living allowances authorized for IMET students at their training centers (see Table 1001-2) will be continued throughout the tour.

H. Participation of Dependents Dependents who accompany or join in the US will be encouraged to participate in IP activities, but at no additional cost to the program.

100005 EXTRAORDINARY EXPENSES These are budget project N60 expenses incident to representational activities for IMS under the IMET program.

change 6

N60 funds may also be used in connection with IP orientation tours. These funds are limited by FAA Sec 636(g) and related appropriation acts. They may be used to finance costs of commandant's welcome, receptions, banquets for civilian and military sponsors, class or seminar dine-ins, faculty-student luncheons, graduations, and similar activities which bridge cultural differences and enhance the relationship between school officials, local community supporting participants, and IMS. The expenditure of N60 funds for other than students sponsored under IMET is not authorized. However, joint activities with FMS funded IMS are often cost effective. In those cases, IMET N60, including IMET IP, costs are pro-rated on the basis of the respective numbers of IMET and FMS students.

100006 CLASSIFIED INFORMATION Classified information may be released to foreign nationals only when authorized under the provisions of the NDP and DODD 5230.11. Access to COMSEC information by foreign nationals shall be in accordance with policy issuances of the National Telecommunications and Information Systems Security Committee (NISSC). Classified material may not be released to students. See paragraph 50111 regarding transmission of classified material to foreign governments.

100007 MINIMUM STUDENT AGE The minimum acceptable age for students receiving SA training is 18 years, or 17 years with parental consent.

100008 SELF-INVITED VISITS Self-invited visit requests should be submitted outside SA channels, from the host country Washington Attache to the cognizant IA in accordance with applicable IA regulations.

change 6

DRAFT/LAM/G/SANCHG.DOC

100009 SECURITY ASSISTANCE NETWORK AUTOMATION PROGRAMS.

The Training Management System (TMS) software program is designed for program management and control, utilizing the Integrated Standardized Training List as one of its principal data bases. General policies concerning TMS and related SAN programs are included in Section 1504. Detailed TMS and related SAN system interface procedures are contained in the *SAN Training User's Handbook*, published by DISAM.

150403 - Policies and Procedures -- Additions

G. SAN Software Programs

1. Use. Selected desktop computer software programs (e.g., TMS, SAARMS) are developed, tested, supported, and updated under the direction of the SAN Policy Steering Board. These officially-promulgated software programs are designed to assist the SAO and other users by providing the benefits of automation, while incorporating essential controls for program standardization and management. They should be used for tracking transactional entries and generating documents and reports with standard formats (e.g., Invitational Travel Orders, Status of Funds Reports). These programs are described in SAN user handbooks and are incorporated within the DISAM curriculum for student instruction.

2. Software Managers. Managers for SAN software programs are listed in Table 1504-1.

H. SAN Electronic Mail (E-Mail). E-Mail use is encouraged by the SA community where technical communication and cost factors warrant. IDSS/DDN E-Mail carries the same official status as telephone calls and data faxes. E-Mail remains the property of the USG and is subject to oversight by organizational managers and designated system administrators.

150404.E.2. F. MILDEPS (rewrite para. 4 on page 1504-5 as follows)

4. Establish procedures to insure data transmission validity and make pertinent databases accessible to authorized users.

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Change 6

Add to Table 1504-1 under para. B. Logistics Management

- | | |
|--|--|
| • Supply Tracking and
Repairable Return/Personal
Computer (STARR/PC) | USASAC (Army)
NAVSUPSYSCOM (Navy)
AFMC-AFSAC (Air Force) |
|--|--|

Add to Table 1504-1 under para G. Telecommunications Gateways

- | | |
|---|---|
| • International Logistics
Communications System (ILCS) | Defense Automatic Addressing
System Center (DAASC)
Gentile AFS, Dayton OH |
|---|---|

Insert revised Table 1504-2**Changes/adds to Table 1504-3:**

-change LANTCOM to USACOM, as follows:

IDSS Administrator for USACOM AOR

HQ, USACOM (J5NA)

Norfolk, VA 23511-5000

DSN 438-5740; Commercial (804) 445-5740; DATA FAX Ext. 5746

-add ILCS at end of list, as follows:

ILCS Administrator

Defense Automatic Addressing System Center (DAASC)

Gentile AFS, Dayton OH 45444-5320

DSN 986-6395; Commercial (513) 296-6395; DATA FAX Ext. 5186

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(1176)

change 6

TABLE 1504-2
MINIMUM SPECIFICATIONS FOR NEW ADP EQUIPMENT

SAN programs (e.g., TMS, SAARMS) and the IDSS communications software (LINKPC) were developed to only operate on IBM PC compatible systems utilizing the 80386 (or higher) microprocessor, and running under the Microsoft Disk Operating System (MS-DOS) version 5.0 or higher. This should be considered a minimum operating configuration. It is acceptable to upgrade this configuration, such as with larger hard disks or more memory. However, when replacement or other new equipment purchases are warranted, the following minimum specifications apply:

1. PERSONAL COMPUTER (PC) SYSTEM

- a. IBM compatible with true 80486DX microprocessor (not 80486SX).
- b. 33MHz operating speed with minimum 128K hardware cache.
- c. 8 Megabytes Random Access Memory (RAM) (70ns or faster).
- d. 200 megabyte (MB) hard drive (less than 15 millisecond access speed, auto-locking heads). Equivalent removable media may be used.
- e. Super VGA color monitor. Minimum 15" diagonal screen measurement. (.28mm dot pitch). Capable of 1024x768 resolution non-interlaced and compatible video display adapter card with 16 bit operation and minimum 1MB on-board video RAM. Video card should also include appropriate video display driver software. VESA local bus display is acceptable if available.
- f. One 5.25 inch high density 1.2MB floppy drive and one 3.5 inch high density 1.44MB floppy drive.
- g. Full size desktop case or floor standing tower case. Eight internal expansion slots, (6/16 bit, 2/8 bit slots).
- h. Microsoft compatible mouse with software drivers.
- i. Two serial ports, one parallel port.
- j. Full size 101 key keyboard.
- k. Surge protection power strip or other power protection device capable of delivering constant voltage and providing voltage spike protection.

2. PRINTER

- a. Hewlett-Packard Laserjet Series 4 or 100% compatible.
- b. Serial port and parallel port.
- c. Minimum 4MB memory.

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117c

change 6

d. Optical Character Recognition (OCR)-A and OCR-B font print capability. Fonts may be permanently resident in the printer or installed with removable cartridges.

3. MODEM

a. Conform to the current CCITT specifications for V.32bis/V.42bis and MNP Level 5 operation.

b. Compatible with the Hayes "AT" command set, as applicable; support the special extended command set, as applicable.

c. Support 300-14400 bits per second (bps).

d. Combination data and fax modems are acceptable.

4. SYSTEMS SOFTWARE

a. MS-DOS version 5.0 or higher.

b. SAN programs have not been designed for or tested with non-MS-DOS operating systems, to include DR-DOS, OS/2, or UNIX (and UNIX derivatives). The database programs also have not been tested for use with disk compression programs, such as DOUBLESPACE or STACKER.

5. OPTIONAL EQUIPMENT/STANDARDS

a. If a CD-ROM reader is acquired it should conform to the ISSO 9660 standard as a minimum. Access time should be less than 200 milliseconds and effective throughput should be 350 KBPS or greater. The interface bus should conform to the latest SCSI-2 standards.

b. Network architectures should conform to the ETHERNET standard (IEEE 802.3). Network operating systems shall be POSIX compliant in accordance with existing DoD and Federal standards. Architectural designs and design proposals for networks will be submitted to DSAA/COMPT/IRM for approval prior to the expenditure of FMS or FMF administrative funds for acquisition.

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change 6
Background


DEFENSE SECURITY ASSISTANCE AGENCY

March 7, 1994

MEMORANDUM FOR MR. WOODS

SUBJECT: SMM Changes

The attached pages are proposed changes to the SMM which have been coordinated between Dr. Mortsof and Wayne Wells. Request your approval of these changes.


Paul D. Porter
Assistant for IRM
X31056

117e

UNCLASSIFIED

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

FACSIMILE TRANSMISSION

TO: Mr. Don Crigger/Ms. Vicki Ebert

PHONE NUMBER: DSN 785-2994

OFFICE: DISAM

TELECOPIER NUMBER: 9-1-513-255-4319

REMARKS, INSTRUCTIONS, COMMENTS:

Don/Vicki,

This is the change Dr. Mortsolf has been developing with Paul Porter and company. I annotated it 117a in our change 6 package because the first change is in 100009. This supersedes page 207a which was previously provided for the package. I know of no other impending refinements to the change 6 package, so we should be able to work on finalization. Call if you have any questions using numbers at bottom. Our old mail address is the official address (at least for now), or "Defense Security Assistance Agency, 1111 Jefferson Davis Highway, Suite 303, Arlington, VA 22202" should work (perhaps better??).

FROM:

Wayne Wells
(703) 604-6635
DSN 664-6635
FAX (703) 604-6541

*Receipt confirmed
3/16/94 @ 10:17
Also passed to L. Samson
has been sent -
Discard 7 pages
chp 6 -*

NUMBER OF PAGES INCLUDING HEADER: 6

UNCLASSIFIED

*** ACTIVITY REPORT ***

TRANSMISSION OK

TX/RX NO.	3169
CONNECTION TEL	915132554319
CONNECTION ID	
START TIME	03/16 10:17
USAGE TIME	02'30
PAGES	6
RESULT	OK

*Discard
after part of change 6 -*

TABLE 1000-1
Two Year Training Plan

change 6

Part One - General Information

1. **Country Background** [A brief explanation of political, economic, military, and cultural aspects of country that effect the SA training relationship with the US. Stated another way: Why do we have a program with this particular country?]
2. **Security Assistance Training Program Objectives**
 - [- Specific US program objectives.
 - Host country objectives.
 - Significant accomplishments toward meeting objectives.
 - Future objectives and program requirements.]
3. **Program Planning**
 - a. **Program Development** [This should include a brief description of the training planning process, highlighting the host country and SAO roles, problems (if any), and plans for improvement.]
 - b. **Explanation of host country capabilities and third country provided training** [How do these affect this training program?]
 - c. **Evaluation of prior year program successes or failures** [How do these affect current program planning? This evaluation should answer the questions: (1) How effective does the host country employ the skills and training of returning IMET graduates? (2) How has training under the IMET program enhanced the professionalism and improved the capabilities of the host country? and (3) How has the IMET program, particularly the expanded IMET program, contributed to effective defense resource management, concepts of civilian control of the military, and respect for internally recognized human rights?]
 - d. **Brief explanation of what is being done to build on successes and correct failures**

B. Part Two - Program Summary

1. **Statistical Summary Chart** [This is the standard chart already included in current "Two Year Plans" and "Training AIASAs." The format is shown below.]

Three Year Training Program Summary Chart
Country Name IMET (\$000)

Current Year (IMET \$ Level)	Budget Year (IMET \$ Level)	Planning Year (IMET \$ Level)
Students/\$/	Students/\$/	Students/\$/

CONUS Training
PME
MGT
PC GRAD
UP LT

change 6

TECH
OT
Sub Total CONUS Training:
CONUS TNG
Other
TNG Teams
Support
Sub Total Other
Total IMET Program:

FMS Training Programs should be broken out by total cases, students, training spaces, and dollars as shown below:

Country Name FMS (\$000)
Current Year Budget Year Planning Year

Total Cases
Total Students
Total Spaces
Total Dollars
Total Teams/Members]

2. Significant Training

a. Mid and Senior Level PMS Requirements [Should show firm mid and senior level PME requirements for the budget year and estimated requirements for the plan year. The schools that should be reported are shown below.

Mid and Senior Level PME Requirement

School [Number of Quotas Desired] by [Budget Year] Quotas by [Planning Year] Quotas

- National Defense University
- Army War College
- Navy Command College
- Air War College
- Army Command & Staff College
- Navy Staff College
- Air Command & Staff College
- USMC Command and Staff College
- Armed Forces Staff College
- Sergeants Major Academy

Justification: [Provide a five to six sentence paragraph to help the UCOM develop a priority list and justification to support your request for PME quotas for the budget year only.]

b. Expanded IMET Requirements for Budget Year and Plan Year [Training that should be reported is shown below.) Expanded IMET Requirements - Core Courses/MET

Change b

Course/MET by (Budget Year) Quotas by (Planning Year) Quotas

- Defense Resource Management MET
- Military Justice MET
- International Defense Management
- Senior International Defense Management
- Defense Resource Management
- Military Justice CONUS Course
- Army JAG Basic Course
- Army JAG Graduate Course
- USCG Maritime Law Enforcement MET
- Resource Management - MS Degree Program
- DISAM MET
- Army CGSC - Spanish (Latin American Only)
- Navy Hydrographic Training Program
- Civil-Military Strategy for Internal Development]

c. **Other Significant Training** [Any other significant training the SAO wishes to highlight as critical to implementation of the current year, budget year, or plan year training program. This section should include planned or anticipated major equipment acquisitions that will require DoD training.]

C. **Part Three - Program Administration** [An update to annually reoccurring administrative requirements. This will preclude submitting these individually throughout the year.]

1. **Budget year holidays for international students (two in addition to US holidays)** [This is same information previously requested by MILDELC on behalf of the MILDEPs each summer.]

2. **IMET TLA factors for the budget year** [IMET cost sharing factors such as cost of round trip air fare to CONUS; whether or not country will pay any or all of IMET TLA, etc. This is same information SAOs provide to the MILDEPs in response to a SATFA message each summer.]

3. **Break out of total projected budget year IMET funding allocation** [Show the percentage and dollar value level, by US MILDEP. Navy data should include USMC and USCG.]

D. **Part Four - English Language Training** [Show a brief explanation of the country's ELT, to include:

1. Status of language labs, including plans to upgrade those labs and plans to acquire additional labs. SAOs should provide the current message address, mailing address, SAO phone number, SAO datafax number, and "ship to" address for language labs/books and publications.

2. Plans to acquire English language software.

3. English language instructor training requirements.

4. Unique or special problems for students that train at

DLI/ELC.

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5. English language testing and training waivers (your recommendation for the country's proper English language waiver category; e.g., waived from all testing, waived from in-country testing, waived from the 5 minimum ECL to train at DLIELC)]

E. Part Five - Positions of Prominence [Data should be reported annually in the two year training plan.]

F. Part Six - Army Training [Show information to elaborate on US Army training programs. This section would include any OT, MTT, OJT, OBT, or special training requests for the US Army, to include training associated with major equipment acquisition.]

G. Part Seven - Naval/Maritime Forces Training [Elaborate on naval or maritime forces training programs. This section would include any OT, MTT, OJT, OBT, or special requests for US maritime forces training to include INM or ACS training programs, and training associated with major equipment acquisition. This part should include sections for the US Navy, Marine Corps, and Coast Guard.]

H. Part Eight - Air Force Training [Information to elaborate on Air Force training programs. It would include any OT, MTT, OJT, OBT, QUAL, FTD or special training requests for the Air Force, to include training associated with major equipment acquisition.]

I. Part Nine - IMET Policy Waivers [For IMET funded training that requires specific approval in accordance with this chapter or separate UCOM guidance.]

SECTION 1001 - INTERNATIONAL MILITARY EDUCATION AND TRAINING

change 6

100101 IMET AREAS OF EMPHASIS To the fullest extent possible, the principal emphasis in international training, particularly IMET-funded training, will be on:

- A. Training that demonstrates the proper role of the military in a civilian-led democratic government.
- B. Training that promotes effective military justice systems and emphasizes an understanding of internationally recognized human rights.
- C. Training that promotes effective defense resources management.
- D. Training of individuals likely to hold key positions in government.
- E. Training that promotes military professionalism.

100102 OBJECTIVES Within the above areas of emphasis the objectives of providing IMET-funded training are:

- A. Develop rapport, understanding, and communication links.
- B. Develop host country training self-sufficiency.
- C. Develop host country ability to manage its defense establishment.
- D. Develop skills to operate and maintain US-origin equipment.

100103 EXPANDED IMET OBJECTIVES The Expanded IMET Program is a part of the overall IMET Program, but is different from the traditional IMET Program which emphasizes military-to-military ties. Expanded IMET trains military and civilian officials, including civilian personnel from non-defense ministries and personnel from the country's legislative branch who are involved in military matters, in managing and administering military establishments and budgets, in promoting civilian control of the military, and in creating and maintaining effective military justice systems and military codes of conduct, in accordance with internationally recognized human rights. Expanded IMET objectives are:

- A. Contribute to responsible defense resource management.
- B. Foster greater respect for and understanding of democracy and civilian rule of law, including the principle of civilian control of the military.
- C. Improve military justice system and promote an awareness and understanding of internationally recognized human rights.

100104 GENERAL CONSTRAINTS TO IMET FUNDING In order to maximize the use of IMET funds and ensure the greatest benefit to the program, the general categories of training listed below are constrained from IMET funding and are normally not candidates for policy waivers:

- A. Training not related to accomplishment of the objectives listed in paragraphs 100102 or 100103.
- B. Training of non-career military personnel.

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- C. Training in skills normally available in-country, exclusive of PME.
- D. Training already provided in a quantity which, taking into account reasonable attrition, is sufficient to meet requirements of the requesting country.
- E. Training where it appears unlikely that the skills produced will be properly utilized by the requesting country.
- F. Repetitive training in the same courses.
- G. Initial training in support of FMS-purchased equipment.
- H. Training at US civilian schools.
- I. ELT not in support of the in-country ELT program or in support of specific US training.

100105 SPECIFIC POLICY CONSTRAINTS REQUIRING WAIVER APPROVAL The categories of training listed below do not normally maximize the use of IMET funds. However, policy waiver requests may be submitted in those limited instances where the circumstances, supporting justification, and rationale clearly support an exception to policy that helps achieve SAO and host country objectives as stated in the two-year training plan, and where such a waiver will not disrupt the overall program balance and will not interfere with attainment of IMET objectives in the requesting country. Expanded IMET training that is clearly identified as such will not normally require a policy waiver. Programming of the following categories of training require prior policy waiver approval from the UCOM and DSAA-Plans:

A. **MTTs** Training which requires US personnel to travel to another country to conduct the training must be approved by the UCOM and DSAA-Plans prior to programming the training or making any offer or commitment to the foreign government involved. MTT requests under IMET should clearly demonstrate that the requested MTT is the best training option and that IMET is the only funding option. See paragraph 100904 for specific criteria regarding MTTs. This includes USN refresher training conducted outside the US and its territorial waters. Expanded IMET funded Mobile Education Teams, including US Coast Guard Maritime Law Enforcement Teams, do not require a policy waiver.

B. **Postgraduate or Degree Producing Training** Postgraduate training at US Naval Postgraduate School, US Air Force Institute of Technology and the US Army Florida Institute of Technology are included under this provision. Postgraduate training at civilian institutions will not be funded under IMET. Waivers are required for all postgraduate training except for training under the Expanded IMET program. Policy waiver requests will include the following information: (1) rationale for providing the training under IMET and not FMS, (2) benefits to the country and the US, (3) the intended utilization of the student after completion of the training, (4) the number of IMET graduates or students that have been enrolled in the same curriculum or field during the previous five years, and (5) why it is considered necessary to train additional personnel. Doctoral (PhD) degree level training is not eligible for IMET funding.

C. **Orientation Tours** OTs will normally be limited to new country programs unless extraordinary circumstances exist. When requesting UCOM and DSAA approval for orientation tours or visits to US military installations and activities, approval of the SAO Chief must be cited. Certification of the importance of the tour to the country's training

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effort with supporting rationale, to include proposed itinerary and areas of interest, must also be provided. See paragraph 100906.

D. Minimum Duration of Student Training in US Prior DSAA and UCOM approval is required to program students for training in the US for less than eight weeks total duration if all or part of the overseas travel is paid by IMET. If host country elects to fund round-trip transoceanic travel, no approval is required to program such training. Mandatory CONUS personnel processing or ELT will not be considered as part of the eight-week requirement. This limitation does not apply to OTs or flag rank related courses conducted by the Defense Resources Management Institute, those courses conducted by the US Army School of the Americas (SOA) and IAAFA, Air Force physiological and physiological refresher training, and DISAM training.

E. High-Cost Training IMET funds should not normally be used for high-cost training, which is defined as any training or any single course of training with a tuition cost of \$30,000 or higher. However, selected high-cost training will be considered on a case-by-case basis by DSAA and the UCOM. Training previously priced at less than the \$30,000 high-cost threshold which subsequently exceeds the threshold due to a price increase of not more than ten percent does not require a waiver to the high-cost restriction.

F. Training Provided by Contractors IMET funds are primarily intended to provide DoD training. Training by US contractors will be considered only when the required training is not available within DoD resources.

106 POLICY AND LEGAL CONSTRAINTS THAT CANNOT BE WAIVED The following expressly prohibited from IMET funding:

A. Training of Police Forces FAA Sec 660 does not permit training of police forces. "Police" as used in this prohibition includes military as well as civilian police if the military police perform civilian law enforcement functions. Neither the name given to a unit by the foreign government nor the ministerial authority under which it operates is sufficient in and of itself to determine whether a particular force is a "police unit". The determining factor is the nature of the function performed by that unit. Military police training of non-police personnel is permitted and requires a certification that the individual will not be involved in any civilian law enforcement activities for a period of two years. See paragraph 100107.

B. Training Non-Defense Personnel Personnel who are not members of the requesting country's defense establishment or armed forces are not eligible to be trained using traditional IMET funding. This prohibition does not apply to Expanded IMET training of civilian personnel from non-defense ministries or personnel from the country's legislature branch.

C. Foreign Language Training

D. Purchase of Training Aids Other than English Language Equipment or Materials

E. Correspondence Courses

F. Doctoral/PhD level Training

G. Training to Support National Intelligence Programs The scope of military intelligence training normally available to international students

change b

is limited to that which is directly related to combat or operational intelligence. Tactical intelligence training provided under SA programs will not be extended to include training in support of national intelligence programs of foreign countries. All requests for intelligence training provided by the IAs will be reviewed carefully by the IA to ensure compliance with this paragraph. Other potentially sensitive training requests should be addressed to DSAA for appropriate guidance, processing, or decision.

100107 REQUIRED MILITARY POLICE TRAINING CERTIFICATION When military police training is provided to non-"police" personnel, a certification is required from the country that the student to attend military police training will not be involved with or assigned to a unit performing any civilian law enforcement functions for a period of at least two years. SAOs may forward programing requests for military police training to the IA and must retain a copy of a signed certification prior to sending the student to training. Certifications must: (1) if in a language other than English, be accompanied by an English translation; (2) include student name and rank, course title, MASL identification number, host country service, and WCN; (3) be signed by appropriate host country official; and (4) be maintained on file by the SAO for a minimum of three years. The following is a sample certification statement:

"The Government of ___(country) certifies that ___(student rank and name), who is scheduled to attend ___(course title/MASL ID) under WCN ___(number), is a member of ___(host country service) and will not be involved with or assigned to a unit performing in any civilian law enforcement functions for a period of at least two years following completion of training listed above."

108 SUBMITTING REQUESTS FOR IMET WAIVERS

A. **Submitting Requests** SAOs will submit requests for waivers to the above constraints at the UCOM Training Program Management Review (TPMR). Requests will include complete justification for the training and a written statement of SAO Chief concurrence. Those requests that of necessity must be submitted outside the TPMR will be addressed by the SAO to the UCOM with information copy to DSAA-Plans and appropriate IA. After appropriate coordination between DSAA and the UCOM, and depending on the particular circumstances of the request, DSAA or the UCOM will respond to the SAO request with information copy to appropriate IA.

B. **Programing** IAs should program training lines requiring waiver using the appropriate waiver code in card column 58. Upon receipt of UCOM and DSAA approval, IAs will enter an "A" in card column 57. The waiver code in card column 58 will be a permanent entry and maintained for historical purposes.

C. **Waiver Request Format** When submitting requests for waivers, the format in Table 1001-1 will be used.

100109 SELECTION, UTILIZATION, AND MONITORING OF TRAINEES

A. **Selection** To the extent practicable, personnel trained under the auspices of the IMET program, and particularly those attending CONUS schools, will be selected from career personnel likely in the future to occupy key positions in the foreign country's defense establishment. Except as may be authorized specifically by DSAA, the requirement for selection of career personnel is mandatory for attendance at professional level schools; e.g., command and staff or equivalent and higher, and college level.

change 6

B. Utilization Under the direction and supervision of Commanders of UCOMs, SAOs are responsible for obtaining appropriate assurances that personnel trained under the auspices of this program are properly and effectively utilized. Such utilization is defined as prompt employment of individual in the skill for which trained for a period of time sufficient to warrant the expense to the US. As a guide, optimum assignment periods are considered to be three years for flight instruction and highly technical training such as missile training, and not less than two years for other training, particularly instructor training.

C. Monitoring To the extent consistent with available resources, SAOs are expected to monitor utilization of US trained personnel, with emphasis on the more critical and higher level skills. Periodic reports by appropriate foreign authorities normally will satisfy this requirement.

100110 ALLOCATIONS AND REALLOCATIONS

A. Mid-Year Review of IMET Allocation Levels UCOMs will provide comments and recommendations concerning the status of individual country IMET allocation levels to DSAA at the annual TPMR. UCOMs will identify (1) countries that will not be able to utilize all of their currently allocated IMET levels and recommend revised country allocation levels; (2) programs that have valid training requirements above current allocated IMET levels and recommend corresponding increases to country allocation levels; and (3) programs that will require no change in allocation levels. Recommendations for increases will be prioritized within each UCOM and will include a descriptive narrative to identify the type of training and number of students associated with the dollars requested. Specific WCN numbers should be identified. UCOMs will ensure that SAOs submit appropriate program additions or other changes reflecting priority code D and quarter availability no earlier than the fourth quarter for those countries that are recommended for increases. SAOs will use the TPMR to validate requirements for additional funds with IAs before presentation to UCOMs.

B. End-of-Year Review of IMET Allocation Levels DSAA will refer to unfulfilled mid-year requirements as recommended by the UCOMs at the TPMRs in formulating a DoD position for End-of-Year reallocation.

100111 TRANSPORTATION FOR IMET TRAINEES It is DOD policy to encourage foreign countries to assume the cost of transportation and living allowances for their students to the maximum extent possible so that IMET funds are utilized to permit higher numbers of students to be enrolled in training.

A. Travel within Student's Country The program will not pay travel costs of students traveling within their own country. Destination for return travel will be the same as the debarkation point on the ITO unless deviation is specifically authorized by the SAO and indicated on the ITO.

B. Use of Foreign Flag Carriers Whenever possible, SAOs assigned to countries which have national flag carriers with routes to or part way to the US will obtain agreement from the host countries to transport their respective students on such carriers at no cost to the US.

C. Modes of Transportation When Furnished by the US Travel between country and the training center for those IMS provided transportation by the USG will be the most direct route, except as specified below.

1. Travel to or from CONUS by US Military Aircraft IMS are authorized to travel by US military aircraft. Transportation of IMS

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including those whose country elects to pay the cost of the transportation will be at common user rates.

2. Travel to or from CONUS by US Commercial Air or Surface Travel to or from the US will be via USG transportation to the fullest extent feasible. When the use of USG transportation for the entire trip does not permit the student to meet course or class convening dates, combinations of US commercial air or surface common carrier (tourist class) and government transport will be used. Where this combination has been used, USG transportation for the return travel to the home country will be utilized to the fullest extent possible. If a US flag carrier is not available, the JFTR requires a certificate of non-availability.

3. Travel within CONUS Transportation to and from training installations within the US generally will be by surface common carrier or commercial aircraft. Travel by privately owned vehicle may be authorized except in those instances in which it would be prejudicial to the best interests of the USG.

D. Funded Travel Transportation may be funded except for those students from countries with which the US has reached agreement for such countries to pay transportation expenses.

E. Transportation for Dependents of Trainees Transportation for dependents of IMS will not be provided at USG expense. If the student elects to bring dependents to the US (or to an overseas training installation) for those courses identified in Table 1001-2, Note 4, the student may be reimbursed for the cost of transportation as prescribed in the ITO so that the student may travel with the student dependents. When this option is selected, the student is required to utilize US flag carriers if available. In these instances, the student will be reimbursed for travel costs as follows:

1. The US military airlift tariff rate if US military airlift transportation would have been the mode utilized through USG arrangements, or the actual cost of travel, whichever is lower.

2. Category Z rate or the actual cost of travel, whichever is lower.

F. Transportation for Emergency Leave Round trip transportation costs for a student returning to home country on emergency leave will be paid by the student or the student's government if the student is to return to the US for continuation of training.

G. Deviations From Planned Travel Routes When a student is permitted by his government to deviate from the most direct route for the purpose of visiting other countries, US sponsorship will terminate at the point and time of such deviation. Further, should a student elect to remain at a point enroute to home country beyond the time normally required to make travel connections, funding of allowances during that excess time is not authorized. Students who do not adhere to scheduled return flights will not be the responsibility of the USG. The student is responsible for any additional financial charges incurred due to change in travel route.

H. Enroute Accommodations Accommodations on US installations provided to foreign students enroute will be commensurate with those provided US personnel of equivalent grade.

I. Travel of Non-Resident SAO SAOs responsible for managing an IMET program for a country in which it is not resident may program IMS

change 6

transportation to or from that SAO for briefing or debriefing of IMET IMS, so long as there is no US representation in the country of the IMET student that could provide the service and when requested by the Ambassador. This does not apply for cost sharing countries.

12 LIVING ALLOWANCES FOR IMS The IMET living allowance is a standard rate, equally applicable to all countries, and is intended to cover an average cost differential of the student living away from his home station. It is not a substitute for normal compensation. Responsibility for timely payment of sufficient overall compensation to allow for decent living standards and effective completion of training rests with the student's country. It is DOD policy to encourage foreign countries to assume the cost of all living allowances so that IMET funds are utilized to permit higher numbers of students to be enrolled in training.

A. Entitlements for IMS in Travel Status When IMET pays travel and living allowance, students are entitled to living allowances during travel status, to include the day of departure from home country, through the day of arrival at their first training location. Living allowance in training status will commence the day after arrival at the training location. Living allowance in a travel status will resume the day of departure for home country, excluding any leave period authorized by student's government following termination of training or any unauthorized delay enroute. Students are not authorized travel allowance for any portion of travel paid by their government. Living allowances will be computed incrementally in accordance with the JTR on the day of departure from home country and the day of arrival in home country.

B. Transoceanic Costs Borne by Foreign Country IMS whose travel to US is paid by their own government are entitled to living allowances in travel status to include the day of departure from the US entry port enroute to the training location, through the day of arrival at the training location. Living allowance in a travel status will resume the day of departure from the last training location and include the day of arrival at the US departure point. This policy also applies to IMS whose country pays a portion of the transoceanic travel costs; e.g., from homeland to London and return.

C. Entitlements for IMS in Training Status A living allowance will be programed (see Table 1001-2) for all students in a training status, unless otherwise directed or if the student is from a country with a per capita GNP greater than \$2,349 in the 1988 World Bank Report. For programing purposes, a standard factor will be used for officers and for enlisted personnel based on the assumption that quarters are available but mess is not available for officers; quarters and mess are available for enlisted personnel. For enlisted personnel, the full entitlement is not paid directly to the student. Enlisted personnel are paid a reduced stipend per week for the purchase of personal items of health and comfort, with the remainder programed for reimbursement to the appropriate IA for laundry, maid fees, and subsistence. Where it is known in advance that quarters or mess are not available, the appropriate factors in Table 1001-2 will be used for programing. Where it is determined that dependents are authorized to accompany students; i.e., those attending selected courses designated by the IAs as indicated in Note 4 of Table 1001-2, the "with-dependents" rate will be used.

D. Non-Authorized Living Allowances Living allowances are not authorized for:

- 1. Periods of unauthorized absence from duty.

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2. Excess travel time not authorized by the administrative authority of the IA concerned when proceeding by other than USG transportation.

3. Periods of delay not in connection with training (except hospitalization or outpatient care).

4. Students whose country assumes the payment of all living costs.

5. Periods of training conducted in the home country of the student, except for Panamanian IMET students attending the SCIATTS and for IMS attending MET seminars in their own country when approved by DSAA.

6. Periods of leave for individuals on OTs.

7. Periods of leave authorized by student's government following termination of training courses.

E. Leave with Living Allowances IMET students who receive living allowances while in training status may be granted leave with living allowances within CONUS during authorized holidays, during periods between consecutive courses, and during periods of delay while awaiting transportation at the point of departure for their home country. The SAO and the MILDEPs are jointly responsible for reviewing scheduled sequences of training for individual IMS to determine whether additional training courses or OJT/OBT could be programed to fill gaps between courses prior to preparation of the ITO for all IMS.

F. Advance Payment of Living Allowances Advance payment of living allowances not to exceed \$100 may be made to students prior to departure from home country, at the point of entry or the first training location for students in the US and at the first training activity for overseas students. When the advance is made in-country, the SAO will indicate the amount of the allowance paid in Item 13 of the ITO. IAs may authorize advance payment of allowances which may accrue during the remaining authorized periods following the termination of training.

G. Settlement of Claims Vouchers for settlement of outstanding entitlements for IMET students will be submitted via the SAO to the nearest US paying agent for payment to the students in local currency at the authorized exchange rate no later than 15 calendar days after return to country. If it is determined that an IMET student who has departed the CONUS or overseas training activity was overpaid in CONUS or at the overseas activity by an amount in excess of any amount otherwise owed to the student upon submission of the final travel voucher by the SAO in country, no attempt will be made to collect the overpayment from the trainee. The IA concerned will determine whether a funding adjustment via an IMET Order is necessary for the WCN series concerned.

100113 IMS BAGGAGE AND SCIATT GUEST INSTRUCTOR ALLOWANCES

A. IMS Authorized Baggage Allowances outlined below are totals, with excess baggage being the difference between that permitted by the transportation carrier and the total allowance. These allowances apply for portion of the travel costs payable from US funds. Baggage sizes and dimensions are to conform to carrier stipulations.

1. Two pieces of checked baggage, not to exceed 70 pounds each, are authorized for IMS training of less than 22 weeks duration.

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2. Three pieces of checked baggage, not to exceed 70 pounds each, are authorized when training is at least 22 weeks but less than 40 weeks duration. One piece of excess baggage is authorized.

3. Four pieces of checked baggage, not to exceed 70 pounds each, are authorized for IMS when training is 40 weeks duration or longer. Two pieces of excess baggage are authorized.

4. In addition to the allowances in 1 through 3 above, one additional piece of luggage is allowed for students, with authorized accompanying dependents, attending the PME and postgraduate programs listed in Table 1001-2, Note (4), and for students attending flight training.

5. Where US 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 US flag carrier(s) and also any authorized excess baggage allowance.

B. IMS Unauthorized Baggage Shipment of baggage in excess of the weight allowance contained in subparagraph A. above is not authorized. Disposition of unauthorized baggage will be made at the expense of the student or the student's 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 SCIATTS Costs incidental to the use of international guest instructors at SCIATTS are to be included in the fixed operating budget 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 1001-2. Shipment of household goods from the Panama Canal area to home country is authorized for Latin American guest instructors who have completed a tour of duty at SCIATTS. The net weight allowance is 2000 pounds for married guest instructors and 200 pounds for single guest instructors. In addition to net weights listed above, weight allowances are authorized for crating and packing materials on the same basis as for US 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.

100114 MEDICAL COSTS A factor of \$35 per student training line (exclusive of orientation) is authorized for programing purposes under generic code NZE (MASL IIN 365003/365004) for medical treatment in USG facilities for IMET students. Charges for medical care do not apply if the care is covered under a reciprocal health care agreement between the US and IMS's country. Health care agreements exist as follows:

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<u>Country</u>	<u>Eff Date</u>	<u>Expires</u>	<u>Dependents</u>	<u>Civilians</u>	<u>FMS</u>	<u>IMET</u>
Canada	5- 3-93	5- 3-96	No	No	No	N/A
Colombia	4- 9-92	4- 9-95	Yes	No	Yes	Yes
Cuba	1-25-92	1-25-95	Yes	No	No	No
El Salvador	2-7-92	2- 7-95	Yes	No	Yes	Yes
Germany	7- 8-92	7- 8-97	Yes	Yes	Yes	Yes
Tunisia	10-13-93	10-13-96	Yes	No	Yes	Yes
Uruguay	8- 2-94	8- 2-97	Yes	No	Yes	Yes

When such an agreement exists, check item 16b(3) in the ITO and add the following statement in item 13: "Medical care is provided under [reference the agreement, date, etc]. Reimbursement for services provided is not required." Note that agreements may not cover certain categories (such as civilian IMS or IMS dependents) and are normally applicable only for medical care in DoD facilities; therefore, if a training installation does not have a DoD medical facility, the terms of the agreement do not apply and the program should be charged accordingly. Funds for burial expense or other student support costs will be programed under generic code N7F on a case-by-case basis only after DSAA approval.

100115 ASSIGNMENT OF BUDGET YEAR PRIORITY CODES SAOs will assign priority code A for their Budget Year program using the Budget Year level at the annual TPMRs. In addition, SAOs should assign priority code D to other valid training requirements in excess of the budget level and to take place not earlier than the fourth quarter. Valid training priority coded D is defined as training in keeping with IMET policies and objectives, that IAs can accommodate, for which the host country can provide qualified candidates and which has a dollar value that the SAO can reasonably expect to receive in mid-year or end-of-year if funds are available. In most cases, this should not exceed approximately ten percent of the budget level. SAOs should code all training lines in a WCN series to reflect the code of the program line with the highest priority within that series.

100116 TRAINING ANALYSIS CODES These codes enable the training community to match country requirements with policy considerations, particularly in the preparation of two-year training plans and training AIASAs. A complete listing of all Training Analysis Codes is at Table 1001-3. The nine primary analysis code categories are:

<u>Category</u>	<u>Description</u>
PME	Officer Professional Military Education
MGT	Officer Management
PGS	Officer Postgraduate or Degree Related Training
UPT/FLT	Undergraduate Pilot and Other Flight Training
TECH	Technical, Operations, Maintenance, Medical, and Enlisted Training
OT	Orientation Tours
OCONUS	OCONUS Student Training
TEAMS	Mobile Training Teams and Field Training Services
SUPPORT	English Language Equipment, Materials, PCH&T, Medical Lines, and other Training Support

100117 STANDARDIZED WCNS SAOs and IAs will assign standardized WCNS for IMET training lines in accordance with Table 1001-4.

100118 FIFTH QUARTER TRAINING

A. **Fund Availability** Funds are made available for training under "Fiscal Limitation" .001, which identifies funds requiring obligation

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within the fiscal year for which appropriated. As a means of increasing course scheduling flexibility for IMET, training commencing between 1 October and 31 December may be programmed in either the preceding or current fiscal year program, thus providing a "fifth quarter" in which to implement training in a given fiscal year. Training having fifth quarter availability will be programmed with a "5" in column 70. All training will be priced at prices of the fiscal year in which training convenes.

B. Obligation of Funds When fifth quarter training is programmed in the preceding year, funds must be obligated by 30 September of that year. Training in courses commencing between 1 January and 30 September must be included in the program of the fiscal year in which it commences. Particular problems should be referred to DSAA-Plans for resolution.

C. Restrictions Fifth quarter programming applies to IMET training courses only, and may not be used for orientation training, MTTs, or other training materials or services.

100119 IMPLEMENTATION Program implementation and the movement of students to training facilities and activities is authorized only after program directives are issued by DSAA to the IAs. Such directives are required prior to the issuance of ITOs or the obligation of funds for programmed training.

100120 FUNDING AND FINANCIAL CONSIDERATIONS

A. IMET Programing Instructions

1. Formal Training, US (Generic Codes (N1A-N1J) Formal training is programmed under generic codes N1A-N1J, see Table D-7. Two elements of cost are involved in determining the Total Cost for students who will train at US facilities. These cost elements are the IMET Unit Price and TLA. Each of the elements is computed on a per student space basis. The Total Cost is obtained by multiplying the sum of the IMET Unit Price and the TLA by the Quantity (number of personnel spaces); i.e., (IMET Unit Price + TLA) x Quantity = Total Cost.

a. IMET Unit Price The course cost, where listed in the IMET MASL, will be entered as the IMET Unit Price. Where the MASL indicates "N/C" (no charge), no charge is made for the training. Where the MASL indicates "EST" (Estimate), a unit price estimate is to be made by the program originator. A number of variables normally are related to unit price determination, such as the number of personnel spaces or the length of the OJT. The basis for estimating the Unit Price will be provided in supplementary guidance furnished by the IA.

b. IMET Travel and Living Allowance The unit (per student space) TLA cost is comprised of transportation, excess baggage allowance, travel allowances while in a travel status, and living allowance while in a training status.

(1) Where the first training destination in the US is known at the time of programming or can be provided by the IA at or prior to the annual training workshop, travel costs will be calculated in accordance with paragraphs b.(1) and (2), below; otherwise, a composite travel cost factor provided by IAs in their supplementary guidance may be used.

(2) Travel includes the cost of transportation to and from the US, within the US, and baggage and living allowances during travel unless the country declines the IMET living allowance, in which case no living allowance is authorized. Transportation by military or commercial

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aircraft (when authorized), ship, bus, rail, or other conveyance will be paid when the US provides the transportation, as indicated in paragraph 100111. The following specific guidance is provided for calculating travel costs to, from, and within the US. To the maximum extent possible, US flag carriers should be used.

(a) Round trip travel between the embarkation point in the recipient country and the gateway terminal (POD) in the US will be programed for all students, unless otherwise directed.

(b) Round trip travel between the gateway terminus and the city nearest the training facility at which the initial training is to be conducted will be programed for all students, unless otherwise directed. When the first destination is not known, an estimated cost will be added to cover the round trip travel, baggage, and living allowance while in a travel status. In all cases, students are required to travel over the most direct and least cost route.

(2) A living allowance will be programed for all students in a training status, unless otherwise directed, as indicated in paragraph 100112.

c. Orientation Tours The TLA should be computed as the composite cost of living allowances, transportation based on itinerary, and up to 100 pounds of excess baggage. An escort officer may be programed for orientation tours; IAs will determine costs of escort officers and program as unit cost. A factor of \$100 per person week will be used to cover TLA in the overseas area where any CONUS tour is being conducted; the \$100. will be added to the cost of the round trip travel. These procedures do apply to OBT, which will be costed as described above.

2. Formal Training Overseas (O/S) (Generic Codes N1N - N1W) The same two cost elements described in paragraph 1 (IMET unit price and TLA), are involved in determining the total cost entry for students who will train at overseas facilities. The course cost shown in the IMET MASL will be entered as the Unit Price. TLA factors for overseas training also differ from US training and are described below, by Command.

a. US European and Pacific Commands Travel costs for courses subsequent to the original course will not be included; however, \$50 per trainee will be added to travel (including living allowance during travel) for courses which follow the initial course and are conducted at a different location. If training is conducted at a location other than within the home country, the programing factor for living allowance while in training status will be computed at the applicable JTR rates. In some cases, students have a waiting period before entering a follow-on course. The living allowance is authorized for the waiting period, and will be included in the TLA for the follow-on course. In scheduling training, every effort should be made to shorten the period between courses.

b. US Southern Command The programing factor for living allowances for students while in training status SCIATTS will be computed at the rate of \$17 per day for officers and \$16 per day for enlisted personnel. Not all is paid to each student (see Table 1001-2). Panamanian students attending SCIATTS or other training conducted in the Republic of Panama will be paid living allowances for periods of training only if they reside in quarters provided by the USG. Living allowances will be paid in the same manner for OJT or OBT.

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B. Other Training Support Budget project N70 provides funds for US military guest officers, supplies and materials used exclusively for IMET (excluding training aids), and student support costs.

1. Costs of Facilities Used for Both IMET and FMS Training Costs related to constructing, extending, refurbishing, or maintaining US training facilities used for IMET and FMS training will be shared between the IMET and FMS customer countries on a pro rata basis. Such costs should be financed initially by the IA and the course costs charged for training at these facilities will be adjusted to provide reimbursement to the IA appropriation at a reasonable rate so as not to impact adversely upon IMS attendance at the training installation.

2. Supplies and Training Materials (Generic N7C) Costs of training materials (excluding training aids) may be financed when authorized by DSAA. When requirements in these areas exist, supporting documentation will be provided through the appropriate UCOM to DSAA for approval prior to programing. When third country training requirements exist for supplies and training materials (N7C) and services (N7E), the SAO will submit to DSAA a request for offshore procurement certification in accordance with DODD 2125.1, with information copies to the IA and UCOM.

C. Cross Training, Sequence, or Prerequisite Training Cross training, sequence training, or prerequisite training is training following an initial course of instruction or preceding a course of instruction (prerequisite), without the student returning to home country between courses. If cross training is programed, the letter "A" will be entered as the WCN suffix for the initial course, the letter "B" will be entered for the second course, the letter "C" for the third course, and so on in alphabetic sequence. When English language is programed as a prerequisite course, the WCN suffix will be the letter "L", and the courses following will have WCN suffixes A, B, C, etc. Each course will be costed separately. The initial training course will be charged with the round trip transoceanic travel costs and the round trip CONUS costs from US port of entry to the first training location and from the last training location to US port of exit. For sequential training conducted at another location, the best estimate of transportation costs will be programed. The living allowance while in a training status will be costed separately for each course in accordance with this section.

D. Initial Funding of Current Year Training Program As soon as the apportionment of IMET Program funds is received from OMB and passed from DSAA to the IAs, IAs will fund priority code A training lines within the apportioned allocation level. SAOs should ensure that priority codes are appropriately adjusted so that the total of all priority A training lines equals the allocation level. Adjustment of prioritization will be required if the apportionment level is different than the budget request level.

E. Additions or Increases to Current Year Program If subsequent changes will cause the funded program to exceed the country allocation level, the SAO should simultaneously (1) submit deletions of funded lines sufficient to offset requested funding and/or (2) forward programing to lower the priority codes of selected funded lines to D. In the latter case, DSAA will withdraw funding of those lines and they will remain in program in an unfunded status.

F. Cancellation or Termination - Penalty Charge In the event cancellation or rescheduling is requested less than 60 days prior to the scheduled start date, the country's IMET program or FMS case will be charged 50% (100% of contract training cost) of the tuition rate. The country will also be charged a proportionate share of the tuition rate for

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trainees not completing a course of instruction. IAs will assess late cancellation charges for all DLIELC training lines that are canceled within the 60-day period. All other penalty charges will be determined by IAs and requests for waivers to these penalty charges should be addressed to the [redacted]. The funding status of a training line has no bearing on whether the cancellation charge applies. The cancellation penalty will not be applied when the cancellation (a) is due to decisions by the US, such as deletion or rescheduling of classes; (b) is due to unavoidable circumstances within country, such as national disaster; or (c) quota is used by the US or another country. These charges are to be programed for applicable courses, and will be earmarked by an "S" in column 65 to indicate that a penalty fee was charged for the training line.

G. Impact of FAA Sec 620(q) and Brooke Amendment on IMET Funds

1. **FAA Sec 620(q)** No assistance shall be furnished under this Act to any country which is in default, during a period in excess of six calendar months, in payment to the US of principal or interest on any loan made to such country under this Act, unless such country meets its obligations under the loan or unless the President determines that assistance to such country is in the national interest and notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of such determination.

2. **Brooke Amendment (Foreign Assistance and Related Programs Appropriations Act or Continuing Resolution)** No part of any appropriation in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the US of principal or interest on any loan made to such country by the US pursuant to a program for which funds are appropriated under this Act.

3. **Sanctions** Sec 620(q) sanctions are triggered by arrearages of more than six calendar months on ESF or other AID-financed loans when DoS advises DSAA that no waiver of sanctions is being considered. Utilization of FMS credit funds are not impacted by Sec 620(q). Sanctions under the Brooke Amendment are triggered by arrearages of more than one calendar year on FMS credit (direct or guaranteed) funds or AID-financed loans. The impacts on utilization of IMET funds under both Sec 620(q) and the Brooke Amendment sanctions are identical:

a. New IMET students may not travel for initiation of training. IMET students outside their countries of origin whose course of study or training program began before the effective date of the sanctions may complete such courses, including already funded sequential courses; however, no additional sequential courses may be added on or after the effective date of the sanctions. IMET students outside their countries of origin whose course of study or training program did not begin before the effective date of the sanctions should normally be returned to their home country as soon as possible. For the purposes of the Brooke Amendment, an IMET-funded course is deemed to begin on the report date specified in the Standardized Training Listing (STL). If sanctions are lifted, these students will be considered for late admittance or admittance to the next available course of study or training program.

b. IMET funded MTTs and LTDs may not be dispatched or [redacted] beyond their scheduled termination date.

c. IMET funded training aids may not be issued from supply nor placed on contract by the supplying agency.

TABLE 1001-1
IMET Waiver Request Format

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SUBJECT: REQUEST FOR WAIVER FOR IMET TRAINING

TO: [Unified Command]
[DSAA Plans/PGM]

In accordance with Chapter 10, DoD 5105.38-M, request approval for the use of IMET funds for the following training.

COUNTRY: _____ PROGRAM: _____

TYPE OF WAIVER: [State the specific waiver being requested; such as, Mobile Training Team, High Cost Flight Training, or Post Graduate School.]

REQUESTED TRAINING: [Provide a precise description of the training; such as, a mobile training team to instruct on requisition preparation and receipt, storage, and issue of supplies; two weeks duration; one enlisted member, grade E-7 or E-8.]

Title of Course: _____ MASL ID: _____
Quantity: _____ Program Year: _____ Unit Cost: _____
Duration: _____ WCN: _____ TLA: _____
Avail Qtr: _____ Priority Code: _____ Total Cost: _____

JUSTIFICATION: [Include a detailed justification, to show why IMET funds must be used. Justification should answer the following questions --]

1. Requirements [Why is training needed? What capability will it develop? What is the urgency in providing this training?]
2. Objective [What IMET objective(s) will this training achieve (see two year training plan)? What alternatives to this training have been examined to include cost and availability?]
3. Capability [Does this training capability exist in country? If not, what steps are being taken to develop this capability?]
4. Quantity [Total number of personnel requiring training in this field? How many have been trained? Considering attrition factor, how long will it take to meet host country objectives?]
5. Impact [What is the impact if training is not approved?]
6. Funding Rationale [Rationale for IMET funding? Why should FMS funds not be used? Why should any allocated FMF funds not be used?]
7. Political/Military [What political or military significance, if any, is attached to this training?]
8. Benefits to US [What benefits, tangible or intangible, will accrue to the United States by providing this training?]
9. Post Graduate Level [If this is post graduate level education (Navy Post Graduate School or Air Force Institute of Technology, how many students have attended this same curriculum in the past five years?]

SAO CHIEF'S APPROVAL: _____ DATE: _____
UCOM APPROVAL: _____ DATE: _____
DSAA APPROVAL: _____ DATE: _____

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TABLE 1001-2
Daily Supplemental Living Allowances for IMET Students

	Officer	Enlisted(1)
	[And Civilian Equivalents]	
In Travel Status, Including Unscheduled Delays(2).	Various	Various
In Training Status:		
Dependents Authorized (3)(4)(5)(6)(14)	\$50	N/A
Neither Quarters Nor Mess Available	50	\$50
Orientation Tour Participants (7)	34	N/A
Mess Available, Quarters Not (8)	34	28
Quarters Available, Mess Not (8)	30	25
Both Quarters and Mess Available (6) (7)(8)(9)(11)(13)(15)	21	11
Both Quarters and Mess Available, Officers Charged for Mess (Aboard Ship)	15	N/A
Both Quarters and Mess Available, Free of Charge (Aboard Ship)	11	11
In Military Hospital (10)	11	11
On Leave (11)	Various	Various

NOTES:

- (1) Not applicable to enlisted IMS attending training at SCIATTS.
- (2) When IMET pays TLA, 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 US personnel.
- (3) An additional \$5 per day is authorized for accompanied IMS attending senior level PME 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 and Armed Forces Staff College; and SOA 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, and Armed Forces Staff College; and SOA 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) Increased allowances are only authorized when prior DSAA approval has been obtained and Item 13 of the ITO has been annotated with that approval. The following increases are authorized: Accompanied students living offpost at the Army War College and the Air War College are authorized \$80 a day; accompanied students living offpost at the Navy Command College are authorized \$90 a day; accompanied students living offpost at the National Defense University are authorized \$100 a day. Students are not authorized

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these rates at DLIELC, prerequisite courses, follow-on courses, or during authorized leave periods upon completion of training.

(6) Accompanied students living offpost attending courses where dependents are authorized may draw a living allowance advance upon arrival in CONUS of an amount up to but not to exceed ten percent of their total living allowance authorized at a particular location. The student living allowance drawn during the period of training will be adjusted to ensure that the amount of the advance is fully recovered before the student completes training at the location.

(7) Meal allowance only. Cost of quarters to be paid from programed funds by Class A agent/cashier escort officer.

(8) In overseas areas, including Hawaii, where USG quarters and mess are not available, the rates authorized are equal to those authorized for US personnel in the JTR. "Quarters Available" means that USG quarters were either furnished or made available. "Mess Available" means three meals per day were available in a USG mess, whether or not actually consumed. USG mess excludes open mess and is not considered available to officer IMS except where separate messing facilities are available. IMS not authorized a USG 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.

(9) Enlisted students from countries that participate in partial cost-sharing of living allowances who are not entitled to meal cards may receive a living allowance greater than \$9. A higher rate is authorized as long as the programed rate is less than the \$9 plus the daily cost of mess hall meals. When the programed rate reaches or exceeds the \$9 plus the cost of meals, students will be issued meal cards and will be paid \$9 per day.

(10) When an officer IMS is authorized an increased living allowance for accompanying dependents and is subsequently hospitalized, an increased living allowance (\$40) shall apply during the period of hospitalization, rather than the reduced rate specified herein.

(11) 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.

(12) Guest instructors assigned to SOA will be paid a living allowance based upon the installation's BOQ rates by grade and a standard subsistence allowance regardless of rank.

(13) The rate of IMET living allowance for guest instructors at SCIATTS will be the minimum necessary consonant with the person's grade and position as determined by the IA.

(14) Foreign enlisted students are not authorized accompanied dependents except for those attending the US Army Sergeants Major Academy (SMA). The authorized living allowance for accompanied IMS at the SMA is \$45 per day.

(15) In addition to the \$11 the enlisted IMS will receive directly, the IA will program additional funds to include reimbursement for meals and briefing fees. The programing figure will vary depending on type of government quarters available.

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TABLE 1001-3
Training Analysis Codes

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A. CONUS TRAINING

- (1) Officer Professional Military Education
 - AA PME-Senior Level
 - AB PME-Mid Level
 - AC PME-Basic

- (2) Officer Management Related Training
 - BA Defense Management
 - BB Intelligence/Electronic Warfare
 - BC Police/Security
 - BD Communications-Electronics Management
 - BE Logistics Management
 - BF Engineering Management
 - BG Personnel/Manpower/Analysis
 - BH Administration
 - BI Maintenance Management
 - BJ Computer/ADP Management
 - BK Finance/Accounting
 - BL Other Management

- (3) Officer Postgraduate and Degree Related Training
 - CA Postgraduate/Degree

- (4) Undergraduate Pilot (UPT) and Other Flight Training
 - DA UPT/Flight High Cost
 - DB Other Flight

- (5) Technical Operations, Maintenance, Medical and Enlisted Training
 - EA Aviation Non-Flight
 - EB Aviation Maintenance
 - EC Technical/Maintenance
 - ED Operations
 - EE Missile
 - EF Communications-Electronics
 - EG Logistics/Supply-Enlisted
 - EH Computer/ADP Enlisted
 - EI Police/Security-Enlisted
 - EJ Administration-Enlisted
 - EK Mgt Related-Enlisted
 - EL Instructor
 - EM Medical
 - EN Damage Control
 - EO Contractor
 - EP English Language Prerequisite
 - EQ English Language Administration
 - ER Other Language Training (non-English)
 - ES Country Liaison/Exchange
 - ET Interpreters CONUS
 - EU Other non-Management/Enlisted
 - EV Unidentified CONUS Training

- (6) Orientation Tours
 - FA OT-Distinguished Visitor
 - FB OT-Non DV
 - FC OT-Other

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B. OCONUS TRAINING

- GA PME
- HA Management
- IA Flight
- IB Technical/Maintenance
- IC Operations
- ID Medical
- IE Correspondence Course
- IF OTs
- JA Other
- JB Unidentified OCONUS

C. MOBILE TRAINING TEAMS AND FIELD TRAINING SERVICES

- KA MTT-PME
- KB MTT-Management/General
- KC MTT-Intelligence/Electronic Warfare
- KD MTT-Medical
- KE MTT-Police/Security
- KF MTT-Communications-Electronic Management BT
- KG MTT-Logistics Management
- KH MTT-Engineering
- KI MTT-Personnel/Manpower/Analysis
- KJ MTT-Administration
- KK MTT-Maintenance Management
- KL MTT-English Language
- KM MTT-Instructor/MOI
- KN MTT-Aviation
- KO MTT-Combat Operations
- KP MTT-Non-Combat Operations
- KQ MTT-Maintenance/Repair
- KR MTT-Missile
- KS MTT-Communications-Electronics
- KT MTT-Ship Transfer/Training
- KU MTT-Other
- KV MTT-Survey
- KW MTT-Excess Baggage
- KX MTT-MTT-Training Aids
- KY MTT-Language Laboratory Installation
- KZ MTT-Supply Technician
- K1 MTT-Weapons/Munitions/Arms
- K9 MTT-Miscellaneous/Unidentified
- LA FTS-Aircraft Engine/Airframe
- LB FTS-Communications-Electronics
- LC FTS-Radar Systems
- LD FTS-Armament
- LE FTS-Maintenance
- LF FTS-Training Aids/Devices
- LG FTS-English Language
- LH FTS-Missile
- LI FTS-Other
- LZ FTS-Miscellaneous/Unidentified

D. SUPPORT

- MA Training Exercises
- MB Escort Officer
- MC Supplies/Materials
- MD Facilities/Rehabilitation

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ME	Services
MF	Medical Cost-CONUS
MG	Medical Cost-Overseas
MH	Instructor Material
MI	Other
NA	Extraordinary Expenses
NB	Training US MAP Personnel
NC	Training Support SAO/Command
ND	Training Support DoS
OA	English Language Labs (ELL)
OB	ELL Spares
OC	ELL Support Equipment
OD	ELL Books/Tapes/Publications
OE	ELL PCH&T
OF	Other Training Aids
OG	Army Books/Tapes/Publications
OH	Navy Books/Tapes/Publications
OI	AF Books/Tapes/Publications
OJ	USA PCH&T
OK	USN PCH&T
OL	USAF PCH&T

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TABLE 1001-4
Standardized Worksheet Control Numbers

The WCN is the most important element of identification used in the Security Assistance Training Program. It is used for a multitude of purposes. The most important is to track the IMS. Normally, one WCN will be assigned per IMS. This procedure reduces administrative effort on the part of the scheduling commands and training installations and allows effective implementation and billing.

The standardized WCN numbering system for IMET was instituted in FY87 allowing the SAOs and services to assign any WCNs within the range of 0001-0999 while ensuring that the following sequence was maintained: Continental United States (CONUS) MEDICAL, Outside Continental United States (CONUS) MEDICAL, Orientation Tours (OTS), METs/Defense Language Institute Language Training Detachments (DLI LTDS), ENG LANG EQUIP/MATERIALS.

Student training lines will be grouped by training analysis code and will use a minimum number of designated WCNs. SAOs and services are free to assign WCNs within the range of 1000-9999 for CONUS and OCONUS student training. However, the first digit will be a mandatory number to indicate training analysis codes as follows:

Training Analysis Category	Analysis Code	WCN
PROFESSIONAL MILITARY EDUC	AA-AC	1000-1999
MANAGEMENT	BA-BL	2000-2999
POST GRADUATE	CA	3000-3999
HIGH COST FLIGHT	DA	4000-4999
OTHER FLIGHT	DB	5000-5999
TECHNICAL	EA-EV	6000-6999
OCONUS	GA/HA/IA-IF	9000-9999

In those cases where students are programmed to receive training in more than one training analysis code, the student and his entire training pipeline will be assigned one training analysis code in accordance with the following rank order structure:

- PME is greater than all categories except Post Graduate and High Cost Flight.

- Management is greater than all categories except PME, Post Graduate, and High Cost Flight.

100201 AECA REQUIREMENTS

A. Reimbursement The cost to the USG of furnishing FMS training must be paid by the Purchaser. For billing purposes, services, including training, are considered "performed" on the date that the student enters the course or, in the case of an SA team, when a team member leaves home station. There must be cash available to the DoD in advance of the performance of the training at all times.

B. Bilateral, Combined, or Multilateral Exercises Bilateral, combined, or multilateral exercises conducted to test and evaluate mutual capabilities do not require authorization or funding under the AECA. Costs of foreign participation in these exercises may not be paid directly or reimbursed from DoD funds, including O&M funds. DoD funds may be used to pay just the costs of US armed forces participation which would have been incurred in the absence of foreign participation in the exercise. The costs of any US support provided to the participating countries or international organizations for training exercises must be reimbursed under an FMS case. This is because providing exercise support is providing a defense service as defined in the AECA Secs 47(4) and (5).

C. Separate and Specific Statutory Authorization Outside the context of an exercise, USG costs of providing training for foreign military or paramilitary personnel must be borne by the Purchaser under an FMS case. If there is separate and specific statutory authorization for such training, as in the case of the senior ROTC program or US service academies, this general rule may not apply. Existing authority and regulations do not permit formal or informal training on a non-reimbursable liquid-pro-basis other than PME and Unit Exchanges (see section 1003). This includes orientation, observation, or familiarization tours.

100202 PROGRAM FINALIZATION The IA assigns an LOA identifier, prepares the LOA, and submits it to the host country representative for acceptance and initial deposit. Separate LOAs are normally prepared to support a major equipment sale or for blanket training; however, training may be included as a separate line on a materiel LOA at the request of the Purchaser and with DSAA approval. The IA will implement the case by authorizing the issue of ITOs only after the LOA has been accepted and funded, and after DFAS/DE provides OA. Any exception must be approved by DSAA, Comptroller. See section 701 for more detailed LOA guidance.

100203 TRAINING REQUIREMENTS RELATED TO PURCHASE OF MAJOR EQUIPMENT

A. General Training is an essential element in the initial introduction of major equipment. The time required to conduct adequate training should be given careful consideration when estimating delivery dates of equipment. In developing a training plan to support the introduction of defense equipment, the needs of each country must be determined separately, based on the unique requirements of the country.

B. Planning Programs Training programs must take into account such factors as the availability of personnel, skills to be developed, 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. It is important to have a good selection and screening process to make sure the right student is fitted into the right training program. Also see section 100002.

* ~~LA 100206~~

100206

This includes

~~THE~~ ~~EMPLOYEES~~ EMPLOYEES

UNDER CONTRACT TO THE

MOD IN CONJUNCTION WITH

AN MOD PROGRAM WHICH

IS OTHERWISE BEING

SUPPORTED THROUGH FMS

SUCH TRAINING OF CONTRACTOR

EMPLOYEES REQUIRES SPECIFIC

AUTHORIZATION OF DSAA.

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C. Funding of Training in Support of FMS Training in support of FMS equipment purchase should normally be programed 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 purchase negotiations. In no event may any cost be funded by both IMET and an FMS case.

100204 TUITION RATES FMS and IMET training tuition rates will be priced in accordance with section 130702. 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.

100205 TRAINING AT CIVILIAN INSTITUTIONS OR BY CONTRACTOR

A. Civilian Institutions Training at civilian institutions generally will not be permitted under FMS. AECA Sec 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. Requests for exceptions to this policy should be addressed to DSAA.

B. Training by Contractors International military personnel receiving training directly negotiated between the purchasing country and a contractor may not use US military facilities to support the training. 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.

100206 TRAINING OF CIVILIANS UNDER FMS International civilian personnel may receive FMS training provided they are MOD employees of eligible Purchasers. Civilians must meet the normal course requirements, including proper security clearances. International civilians who are not MOD employees of eligible FMS countries, or employees of eligible non-military international organizations (e.g., the UN), may receive training provided that a determination is made by the International Development Cooperation Agency (IDCA) in accordance with Sec. 607(a). Civilians are generally afforded the same protocol status as their equivalent military counterparts, as stated in the ITO.

100207 TRANSPORTATION AND TRAVEL The Purchaser is responsible for all transportation and travel costs for FMS students. These costs are not included in the LOA. Use of US civilian carriers is encouraged although any desired mode of travel or carrier can be used. Students may be authorized in their ITO to travel by US military aircraft and reimbursement will be on a direct billing basis at the non-government rate. No baggage limitation is established; however, students are encouraged to limit baggage to a minimum.

100208 LIVING ALLOWANCES AND PRIVILEGES

A. Living Allowances As shown in section 60002, an FMS student's living costs are defrayed by the student or by the student's government. The Purchaser should ensure that students receive sufficient allowances to meet mandatory living costs and personal expenses. Allowance costs are not included in tuition course costs, nor are they normally included in the FMS case. SAOs should be particularly aware of the status of living allowance provisions for their host country's students. Any difficulties or anticipated problems should be aired immediately.

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(1) **Subsistence** Officers and enlisted personnel will pay for meals, which will normally be taken in USG dining facilities at the rate prescribed by the IA.

(2) **Quarters** All FMS training students who occupy military quarters must personally pay the service charge or custodial fee as established by the installation commander.

B. **Privileges** IMS on ITOs authorized by the IA, and bona fide dependents, will be extended commissary, exchange, and similar privileges ordinarily available to US military personnel of similar rank. Equivalent rank assigned in the ITO must be based on the US grade structure rather than rank title of the foreign country.

C. **Medical Care** The SATP will not be utilized for the sole purpose of obtaining medical care for IMSs or their dependents. NATO IMS on ITOs authorized by the IA, and bona fide dependents, are eligible for outpatient care in DoD medical (including dental) facilities, on the same basis as US military personnel and their dependents. In-patient medical care and emergency dependent dental care must be reimbursed at rates established by DoD. Personnel from other countries that have negotiated reciprocal medical arrangements authorized by US law will be provided medical care in accordance with those arrangements. Personnel and dependents from countries without medical arrangement agreements with the US will be provided medical care on a space-available, reimbursable basis at rates established by DoD. See section 100114 for procedures to be used when such arrangements are in place.

100301 GENERAL This section provides policy and procedures for English Language Training and for training other than that provided in formal classes of instruction in CONUS.

100302 ENGLISH LANGUAGE TRAINING Training in US military schools and installations is conducted in English, except for the US Army SOA, the USAF IAFA, and the US Navy SCIATTS. International students must be able to understand, speak, read, and write English at a level of proficiency that will enable them to successfully complete training.

A. **Responsibility for ELT** DLIELC has responsibility for and exercises operational and technical control over the Defense English Language Program (DELP) that encompasses all DoD English language programs or courses conducted for US personnel or international students under the IMET program and the FMS program in CONUS and overseas.

B. **Minimum English Comprehension Level** The foreign country has responsibility for ensuring that students meet the IA-determined minimum ECL for attendance at a particular course of instruction. Most courses require a minimum ECL of 70. Higher level PME and management courses, or courses that are hazardous, require an 80 or higher ECL.

1. **Minimum ECL for IMET Students** The minimum ECL cut-off score for entry into general English language training at the DLIELC is 55. Exceptions to this requirement require prior UCOM and DSAA approval and will be granted only where clearly justified by unusual circumstances. Countries permitted to attend DLIELC under the minimum ECL cut-off score of 55 will be notified at the beginning of each fiscal year. SAOs assigned to countries exempt from the minimum 55 ECL score for DLIELC entry should encourage the host country to develop an in-country English language capability in order to achieve a minimum 55 ECL. Countries unable to purchase appropriate English language equipment and materials to develop an in-country ability to reach a 55 ECL due to a small IMET program or other considerations where it would not be economically feasible will remain on the exemption list.

2. **Minimum ECL for FMS Students** There is no minimum cut-off score for entry into ELT at DLIELC for FMS students.

C. **Exemptions from ECL Testing Requirements** Certain countries whose students have demonstrated an English speaking capability are exempt from all ECL testing requirements. These countries are reviewed annually to determine if the exemption should continue. Students from countries that are exempt from ECL testing requirements must continue to demonstrate successful English language performance during training or the exemption will be withdrawn. DSAA will confirm the annual exemption list each year by message.

D. **Exemptions from In-Country ECL Screening** Certain countries whose students have demonstrated an English speaking capability are exempt from in-country ECL screening. Students from countries exempt from in-country ECL screening will be ECL tested at the first training installation. These countries are reviewed annually to determine if the exemption should continue. Students from countries that are exempt from in-country ECL screening must continue to demonstrate successful English language performance during training or the exemption will be withdrawn. DSAA will confirm the annual exemption list each year by message.

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E. SAO Responsibility SAOs are responsible for screening students for the minimum ECL prescribed by the IA for each course of instruction or for entry into DLIELC. Test materials to determine the ECL of selected IMS are provided by DLIELC, together with instructions for administering the tests. ECL minimum requirements by course are listed in the MASL.

F. Service Waivers Requests for waivers to minimum course ECL prerequisites will be made through the UCOM to the IA.

G. Test of English as a Foreign Language (TOEFL) SAOs are authorized to program the cost of the TOEFL under IMET when required for entrance into approved military undergraduate or graduate training programs. Costs of travel by prospective students to the testing site will not be funded under IMET.

H. Foreign Countries' Responsibility (IMET Only) With few exceptions, foreign countries are considered to possess the public and private school, commercial institution, or other resources needed to provide the necessary ELT to meet the ECL levels above. SAOs should encourage the host country to increase their ELT capability above the minimum 55 ECL requirement. Assistance may be provided under the IMET program by training of instructors at DLIELC, by providing English language MTTs or LTD, or by providing appropriate ELT aids and equipment. Details on DLIELC MTTs and LTDs are contained in DLIELC 1025.1-M.

I. Specialized ELT Provided the general ECL requirements have been met, SET will be provided in those cases where the IA determines that exceptional fluency or specialized vocabularies are essential to safety or effective participation in the course of instruction. The annotation SR (SET Required) or SA (SET Advised) will appear in the ECL/SET REQ column of MASL for these courses.

J. Conduct of ELT by Other Than DLIELC

1. SA sponsored ELT will normally be conducted by DLIELC unless unusual conditions exist that warrant exceptional ELT arrangements under FMS funding. No exceptions will be permitted for IMET funded ELT. In those cases where exceptions are requested under FMS funding, written requests for an exception to this policy must be submitted by the IA to DSAA-Plans-PGM prior to submission of LOAs or LOA Amendments to DSAA for countersignature. Such requests will include the following information:

a. Written DLIELC position on the proposed ELT exception.

b. Explanation of the unusual conditions that apply.

c. Complete information on the ELT to be conducted to include location, description of training facilities, number of students, training objectives, duration of the overall ELT program, and estimated cost.

d. Statement that DLIELC will coordinate and approve the ELT curriculum, teaching materials, and instructor qualification standards; will monitor the ELT to ensure that DLIELC technical standards are being met; and will perform a DLIELC certification every six months.

e. Statement that the LOA will contain an appropriate line item for DLIELC to monitor and provide quality control of the proposed ELT.

2. If a DSAA waiver is granted, the waiver will strictly apply to the scope of the proposed ELT program justified in the exception

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request. No change to the LOA will be made to increase the student load or extend the duration of the ELT program without submitting a revised request to DSAA-Plans-PGM, to include information in A. above.

K. Direct Entry ECL Failure Forfeiture Charge A forfeiture charge of 20% will be imposed in all instances when direct entry students fail to achieve the prerequisite ECL on the CONUS course entry ECL test and when failure results in rescheduling or cancellation of direct entry training due to a language deficiency. This forfeiture policy applies to all direct entry students, including those from countries granted a waiver from the in-country screening ECL testing.

L. English Language Equipment and Support Materials Textbooks, testing materials, training aids, audiotapes, videotapes, and publications for use in establishing or supporting in-country ELT programs may be acquired under the IMET program or purchased through FMS procedures. Transportation of IMET acquired materials will be by surface shipment unless the cost of air shipment is less than 20% of the cost of the materials being shipped.

100303 ON-THE-JOB OR FAMILIARIZATION TRAINING OJT, or USAF familiarization training, normally involves follow-on technical training devoted to practical application conducted after attendance at a formal course of instruction. This training will be planned in advance in the country's training program and will include detailed requirements for training in specific areas of interest and on types of material used by the country concerned. OJT conducted independently and not in conjunction with formal courses of instruction will be authorized in the US only when no course covering the desired training is available for IMET funded programs. OJT in overseas schools and installations will be provided in accordance with the policies established by the UCOM concerned.

100304 OBSERVER TRAINING OBT is training during which the student observes methods of operation, techniques, and procedures as a medium of instruction. OBT is not related to a formal course of instruction although it sometimes supplements or follows a student's formal training. OBT will be authorized only when no course covering the desired training is available. This includes specialist-type training. Certain OBT explicitly excludes "hands on" training; for example, foreign personnel enrolled under medical observer training will be prohibited from hands-on patient care.

100305 MOBILE TRAINING TEAMS MTTs are provided under budget project/generic code N20, and are composed of IA personnel on temporary duty for the purpose of training foreign personnel.

A. Approval Criteria (IMET MTTs) As with any other aspect of a particular IMET country program, the decision to use MTTs should be based on consideration of all of the advantages and disadvantages inherent in the use of the particular MTT at a particular time and in a particular country. A fundamental objective of IMET is to reach foreign military personnel who are, or are likely to be, influential in their services/countries by having them attend professional level CONUS training. The intent is to expose the IMS to the American people, their way of life, institutions, beliefs, and aspirations. While this objective is not exclusive or overriding with respect to other considerations, it must be considered when selecting MTTs versus CONUS training. Moreover, any decision to use MTTs solely for their inherent cost benefits runs the risk of detracting from accomplishment of overall IMET objectives. Finally, MTT requests under IMET should clearly demonstrate that MTTs are the best approach and IMET is the only available funding option. Every attempt should be made to provide MTTs through FMS rather than IMET.

B. Other Criteria Bearing on MTTs Within the guidelines established above, MTTs should be considered when one or more of the following factors are clearly present:

1. Training must be accomplished quickly in response to a threat or adverse condition affecting the security of the country.
2. Training is of relatively short duration, must reach a large number of trainees, and entails extensive use of interpreters or language-qualified team members.
3. Training can only be conducted on equipment or in facilities located in the foreign country.

C. Purposes MTTs may be authorized for CONUS or overseas deployment when it is more practical to bring the training capability to country personnel. This includes in-country training surveys to determine specific country training needs, determine quantity requirements which are beyond the country capability to assess, and which are associated with equipment deliveries or assistance leading to self-sufficiency.

D. Duration MTTs are authorized on a TDY basis for up to 179 days. Requirements for assistance in excess of 179 days will be met by CONUS training of country personnel leading to an in-country capability or programing of US engineering and technical services specialists.

E. Subsistence, Per Diem, and Transportation (IMET MTTs) Subsistence expenses, or per diem allowance in lieu thereof, obligated in fiscal year for IMET MTTs cannot be extended into the succeeding fiscal year. Therefore, personnel on MTT duty must terminate TDY and return to home station prior to 30 September unless action has been taken to reprogram the team in the new fiscal year, subject to the 179 day restriction discussed above, receipt of CRA or other budget authority in the new fiscal year, and DSAA approval. Transportation costs for round trip team travel are chargeable to the fiscal year of the start of the TDY.

F. Coordination and Preparation Use of MTTs requires special coordination and preparation with country personnel prior to team arrival. Establishment of the team mission in precise terms, to include availability of training equipment by type, student availability, capability, ECL, training facilities, transportation, communications, medical care, and team living arrangements should be the subject of country-SAO discussion prior to programing, and should be finalized prior to the team's arrival.

G. Programing Instructions Compliance with paragraph 100105.A is required prior to programing MTTs under IMET. MTTs will be programed under generic codes N2A-N2V. Refer to Table D-7 for further definition and breakdown of these generic codes.

1. MTT programing will include duration in weeks; number of team members; costs for Transoceanic Travel (round trip); In-Country Travel; Station and Travel Per Diem Allowance; CONUS Travel; Official Baggage, including excess, if justified; and Salaries of DOD civilians.
2. Per diem allowance costs during TDY travel outside CONUS will be computed according to rates shown in current JTR for military personnel, and according to rates shown in current Standard Regulations, Government Civilians, Foreign Areas (published by DoS), for USG civilians.

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3. Cost of CONUS travel of team members will be programed at an estimated rate which includes cost of commercial air transportation, official baggage, and per diem. Excess baggage must be justified to and approved by the IA.

4. Cost of teams furnished from overseas will be computed using commercial air (tourist rate) transportation, per diem, and excess baggage.

5. In addition to the factors indicated above, \$15 per person per week is authorized for programing purposes to cover overseas in-country travel when the actual cost is unknown.

6. A joint MTT will be programed using the appropriate MASL line of the DoD component having the predominant number of members. In the event of a balanced team, use the MASL line of the MILDEP counterpart to the requesting foreign country service.

7. When programing MTT requirements, all team member costs, including predeployment orientation or training costs will be reflected as "unit costs" of the country program. No entries will be made in the TLA data field. Training aids (including PCH&T) will be programed separately under generic code N2, description: MTT-TRNG AIDS (MASL Item-ID 309000-CONUS, 319000-O/S). This program line will show the next appropriate sequential suffix of the WCN. Only those training aid requirements for use by the MTT which cannot be predetermined and requisitioned under FMS will be included under this procedure, subject to approval by DSAA.

H. MTT, TAT, and TAFT Comparison MTTs are not intended to provide technical assistance. TATs and TAFTs are provided under generic code M, are normally requested at the time major equipment is ordered. Training is not normally a principal mission of these teams.

1. TATs are composed of DOD personnel deployed to a foreign country to place into operation, maintain, and repair equipment provided under AECA or FAA programs. TATs are SA services, but are not SA training and are not provided under IMET, except in the case of the installation of English language laboratories.

2. TAFTs are composed of DoD personnel deployed for the purpose of providing in-country technical support to foreign personnel on specific equipment, technology, weapons, and supporting systems, when MTTs and ETSSs are not appropriate for the purpose requested. TAFTs are also not considered to be SA training and are not provided under IMET.

100306 FIELD TRAINING SERVICES Budget project N30 provides funds for DoD Extended Training Service Specialist and Contract Field Services personnel, as specified below.

A. Approval Criteria (IMET) See paragraph 100305.A above.

B. DOD ETSS ETSS are DoD military and civilian personnel technically qualified to provide advice, instruction, and training in the installation, operation, and maintenance of weapons, equipment, and systems.

1. ETSS will be attached to the SAO rather than assigned and carried on the JTD. They will not be provided as an augmentation to the SAO staff to perform duties which are normally the responsibility of that staff. They will not be used for follow-on retraining or in advisory roles, except in rare instances when the recipient country is not capable of providing qualified personnel from its own resources or of hiring

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qualified personnel from non-indigenous sources and the SAO recommends it in the interest of the US. ETSS provided as English language instructors, supervisors, or advisors on detached duty status from DLIELC will be attached to the SAO, as specified above. The English language technical assistance provided by DLIELC is referred to as a Language Training Detachment (LTD).

2. ETSS may be provided for periods up to one year, unless a longer period is specifically approved by DSAA. In those rare cases where the technical services are required for periods in excess of one year, ETSS personnel will be attached to the SAO for operational control and administrative and logistical support.

3. ETSS will be programed under generic code N30 on the basis of person-month requirements. The program cost will include elements in 100305.G plus Overseas Allowance (military or civilian). For programing purposes, a factor of \$40 per person per month is authorized to cover the cost of in-country travel, if the actual cost is unknown; \$320 to cover the cost of CONUS travel; and \$210 as an overseas living allowance. Five pieces of checked official luggage are authorized.

C. CFS Personnel CFS provide advice, instruction, and training in the installation, operation, and maintenance of weapons, equipment, and systems. CFS will be utilized only when the IA determines that satisfactory provision of services by DoD personnel is not practicable. Conditions of CFS must be approved by DSAA. CFS requirements will be programed on the basis of person month requirements. Estimated contract cost will include the total charge of providing the training service, which includes costs such as salary, transportation, and baggage.

07 ORIENTATION TOURS

A. Objectives The objective of OTs is to provide selected students an opportunity to become acquainted with US military doctrine, techniques, procedures, facilities, equipment, organization, management practices, and operations through short term orientation as opposed to attending longer term formal courses. OTs will be limited to countries with lesser developed defense relationships with the US unless extraordinary circumstances exist. In addition to the purely military objectives to be achieved through orientation training, it is intended that OTs serve to enhance US and participating nation mutual understanding, cooperation, and friendship.

B. Description OTs for Distinguished Visitors (DV) are authorized for IMET programing. When submitting orientation tour requirements, the positions held by the visiting officers will be indicated for the type of tour selected. OTs for DVs are authorized for senior country officials holding positions of major importance and high authority below the equivalent US position of Chief of Staff or Chief of Naval Operations. Requests for OTs at the Chief of Staff and higher levels will not be funded under IMET and should be referred to the corresponding US element for funding and other action. DV tours are restricted to not more than one per service per year, subject to MILDEP capability to implement the tour. DV tours are normally for a period not to exceed 14 calendar days plus overseas travel time and not more than five visitors per tour. Travel arrangements (mode of transportation for transoceanic and domestic travel) and accommodations should be comparable to those provided US personnel under similar circumstances. Non-DV OTs are authorized for selected officers who may become future leaders and policy makers, but do not presently qualify as a DV. Tours should be restricted in number and limited primarily to a minimal number of international military

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participants. Visits by international military cadets to US service academies are not authorized under IMET.

C. Policy Guidance

1. **Country Team Evaluation (IMET)** OTs for IMET funding should be programed only after the SAO Chief attests to their importance to the country's efforts with adequate supporting rationale provided by the SAO to the UCOM and DSAA for approval. OTs should not comprise a major portion of an established program nor be a routine use of country program funds.

2. **Student Selection** See 100307.B above. Selection of students for OTs and the design of itineraries should be made on the basis of maximum accomplishment of OT objectives. Where tour objectives are specific in terms of exposure to specialized techniques, procedures, and facility operation, the schedule should be designed accordingly, as opposed to tours in which the objective is intended to be broad exposure to concepts, higher level decision making, management, and staff operation. In no instance should itineraries reflect a tourist orientation in which the objectives are obscure. Visits to large metropolitan centers which do not directly relate to OT objectives should be avoided.

3. **Approval of Exceptions** Requests for OTs will be forwarded to the UCOM and DSAA (IMET) and the IA with supporting rationale and justification for approval prior to any proposal to country officials which could be construed as an agreement to provide a tour.

4. **Official Entertainment** Official entertainment in connection with OTs (luncheons, dinners, receptions) should be in keeping with the grade and position of tour participants. Protocol activities of this nature should be arranged on an austere basis. Activities which could be interpreted as lavish should be avoided.

5. **Size of Tour Groups** Large group OTs are discouraged. Experience indicates that OTs for large groups are difficult to manage and usually result in a bland experience for the majority of participants, at a disproportionate cost. In addition, since OTs are expensive in terms of both service support resources and IMET funds, the number of personnel comprising OTs should be kept to a minimum, generally no more than five persons excluding escort officer(s). Other than the escort officer(s), tour members must have a direct relationship with the purpose for which the tour was established.

6. **Assignment of Executive Agency and Escort Officers** An executive agency is assigned to conduct and provide escort officers for OTs in CONUS. The executive agency is the DoD component having primary interest in the tour, or the component selected by DSAA as executive agency to implement a specific tour. Every effort will be made to provide escort officers fluent in the language of the tour participants when lack of English fluency of the participants makes a language qualified escort essential to tour objectives. Normally, an SAO representative should not be used as escort officer for IMET OTs. However, in exceptional cases and with prior approval of DSAA, the executive agency may consider an SAO representative to serve as an escort officer when justified; e.g., because of special qualifications, workload, unusual rapport with key host country personnel, and associated projects or contacts which might be exploited. An SAO representative selected as an escort officer will be under the complete jurisdiction of the executive agency and will remain with the tour at all times until the tour participants return to host country. TDY travel and per diem costs for the escort officer for the duration of the tour are chargeable to IMET funds, and will be programed as a separate line

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in the country program under budget project N70. US personnel other than bona fide escort officers designated or agreed to by the executive agency for tour implementation are not authorized to accompany tour groups. A factor of \$800 per person week is authorized for programing (N7B) when escort officer services are required in connection with OTs. The dollar value of escort officers is programed in the TLA data field.

8. **Responsibilities for Tour** While every effort will be made to meet SAO recommendations, the final tour agenda and itinerary will be the responsibility of the tour IA. The IA is required to submit a proposed agenda for approval by DSAA-Plans.

9. **Leave for Participants** When authorized in student ITO, leave may be taken by tour participants at the conclusion of an OT at no additional expense to IMET.

100308 RECIPROCAL EXCHANGE TRAINING This section provides general guidance for the conduct of reciprocal PME and unit exchanges. Detailed implementing instructions are provided in the JSAT Regulation and other IA instructions.

A. **PME Exchange Training** FAA Sec 544 authorizes reciprocal exchanges between US PME institutions and comparable non-US institutions. Institutions specifically included are the US military service Command and Staff Colleges, Armed Forces Staff College, and US MILDEP War Colleges. Attendance at these institutions is to be at no charge to the country concerned but also at no expense to SA programs. PME exchanges must be pursuant to an international agreement which provides for the exchange of students on a one-for-one reciprocal basis during the same fiscal year. JSAT Regulation provides the prescribed international MOA to be used for this purpose. PME exchange requests will be forwarded to the appropriate IA for action and for information to DSAA/Plans/PGM.

B. **Unit Exchange Training and Related Support** AECA Sec 30A authorizes reciprocal unit exchanges and related support. The related reciprocal training and support must be pursuant to an international agreement and be provided within one year. Should the foreign country or international organization not provide comparable training and support, the US must be reimbursed for the full costs of training and support provided by the US. The JSAT Regulation provides detailed implementing instructions, to include the prescribed international MOA to be used for this purpose. Requests for unit exchanges will be forwarded to the appropriate MILDEP for action and for information to DSAA/Plans/PGM. Pricing guidelines and conversion to reimbursable training when reciprocal training or related support is not provided or not received, is included in DODI 2010.11, Unit Exchanges of Training and Related Support Between the U.S. and Foreign Countries--Financial Policy.

C. **Reports** By 1 December each year, the MILDEPs will provide the RCS DD-COMP(A) 1789 (see DODI 2010.11) report for unit exchanges conducted during the preceding US fiscal year. The report will be provided to the OASD Comptroller (Accounting Policy), with an information copy to DSAA/Plans/PGM.

100401 INVITATIONAL TRAVEL ORDER FOR INTERNATIONAL MILITARY STUDENTS

), DD FORM 2285 The ITO, DD Form 2285 is the controlling document for training provided to IMS under SATP sponsorship, including IMS status and applicable privileges. DD Form 2285 will be used, without alteration, by SAOs for IMS entering US training under the FAA and the AECA. If country desires, a language translation may be attached. It is also the basic document for accounting purposes and provides guidance for determining which support is payable and which is not. The SAO is responsible for preparation of the ITO in accordance with instructions in the Joint Security Assistance Training Regulation (Army Regulation 12-15/Secretary of the Navy Instruction 4950.1H/Air Force Regulation 50-29/Marine Corps Order 4950.2). When prerequisites have been met, the SAO will issue individual ITOs for each IMS.

100402 SECURITY AND CLASSIFIED ITEMS A security screening of IMS will be accomplished by US officials in country prior to issuance of the ITO for all scheduled training, regardless of level of classification.

A. **Attendance in Classified Courses** The SAO must receive a statement in writing from the foreign government that the government concerned sponsors the student, that the student has been subjected to a security screening and that the level of security clearance granted by the government does not constitute a security risk to the US, that the information to be obtained during the training will not be released to another nation without the specific authority of the USG, that classified information will be provided the same degree of security afforded it by the and that any proprietary rights involved (patented/copyrighted or not) be respected and protected. When this certification is obtained, the applicable statement will be checked in Block 10 of the ITO, DD Form 2285.

B. **Access to Classified Material** The security certification described above does not constitute a US clearance as the basis upon which to release classified material to the trainee. When classified instruction is requested, action will be taken with the IA to establish the authority and determine the classification of material to be released during training, based on a need to know and disclosure agreements with the country making the request. Release of classified material will be in accordance with paragraph 50111.

100403 CIVILIAN COMMISSARY AND EXCHANGE PRIVILEGES Civilian students under ITOs are authorized commissary and exchange privileges subject to IA and UCOM regulations.

100404 STUDENT MEDICAL SCREENING Detailed information concerning student medical screening and requirements are contained in the JSAT Regulation. The SAO will require a signed statement from a competent medical, including dental, authority stating that the IMS has received a thorough physical examination within the three preceding months, including a chest X-ray and a screening for serologic evidence of Human Immunodeficiency Virus (HIV), and that the student is free of communicable diseases. IMS are certified to be medically fit generally for military training and free of communicable diseases before they leave their country by either their government or US in-country authority and prior to issuance of the ITO by SAOs. On these bases, except for those special situations noted below, IMS are exempt from medical examinations or any IA urinalysis and blood screening programs before commencing training at US training installations. Students may be tested medically as follows:

Change b

A. At and by US training installations when the associated physical examination is an established prerequisite for admission to training that involves exceptional physical activity or safety; e.g., flying, underwater, ranger, or airborne.

B. At and by US military training installations on an exception basis pending development of a particular testing capability which does not exist in country. In these instances, the country will pay for the cost of testing and IMET program funds will not be used for this purpose.

C. Physical examinations in conjunction with sick call or hospitalization in order to diagnose a student's ailment.

100405 UNIFORMS AND PERSONAL CLOTHING The furnishing of uniforms or items of personal clothing, other than special items of training clothing or equipment, such as flying training gear when included in course cost, is not authorized on a grant basis.

100406 VISITS TO CANADA AND MEXICO IMS attending instruction in CONUS may be authorized visits of not over 72 hours to Canada and Mexico. They must comply with all immigration and customs regulations. Such visits will not affect the IMET living allowances. Students should be aware that they need multiple entry visas to visit Canada or Mexico and to return to the US; not all visas meet this criterion.

100407 DEPENDENTS OF STUDENTS Dependents will be discouraged from joining students except where the IA determines that housing and other amenities are available and the presence of dependents will make an important contribution to the learning experience. Where dependents are authorized by the IA for officers attending selected courses, as indicated in Note 4 of Table 1001-2, a living allowance may be paid in accordance with rates established in that table. In no event will transportation of dependents or medical treatment be at US expense.

100408 IMS AND DEPENDENT EMPLOYMENT IMS and alien dependents of IMS are not allowed to seek employment during their stay in the US. US Embassy or SA personnel should explain this to students at predeparture briefings. In this connection, US country team personnel should ensure passports with A-2 Visas or related documents concerning students and their alien dependents are not annotated with "Employment Authorized."

100409 DISPOSITION OF IMS IN EVENT OF EMERGENCY In the event of a national emergency, procedures and policy for the disposition of IMS and other international military visitors in the US and at US installations abroad will be provided by DSAA.

100410 POLITICAL ASYLUM AND TEMPORARY REFUGE Requests for political asylum and temporary refuge by IMS will be handled promptly and with careful attention to the procedures established by DODD 2000.11 and the implementing instructions of the MILDEPs (AR 550-1, SECNAVINST 5710.22, and AFR 110-26). The instructions cover policy and procedures concerning political asylum and temporary refuge requests from foreign nationals while in territory under exclusive US jurisdiction (including territorial seas, the Commonwealth of Puerto Rico, possessions, and territories under US administration and on the high seas and in territories under foreign jurisdiction (including foreign territorial seas)).

100411 INSTRUCTIONAL COURSE MATERIALS The cost of shipment of student retainable instructional materials (RIM) will be included in the tuition rates for all formal courses, based on standard rates set by section 071105 of DOD 7000.14-R. Students wishing to send their instructional materials

via international mail, or send instructional materials in excess of the total maximum allowance, will do so at personal expense.

Change 6

A. Weight Allowances are 200 pounds for all courses the IA considers in the PME category (as approved by DSAA), which appear in the MILDEP appendices to the JSAT Regulation, and 50 pounds for all other courses.

B. Materials are to be packaged and labeled at the training installation and shipped via fourth class mail to the SAO of the country for delivery to the student, or to the official address for classified material. A copy of the student's ITO will be placed inside the package. Use of the Army and Air Force Post Office or Fleet Post Office address of the sponsoring SAO is authorized; packages must be addressed to the SAO (student's name must not be entered on address label) including the WCN and Program Year for IMET students and the WCN and FMS case for FMS students.

C. The training installation will ensure that no personal effects or other unauthorized matter is shipped with the instructional material.

100412 COUNTRY LIAISON PERSONNEL Use of foreign personnel as liaison officers to assist US training activities with IMS administration is authorized only after the IA has acknowledged the need for assistance and has the capability to provide logistic support. Liaison personnel will normally be authorized only in those instances in which a country is scheduled to train a large number of students or where student background warrants liaison personnel assistance. Programing procedures for TLA are the same as for the IMS, if funded under IMET. Liaison personnel will be programmed under generic code N10. Liaison officers will not be authorized to pursue a course of instruction concurrently with liaison duties.

13 LEAVE OR LEAVE EXTENSIONS (IMET ONLY) Leave or leave extensions will not be granted IMET students unless authorized in the original ITO or unless the SAO has amended a student's ITO by written communication with the applicable training installation. This written communication must be accomplished not later than 15 days prior to completion of scheduled training.

SECTION 1005 - POSITIONS OF PROMINENCE REPORT (PPR)

Change 6

100501 PPR FOR FORMER STUDENTS Each UCOM will provide SAOs guidance on collection of PPR data and ensure reports are updated annually. SAOs will include updated data in the annual two year training plan presented at the Unified Command TPMR. The data will be used to assess the effectiveness of the programs and for justification to the Congress of the annual SA budget submissions.

100502 DESCRIPTION OF MILITARY RANKS FOR REPORTING PURPOSES For purposes of this report, prominent military positions include all general and flag rank officers and lesser ranks such as chief of a military service, senior cabinet aide, senior position on the joint or general staff, commander of a training installation which would be held by a general or flag officer in the US, military attache to major world capital, or commanders of elite or singular units with special tasks such as guarding the nation's capital.

100503 DESCRIPTION OF CIVILIAN RANKS FOR REPORTING PURPOSES Civilian graduates under SA training programs achieving positions of prominence include heads of state (includes royalty), cabinet and deputy cabinet ministers, ambassadors, members of parliament and, where known, chiefs of leading business enterprises and other leaders of the civilian community. Because of the rank structures used around the world, SAOs will often have to use best judgment in assigning a "US Equivalent Grade."

100504 DATA FORMAT Data will be composed of an update on individuals previously reported, if his position or status has changed, and the additional former IMS who have achieved positions of prominence since the report. Data should be formatted in the following order: (1) country; (2) name (last, first, MI); (3) grade; (4) US equivalent grade; (5) prominent positions held (to include all previous positions of prominence); (6) current position; (7) academic degree (if appropriate); (8) specific training completed; (8a) course; (8b) place of training (name of installation); (8c) rank; (8d) year(s) attended; (8e) source of funding (i.e., FMS or IMET); (9) how the position was obtained (election, appointment, or other).

100505 REPORTING PERIOD AND TIMING Information should be submitted by SAOs at the TPMRs. Consolidated information should be submitted by the UCOMs within 30 days after their TPMR.

b. Satisfy required initial deposits on specific LOAs (MAP portion of financing will be identified in ~~Block 27~~ of the LOA.)

The Terms of Sale

c. Liquidate arrearages of 90 days or more on customer DD Form 645 FMS Billing Statements issued quarterly (at specific direction of DSAA Comptroller only).

d. Offset current amounts due and payable on DD Form 645 FMS Billing Statements (at specific direction of DSAA Comptroller only).

SAAC must ensure that adequate procedures and controls are available to preclude refunds of merged MAP funds to the foreign purchaser.

4. MAP Fund Accounting and Reporting. The DSAA AFD will maintain records of obligations and transfers of funds made on the basis of SF 1081s and report to the Treasury (at the appropriate level) in compliance with Treasury Fiscal Requirements Manual.

5. MAP Restrictions. Procurements financed by merged MAP funds will not be governed by the delivery procedures and reversionary rights requirements applicable to the FY 1981 and prior year MAP and to all items transferred under FAA Secs 516, 517, 518, and 519 (see section 803). **

a. Delivery deadlines will not established for purchases financed with FY 1982 and subsequent year merger funds. Procurement and delivery will be carried out in accordance with FMS procedures.

b. OSP under FMS cases funded with merged MAP funds is restricted by AECA Sec 42(c) (see paragraph 90210).

c. Title transfer for items transferred under the FAA will be the same as for items transferred under the AECA.

d. Reversionary title rights will not accrue to the US on any defense article sold under FMS procedures even when merger funds may have been used to finance the purchase in whole or in part. Accordingly, the recipient countries will not be required, as they are under FY 1981 and prior year MAP as well as FAA Sec 516, 517, 518, and 519 transfers, to return the article to the US when the article is no longer needed.

e. Restrictions on transfers to a third party, however, will continue to apply, as they do to all defense articles and services sold under FMS.

6. Section 90006 is also applicable to third party transfers of MAP merger defense articles. **

B. MAP Financed LOAs for Defense Services. P.L. 99-83 amends Section 503(a) of the FAA, and provides for elimination of the cost of military pay and entitlements if the sales case for defense services including training or for design and construction services is totally financed by MAP. Effective 1 October 1985, services provided under Sections 21, 22, or 29 of the AECA shall be priced to exclude military pay and entitlements (including retired pay accrual) only for those cases citing MAP funds as the exclusive method of funding in ~~Block 27~~ of the ~~DD Form 1513~~ *LOA*. This pricing applies when services are performed regardless of the date of the ~~DD Form 1513~~. Any subsequent amendment or modification serving to reduce the MAP method of funding below 100 percent shall require repricing to add military pay and entitlements to the entire case.

Terms of Sale

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C. Exceptions. The guidance provided ^{in B} above does not apply to FY 1981 and prior MAP programs, to those general costs funds programmed in FY 1982 and subsequent years which are intended for the close-out of those programs, or to emergency drawdowns authorized under Section 506(a) of the FAA. For those program years and funds, management and close out are discussed by separate guidance, which will be forwarded to applicable addressees. Section 506 special authority implementing procedures are provided in Section 1102 of this chapter. ←

D. Impact of Section 620(q), FAA, and "Brooke Amendment" on Utilization of MAP Funds.

1. Section 620(q) reads:

No assistance shall be furnished under this Act to any country which is in default, during a period in excess of six calendar months, in payment to the United States of principal or interest on any loan made to such country under this Act, unless such country meets its obligations under the loan or unless the President determines that assistance to such country is in the national interest and notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of such determination.

2. The "Brooke Amendment" which is an integral part of each recent foreign assistance and related programs appropriations act and continuing resolution states:

No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act.

3. Sanctions under Section 620(q) would be triggered by arrearages of more than six calendar months on AID-financed loans (Economic Support Fund, etc.) at such time as the Department of State advises DSAA that no waiver of sanctions is being considered. Sanctions under the "Brooke Amendment" would be triggered by arrearages of more than one calendar year on FMS-financed loans (direct or guaranteed) or AID-financed loans.

4. The impact on utilization of MAP funds under both Section 620(q) and the "Brooke Amendment" is identical; therefore, refer to Chapter 9, Paragraphs 90211.D.1-4 for the specific sanctions. [NOTE: Utilization of FMS Credit funds are not impacted by Section 620(q).]

23 November 1993

To: DISAM

Subject: SAMP Change 6

Section 1101 should be replaced with the following:

SECTION 1101 - USE AND DISPOSAL OF MAP MATERIEL

110101 GENERAL This section provides guidance concerning materiel furnished under the FAA of 1961, as amended. This presently includes materiel furnished under MAP Orders prior to FY82; FAA Sec 506(a), emergency drawdown authority, and similar grant DoD drawdown authorities not authorized in the FAA; and FAA Secs 516, 517, 518, or 519 (see SAMP section 803). It does not apply to materiel purchased as a result of transfer of MAP funds to the FMS trust fund (see section 1100). "Disposal" as discussed in this section means altering disposition so the foreign holder is no longer responsible for the item. This can occur through demilitarization or, for items not requiring demilitarization, through fair wear and tear or other destruction and qualified technical inspection which verifies the item is unserviceable and non-repairable. It can also include transfer, with military capabilities retained, to other authorized recipients.

110102 LEGAL LIMITATIONS AND RELATED POLICY PROVISIONS

A. End Use DSAA, the UCOM, or the SAO do not have the authority to consent on behalf of the President either (1) to the use of MAP materiel by anyone not an officer, employee, or agent of the recipient government, or to the transfer of such materiel to anyone not an officer, employee, or agent of the recipient government, or to the use of such materiel for purposes other than those for which furnished as identified in FAA Sec 502, or (2) to other disposition (such as retention solely for public display) of such materiel other than the return to the USG without charge when no longer needed for the purposes for which furnished. Controlled use of components (cannibalization) is an authorized use for these items. These two Presidential functions under Sec 505(a)(1) and Sec 505(a)(4) have been delegated to the Secretary of State by Sec 1-201(a)(5) of Executive Order No. 12163.

B. Disposal and Net Proceeds

1. FAA Sec 505(f) 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 that 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 1985, 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 US." Authority to grant these waivers has been delegated to the Secretary of State.

a. FAA Sec 505(f) applies to disposals of MAP origin defense articles by countries which were the recipients of grant aid materiel after 1 July 1974. A 505(f) agreement, which constitutes a condition of eligibility for recipients of grant defense articles programed in FY75 and subsequently, was concluded with those countries.

b. A Sec 505(f) agreement is not legally required for countries where no grant defense articles were programed after 30 June 1974. Nevertheless, US policy is to require (unless contrary to an agreement in force on 30 June 1974) a recipient country commitment to return to USG the net proceeds of sale whenever country disposal of MAP property is requested.

2. FAA Sec 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."

3. Any net proceeds from disposal will be reimbursed in US dollars except where government-to-government arrangements, with DoS representing the USG, specify otherwise. "Net proceeds" means the balance of the gross proceeds of sale after reasonable administrative costs of the sale are deducted.

C. Supervision FAA Sec 623 shows SecDef responsibilities, including [Sec 623(a)(3)] responsibility for "the supervision of end-item use by the recipient countries."

110103 SAO ACTION

A. MAP Item Supervision In order to meet the requirement shown in 110102.C above, each SAO must work with the country to ensure that a sound process exists for accountability, including technical inspection and disposal, of US-origin defense articles.

1. The SAO should ensure the country property accountability process specifically identifies aircraft, ships, radars, armored vehicles, general purpose vehicles, artillery, mortars, and missiles, including non-consumable/reparable components of those items, which were acquired under the FAA of 1961, as amended. Utilization reporting for these items (to DSAA, with an information copy to the UCOM) is required if information is obtained which indicates use contrary to 110102.A above.

2. Noting the presence and utilization of US origin equipment should be done during the course of other duties. End-use inspection or FAA materiel-related functions will not justify SAO budget or personnel authorizations. Note that end-use observation and reporting extends to items of US origin acquired other than under the FAA, although only monitorship as discussed in section 30002.C.12, not supervision as discussed in this section, is required for those items.

B. Excess Determinations SAOs should encourage the country to declare MAP materiel excess when it is no longer needed and before items deteriorate. Items which are redistributed to defense forces within the country are not excess under this section.

1. When MAP materiel is determined to be excess, the SAO will ascertain its condition based, to the extent possible, on total or sample inspection, as appropriate, by qualified US personnel. When this is not feasible, classification by foreign government authorities may be accepted.

2. Disposal condition codes in DoD 4160.21-M will be used for turn-in to DRMO or to obtain DoS disposal approval. Condition Code S (scrap) consumable items not requiring demilitarization or other special controls are no longer defense articles and may be disposed of without further US approval.

C. Screening SAOs will report, to the managing MILDEP's ILCO with an information copy to the UCOM, the items listed in 110103.A.1 above which are excess and meet the following criteria:

1. Have a line item acquisition value of \$50,000 or more.
2. In disposal Condition Codes 1 and 2 (unused-good and fair), 4 and 5 (used-good and fair), and 7 and 8 (repairs required-good and fair).
3. Are not clearly obsolescent. Unless it is believed that markets exist in other countries, "obsolescent" may be assumed if items are no longer in DoD inventories and are at least 30 years old or, if this cannot be determined, have been in-country for at least 20 years.

Excess screening reports should show item origin (e.g. "Transferred to country under MAP Jan 81"), item description, NSN or part number, quantity, condition, acquisition and current value (estimated if not available), and any SAO recommendations for disposition.

D. Disposal, Including Redistribution Transfer of excess MAP materiel previously reported for screening will be accomplished in accordance with redistribution instructions received from the item managing activity. Disposal of items not meeting screening criteria above and those not redistributed as a result of MILDEP/ defense agency screening should be completed through DoD (see 110104.B) or DoS (see 110105).

E. Redistributable MAP Property Receipt SAOs in countries receiving redistributable MAP property will advise the appropriate

MILDEP or agency when transfer of the last article has been completed, ensure that due-ins for items received are cancelled, and submit appropriate program change data to DSAA.

110104 MILDEP/DEFENSE AGENCY DISPOSAL MILDEPs/defense agencies will provide any additional guidance required for reporting or redistributing excess MAP, including non-standard, items under their cognizance.

A. Screening and Redistribution Unless an approved requirement exists at the time excess MAP items are reported, the items will be added to those available for transfer approval under EDA procedures and for sale under the AECA (see section 80303 but note that EDA procedures are to be used only for screening purposes. Any AECA LOA sale should show Source of Supply Code E and "REDISTRIBUTABLE MAP", underlined, as the last words in the item description field. EDA Congressional reporting is not required for these items.). Items not taken to fill SA requirements may be used by DoD. The SAO will be advised to redistribute items based on screening results or to dispose of the items. DLA will support disposal as discussed below.

B. Disposal The items may be retransferred, through a DRMO, under the AECA (via an FMS LOA) or the Federal Property and Administrative Services Act of 1949. As stated above, they are not eligible for redistribution as excess defense articles under SAMM section 80303.

1. Speed (disposal through DoD avoids the requirement for DoS clearance under section 110105) and assurance that proper disposal procedures will be followed are principal reasons to emphasize disposal through a DRMO. This includes instances where the holding country disposes of items based on arrangements with DRMS, DRMS regional offices, DRMOs, or representatives of those entities such as disposal assistance teams, in conformity with DoD disposal standards and under AECA or Trade Security Controls (DoDI 2030.6). Disposal, via sale, of undemilitarized Category I USML items may be made subject to proper demilitarization or through an LOA.

2. DoD 4160.21-M and 4160.21-M-1 provide details, including crediting of net proceeds (see DoD 4160.21-M, Chap 14, Para K.6). LOAs selling MAP items through DRMS (i.e., not returned to US inventory) must include the following note:

"Upon acceptance, the Purchaser should return one signed copy of this LOA to Defense Finance and Accounting Service-Denver Center, Attn: DFAS-DE/IQM, 6760 Irvington Place, Denver, CO 90279-2000 with payment to attention of DFAS-DE/IQM and 11 (last digit of current fiscal year) 1082 account."

110105 DOS DISPOSAL APPROVAL Disposals through DRMS include Trade Security Controls, which involve DoS where appropriate. This section applies only where disposal will not be accomplished through DRMS (that is, where disposal involves transfer directly to a third party) or where retention of net proceeds is being requested. Unless retention of net proceeds is approved, these proceeds must be credited to Treasury Miscellaneous Receipts. Any request for

retention of net proceeds or for approval to retransfer to a third party should be addressed through diplomatic channels to DoS, 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 US designation of equipment, including the name, class, identification number, or other pertinent descriptive information if a vessel.

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

D. Item condition, using disposal condition codes as the guide; e.g., "Code S (scrap)-has no value except basic materiel content (destroyed in crash)" or "Code 5 (used, fair)-usable without repairs but somewhat worn or deteriorated and may soon require repairs."

E. Current estimated value, normally based on expected disposal method; e.g., scrap value or third party sale with capability retained.

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 PACKING, CRATING, HANDLING, AND TRANSPORTATION PCH&T will be accomplished by the currently owning country unless otherwise stated below. Rehabilitation costs will be borne by the recipient. Transportation of redistributable MAP property will be as follows:

A. For redistributable MAP property sold under FMS, the Purchaser will pay PCH&T costs.

B. Items other than those sold via FMS, including items being returned to DoD, will be delivered free alongside vessel, with onward transportation funded by the recipient. When these items are shipped by rail or highway, the releasing country will ship to its border at its expense and the recipient will pay for onward movement.

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

APPENDIX C

**

DOD DIRECTIVES, INSTRUCTIONS, AND MANUALS

The following is a list of DOD directives, instructions, and manuals pertaining to the security assistance program.

DOD Federal Acquisition Regulation Supplement

DOD Directive 1130.2 - *Management and Control of Engineering and Technical Services*

DOD Directive 1315.7 - *Military Personnel Assignments*

DOD Directive 1400.6 - *Civilian Employees in Overseas Areas*

DOD Instruction 1400.10 - *Employment of Foreign Nationals in Foreign Areas*

DOD Instruction 1400.11 - *Payments to Civilian Employees and Their Dependents During an Evacuation*

DOD Instruction 2000.8 - *Cooperative Logistics Supply Support Arrangements*

DOD Directive 2000.9 - *International Co-Production Projects and Agreements Between the U.S. and Other Countries or International Organizations*

DOD Directive 2010.1 - *Support of International Military Activities*

DOD Directive 2010.5 - *DOD Participation in the NATO Infrastructure Program*

DOD Directive 2010.6 - *Standardization and Interoperability of Weapon Systems and Equipment Within the North Atlantic Treaty Organization*

DOD Directive 2010.8 - *Department of Defense Policy for NATO Logistics*

DOD Directive 2010.9 - *Mutual Logistics Support Between the United States and Other NATO Forces*

DOD Instruction 2010.10 - *Mutual Logistics Support Between the United States and Other NATO Forces - Financial Policy* *Implementing Procedures for Security Trade Controls on Sales for -*
~~DOD Instruction 2030.6 - Foreign Excess Personal Property~~
 DOD Instruction 2045.2 - *Agreements with Australia and Canada for Qualification of Products of Non-Resident Manufacturers*

DOD Directive 2055.3 - *Manning of Security Assistance Organizations and Selection and Training of Security Assistance Personnel*

DOD Instruction 2110.32 - *Foreign Military Sales Between the United States and the Federal Republic of Germany*

DOD Directive 2140.2 - *Recoupment of Nonrecurring Costs on Sales of USG Products and Technology*



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

DIR 22 Dec
DDIR _____
EX _____
EA ADM 20DEC93

Change 6
Background

16 December 1993

Memorandum for LTG Rhame
Through Mr. ~~Rudd~~ YAL
Mr. McKalyp miss-17-93
Col Anthony AB
Mr. Brandt WB

Subject: Proposed SAMP Change, MAP Item Accountability

This is to request clearance to publish Tab A in the next change to the SAMP.

Tab B was distributed for comment. The cover memo shows the primary changes being proposed. State, DSAA GC, OJCS, Army, Navy, Air Force, and DFAS-DE concurred without comment or provided comments which were included in the draft.

DLA and DSAA Plans Directorate comments were partially included. Considerations of comments not included are at Tab C.

As anticipated, removal of the requirement for SAOs to obtain an annual MAP inventory from each owner of MAP items is the most sensitive issue. Plans comments at Tab C subtab 27 show details, saying that Congress may impose even more onerous accountability rules if dissatisfied with our implementation of the FAA 623(a)(3) provision to supervise old MAP. Based on consideration, at Tab C, of the Plans comments, the draft continues to recommend removal of the inventory requirement. The decline in the condition of MAP items as well as in SAO manpower levels appear to justify, and perhaps dictate, the changes as proposed.

A question has arisen regarding the potential surprise to the SA community with the statement in draft section 110101 that the guidance applies to FAA Sec 516-519 transfers. Our response to this concern might be (1) this is not a new requirement (Tab D) and (2) any effects should be largely mitigated through the changes being implemented.

The present version of section 1101 is at Tab E.

Okay to Change YAL Other _____

Wayne Wells
Wayne Wells
OPS-MGT, 78108

Attachments
As stated



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

*Change 6.
Background*

25 AUG 1993

In reply refer to:
I-02664/93

MEMORANDUM FOR DISTRIBUTION

SUBJECT: MAP Item Accountability

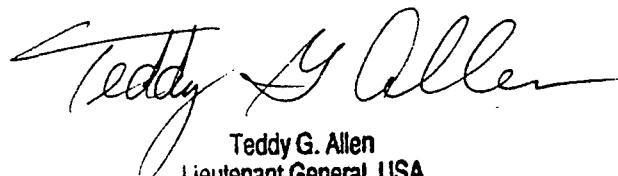
Two actions are attached for review and comment.

The proposed revision of section 1101 of DoD 5105.38-M, Security Assistance Management Manual (attachment 1) considers comments from security assistance offices, unified commands, country representatives, General Accounting Office, and Department of State regarding management of MAP item accountability. The proposed change will:

- Emphasize SAO supervision through cooperation with country property accountability representatives. Delete the annual inventory requirement.
- Reduce pre-disposal item manager screening and tie such screening to the EDA process in lieu of MIMEX.
- Acknowledge that certain items, when consumed, are no longer defense articles requiring special controls.
- Continue to emphasize disposal through the Defense Reutilization and Marketing Service (DRMS) to help ensure proper control over these items and to simplify and expedite disposal.

The second action (attachment 2) is directed primarily to DLA and to SAAC. A specific note is proposed for certain LOAs in order to help ensure proper crediting of LOA payments.

Comments to Mr. Wayne Wells, DSAA/OPS-MGT, DSN 227-8108/CML (703) 697-8108 or datafax DSN 227-1656/CML (703) 697-1656, are requested by 20 September 1993.


Teddy G. Allen
Lieutenant General, USA
Director

Attachments
As stated

(167)

Change 6
Background

DISTRIBUTION:

Chairman
Joint Chiefs of Staff
ATTN: Director, J5

Director
Defense Logistics Agency
ATTN: DLA/LRF
Cameron Station, VA 22304-6100

Director for Security Assistance
Office of the Deputy Chief of Staff for Logistics
ATTN: DALO-SAA
Washington, DC 20310-0510

Director, Navy International Programs
ATTN: O2C (Mr. Marini)
Crystal Gateway North, Suite 701
Washington, DC 20350-5000

Assistant Deputy Under Secretary
(International Affairs)
Department of the Air Force
ATTN: SAF/IA
Washington, DC 20330-1000

Director
Defense Finance and Accounting Service
Lowry Air Force Base
Denver, CO 80279-5000

Commandant
Defense Institute of Security Assistance Management
Wright-Patterson Air Force Base
Dayton, OH 45433-5000

cc: DSAA Compt
Plans
General Counsel
State (PM/DRSA)

polms1

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4. DSAA will issue an unfunded MAP order to the MILDEP citing .004 limitation. The MAP order provides a detailed accounting of articles, services, and training and is the basis for reimbursement to the MILDEPs if funded by Congress.

5. DSAA will monitor the dollar ceiling levels to insure that funding authorizations are not exceeded. There is no legal authority either to exceed the dollar value specified in the presidential determination or to reimburse IAs for any such excess.

110203 SECTION 506(B):

A. Law.

1. The authority contained in this section shall be effective for any such emergency only upon prior notification to the Committee on Foreign Affairs of the House of Representatives, the Committee on Foreign Relations of the Senate, and the Committee on Appropriations of each House of Congress.

2. The President shall keep the Congress fully and currently informed of all defense articles, defense services, and military education and training provided under this section.

110204 SECTION 506(C):

A. **Law:** There are authorized to be appropriated to the President sums as may be necessary to reimburse the applicable appropriation, fund, or account for defense services and military education and training provided under this section.

B. Implementation:

1. DSAA will request funds for reimbursement of Section 506, FAA, drawdowns via the MAP appropriation budget submission.

2. If MAP funds are appropriated by Congress and apportioned by OMB to reimburse 506(a) authorizations:

- a. DSAA will determine share to be provided each ^{IA}MILDEP.
- b. DSAA will provide transfer authorization of funds via SF 1151.
- c. ^{IA}MILDEP are responsible to reimburse the appropriate fund, account, or appropriation.
- d. Reimbursable orders are not authorized in anticipation of Congressional approval. ^{IA}DOD components will only maintain memo entries on accounting reports until the appropriation expires for obligation. ^{FAA}Section 632(d), ^{IA}PASA, provides that the amount of reimbursement "shall" be credited to the "current" available appropriations, funds, or accounts of the agency that furnished the military assistance.
- e. Industrial fund and ^{DBSF}stock fund accounts must absorb the costs until appropriation is enacted.
- f. If any commercial transportation costs are involved, U.S. dollars cannot be used. Use of DTS, MAC, or special airlift mission is authorized.

more than one of these terms, the IA will cite on the LOA all of the applicable terms and (except for FMSO I, and Cash with Acceptance) insert the following: "Payment will be in accordance with the provisions of the Financial Annex subject to paragraph B.3.f. of Annex A."

c. Use of Type of Assistance Codes on LOAs. The IA will cite Type of Assistance codes, as specified in paragraph ~~3~~ below, in the "Availability and Remarks" block (18) of the LOA for each line item in the case. 3.

2. Terms of Sale. Terms of Sale and related statements to be used on LOAs are as follows:

a. Terms.

(1) "Cash with Acceptance." This term applies when the initial cash deposit equals the amount in the "Estimated total Costs" block of the LOA. Paragraph B.3.a. of Annex A of the LOA defines this term. This term will also be used for FMSO I even though the initial deposit is less than "Estimated Total Costs."

(2) "Cash Prior to Delivery." Under this term, the USG collects cash in advance of delivery of defense articles and rendering of defense services and design and construction services from DOD resources. Section 21(b) and Section 29 of the AECA apply. Paragraph B.3.b. of Annex A of the LOA defines this term.

(3) "Dependable Undertaking." Under this term, the USG collects cash in advance of procurement contract payment requirements. Section 22 and Section 29 of the AECA apply. Paragraph B.3.c. of Annex A of the LOA defines this term. If Section 22(b) is applicable based on Presidential action (i.e., payment due 120 days after delivery), add "with 120 days payment after delivery." The countries showing "U" in the Table 600-1 DU column are authorized to make direct arrangements with the cognizant DOD component for purchases under a dependable undertaking transaction. *

(4) "Payment on Delivery." Under this term, the USG issues bills to the purchaser at the time of delivery of defense articles or rendering of defense services from DOD resources. The first sentence of Section 21(d) of the AECA applies. Paragraph B.3.d. of Annex A of the LOA defines this term. The IA may use this term only pursuant to a written statutory determination by the Director, DSAA, who must find it in the national interest to do so. If the last sentence of Section 21(d), of the AECA is applicable, based on Presidential action, modify to read "Payment 120 days after Delivery."

(5) "FMS Credit." This term applies to payment in whole or in part with FMS credit funds, extended or guaranteed by DOD under Sections 23 and 24 of the AECA or under other legislation. Paragraph B.3e of Annex A of the LOA defines this term. If the sales agreement is to be financed only in part with FMS credit funds, the IA will also cite in the "Terms" block (27) of the LOA the appropriate other Terms of Sale and the amounts applicable to each type of financing. (Note: The purchaser must request the drawdown of FMS credit funds in payment of the initial deposit and subsequent payments (if any) in accordance with the Financial Annex of the LOA. Instructions for processing credit drawdowns are contained in Chapter 9.)

(6) "MAP Merger." This term applies to payment in whole or in part with MAP funds (Section 503 of the FAA). If the sales agreement is to be financed only in part with MAP merger funds, the IA will also cite the appropriate other terms and the amounts applicable to each in the LOA.

enlisted personnel. The costs can either be direct or indirect. They must be included in the total costs of military personnel allocated to the training course. As exceptions to rules for applying these costs, IMET training course tuition rates will exclude both the direct and indirect costs and NATO training course tuition rates will exclude only the indirect costs. 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 tuition rates by also being included as direct and indirect costs under Pay and Fringe Benefits.

C. **Maintenance and Repair.** These costs are part of the normal base operating costs. When training facilities are used for SATP courses, the costs must be used as indirect costs under Non-Personnel Costs in the Tuition Rates.

130703 ARTICLES FROM STOCK.

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, the FMR.~~

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 article is supplied from inventory with replacement required, the FMS selling price will be the best estimate available at the time of drop from inventory. When no replacement is required, the price will be based on the most recent actual procurement cost of the "series" and "model" being sold, and will consider any modifications or improvements, as well as desirability or utility due to age or condition.

C. Replacement Factors for Secondary Items/Non-CLSSA

1. **Criteria for Charging Such Costs.** The stock list price of procurement funded secondary items furnished from inventory will be increased by a surcharge published by the Comptroller, Department of Defense. The surcharge will be included in the item's price and covers the increased costs, anticipated due to inflation, of replacing the item from procurement sources. See ~~Section 702, DOD 7290.3-M, the FMR.~~

2. ^{LOA}~~DD Form 1513~~ **Presentation** Most such items will be provided against blanket order FMS cases. The dollar values offered in the LOA should cover appropriate replacement pricing.

3. **Military Department Delivery Reporting.** MILDEP Delivery reports will reflect the item selling price as a single price combining stock list price plus the Comptroller, Department of Defense, published surcharge amount.

4. **Applicability.** This instruction does not apply to stock fund pricing, but only to central procurement secondary items provided from DOD inventories. As indicated in ~~DOD 7290.3-M, CLSSA (FMSO II) shipments will be priced at standard price plus an acquisition surcharge. See Table 702-14, DOD 7290.3-M for CLSSA and non-CLSSA surcharges.~~

D. **Quotation of Firm Prices.** DOD components will quote firm prices when offering principal ~~or major~~ items from DOD stocks as provided in ~~DOD 7290.3-M, Section 702. All LOAs offering principal or major items from DOD stocks will be coordinated with the DSAA Operations Directorate.~~ In the exceptional instances where a MILDEP recommends that firm prices not be quoted, the rationale will be identified during the coordination process.

Change 6
Background

4 March 1993

Memorandum for OPS-ERP
MAA

SUBJECT: Proposed SMM Change

At attachment 1, Comptroller FMD proposes a SMM change to section 130702.D (LOAs offering principal items from DoD stocks will normally quote firm prices and will be coordinated with Comptroller FMD in lieu of Operations Directorate).

Request your comments as input for a recommendation to Dir, OPS. It would be helpful if you could include your thoughts regarding how often you are asked to coordinate for this purpose. In short, is there evidence that the requirement for this coordination is needed?

A reply by 11 March will avoid follow ups and informal input is welcome.

Thanks —
W.

W. Wells
OPS-MGT, 78108

Attachment
As stated

3/15/93 wells - O'Brian. Agreed to remove sentence saying must be coordinated with DSAA. Coordination will occur internally when LOA is sent thru FMSCRD, ops, etc during counter signature process. may be done by Compt or OPS, based on LOA worksheet. no need to highlight but -

no OPS - MAA or ERP comments (verbal OK from ERP - W. Wells & D. H. H. H. H.)

pscnd1

(172)

*change to
background*

DEFENSE SECURITY ASSISTANCE AGENCY

March 4, 1993

MEMO FOR: MS. LUDLOW-MACMURRAY

Sisson
SUBJECT: LOA Review Responsibility

Please see attached highlighted excerpt from the SAMP. I recommend that the responsibility for reviewing such LOAs be changed from OPS to COMPT-FMD. If you all agree, I'll make the arrangements internally through FMSCRD, and later, change the SAMP.

Kay
Kay O'Brien
Ch, FinPol&ProcBr
X77483

Attachment

ability and within the access authorized by the host country, the SAO will observe and report on 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-MGT. ~~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-MGT 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 altered unless the operational requirements or special circumstances of a specific lease require a case-specific exception. 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 an LOA, but the LOA 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 LOA 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-MGT for staffing and countersignature by DSAA prior to signature by the foreign country representative. *

B. Lease Identification. The cognizant DOD component will assign a permanent lease designator, unique to a country and implementing agency, 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.

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. Renewals. Renewals of leases ~~beyond five years~~ by mutual agreement are authorized; however, each renewal will require the cognizant DOD component to submit a new lease and determination to DSAA for staffing and signature. For those renewals which meet the one year Congressional reporting requirement, the DOD component will also provide to 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. *

3. Renewals of Title 10, USC 2667 Leases. Existing leases under Title 10, USC 2667 may continue until expiration or termination. Extension based on the provisions of title 10, USC 2667 are not authorized. Where extensions or renewals are determined to be in the U.S.,

SECTION 1201 LOANS OF DEFENSE ARTICLES

SECTION 503 LOANS Authority to make loans under FAA
120101 AUTHORITY AND PURPOSE

~~Sec 503 does not exist at this time.~~

~~A. **Use of Loans.** The loan of defense articles to foreign governments or international organizations is authorized under exceptional instances in accordance with Section 503 of the FAA of 1961, as amended. Since loans require the payment of MAP funds to the loaning DOD component, loans may not be made with MAP merger funds or under the FAA, Section 506(a) authority. The defense articles may not be loaned without prior DSAA approval. In this regard, defense articles may be loaned only if the following statutory conditions are met:~~

- ~~1. There is a *bona fide* reason, other than the shortage of funds, for providing such articles on a loan basis rather than on a grant basis;~~
- ~~2. There is a reasonable expectation that such articles will be returned to the agency making the loan at the end of the loan period unless the loan is then renewed;~~
- ~~3. The loan period is of fixed duration not exceeding five years, during which such article may be recalled for any reason by the United States;~~
- ~~4. The agency making the loan is reimbursed for the loan based on the amount charged to the appropriation for military assistance; and~~
- ~~5. The loan agreement provides that:

 - ~~a. If the defense article is damaged while on loan, the country or international organization to which it was loaned will reimburse the U.S. for the cost of restoring or replacing the defense article, and~~
 - ~~b. If the defense article is lost or destroyed while on loan, the country or international organization to which it was loaned will pay to the U.S. an amount equal to the replacement cost (less any depreciation in the value) of the defense article.~~~~

~~B. **Cost Recovery.** In the case of any loan, there shall be a charge to the appropriation for military assistance for any fiscal year while the article or service is on loan in an amount based on:~~

- ~~1. The out-of-pocket expenses authorized to be incurred in connection with such loan during such fiscal year; and~~
- ~~2. The depreciation which occurs during such year while such article is on loan.~~

120102 REPORTING REQUIREMENTS

The reporting requirements in Section I, Paragraph 120004, of this chapter, are applicable to loans.

120103 IMPLEMENTATION OF LOAN DOCUMENTS. Recommendations to loan equipment in lieu of transferring its title will be considered on a case-by-case basis and will be submitted to DSAA for approval, with an information copy to the appropriate unified command. Loan agreements will (1) be of specified duration with an option for renewal on a mutually agreed basis, (2) provide for return of the equipment on short notice in event of an unanticipated U.S. need, and (3) contain a requirement that the equipment be maintained in a fully serviceable condition in accordance with U.S. standards. Loans under the authority of Section 503 FAA shall

~~120102~~

Change 6

~~be implemented only by: (1) a MOU between the Director, DSAA and an appropriate authorized official of the lending agency, setting forth the terms and conditions under which the loan is authorized to be made and all charges, including depreciation, to MAP recipient funds during specified fiscal years; and (2) a written loan agreement is concluded prior to the commencement of the loan on behalf of the lending agency and the borrowing government.~~

120102 LOANS FOR RESEARCH AND DEVELOPMENT PURPOSES

(see next under)

Change 6

as a new 02
Add to end of Section 1201:

120102

~~12101~~ Loans for Research and Development Purposes. Section 65 of the AECA authorized the loan to a country that is a NATO or major non-NATO ally of materials, supplies, or equipment for the purpose of carrying out a program of cooperative ~~research, RDT&E, development, testing, or evaluation.~~ The acceptance of a loan or a gift from a country that is a NATO or major non-NATO ally is also authorized for such purposes. By memo of 27 November 1990, the Deputy Secretary of Defense delegated the authority to make, accept, and administer such loans to the MILDEPS/Defense Agencies. That delegation of authority also specified the following: ~~the program is administered by OSD/DP in coordination w. Hous(A)/P~~

A. Loans will be made or accepted or gifts accepted under the terms of a written agreement signed at the Assistant Secretary/Deputy Agency Director level or higher.

B. Controls will be established to ensure that mutual benefits, inherent in each agreement, are clearly shown in documentation supporting each loan.

C. A single repository for these agreements and documents will be maintained in each component/agency. A signed copy of each agreement will be provided to OUSD(A)/IP.

D. Section 65 does not provide authority for the exchange of information beyond basic operational and simple maintenance for test purposes. Accordingly, any exchange of additional information related to a Section 65 loan or gift may only take place pursuant to an approved test and evaluation or Data Exchange Agreement, Information Exchange Project, a cooperative research and development agreement, or coproduction agreement approved in accordance with DODD 5530.3.

E. Any funding required for these loans is the responsibility of the MILDEP/Defense Agency.

F. The existence of this authority in no way affects the ability to use Section 61 leases (see section 1200 above) for cooperative research and development purposes.

G. Appropriate security and technology transfer clearances must be obtained for each loan (or transaction under an agreement, if offices responsible for those clearances so require).

H. Loan agreements will provide that classified information or material transferred will be protected in accordance with applicable security agreements in force.

I. DOD components must provide appropriate legal, fiscal, and industrial base factors analysis and security plans for each agreement, as specified in DODD 5530.3.

(177)

Developed by DSAP/OPS-MGT,
DSAGC and OUSD(A&T)

J. DOD components must provide advance notification to OSD, through OUSD(A)/IP 15 days before each loan agreement is entered into. Such advance notification must include the appropriate legal, fiscal, and industrial base factors analysis and security plans.

K. The loan agreement shall not require either party to provide materials, supplies, or equipment that would impair its own priorities, requirements, or commitments, or would otherwise be inconsistent with its national laws or regulations or other international agreements.

L. Transfers of materials, supplies, and equipment under this authority shall be based on the principle of reciprocity, although item-for-item exchanges are not expected or required.

M. Loan agreements will either describe or will establish a mechanism to describe how the type and quantity of materials, supplies, or equipment will meet the objectives of the cooperative research, development, test, or evaluation to be performed.

N. Loan agreements will provide that the party receiving material, supplies, or equipment will use the items only to meet the research, development, test, or evaluation objectives specified in the agreement.

O. Loan agreements will provide that materials, supplies, and equipment loaned or accepted under the agreements will remain the property of the providing party.

P. The receiving party shall agree to maintain materials, supplies, and equipment in good order, repair, and operable condition and to return the items in operable condition and in as good condition as when received, normal wear and tear excepted, unless the providing party has agreed that the loaned materials, supplies, or equipment may be expended or otherwise consumed in connection with the research, development, testing, or evaluation programs without reimbursement to the providing party.

Q. The receiving party shall agree that no materials, supplies, equipment, or information transferred to it will be retransferred to any third party without the prior consent of the providing party.

R. The agreement shall provide that, subject to the limitations of national disclosure policies, the receiving party will render a report of its use of the materials, supplies, and equipment to the providing party. This report will be furnished without charge to the providing party.

S. Each loan agreement will set out the intellectual property rights applicable to the transfer and use of materials,

supplies, and equipment and the results of the research, development, test, and evaluation conducted with the materials, supplies, and equipment.

T. Loan agreements will provide that each party agrees not to assert a claim against the other for injury, loss, or damage resulting from the use of the materials, supplies, or equipment loaned by the other party.

U. Consultation with the U.S. Department of Commerce for an assessment of U.S. industrial base impact and international trade position of U.S. industry may be required on a program-by-program basis. such consultation will be conducted by USD(A) after coordination with USD(P) and OGC.

V. DOD components/agencies may not loan strategic and critical material in the National Defense Stockpile (provided for under Section 3 of the Strategic and Critical Materials Stock Piling Act [50 U.S.C. 98b]) if, at the time the loan is made, the growth of such material with the National Defense Stockpile is less than the quantity of such material to be stockpiled, as determined by the President under section 3(a) of such Act.



THE SECRETARY OF DEFENSE
WASHINGTON, THE DISTRICT OF COLUMBIA

*change 6
Background*



27 NOV 1990

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Loans and Gifts for Cooperative Research and
Development--Section 65, Arms Export Control Act

In recognition of the importance of international cooperation in research, development, test, and evaluation programs to the United States and allied defenses, and pursuant to Section 65, Arms Export Control Act (AECA) (22 U.S.C. 2796d), I hereby delegate to you the authority to make, accept, and administer loans and to accept gifts under the attached conditions. This authority may not be redelegated below the Assistant Secretary/Deputy Agency Director level. The authority granted by DoD Directive 5105.38 for the Director, Defense Security Assistance Agency to administer the AECA programs is not affected by this delegation.

D. P. Atwood
Deputy Secretary of Defense

Attachment
as stated

(180)

*Change 6
Background*

AECA SECTION 65 LOANS AND GIFTS CONDITIONS

- Loans will be made to, or loans or gifts accepted from, NATO or major non-NATO allies for the specific purposes designated under the legislation.
- Loans will be made or accepted or gifts accepted under the terms of a written agreement signed at the Assistant Secretary/Deputy Agency Director level or higher.
- Controls will be established to ensure that mutual benefits, inherent in each agreement, are clearly shown in documentation supporting each loan.
- A single repository for Section 65 agreements and documents will be maintained in each DoD component/agency. A signed copy of each Section 65 agreement is to be provided to OUSD(A)IP.
- Section 65 does not provide authority for the exchange of information beyond basic operational and simple maintenance for test purposes. Accordingly, any exchange of additional information related to a Section 65 loan or gift may only take place pursuant to an approved test and evaluation or Data Exchange Agreement (DEA), Information Exchange Project (IEP), a cooperative research and development agreement, or coproduction agreement approved in accordance with DoD Directive 5530.3.
- Any funding required for Section 65 loans or gifts is the responsibility of the Military Department/Defense Agency.
- The existence of Section 65 authority does not repeal or in any way affect Section 61 authority. Leases under Section 61, in accordance with procedures laid out in the Security Assistance Management Manual, DoD 5105.38-M, may still be used for cooperative research and development purposes.
- Appropriate security and technology transfer clearances must be obtained for each Section 65 agreement (or transaction under an agreement, if offices responsible for those clearances so require.)
- Section 65 agreements will provide that classified information or material transferred will be protected in accordance with applicable security agreements in force.

(18)

change 6
Background

- DoD Components must provide appropriate legal, and fiscal, industrial base factors analysis and security plans for international agreements, on each Section 65 agreement as specified in DoD Directive 5530.3.
- DoD Components must provide advance notification to OSD, through OUSD(A)(International Programs) 15-days before each Section 65 agreement is entered into. Such advance notification must include the appropriate legal, fiscal, industrial base factors analysis and security plan.
- No Section 65 agreement shall require a party to provide materials, supplies, or equipment that would impair its own priorities, requirements, or commitments, or would otherwise be inconsistent with its national laws or regulations or other international agreements. X
- Transfers of materials, supplies, and equipment under Section 65 authority will be based upon the principle of reciprocity, although item-for-item exchanges are not expected or required.
- Section 65 agreements will either describe or will establish a mechanism to describe how the type and quantity of materials, supplies, or equipment will meet the objectives of the cooperative research, development, test, or evaluation to be performed.
- Section 65 agreements will provide that the party receiving material, supplies, or equipment will use the items only to meet the research, development, test, or evaluation objectives specified in the agreement for the loan or gift. X
- Section 65 agreements will provide that materials, supplies, and equipment loaned or accepted under the agreements will remain the property of the providing party.
- In Section 65 agreements the receiving party shall agree to maintain materials, supplies, and equipment in good order, repair, and operable condition and to return the items in operable condition and in as good condition as received, normal wear and tear excepted, unless the providing party has agreed that the loaned materials, supplies, or equipment may be expended or otherwise consumed in connection with the research, development, testing, or evaluation program without reimbursement to the providing party. X
- In Section 65 agreements, the receiving party shall agree that no materials, supplies, equipment, or information transferred to it will be retransferred to any third party without the prior written consent of the providing party. X

change to
Background

- Section 65 agreements will provide that subject to the limitations of national disclosure policies, the receiving party will render a report of its use of the materials, supplies, and equipment to the providing party. This report will be furnished without charge to the providing party. X
- Each Section 65 agreement will set out the intellectual property rights applicable to the transfer and use of materials, supplies, and equipment and the results of the research, development, test, and evaluation conducted with the materials, supplies, and equipment. X
- Section 65 agreements will provide that each party agrees not to assert a claim against the other for injury, loss, or damage resulting from the use of the materials, supplies or equipment loaned by the other party.
- Given that Section 65 agreements are for loans and gifts of materials, supplies and equipment, consultation with the Department of Commerce for U.S. industrial base impact and international trade position of U.S. industry may be required on a program-by-program basis. Such consultation will be conducted by USD(A) after coordination with USD(P) and OGC.
- DoD components/agencies may not loan strategic and critical material in the National Defense Stockpile (provided for under Section 3 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b) if, at the time the loan is to be made, the growth of such material with the National Defense Stockpile is less than the quantity of such material to be stockpiled, as determined by the President under section 3(a) of such Act. X

AECA. SOR

130705.B.3.a.(1).(b).

(b) All Other FMS Orders (Standard Defined).

1 Offers signed after 1 October 1977. ^{DFAS-DE} SAAC shall retain one-half of three percent of the basic sale price of the order or three percent of the value of articles and services delivered at the time of closure, whichever is higher.

2 Offers signed before 1 October 1977. Compute as stated above, using a two percent administrative surcharge rate instead of the three percent.

(2) CLSSAs.

(a) FMSO I. ^{DFAS-DE} SAAC shall retain the one-time nonrefundable administrative surcharge of five percent on the on-hand portion (Part A). For amendments that decrease the value of the on-hand portion, no adjustments will be made to the nonrefundable administrative surcharge. However, for amendments that increase the value of the on-hand portion, the five percent nonrefundable administrative surcharge will be charged on the increase and shall be retained by ^{DFAS-DE} SAAC. No administrative surcharge shall be charged on the on-order portion (Part B) of the LOA. An administrative surcharge of five percent shall be charged for inventory over and above the on-hand portion of the case.

(b) FMSO II. ^{DFAS-DE} SAAC shall retain a three percent administrative surcharge on requisitions processed.

b. For LOAs valued at \$25 million or greater which are cancelled. The DSAA Comptroller shall determine the appropriate administrative surcharge to be retained by ^{DFAS-DE} SAAC; however, the charge shall normally be at least \$250,000.

~~4. LOA Notes Regarding Cancellation Charges. A note should be placed in LOAs to provide the amount of the administrative charge which may be assessed should the LOA be cancelled.~~

4.8. Assessment of Administrative Charges at Closure on Cases Cancelled at FMS Purchaser's Request.

a. ^{DFAS-DE} SAAC may assess an administrative charge equal to one-half of the applicable administrative charge on a cancelled case's estimated articles and services ordered value if that amount is greater than the administrative charge on the actual delivered articles and services value and the IA indicates DSAA approval on the closure certificate. DSAA countersignature of ~~DD~~ ^{an} Form 1513-2 does not constitute DSAA approval.

LOA Modification

5. IA requests for DSAA approval to allow ^{DFAS-DE} SAAC to assess cancellation charges should be routed to the DSAA Comptroller and documented as follows:

a. Copy of Purchaser's request for case cancellation or a written explanation why the case was cancelled.

b. DOD's over and above costs if items on the cancelled case have been placed on contract by the IA.

c. Statement that cost incurred in implementing and cancelling the case will/will not be recouped by the administrative charge assessed on the actual delivered value.

d. Name and telephone number of the individual to whom inquiries may be directed.

(Also renumber 7 & 8, pg 1307-6)



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

*Background
Change 6*

04 JAN 1993

In Reply Refer to:
I-05254/92

MEMORANDUM FOR CHIEF, PROGRAMS DIVISION, ASSISTANT DEPUTY UNDER
SECRETARY (INTERNATIONAL AFFAIRS)
DEPARTMENT OF THE AIR FORCE

SUBJECT: Cancellation Administrative Charge Note on Letters of
Offer and Acceptance (LOAs)

This is in response to your memorandum, dated 22 December
1992, same subject as above (attached).

"LOA Information" paragraph 4.h is sufficient to fill the
cancellation administrative charge note requirement and it is
anticipated that paragraph 130705.B.4 will be deleted in the next
change to the SAMM. In the interim, guidance in paragraph
130705.B.4 should be ignored.

Questions or comments concerning the information above may
be referred to Mr. Wayne Wells, DSAA/OPS-MGT, x78108.

GLENN A. RUDD
DEPUTY DIRECTOR

Attachment
As stated

cc: HQDA (DALO-SAA)
Dir, Navy Intl Progs (02C)
Dir, DLA
Dir, SAAC
Cmndt, DISAM

Pre'd by: Mr. W. Wells X78108
DSAA/OPS-MGT
Distribution: Orig Addee & cc
USDP
DSAA
CMD(1) CC:
OPS-MGT SUBJ
OPS-MGT CHRON
OPS CHRON

*Background
change b*

DEPARTMENT OF THE AIR FORCE
WASHINGTON DC 20330-1000



OFFICE OF THE UNDER SECRETARY

22 DEC 1992

MEMORANDUM FOR DSAA-OPS-E (WAYNE WELLS)


SUBJECT: Cancellation Administrative Charge Note on Letters
of Offer and Acceptance (LOAs) - ACTION MEMORANDUM

The SAMP requires that an "LOA Information" package be attached to each LOA we prepare (SAMP Table 701-1). Paragraph 4.h. of this information reads as follows:

"h. The Purchaser may cancel this LOA upon request to the implementing agency. An administrative charge that equals one-half of the applicable administrative charge rate times the ordered LOA value, which is earned on LOA acceptance, or the applicable administrative charge rate times the actual LOA value at closure, whichever is higher, may be assessed if this LOA is cancelled after implementation."

The SAMP, chapter 13, paragraph 130705.B.4. requires that "A note should be placed in LOAs to provide the amount of the administrative charge which may be assessed should the LOA be cancelled." Does DSAA consider paragraph 4.h. of the LOA information to cover the paragraph 130705 requirement? The Air Force currently attaches a separate supplemental condition informing the customer what charges will be assessed if the purchaser cancels the LOA. If the "LOA Information" is sufficient, we will discontinue this practice.

We are anxious to make our documents as concise and accurate as possible. Your assistance and prompt reply in this matter would be appreciated. Our point of contact is Beth Baker, SAF/IAYM, extension 74665.

for 
JAMES F. BOGGAN, Colonel, USAF
Chief, Programs Division
Deputy Under Secretary, Int'l Affairs

Attachment

Check mailing address--
Defense Finance and Accounting Service (DFAS)
DE/SAAC/F
Denver, CO 80279-5000

e. To authorize payments from funds available under FMF loan or grant agreements, the Purchaser may be required to submit a letter of request to the Defense Finance and Accounting Service (DFAS/DE-FCC), Denver, Colorado 80279-5000. Purchasers should consult applicable FMF agreements for explicit instructions. Questions pertaining to the status of FMF financing and balances should be directed to DSAA-COMPT-FMD.

f. Payments not received by DFAS (SAAC) by the due date may be subject to interest charges as outlined in paragraph 4.4.8 of the LOA Standard Terms and Conditions.

g. The values on the LOA are estimates. The final amount will be equal to the cost to the USG. When deliveries are made and known costs are billed and collected, SAAC will provide a "Final Statement of Account" which will summarize final costs. Excess funds will be available to pay unpaid billings on other statements or distributed as agreed upon between the Purchaser and the Comptroller, DSAA.

h. The Purchaser may cancel this LOA upon request to the implementing agency. An administrative charge that equals one-half of the applicable administrative charge rate times the ordered LOA value, which is earned on LOA acceptance, or the applicable administrative charge rate times the actual LOA value at closure, whichever is higher, may be assessed if this LOA is cancelled after implementation.

5. CHANGES TO THE LOA. Changes may be initiated by the USG or by requests from the Purchaser. After acceptance of the basic LOA, these changes will take the form of Amendments or Modifications.

a. Amendments encompass changes in scope, such as those which affect the type or number of significant items to be provided. Amendments require acceptance by the USG and the Purchaser in the same manner as the original LOA.

b. Modifications include changes which do not constitute a change in scope, such as increases or decreases in estimated costs or delivery schedule changes. Modifications require signature only to acknowledge receipt by the Purchaser.

c. When signed, and unless alternate instructions are provided, copies of Amendments and Modifications should be given the same US distribution as the basic LOA.

d. Requests for changes required prior to acceptance by the Purchaser should be submitted to the implementing agency for consideration. See DOD 5105.38-M, section 70105.M.2.

6. CORRESPONDENCE. Questions or comments regarding this LOA should identify the Purchaser request reference and the identification assigned by the implementing agency within DoD.

Revised 24 Feb 92

To: A

Yes Background

USD/P INTEROFFICE ROUTING SHEET 1. DATE (YYMMDD) *92 12 30* 2. *1-05254/92* *Chomay 10*

3. SUBJECT **Cancellation of Superfluous LOA Note** 4. CURRENT SUSPENSE DATE (YYMMDD)

SUMMARY (Describe briefly the origin, purpose, action recommended and coordination - (Attach original tasking - SD Form 14, etc.))
Background. Attached behind Signature Tab, USAF requests clarification concerning the note related to admin charges when LOA is closed. When LOA format was revised, numerous repetitive notes were consolidated in LOA inserts, including the note in question (Tab A). The requirement for the note was not removed from the SAMM (Tab B) which, if followed, would cause the same note to be included twice. The proposed response tells major LOA developers to ignore Tab B pending formal change.
Recommendation. Approve proposed memo at Signature Tab.

6. ROUTING

SEQ NO.	DIR / OFC	ACTION	INFO	SEQ NO.	DIR / OFC	ACTION	INFO	SEQ NO.	DIR / OFC	ACTION	INFO
	OUUSD/P				ISP (Continued)				PDUSD / S&R (Cont.)		
	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		
	MIRA				SPACE POLICY				CCC		
	DASD / AFR				DASD / CF&ACP				SPEC ADV STF		
	AFR				MA				PSYOP		
					EUR SEC NEGOT				ODUSD / TSP		
	DASD / EAP				MULTI-NEGOT				DUSD / TSP		
	EAP				SO-LIC				MA		
	PW / MIA				ASD / SO-LIC				ADUSD / TSP		
					MA				DTSA		
	DASD / I-A				PDASD / SO-LIC				DIR		
	I-A				MA				DIR OPS		
									RESOURCE MGT		
	DASD / NESA				DASD / F&R				IGA		
	NESA				DIR PA				LICENSE		
					DIR B&E				TECHNOLOGY		
	DASD / GA				DIR A				STRAT POLICY		
	HUMAN ASSIST								TSP DIR		
	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		<i>1/4</i>
	PDASD / ISP				DIR MA				COUNSEL		
	MA				DIR CT				PLANS		
					PDUSD / S&R			X	CONG REL		
	DASD / EUR-NATO				PDUSD S&R			X	COMPT		<i>next vendor</i>
	SEC OFFICER				AT PDUSD / S&R				OPS		<i>22 12-31-92</i>
	PD EUR-NATO				MA			X	OTHER		
	DIR NATO POL				ADUSD(PP)			X	OPS-MGT		<i>12/30/92</i>

7. NAME OF ORIGINATOR *Wells* 8. DIRECTORATE / OFFICE *OPS-MGT* 9. EXTENSION *78108* 10. SIGNATURE *Wayne Wells* *(188)*

Background
Change b

DEFENSE SECURITY ASSISTANCE AGENCY

December 28, 1992

MEMO FOR: MR. WELLS, OPS-MGMT
THRU: MR. FAILOR *[Signature]*

SUBJECT: Cancellation of Superfluous LOA Note

I believe the package should be reviewed by the front office. The subject of cancellation charges for the administrative fee was a contested area between DSAA and the DoD Comptroller. The outcome result in the current policy and LOA coverage. Thus, changes should be agreed to by the front office. Agree, could be considered more than a technical connection.

- With respect to the merits of deleting the LOA note, I offer the following. Currently, the IA's are to include a note in the LOA to identify the commitment of the purchaser in what may happen if the case is cancelled, i.e. 1/2 the admin fee applied to the LOA value or the full admin fee applied to actual costs, whichever is higher. The new LOA format provides information only on the administrative charge. It would appear that we should continue to include a note in the LOA for the amount of the potential admin fee so that customers are aware of, and agree to, their potential liability.
- ①
 - ②

[Signature]
Kay O'Brien
Ch, FinPol&ProcBr
X77483

- ① Provides same guidance as SAMM-required note. Is a true redundancy.
- ② The LOA standard insert note informs customer of charge charges. LOA standard Terms and Conditions Section 4 (e.g. 4.4.1), which customer signs up to, obligates customer to pay.

b. For concurrent production in the U.S. and in the country of another participant of a defense article jointly developed under a. above; or

c. For procurement by the U.S. of a defense article or defense service from another party to the agreement.

3. Current authorized non-NATO countries are Australia, Republic of Korea, Japan, Israel, ~~and~~ Egypt, and Sweden.

C. Waiver or Reduction of Charges.

1. Authorization to waive or reduce certain charges associated with cooperative projects, if the other participants agree to waive corresponding charges, is provided for in the AECA, Section 27(e)(1). Waiver or reduction of appropriate charges must be approved by the Director, DSAA, prior to the conclusion of the cooperative project agreement.

2. ~~NRC~~ Recoupment Charge Waiver. If the cooperative project involves the development of a completely new item, with no use of items previously developed with USG funds, there would be no U.S. ~~NRC~~ charge to participant countries as each participant would be contributing its equitable share of the cost of development and production. If the cooperative project involves the use of items previously developed with USG (not jointly funded as a part of the cooperative project) which involve an ~~NRC~~ charge, a waiver of the U.S. charges must be processed in accordance with Chapter 7, paragraph 70204.H. Countries currently eligible for such waiver are NATO member countries, Australia, Japan, and New Zealand. The request for waiver of U.S. ~~NRC~~ recoupment charges should be submitted to the Director, DSAA, at the same time the Section 27 certification is provided. (See paragraph E. below.)

3. FMS Administrative Charges. Normally Section 27 programs will not be implemented through the FMS system, and an administrative charge would therefore not be applicable. When the FMS system is used, the administrative charge will be assessed. Non assessment of administrative charges required by Section 21(e)(1)(A) and Section 43(b) of the AECA to the participants, necessitates that the MILDEP program MILDEP appropriated funds (O&M or R&D) to finance these program administrative costs. Section 27(e)(2) specifically states:

Notwithstanding provisions of Section 21(e)(1)(A) and Section 43(b) of the AECA, administrative surcharges shall not be increased on other foreign military sales made under the AECA in order to compensate for reductions or waivers of such surcharges for a cooperative project. Funds received pursuant to such other foreign military sales shall not be available to reimburse the costs incurred by the USG for administration of cooperative projects for which a reduction or waiver of administrative charges is approved.

4. Processing of reductions or waivers of charges must be accomplished prior to signing of a cooperative project agreement when such an agreement commits a priori to such waivers.

D. Implementation.

1. The authority to negotiate and conclude cooperative agreements as described in Section 27 (see DODD 5530.3) is delegated to USD(A), with authority to redelegate to the MILDEPs.

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 U.S. financial obligation and provide other detail as required.~~

Delete

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_sS_x 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 for Defense Trade Controls (PM/DTC).

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 license rights, or limited rights of use of privately-owned data, to complete private ownership without any USG rights of use.

C. **Scope.** The provisions of this paragraph on release of technical data apply to those programs where an eligible foreign government seeks U.S. origin technical data or a TDP for its use to meet its indigenous defense requirements or for potential retransfer of either defense items or technology to another foreign country for non-DOD use. These provisions do not apply to those programs between a U.S. prime contractor and its foreign subcontractors or potential subcontractors when the arrangement is intended to further USG defense acquisition requirements. The provisions of the FAR and DOD Supplement thereto govern such arrangements for DOD acquisition.

D. Approval to Release Technical Data

1. **Approval of the DSAA.** All requests to acquire technical data under FMS procedures must be approved by DOD component concerned and the Director, DSAA. Accordingly, DOD component will assure that DSAA is provided an information copy of all requests from foreign governments for such technical data release.

2. **Special Requirements When Credit Financed.** LOAs for the sale of technical data for production purposes will normally be financed on a cash basis. In the exceptional case when an LOA for production technical data is approved for FMS credit financing under the AECA, notification must first be provided to the Congress by the Department of State pursuant to the AECA, Section 42(b).

3. **Technical Data Related to Defense Articles Manufactured by Watervliet Arsenal.** Title 10 USC, Section 4542, prohibits the transfer of technical data from any government owned and operated defense plant manufacturing large caliber cannons (Watervliet

140108.E.5.

components or derivatives thereof. This requirement applies whether the technical data and/or TDP is transferred under FMS by DOD or on a direct commercial basis by a contractor unless such fees have been waived or are exempted.

5. **Classified Data.** Classified technical data and TDPs will be transferred only through official government channel pursuant to DODD 5200.1-R, DODD 5220.22-M, and part 25 of the ITAR.

F. **LOAs for Technical Data and TDPs.** The LOA will cover, as a minimum, the full costs for preparation, reproduction, and handling of the technical data and TDP. In addition, if the technical data and/or TDP is intended to be used for production purposes, the LOA will include the appropriate fee for authorized production unless such fees have been waived or are exempted. This fee will be the established NRC pro rata charge for MDE items or a royalty fee for non-MDE items as required by DODD 2140.2. Guidelines for the royalty fee computation are included in paragraph 140108 below. The applicable charge will be included as a separate line on the LOA unless waived by the Director DSAA under the provisions of paragraph 140108. The ~~DD Form 1513~~ ^{LOA} will clearly state (on the first page after identification of the item) the purpose of the TDP, as follows:

1. "This TDP is for production purposes."
2. "This TDP is for study purposes only - no production is authorized."
3. "This TDP is for operation and maintenance only - no production is authorized."

G. ^{Defense Trade} ~~Annotating Munitions Control Export Licenses.~~ For items where the technical data or TDP is owned by the USG (see para. 140107.B. above) and the program is for the recipient country's indigenous requirements, the ~~Munitions Control Export License(s)~~ for proposal/evaluation/marketing data will be annotated with a proviso stating the requirement for the actual production technical data/TDP to be requested via FMS channels. This requirement does not apply to licenses pertaining solely to marketing data, nonproduction technical data or data not owned by the USG.

H. **Sale of TDPs for Operation and Maintenance Purposes.**

1. **General.** TDPs will normally not be sold for the purpose of conducting operations and maintenance (O&M) of U.S. equipment. It will only be sold for O&M if there is no other viable means of ensuring that the U.S. origin equipment can be maintained. TDPs will not be sold for this purpose unless the MILDEP is able to verify that the specific item of U.S. equipment was provided to the foreign country through authorized transfer.

2. **Data Required by the DSAA.** If release of a TDP is requested for purposes of operation and maintenance of an item of U.S. equipment which has been approved for sale to the requestor, DOD component having cognizance over the item will provide the Director, DSAA, information shown at Table 1401-1 ~~prior to release of the LOA~~, for use in making a release determination. *The data sheet should be forwarded to DSAA with the LOA.*

3. **LOA Provisions.** The following note should be placed in those LOAs involving the sale of a TDP for operation and maintenance purposes only:
only for the purpose of operation and maintenance of the (defense equipment) transferred to (country) with USG approval.
~~The technical data package offered herein is provided strictly for operations and maintenance purposes only.~~ Should any new operation or maintenance procedures be developed by (country) for the (defense equipment), they will be shared without charge with the U.S. program manager. In offering this FMS case to (country), the U.S. Government makes no prior commitment or authorization for (country) to

manufacture the defense equipment described therein. Separate U.S. Government approval is required for such manufacture. ~~(An LOA Amendment (DD Form 1513-1) will be issued for the provision of a certified production technical data package and the applicable charges for its use for manufacture.)~~ The purchaser agrees that unless specific authorization is provided in writing from the U.S. Government, the TDP will not be used for production.

I. Sale of TDPs for Production Purposes or Study Purposes.

1. **General.** If the item requested to be produced in a foreign country is in excess or long supply position in a MILDEP inventory or if foreign production would result in an adverse impact on the U.S. mobilization base for items currently being produced in the U.S. requests for technical data for foreign production or evaluation of the item will normally be denied. Referrals of requests to DSAA for production authorization should include the appropriate information relevant to the intended end use of the TDP. An official written communication is required from the purchaser that states the intended end use of the TDP in every case. An LOA for release of TDPs for study purposes will not be offered unless DOD is willing to release the TDP for production purposes also.

2. **Data Required by the DSAA.** In the event a TDP is requested for purposes of foreign production of an item of U.S. defense equipment, the MILDEP having cognizance over the item will provide the Director, DSAA, the information shown at Table 1401-2 ~~prior to release of the LOA~~ for use in making a release determination. ~~The data sheet should be forwarded to DSAA with the LOA.~~

3. **Royalty Fee Guidelines.** When the purchasing country intends to use the TDP for production, a royalty fee will be assessed for each item produced unless such fees have been waived or are exempted. Procedures on royalty fee computations, LOA presentation, collection, and waiver considerations are included in paragraph 140108 below.

4. **LOA Provisions.** The MILDEPs shall include the applicable notes listed in a., b., and c. below in LOAs for sale of TDPs for study/production purposes:

a. TDPs Provided for Study Purposes:

The technical data package offered herein is provided strictly for study purposes only. In offering this FMS case to (country), the U.S. Government makes no prior commitment or authorization for (country) to manufacture the defense equipment described therein. Separate U.S. Government approval is required for such manufacture. An LOA Amendment ~~(DD form 1513-1)~~ will be issued for the provisions of a certified production technical data package and the applicable charges for its use for manufacture.

b. TDPs Provided for Indigenous Defense Production Purposes:

(1) The technical data package offered herein is provided for the manufacture of (quantity) (defense equipment) in (country) for indigenous purposes only. Such manufacture may be accomplished either by the Government of (country) in its own government-owned or government-operated facilities or in designated in-country private commercial facilities. ~~[The Government of (country) will pay to the U.S. Government a charge of (amount) for each unit produced for the right to manufacture this equipment in the above stated quantities.]~~

(2) Any manufacture in excess of this quantity for indigenous defense purposes will require separate approval of the U.S. Government and the

execution of an LOA Notice of Modification ~~(DD Form 1513-2)~~ which also provides for payment of additional charges.)

(3) The information furnished under this LOA, and the product derived from the use of such information, shall not be disclosed or transferred to any third country, person, or organization without the prior written consent of the U.S. Government and, where required, the execution of an LOA Notice of Modification ~~(DD Form 1513-2)~~.

(4) The use of technical data which will be provided under this LOA will be limited to that required for the manufacture of the equipment specifically authorized herein and its operation and maintenance. Information which has been acquired by the U.S. Government without the unencumbered right to use and convey to others will not be furnished.

(5) It is understood that the furnishing of these technical data does not in any way constitute a license to make, use, sell, or transfer whatsoever any inventions, technical information, or know-how (hereinafter referred to as proprietary information) owned by third parties which may be described in the documentation.

(6) The U.S. Government incurs no liability for any procurement, manufacture, use, or sale by the Government of [country] which makes use of any of the aforementioned proprietary information, or for any results derived from the use of the technical data furnished. The Government of [country] agrees to indemnify the U.S. Government against any liability resulting from a claim asserted by the owner of any such proprietary rights in connection with such use by the Government of [country] of the documentation provided hereunder.

(7) The U.S. Government will use its best efforts to furnish technical data that are accurate, adequate for the authorized purpose, current, and complete; however, the U.S. Government does not guarantee the adequacy, accuracy, currency, or completeness of these data. Similarly, the U.S. Government does not guarantee the accuracy, adequacy, currency, or completeness of any U.S. industry documentation.

(8) The cost of the documentation provided hereunder does not include periodic updating (revisioning service), which may be requested under a separate LOA, if desired.

(9) Production Validation - The Government of [country] will permit U.S. Government personnel access to government and contractor facilities, records, and storage sites to review the implementation of the requirements of this LOA. Such access will be permitted when mutually convenient, but within a reasonable period of time after the request. Visits will be accomplished under established visit procedures.

(10) Flowback of [country] Technical Data to the U.S.:

(a) Technical Data - [country] will furnish or cause to be furnished the following technical data to the U.S. Government at no cost to the U.S. Government other than the cost of reproduction, preparation, and handling:

Change 6

1. All technical data pertaining to changes, modifications, and improvements in the design of [defense equipment] made in the course of development, evaluation, production, operation, and maintenance of [defense equipment].

2. All technical data pertaining to manufacturing processes employed in the production of [defense equipment].

3. Technical data pertaining to changes proposed in the design of [defense equipment] but not adopted.

4. Notwithstanding 1., 2., and 3. above, if [country] incorporates an existing commercial item without modification of either the item or the [defense equipment] and if: (i) the item is not based in whole or in part on U_XS_X technical data or on U.S. design; and (ii) the item is not in whole or in part funded or financed by [country] directly or indirectly; and (iii) there is no development contract or subcontract between [country] and the supplier, then [country] will only be required, to the extent that it has the right to do so without incurring liability to others, to provide the U_XS_X Government sufficient information for the U_XS_X Government to evaluate the item, to procure it, to incorporate it into the system, and to operate, maintain, repair, overhaul, and modify it.

(b) Right to Use - [country] will grant or cause to be granted to the U_XS_X Government a non-exclusive, irrevocable, royalty-free license to use and have used for U_XS_X defense purposes, including security assistance, the technical data defined in (a) 1, 2, and 3 above and any inventions (whether or not patentable) made in the course of activities covered by this LOA. Additionally, [country] will use its best efforts to obtain licenses on fair and reasonable terms to the U_XS_X Government to use and have used the technical data defined in subparagraph (a) 4 and patented inventions depicted in such technical data for U_XS_X defense purposes, including security assistance.

(c) Contract Provisions - [country] will include suitable provisions in all pertinent program contracts, including a requirement to include those same provisions in all subcontracts, to meet the requirements of this section.

c. TDPs for Production Purposes which Authorize Third Country Sale:

(1) The technical data package offered herein is provided for the manufacture of [quantity] [defense equipment] in [country] for indigenous purposes only and [quantity] of [defense equipment] in [country] for subsequent transfer to [country name(s)]. Such manufacture may be accomplished either by the Government of [country] in its own government-owned or government-operated facilities or in designated in-country private commercial facilities. ~~The Government of [country] will pay to the U.S. Government a charge of (amount) for each unit produced for the right to manufacture this equipment in the above stated quantities.~~

(2) Any manufacture in excess of this quantity for indigenous defense purposes and as authorized in note (a) herein will require separate approval of the U_XS_X Government and the execution of an LOA Notice of Modification (~~DD Form 1513-2~~) which also provides for payment of additional charges.

(3) The information furnished under this LOA, and the product derived from the use of such information, shall not be disclosed or transferred to any third

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country, person, or organization other than the Government(s) of (country names/s) without the prior written consent of the U.S. Government and, where required, the execution of an LOA Notice of Modification (DD Form 1513.2).

an ~~amendment~~ LOA Modification.

(4) The use of technical data which will be provided under this LOA will be limited to that required for the manufacture of the equipment specifically authorized herein and its operation and maintenance. Information which has been acquired by the U.S. Government without the unencumbered right to use and convey to others will not be furnished.

(5) It is understood that the furnishing of these technical data does not in any way constitute a license to make, use, sell, or transfer whatsoever any inventions, technical information, or know-how (hereinafter referred to as proprietary information) owned by third parties which may be described in the documentation.

(6) The U.S. Government incurs no liability for any procurement, manufacture, use, or sale by the Government of (country) which makes use of any of the aforementioned proprietary information, or for any results derived from the use of the technical data furnished. The Government of (country) agrees to indemnify the U.S. Government against any liability resting from a claim asserted by the owner of such proprietary rights in connection with such use by the Government of (country) of the documentation provided hereunder.

(7) The U.S. Government will use its best efforts to furnish technical data that are accurate, adequate for the authorized purpose, current, and complete; however, the U.S. Government does not guarantee the adequacy, accuracy, currency, or completeness of these data. Similarly, the U.S. Government does not guarantee the accuracy, adequacy, currency, or completeness of any U.S. industry documentation.

(8) Production Validation - The Government of (country) will permit U.S. Government personnel access to government and contractor facilities, records, and storage sites to review the implementation of the requirements of this LOA. Such access will be permitted when mutually convenient, but within a reasonable period of time after the request. Visits will be accomplished under established visit procedures.

(9) The cost of the documentation provided hereunder does not include periodic updating (revising service), which may be requested under a separate LOA, if desired.

(10) Flowback of (country) Technical Data to the U.S.:

(a) Technical Data - (country) will furnish or cause to be furnished the following technical data to the U.S. Government at no cost to the U.S. Government other than the cost of reproduction, preparation, and handling:

1. All technical data pertaining to changes, modifications, and improvements in the design of (defense equipment) made in the course of development, evaluation, production, operation, and maintenance of (defense equipment).

Change 6

2. All technical data pertaining to manufacturing processes employed in the production of (defense equipment).

3. Technical data pertaining to changes proposed in the design of (defense equipment) but not adopted.

4. Notwithstanding 1, 2, and 3 above, if (country) incorporates an existing commercial item without modification of either the item or the (defense equipment) and if: (i) the item is not based in whole or in part on U.S. technical data or on U.S. design; and (ii) the item is not in whole or in part funded or financed by (country) directly or indirectly; and (iii) there is no development contract or subcontract between (country) and the supplier, then (country) will only be required, to the extent that it has the right to do so without incurring liability to others, to provide the U.S. Government sufficient information for the U.S. Government to evaluate the item, to procure it, to incorporate it into the system, and to operate, maintain, repair, overhaul, and modify it.

(b) Right to Use - (country) will grant or cause to be granted to the U.S. Government a non-exclusive, irrevocable, royalty-free license to use and have used for U.S. defense purposes, including security assistance, the technical data defined in (a) 1, 2, and 3 above, and any inventions (whether or not patentable) made in the course of activities covered by this LOA. Additionally, (country) will use its best efforts to obtain licenses on fair and reasonable terms to the U.S. Government to use and have used the technical data defined in subparagraph (a) 4 and patented inventions depicted in such technical data for U.S. defense purposes, including security assistance.

(c) Contract Provisions - (country) will include suitable provisions in all pertinent program contracts, including a requirement to include those same provisions in all subcontracts, to meet the requirements of this section.

~~L.~~ Restrictive Markings on TDPs. In all cases, care will be taken to insure that the TDP bears clear identifying marks stating any restrictions which indicate whether manufacturing is authorized or not authorized, as well as security classifications, which may apply. The restrictive markings will be applied to each piece of technical information provided, including drawings and aperture cards.

J. (See attached)

K. Reporting in the 1200 System. For reporting purposes, the line on the LOA for the applicable royalty fee (and nonrecurring recoupment charge) will be reported as code R9D in the 1200 system. Technical data packages will be recorded in the 1200 system under generic code M1F pseudo NSN 0208000000 TDP. *Revisioning services will be recorded under generic code M1F-0208-00-OTDPREV XX TDP Revision/Update Svc.*

~~L.~~ Revisioning Services. The sale of revisioning services, which provide for the updating of TDPs on a continual basis, may be offered only for TDPs for which transfer has been approved. These services for upgraded or improved items require separate transfer authorization.

140109 ROYALTY FEE MANAGEMENT.

A. Guidelines.

(see FMR)

1. General. Charges for the use of TDPs to be used to manufacture or produce items for non-USG use are referred to as royalty fees. ~~(DODD 7290.3-M, Section 715 applies.)~~ Royalty fees apply when there is a firm USG authorization to produce items for non-USG use. LOAs for TDPs, as a minimum, will:

Change 6

Note for DISAM

Insert as 140108.J:

J. Revisoning Services. The sale of revisoning services, which provide for the updating of TDPs on a continual basis, may be offered only for TDPs which have been approved for transfer. A maximum of two-years of revisoning services may be offered with the LOA which initially authorizes the TDP transfer. These services must be offered as a separate line item, and note 140108.I.4.b.(8)/141018.I.c.(8) must be amended accordingly. Subsequent sale of revisoning services requires separate LOA authorization and one of the following notes will appear in the LOA.

1. If the TDP transfer notes in the basic LOA, specifying the purchaser's rights and obligations regarding the use of the basic TDP, comply with the current version of the SAMM, and if the basic LOA is maintained in the active files and can be produced upon request, the following note will be used:

The revisoning services offered herein are intended for updating the Purchaser's existing [production/O&M/study] technical data package (TDP) furnished on FMS case [case designator], accepted [date]. All TDP notes supporting [case designator] are incorporated herein by reference and apply to the revisoning services transferred pursuant to this LOA.

2. If a previous revisoning services LOA updated the TDP notes to bring them into compliance with the current version of SAMM Section 1401, the updated notes (vice the original LOA) must be maintained in the active revisoning case file, and the following note will be used:

The revisoning services offered herein are intended for updating the Purchaser's existing [production/O&M/study] technical data package (TDP) furnished on FMS case [designator], accepted [date], and on revisoning service LOA [designator], accepted [date]. All TDP notes supporting [case designator of the revisoning services LOA which updated the TDP notes] are incorporated herein by reference and apply to the revisoning services transferred pursuant to this LOA.

3. If previous TDP transfer notes are no longer current on the matter of the Purchaser's rights and obligations regarding the use of the basic TDP, or if previous notes - even if adequate - cannot be produced and verified, the revisoning services LOA will contain the complete provisions required for initial TDP transfer.

- a. Be constructed of two line items, that is, one for the TDP and a second line for the total royalty fee;
- b. Include a planned production schedule, actual or estimated, as a supplemental condition against which estimated royalty fees will be assessed;
- c. Contain a supplemental condition that authorizes ~~US~~ representatives to validate the accuracy of production when required, and
- d. List and quantify production for approved third country production where such transfers have been authorized by the USG.

Production quantities authorization will normally require validation after no more than ten years.

2. Royalty Fee Computation.

a. For MDE items, the approved MDE nonrecurring cost recoument charge is assessed for each item produced. For non-MDE items, a percentage surcharge is applied on the basis of the item's current ~~DOD~~ inventory price. The percentage surcharges are as follows:

(1) Where the foreign applicant intends to produce the article for "in-country" consumption only, a royalty fee of five percent of the latest or current ~~US~~ unit price for each complete unit produced in country.

(2) Where the ~~DOD~~ has specifically approved "in-country" production for third country sale, a royalty fee of eight percent of the latest or current ~~US~~ unit price for each complete unit produced in-country for third country sale.

b. When the production quantity is approved in the LOA, the ~~NXC~~ charge or appropriate percentage of the current ~~DOD~~ inventory price in effect will be used as the royalty fee. Once established, the royalty fee will be effective for the production of the approved quantity and not subject to retroactive recalculation. For subsequent production quantities approved, the royalty fee will be recalculated based on the then most current ~~DOD~~ inventory price or ~~NXC~~ charge. The price basis will exclude all FMS surcharges or FMS-unique factors. The authorized production of ~~US~~ defense items will normally not exceed a period of ten years.

c. Based on cost effective considerations, a royalty fee will not be assessed when the total royalty fee value is less than \$100 and when an LOA would otherwise have to be modified to include the royalty fee line.

3. Reductions Waivers, and Exemptions. The royalty fee may be reduced or waived when the Director, DSAA, determines that special circumstances warrant a specific exception:

a. The charge for "in-country" consumption may be waived when the foreign applicant is a current recipient of MAP or concessional FMS credit funds.

~~DOD~~ b. If the item to be produced is obsolete and no longer being manufactured for ~~MILDEPs~~ or is not available in the ~~MILDEP~~ inventories, the royalty fee may be reduced or waived. ~~DOD~~



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

06 JAN 1994

Charge
Background
In reply refer to: *gr*
I-04168/93
140106.B.3

Honorable Claiborne Pell
Chairman, Committee on Foreign Relations
United States Senate
Washington, D.C. 20510-6225

Dear Mr. Chairman:

Section 27(j)(2) of the Arms Export Control Act (AECA) requires (1) an annual report specifying the countries eligible for participation in a cooperative project under the subsection, and (2) the criteria used for determining the eligibility of such countries. The required report for 1994 is provided herein.

There have been no changes to the eligibility list or the eligibility criteria submitted in the 1993 report. The countries designated friendly foreign countries pursuant to section 27(j)(1) are Australia, Israel, Egypt, Japan, the Republic of Korea, and Sweden.

The eligibility list is determined using the following criteria:

- Each country represents a unique and strategic U.S. interest which argues for increased rationalization, standardization and interoperability which parallel many of our efforts with NATO allies.
- Each country currently utilizes or is purchasing a wide range of U.S. systems and technology which it is in our long term interest to improve and modernize.
- Each nation has the ability currently to contribute to U.S. conventional defense modernization through an established research and development base.
- Each nation currently possesses an impressive production infrastructure with demonstrated potential to assist our overall modernization efforts.

We have concurrently provided this notification to the Committees on Armed Services and Foreign Affairs of the House of Representatives and the Committee on Armed Services of the Senate.

Pre'd by: Ms. Maggie Smith X78108
DSAA/OPS-MGT
Distribution: Orig Addee & cc
DSAA
CMD(1) CC:
OPS-MGT SUBJ
OPS-MGT CHRON
OPS CHRON

Sincerely,

Thomas G. Rhame
Lieutenant General, USA
Director

200



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

*Change to
Background*

DETERMINATION

Designation of Sweden as a
Friendly Foreign Country
(Section 27(j), Arms Export Control Act)

Section 1103 of the National Defense Authorization Act for Fiscal Year 1987 (P.L. 99-661, approved on November 14, 1986), amended Section 27 of the Arms Export Control Act to extend the scope of the section to "any friendly foreign country not a member of the North Atlantic Treaty Organization".

Pursuant to section 27(j) of the Arms Export Control Act and the authority thereunder delegated by Executive Order 11958 to the Secretary of Defense (and successively redelegated on February 12, 1972, and February 24, 1972, to the Director, DSAA, or, in his absence, the Deputy Director, DSAA), I hereby determine that cooperative project agreements with Sweden within the meaning of that statute would be in the foreign policy or national security interests of the United States.

Teddy G. Allen
Teddy G. Allen
Lieutenant General, USA
Director

DATE: 4 NOV 1992

CONCURRENCES:

September 16, 1992 (see attached)
Department of the Treasury

October 14, 1992 (see attached)
Department of State

(201)



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

*Change 6
Background*

M64

19 MAY 1993

In reply refer to:
I-02433/93

MEMORANDUM FOR DIRECTOR, NAVY INTERNATIONAL PROGRAMS
DEPARTMENT OF THE NAVY

SUBJECT: Proposed Security Assistance Management Manual (SAMM)
Change, Release of Technical Data

We have reviewed the revisions proposed in your 3 May 1993 letter (Ser 049/3U005360) and agree with them. They have been approved for inclusion in the next SAMM change.

In the interim, we have already approved the use of the recommended change to paragraph 140108.H.3., "Sale of TDPs for Operation and Maintenance Purposes, LOA Provisions", in case KS-P-AFA.

Your recommendations are appreciated. DSAA point of contact for Section 140108 of the SAMM is Maggie Smith, Operations Management Division, tel. 697-8108.

H. Diehl McKalip
Acting Director

Pre'd by: MS. SMITH/x78108

DSAA/OPS-MGT

Distribution: Orig Addee & cc

USDP

DSAA CHRON

CMD(1)

CC:

✓ OPS-MGT SUBJ

OPS-MGT CHRON

OPS CHRON

202



DEPARTMENT OF THE NAVY
NAVY INTERNATIONAL PROGRAMS OFFICE
WASHINGTON, D.C. 20350-5000

4900
Ser 049/3U005360

Change 6
Background

MAY 03 1993

From: Director, Navy International Programs Office
To: Director, Defense Security Assistance Agency
Subj: PROPOSED SECURITY ASSISTANCE MANAGEMENT MANUAL (SAMM)
CHANGE, RELEASE OF TECHNICAL DATA

1. We recommend the following changes SAMM Section 140108,
Release of Technical Data:

a. Paragraph 140108.H.3., Sale of TDPs for Operation and
Maintenance Purposes, LOA Provisions:

(1) Change first sentence of the LOA note to read:

"The technical data package offered herein is provided only
for the purpose of operation and maintenance of the (defense
equipment) transferred to the (country) from the U.S.
Government."

Reason: As presently written, this sentence does
not limit the use of the TDP to equipment transferred to the
purchaser by the U.S. Government, and has been misinterpreted by
some purchasers to authorize operation and maintenance of third
country equipment.

(2) Delete next to last sentence of the LOA note, "An
LOA Amendment (DD Form 1513-1) will be issued for the provision
of a certified production technical data package and the
applicable charges for its use for manufacture."

Reason: This sentence is unnecessary, since both
the preceding and following sentences clearly require separate
approval for production. Purchasers have misinterpreted this
sentence to imply that approval will be forthcoming, whereas the
U.S. Government has not actually considered approval for
production and may well deny any subsequent request.

b. Paragraph 140108.I.4.b., LOA Provisions, TDPs Provided
for Indigenous Defense Production Purposes:

(1) Delete last sentence of b.(1), "The Government of
(country) will pay to the U.S. Government a charge of ..."

(2) Place a period after "Modification" in the last
sentence of b.(2) and delete "(DD Form 1513-2) which also
provides for payment of additional charges."

Reason: DODD 2140.2 of 13 January 1993 no longer
requires a charge for the right to manufacture.

Change to
Background

c. Paragraph 140108.I.4.c., LOA Provisions, TDPs for Production Purposes which Authorize Third Country Sale: Changes identical to 1.b. above.

2. The Navy IPO point of contact for these proposed changes is Mr. Baillie, IPO-049, (703) 692-0704.

Lauren Baillie

L. P. BAILLIE
By direction

Copy To:
DISAM (Dr. Mortsof)
DFAS-DE (Mr. Crocker)

Change 6
Background Br
140108J. & L.



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

1 APR 1993

In reply refer to:
I-01240/93

MEMORANDUM FOR DIRECTOR FOR SECURITY ASSISTANCE
OFFICE OF THE DEPUTY CHIEF OF STAFF FOR LOGISTICS
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS
DEPARTMENT OF THE NAVY

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

SUBJECT: FMS Transfer of Technical Data Packages and Associated
Revisioning Services

This memorandum addresses two subjects involving the transfer of Technical Data Packages (TDPs). This first concerns procedures for the transfer of TDP revisioning services. The second is a request for information.

It has recently become apparent that each of the Services follows different procedures for the transfer of Technical Data Package (TDP) revisioning services. DSAA is considering a request from the Army to add cash Blanket Order LOAs for revisioning services to the Automated Case Approval System (ACAS), but before it can be approved, we must ensure that the procedures are being applied uniformly by the Military Departments.

Since September 1992, there has been a new MASL line for TDP Revisioning Services (MIF-0208-00-0TDPREV XX TDP Revision/Update Svc). Effective 1 May 1993, this MASL line and the attached note, already in use by the Army, are to be used for all TDP revisioning services. We will monitor the use of the new note and MASL line for a suitable period of time before DSAA rules on the Army's request. It is generally felt, however, that cash revisioning services cases lend themselves for inclusion in the ACAS.

We are also interested in compiling input for a statistical overview of recent TDP sales. Request the following information be provided for the last five years (CY 1988 - CY 1992) - (1) the number of TDPs sold, by type (i.e., study, O&M, indigenous production, production with authorized third country sale), and (2) the number of revisioning services cases processed. In addition, request copies of any Service-internal supplementary guidance on Section 140108 of the SAMM, especially guidance on the monitoring of TDP transfers. This information should be provided to the Operations Management Division no later than 30 April 1993.

The matters addressed in this memorandum have come up both in conjunction with specific actions and with the ongoing effort to revise Section 1401 of the SAMM. Prior to issuing the revision, we intend to meet with Service representatives to solicit input and suggestions for how to improve Section 1401. In anticipation of such a meeting this Spring, request that the responses requested above also include the identification of a point of contact for arranging Service participation in the meeting.

The DSAA point of contact is Margaret F. Smith, Operations Management Division, ext. 78108.

Thanks,

H. Diehl McKalip

H. Diehl McKalip
Director

Security Assistance Operations

Attachment
as stated

Pre'd by: MS. SMITH/x78108

DSAA/OPS-MGT

Distribution: Orig Addes & cc

CMD(1)

OPS-MGT SUBJ

OPS-MGT CERON

OPS CERON

LOA NOTE FOR TDP REVISIONING SERVICES

"The revisioning services offered herein are intended for updating the purchaser's existing (production/O&M/study) technical data package (TDP) furnished on FMS case (designator), accepted (date) [, and on revisioning service LOA (designator), accepted (date)¹]. All TDP notes supporting (case designator of the LOA which originally transferred the TDP [or designator of the revisioning services LOA which updated the TDP notes]) are incorporated herein by reference and apply to the revisioning services transferred pursuant to this LOA."

- ¹ To be used when a previous revisioning services LOA updated the TDP notes to bring them into compliance with the current version of SAMM Section 140108. In this case, the updated notes (vice the original LOA) must be maintained in the active revisioning case file.

Replaced by
117a -117e

DRAFT SAMP SECTION 1504
TABLE 1504-2
MINIMUM SPECIFICATIONS FOR NEW ADP EQUIPMENT

The Security Assistance Database Programs (TMS, SAARMS) and the IDSS communications software (LINKPC) were developed to only operate on IBM PC compatible systems utilizing the 80386 (or higher) microprocessor, and running under the Microsoft Disk Operating System (MS-DOS) version 5.0 or higher. This should be considered a minimum operating configuration. It is acceptable to upgrade this configuration with larger hard disks, more memory, etc. However, when replacement or other new equipment purchases are warranted, the following minimum specifications apply:

1. PERSONAL COMPUTER SYSTEM

- * IBM compatible with true 80486DX microprocessor (not 80486SX).
- * 33MHz operating speed with minimum 128K hardware cache.
- * 8 Megabytes Random Access Memory (RAM) (70ns or faster).
- * 200 megabyte hard drive (< 15 millisecond access speed, auto-locking heads). Equivalent removable media may be used.
- * Super VGA color monitor. Minimum 15" diagonal screen measurement. (.28mm dot pitch). Capable of 1024x768 resolution non-interlaced and compatible video display adapter card with 16 bit operation and minimum 1MB on-board video RAM. Video card should also include appropriate video display driver software. VESA local bus display is acceptable if available.
- * One 5.25 inch high density 1.2MB floppy drive and one 3.5 inch high density 1.44MB floppy drive.
- * Full size desktop case or floor standing tower case. Eight internal expansion slots, (6/16 bit, 2/8 bit slots).
- * Microsoft compatible mouse with software drivers.
- * Two serial ports, one parallel port.
- * Full size 101 key keyboard.
- * Surge protection power strip or other power protection device capable of delivering constant voltage and providing voltage spike protection.

See 117a -
117
Request for
C. Fryer
M. P. Parker,
L.
M. P. Parker
2/84

207a

2. PRINTER

- * Hewlett-Packard Laserjet Series 4 or 100% compatible
 - a. Serial port and parallel port
 - b. Minimum 4MB memory
 - c. OCR-A and OCR-B font print capability. Fonts may be permanently resident in the printer or installed with removable cartridges.

3. COMMUNICATIONS EQUIPMENT

- * Modems must conform to the current CCITT specifications for V.32bis/V.42bis and MNP Level 5 operation.
 - a. Compatible with the Hayes "AT" command set and support the special extended command set as applicable.
 - b. Support 300-14400 bps (bits per second).
 - c. Combination data/fax modems are acceptable.

4. SYSTEMS SOFTWARE

* Microsoft Disk Operating System (MS-DOS) version 5.0 or higher. The Security Assistance database programs have not been designed for or tested with non-MSDOS operating systems, to include, DR-DOS, OS/2, or UNIX (and UNIX derivatives). The database programs also have not been tested for use with any disk compression programs (DOUBLESPEACE, STACKER, etc.)

5. OPTIONAL EQUIPMENT/STANDARDS

* If a CD-ROM reader is acquired it should conform to the ISSO 9660 standard as a minimum. Access time should be < 200 milliseconds and effective throughput should be 350 KBPS or greater. The interface bus should conform to the latest SCSI-2 standards.

* Network architectures should conform to the ETHERNET standard (IEEE 802.3). Network operating systems shall be POSIX compliant in accordance with existing DoD and Federal standards. Architectural designs and design proposals for networks will be submitted to DSAA for approval prior to the expenditure of FMS Admin funds for acquisition.

APPENDIX A
ABBREVIATIONS AND ACRONYMS

A

AAA	Army Audit Agency
AAO	Authorized Acquisition Objective
ACDA	Arms Control and Disarmament Agency
ACO	Administrative Contracting Officer
ACOCS-FMS	Army Customer Order Control System for FMS
ADG	Aircraft Delivery Group
ADP	Automatic Data Processing
ADSHIPDA	Advise Shipping Data
AECA	Arms Export Control Act, as amended
AECB	Arms Export Control Board
AEAFC	Air Force Accounting and Finance Center
AFAA	Air Force Audit Agency
AFAO	Approved Force Acquisition Objective
AFCOCS	Air Force Customer Order Control System
AFIF	Air Force Industrial Fund
AFIC	Air Force Logistics Command
→ AFMC	Air Force Materiel Command
AFM	Air Force Manual
APPRO	Air Force Plant Representatives Office
AFR	Air Force Regulation
AFSC	Air Force Systems Command
AFSE	Air Force Stock Fund
AIA	Aerospace Industries Association
AIASA	Annual Integrated Assessment of Security Assistance
AID	Agency for International Development
AIF	Army Industrial Fund
AIK	Assistance in Kind
ALC	Air Logistics Center (under AFIC)
ALESA	American League for Exports and Security Assistance
AMC	Army Materiel Command
AMCCOM	Armaments, Munitions and Chemical Command (U.S. Army)
AMDF	Army Master Data File
AMEMB	American Embassy
AMRAAM	Advanced Medium Range Air-to-Air Missile
AMT	Allied Military Training or Allied Military Trainee (in context)
AOR	Area of Responsibility
APL	Allowance Parts List (U.S. Navy)
APOD	Aerial Port of Debarkation (Delivery)
AR	Army Regulation
ARPRO	Army Plant Representatives Office
ASBCA	Armed Services Board of Contract Appeals
ASD	Aeronautical Systems Division (USAF/AFSC) or
→ ASD(I)	Assistant Secretary of Defense (in context)
ASD(ISA)	Assistant Secretary of Defense (International Security Affairs)
→ ASD(ISP)(RSA)	Assistant Secretary of Defense (International Security Policy) (Regional Security Affairs)
ASD(P&L)	Assistant Secretary of Defense (Production and Logistics)
ASF	Army Stock Fund (incorporated in DBOF October 1991)
ASIP	Aircraft Structural Integrity Program
ASL	Authorized Supply Level (U.S. Army)
ASN	Assistant Secretary of the Navy
ASO	Aviation Supply Office (U.S. Navy)
ASRAAM	Advanced Short Range Air-to-Air Missile
ATC	Air Training Command (U.S. Air Force)

(Note: Changes based on normal changes plus automated SAMM search. Deleted if defined where used or when appearing only in App. A. W. 8/31/92)

change 6

✓ ATGW	Anti Tank Guided Weapons
✓ ATMG	Arms Transfer Management Group
✓ ATO	Allied Training Office(r) (U.S. Navy)
✓ AVCAL	Aviation Consolidated Allowance List (U.S. Navy)
✓ AVSCOM	Aviation Systems Command (U.S. Army)
✓ AWACS	Airborne Warning and Control System

B

✓ BA	Budget Authorization
✓ B/L	Bill of Lading
BO	Back Order (Supply), Blanket Order (FMS Case)

C

CAD/PAD	Cartridge Actuated Devices/Propellant Actuated Devices
✓ CAO	Case Administering Office, or Contract Administration Office
CAS	Contract Administrative Services, or Cost Accounting Standard (in context)
✓ CASEUR	Contract Administration Service-Europe (Air Force)
CBL	Commercial Bill of Lading
CC	Customer-Within-Country (Transportation Code)
CCBL	Collect Commercial Bill of Lading
✓ CDO	Country Desk Officer
✓ CDR	Consolidated Data Report, or Cargo Delivery Receipt (in context)
CENTCOM	U.S. Central Command (MacDill AFB FL)
✓ CECOM	Communications Electronics Command (U.S. Army)
✓ CET	Civilian Engineering Team
CETS	Contractor Engineering Technical Services
✓ CETSP	Contractor Engineering Technical Services Program
✓ CFE	Contractor Furnished Equipment
CFS	Contract Field Services
✓ CFSF	Contractor Field Services Personnel
✓ CGSEL	Common Ground Support Equipment List
CIA	Central Intelligence Agency
CICA	Competition in Contracting Act
✓ CHF	Cost, Insurance, Freight
✓ CHP	Component Improvement Program (Engine)
CISIL	Centralized Integrated System International Logistics (U.S. Army)
✓ CLO	Country Liaison Officer (Foreign Country Representative)
CLSSA	Cooperative Logistics Supply Support Arrangements
✓ CMCRL	Consolidated Master Cross Reference List
✓ CMI	Classified Military Information
leave in → CMS	Contractor Maintenance Services
CNAD	Conference of National Armament Directors
✓ ENET	Chief of Naval Education and Training
CNO	Chief of Naval Operations
CO	Contracting Officer
✓ COBE	Command Operating Budget Estimate (U.S. Army)
COCOM	Coordinating Committee of the Consultative Group
COCP	Customer Order Control Point (U.S. Army)
✓ COD	Cooperative Opportunities Document
✓ CODSA	Council of Defense and Space Industry Associations
COE	Corps of Engineers (U.S. Army)
✓ CQG	Navy Material Cognizance Symbol
COMSEC	Communications Security Equipment
✓ COMUSFORCARIB	Commander, U.S. Forces Caribbean
CONUS	Continental United States
✓ COOPLOG	Cooperative Logistics

Contractor Operational Points (DLA memorandum items)

✓ COSAL	Consolidated Shipboard Allowance List (U.S. Navy)
✓ COSMAL	Coordinated Shore-based Material Allowance List (U.S. Navy)
✓ CPAF	Cost Plus Award Fee
CPD	Congressional Presentation Document
✓ CPFF	Cost Plus Fixed Fee
✓ CPIF	Cost Plus Incentive Fee
✓ CPM	Country Program Manager
CRA	Continuing Resolution Authority
CSP	Concurrent (initial) Spare Parts

D

DAAS	Defense Automatic Addressing System
DAASO	Defense Automatic Addressing System Office
✓ DAC	Defense Acquisition Circular
DAO	Defense Attache Office
DATT	Defense Attache
DBOF	Defense Business Operating Fund <i>ONS</i>
DCA	Defense Cooperation in Armaments or Defense Communications Agency (in context) *
DCAA	Defense Contract Audit Agency
DCASR	Defense Contract Administration Services Region
DCM	Deputy Chief of Mission (U.S. Embassy)
DCS	Deputy Chief of Staff
DD Form 1513	United States Department of Defense Offer and Acceptance
DD Form 1513-1	United States Department of Defense Amendment to Offer and Acceptance
DD Form 1513-2	United States Department of Defense Notice of Modification of Offer and Acceptance
DDN	Defense Data Network
DEA	Data Exchange Agreement
DESCOM	Depot Systems Command (U.S. Army)
DFAS	Defense Finance and Accounting Service
DFARS	Defense Federal Acquisition Regulation Supplement
DIA	Defense Intelligence Agency
DICA	Defense Industrial Cooperation Agreement
DIC	Document Identifier Code or Defense Industrial Cooperation (in context)
DIFS	Defense Integrated Financial System
✓ DHL	Director of International Logistics
DIS	Defense Investigative Services
DISAM	Defense Institute of Security Assistance Management
DLA	Defense Logistics Agency
DLIELC	Defense Language Institute English Language Center
DLSC	Defense Logistics Services Center
DLSSO	Defense Logistics Standards Systems Office
DMA	Defense Mapping Agency
✓ DMAAC	Defense Mapping Agency Aerospace Center
DO	Defined Order (FMS Case)
DOD	Department of Defense
✓ DOD(C)	Department of Defense (Comptroller) <i>with ASD(C)</i> *
DODAADS	Department of Defense Activity Address Directory System
DODAC	Department of Defense Address Code
DODD	DOD Directive
DODI	DOD Instruction
DODIG	DOD Inspector General
✓ DODIP	Department of Defense Informational Program
DODISS	Department of Defense Index of Specifications and Standards
✓ DODSSP	Department of Defense Single Supply Point
DOE	Department of Energy
✓ DOP	Designated Overhaul Point (U.S. Navy)
DOS	Department of State

*DFAS - DE/IE
Defense Finance
and Accounting
Service - Denver
Center/SAAC* *

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Change 6

✓ DO09	Transportation Subsystem (U.S. Air Force)
✓ DO32	Item Management Stock Control and Distribution Subsystem (U.S. Air Force)
✓ DO33	Depot Supply Subsystem (U.S. Air Force)
DRMO	Defense Reutilization Marketing Office
DRMS	Defense Reutilization Marketing Service
✓ DRP	Direct Requisitioning Procedure (U.S. Navy)
✓ DS	Direct Support Level of Maintenance
DSAA	Defense Security Assistance Agency
DSARC	Defense Systems Acquisition Review Council
DSB	Defense Science Board
DSC	Defense Supply Center, Delivery Source Code
DSN	Defense Switched Network (formerly AUTODIN)
DT&E	Development, Test and Evaluation
DTC	Delivery Term Code
DTS	Defense Transportation System
DTSA	Defense Technology Security Administration
DU	Dependable Undertaking
DUSD(IP)	Deputy Under Secretary of Defense ^{Industrial and} (International Programs)

E

EA	Expenditure Authority
EAA	Export Administration Act
ECL	English Comprehension Level
ECP	Engineering Change Proposal
EDA	Excess Defense Articles
EDD	Estimated Delivery Date
ELT	English Language Training
EOQ	Economic Order Quantity
ESF	Economic Support Fund
ETSS	Extended Training Service Specialist
EUCOM	U.S. European Command
EXA	Execution Agency ^{on implementing} _{level in with change}

F

FAA	Foreign Assistance Act of 1961, as amended or Federal Aviation Administration, (in context)
FAD	Force Activity Designator
✓ FAMIS	Foreign Affairs Management Information System
✓ FAMIT	Familiarization Job Training
FAO	Foreign Area Officer (U.S. Army) or Finance and Accounting Officer
✓ FAPSS	Foreign Affairs Planning and Scheduling System
FAR	Federal Acquisition Regulation
FAST LINE	Free Alongside Ship ^{FMS Acquisitor Services Team Line (USN nonstandard item support process)}
FAW	Financial Analysis Worksheet (SDAF)
✓ FEC	Federal Express Corporation
✓ FICS	FMS Integrated Control System
FFB	Federal Financing Bank
✓ FEP	Firm Fixed Price
✓ FIAP	Foreign Intelligence Assistance Program
FLO	Foreign Liaison Office (located within CONUS)
FMF/FMFP	Foreign Military Financing/FMF Program
✓ FMAC	Financial Management Advisory Committee (U.S. Army)
FMCS	Foreign Military Construction Sales
FMS	Foreign Military Sales ^{Financial Management Regulation (DOD 7000.14-R USI 15)}
FMSMP	FMS Management Plan
FMSO	Fleet Material Support Office or Foreign Military Sales Order (in context)

change 6

missed

OK but delete parentheses

FMSO I	Foreign Military Sales Order (stock level sales case)
FMSO II	Foreign Military Sales Order (requisition/consumption sales case)
FMT	Foreign Military Trainee
FMTAG	Foreign Military Training Affairs Group
FMTAS	Foreign Military Training Aviation Subsystem
FMTB	Foreign Military Training Board (U.S. Navy)
FMTFMS	Foreign Military Training Financial Management System (U.S. Navy)
FMTMIS	Foreign Military Training Management Information System (U.S. Navy)
FOB	Free On Board
FOIA	Freedom of Information Act
FORDTIS	Foreign Disclosure and Technical Information System
FORSCOM	Forces Command (U.S. Army)
FPIP	Fixed Price Incentive Fee
FRB	Federal Reserve Bank
FSC	Federal Supply Classification
FSG	Federal Supply Group
FSL	Foreign Service Local (embassy employee)
FSO	Foreign Service Officer (Department of State)
FST	Field Service Team
FTO	Foreign Training Officer (U.S.)
FTS	Field Training Service
FY	Fiscal Year
FYDP	Five Year Defense Program or Fiscal Year Defense Program

G

G&A	General and Administrative (costs)
GA	Grant Aid
GAO	General Accounting Office
GATT	General Agreement of Tariffs and Trade
GBL	Government Bill of Lading
GFAE	Government Furnished Aeronautical Equipment
GFE	Government Furnished Equipment
GFM	Government Furnished Materiel
GRL	Gross Requirement List
GS	General Support Level of Maintenance
GSA	General Services Administration
GSE	Ground Support Equipment
GSOIA	General Security of Information Agreement

H

HNS	Host Nation Support
HO28	Foreign Military Grant Aid and Sales Program System (U.S. Air Force)
HO58	Integrated Appropriation Accounting and Program Status System (U.S. Air Force)
HPA	Head of Procuring Activity

I

IA	Implementing Agency
IAAFA	Inter-American Air Forces Academy
IAGS	Inter-American Geodetic School
ICP	Inventory Control Point
IFB	Invitation For Bid
IG	Inspector General
IL	International Logistics
ILC	International Logistics Center (U.S. Air Force)

Change 6

ILCO	International Logistics Control Office
ILCS	International Logistics Communication System
ILP	International Logistics Program
ILS	Integrated Logistics Support or Instrument Landing System (in context)
ILSP	Integrated Logistics Support Plan
IM	Item/Inventory Manager
IMET	International Military Education and Training
IMS	International Military Student
IMSO	International Military Student Office(r)/Noncommissioned Officer
IMT	International Military Trainee or International Military Training
INC	International Narcotics Control
IP	Informational Program or Intellectual Property (in context)
IPD	Issue Priority Designator
<i>leave in</i> → IPO	(Navy) International Programs Office
ISM	Industrial Security Manual
ISR	Industrial Security Regulation
ISSL	Initial Spares Support List (See CSP)
ITAR	International Traffic in Arms Regulations
ITMO	International Training Management Officer (USAF)
ITO	Invitational Travel Order

J

JCS	Joint Chiefs of Staff
JFM	Joint Forces Memorandum
JLC	Joint Logistics Commanders
JMP	Joint Manpower Program
JQ41	Acquisition and Due-in Subsystem (U.S. Air Force)
JSAM	Joint Security Assistance Memorandum
JSAT	Joint Security Assistance Training
JSPD	Joint Strategic Planning Document
JSPDSA	Joint Strategic Planning Document Supporting Analysis (portion of the JSPD which will be submitted by the field)
JSPS	Joint Strategic Planning System
JTD	Joint Table of Distribution
JTR	Joint Travel Regulation

K

[None at this time.]

L

LABCOM	Laboratory Command (U.S. Army)
LANTCOM	U.S. Atlantic Command
LCC	Life Cycle Cost
LOA	Letter of Offer and Acceptance (synonymous with DD Form 1513)
LOI	Letter of Intent
LOR	Letter of Request
LSC	Logistics Support Charge
LTD	Language Training Detachment

M

MAAG	Military Assistance Advisory Group
MAC	Military Airlift Command (U.S. Air Force)
MAGOM	Major Army Command

Change 6

MAG	Military Assistance Group
MAJCOM	Major Command (U.S. Air Force)
MANPADS	Man-Portable Air Defense System
MAP	Military Assistance Program
MAPAC	Military Assistance Program Address Code
MAPAD	Military Assistance Program Address Directory
MASF	Military Assistance Services Funded
MASL	Military Articles and Services List(s) (for Material; and Training; IMET, FMS and NATO)
MCTL	Military Critical Technologies List
MTBF	Mean Time Between Failure
MCL	Munitions Control List
MDA	Mutual Defense Assistance or Mutual Defense Agreement
MDE	Major Defense Equipment
MFP	Major Force Program
MFO	Multinational Force and Observers
MICAP	Mission Capability
MICOM	Missile Command (U.S. Army)
MILDEPS	U.S. Military Departments
MILSBILLS	Military Standard Billing System
MILSCAP	Military Standard Contract Administration Procedures
MIL-SPEC	Military Specification
MILSTAMP	Military Standard Transportation and Movement Procedures
MIL-STD	Military Standard
MILSTEP	Military Supply and Transportation Evaluation Procedures
MILSTRAP	Military Standard Transaction Reporting and Accounting Procedures
MILSTRIP	Military Standard Requisitioning and Issue Procedures
MIPR	Military Interdepartmental Purchase Request
MIRR	Material Inspection and Receiving Report (DD Form 250)
MIS	Management Information System
MISIL	Management Information System International Logistics (U.S. Navy)
MISTR	Management of Items Subject to Repair (U.S. Air Force)
MIRS	Multiple Launch Rocket System
MMC	Material Management Code
MOA	Memorandum of Agreement
MOD	Ministry of Defense (International equivalent of U.S. DOD)
MOU	Memorandum of Understanding
MPS	Military Postal Service
MRI	MILSTRIP Routing Identifier
MSC	Military Sealift Command (U.S. Navy)
MTMC	Military Traffic Management Command (U.S. Army)
MTT	Mobile Training Team
MTTR	Mean Time to Repair or Return
MWO	Modification Work Order

N

NADEP	Naval Aviation Depot
NAD(S)	National Armaments Director(s) or Naval Aviation Depot (in context)
NAMSA	NATO Maintenance and Supply Agency
NAMSO	NATO Maintenance and Supply Organization
NAPR	NATO Armaments Planning Review
NATO	North Atlantic Treaty Organization
NAVAIR	Naval Air Systems Command
NAVCOCS	Navy Case Obligation Control System
NAVFAC	Naval Facilities Engineering Command
NAVILCO	Navy International Logistics Control Office (Philadelphia, Pennsylvania)
NAVPRO	Naval Plant Representative Office
NAVSEA	Naval Sea Systems Command

Change 6

- ~~✓ NAVSUP~~ Naval Supply Systems Command
- ~~NC ~~DE NRC~~~~ Nonrecurring Cost
- NCB National Codification Bureau
- NDP-1 National Disclosure Policy
- NDPC National Disclosure Policy Committee
- ~~✓ NETSAFA~~ Naval Education and Training Security Assistance Field Activity
- NICP National Inventory Control Point (U.S. Army)
- ~~NIPARS~~ NIIN National Item Identification Number
- ~~NIPARS~~ NMDL *Nonrecurring Item Management Data List and Support (U.S. Air Force)*
- ~~✓ NPFC~~ Naval Publications and Forms Center
- ~~✓ NRFI~~ Not Ready For Issue
- NSA National Security Agency
- ✓ NSC Naval Supply Center, or National Security Council (in context)
- ~~NSD~~ Naval Supply Depot
- ~~✓ NSIA~~ National Security Industrial Association
- NSN National Stock Number (replaces FSN)
- ~~✓ NSY~~ Naval Shipyard
- ~~✓ NTSC~~ Naval Training Systems Center

O

- OA Obligation Authority
- OBT Observer Training
- ~~✓ OC-ALC~~ Oklahoma City Air Logistics Center (U.S. Air Force - AFLC)
- ODC Office of Defense Cooperation
- OJCS Office of the Joint Chiefs of Staff
- OJT On-the-Job Training
- O&M Operation and Maintenance
- OMA Operations and Maintenance, Army
- OMB Office of Management and Budget
- OMC Office of Military Cooperation
- ~~✓ OO-ALC~~ Ogden Air Logistics Center (U.S. Air Force - AFLC)
- OPNAV Office of the Chief of Naval Operations
- OSD Office of the Secretary of Defense
- OSP Offshore Procurement
- OT Orientation Tour
- ~~✓ OVHL~~ Overhaul
- OPR Office of Primary Responsibility

P

- PA Program Authorization
- leave in* → ~~PACAMS~~ Panama Canal Area Military Schools
- PACOM U.S. Pacific Command
- P&A Price and Availability Data
- ~~✓ PAPS~~ Phased Armaments Programming System
- ~~✓ PARS~~ Procurement Accounting and Reporting System
- ~~✓ PAT~~ Port Assistance Team
- ~~✓ PA&E~~ Program Analysis & Evaluation
- PC&H/PCH&T Packaging, Crating, & Handling, PC&H and Transportation
- ~~✓ PCO~~ Procurement Contracting Officer
- PCS Permanent Change of Station
- PD Presidential Determination
- PDM Programmed Depot Maintenance, or Program Decision Memoranda (in context)
- PDO Property Disposal Officer
- ~~✓ PEP~~ Personnel Exchange Program
- PIP Product Improvement Program
- PKO Peacekeeping Operations

Change 6

P.L.	Public Law
PLT	Procurement Lead Time
PM	Bureau of Politico-Military Affairs (Department of State) or Program/Project Manager
PME	Professional Military Education
P/N	Part Number
POC	Point of Contact
POD	Port of Debarkation
POE	Port of Embarkation
POM	Program Objective Memorandum
POMCUS	Positioned Material Configured to Unit Sets
PPBS	Planning, Programming, and Budgeting System
PRC	Peoples Republic of China
PSP	Program and Support Plan
PWD	Program Work Directive

Q

QA	Quality Assurance
QAT	Quality Assurance Team
QTY	Quantity
QRR	Quarterly Requisition Report

R

RAD	Required Availability Date
R&D	Research & Development
RCN	Record Control Number
RCO	Requisition Control Office (ILCO)
RCS	Report Control Symbol
RDD	Required Delivery Date
RDO	Redistribution Order
RDT&E	Research, Development, Test and Evaluation (Engineering)
RFP	Request for Proposals
RIK	Replacement in Kind
RMS	Resource Management Systems
ROD	Report of Discrepancy
RSI	Rationalization, Standardization, Interoperability
RSN	Record Serial Number

S

SA	Security Assistance
SAAC	Security Assistance Accounting Center (consolidated with DFAS ^{part of} 1991 -DE/I)
SA ALC	San Antonio Air Logistics Center (U.S. Air Force - AFLC)
SAMAS	Security Assistance Manpower Accounting System
SAMIS	Security Assistance Management Information System (US Air Force)
SAMM	Security Assistance Management Manual (DOD 5105.38-M)
SAN	Security Assistance Network
SAO	Security Assistance Organization/Office
SAPRWG	Security Assistance Program Review Working Group
SAR	Selected Acquisition Report
SATFA	Security Assistance Training Field Activity (U.S. Army)
SATMO	Security Assistance Training Management Office (U.S. Army)
SATP	Security Assistance Training Program
SBA	Small Business Administration
SCIATTS	Small Craft Instruction and Technical Training School
SDAF	Special Defense Acquisition Fund

Change 6

SECDEF	Secretary of Defense
SECNAV	Secretary of the Navy
SET	Specialized English Training
SII	Special Instructions Indicator
SIPRI	Stockholm International Peace Research Institute
SM	System Manager
SM-ALC	Sacramento Air Logistics Center (U.S. Air Force - AFLC)
SME	Significant Military Equipment
SOFA	Status of Forces Agreement
SOUTHCOM	U.S. Southern Command
SPAWAR	Space Warfare Systems Command (U.S. Navy)
SPC	Strategy and Planning Committee
SPEC	Ships Parts Control Center (U.S. Navy)
SPD	System Program Director (U.S. Air Force)
SPO	System Program Office (U.S. Air Force)
SPT	System Planning Team (U.S. Air Force)
STANAG	Standardization Agreement
STL	Standardized Training Listing
SUPO	Supply Officer (U.S. Navy)

SNAP SOCOM

*Simplified Nonstandard Acquisition Process (Army process)
U.S. Special Operations Command*

T

TAC	Type of Address Code
TACOM	Tank Automotive Command (U.S. Army)
TAFT	Technical Assistance Field Team
TAPR	Training Activity Program/Report
TAT	Technical Assistance Team
TBC	Transportation Bill Code
TCN	Transportation Control Number
TDP	Technical Data Package
TDY	Temporary Duty
TL/TLW	Termination Liability/ TL Worksheet
TLA	Travel and Living Allowance
TO	Technical Order
TOA	Total Obligational Authority or Transportation Operating Agency (in context)
TOR	Terms of Reference
TPA	Total Package Approach
TPC	Total Program Concept
TRACS	Training Control System
TRADOC	Training and Doctrine Command (U.S. Army)
TROSCOM	Troop Support Command (U.S. Army)
TSASS	TRADOC Security Assistance Supporting System

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U

UCOM	^{U.S.} Unified Command
U/I	Unit of Issue
UMMIPS	Uniform Materiel Movement and Issue Priority System
UN	United Nations
UND	Urgency of Need Designator
U/P	Unit Price
USA	U.S. Army
USAF	U.S. Air Force
USAFE	U.S. Air Forces, Europe
USAFSO	U.S. Air Force, Southern Air Division
USAMC	U.S. Army Materiel Command
USARSA	U.S. Army School of the Americas
USASAALA	U.S. Army Security Assistance Agency - Latin America

Change 6

- USASAC U.S. Army Security Affairs Command
- USC U.S. Code (as in law)
- USCENTCOM U.S. Central Command
- USD(A) Under Secretary of Defense for Acquisition
- USD(P) U.S. Disclosure Policy, Under Secretary of Defense for Policy
- ~~✓ USEUCOM U.S. European Command (Evcom)~~
- ~~✓ USFORCARIB U.S. Forces Caribbean~~
- USG U.S. Government
- ~~✓ USICA U.S. International Communications Agency~~
- USMC U.S. Marine Corps
- USML U.S. Munitions List
- USN U.S. Navy
- ~~✓ USPACOM U.S. Pacific Command w/Ph Com~~
- ~~✓ USSOCOM U.S. Special Operations Command - SOCOM~~
- ~~✓ USSOUTHCOM U.S. Southern Command - SOUTHCOM~~
- ~~✓ USTRANSCOM U.S. Transportation Command~~

V

- ~~✓ VMR Volume Movement Reports - None at this time~~

W

- leaves in* →
- ~~WCN Worksheet Control Number~~
 - ~~✓ WIMMS Weapons Integrated Material Management System~~
 - ~~✓ WPOD Water Port of Discharge~~
 - ~~✓ WRA Weapons Replacement Assembly~~
 - ~~✓ WR-ALC Warner Robins Air Logistics Center (U.S. Air Force - AFLEC)~~
 - ~~✓ WSD Weapon System Designator~~
 - ~~✓ WSLO Weapon System Logistics Office~~
 - ~~✓ WSP Weapon System Package~~

X Y Z

[None at this time.]

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Credit Arrangement - An arrangement with a foreign government under which the US will advance a stipulated amount of credit for financing an FMS or commercial sale to that government. [Sections 23 and 24, AECA]

Credit Guaranty - A guaranty to any individual corporation, partnership, or other judicial entity doing business in the US (excluding USG agencies other than the Federal Financing Bank) against risks of nonpayment arising out of their financing of credit sales of defense articles and defense services to eligible countries and international organizations. [Section 24, AECA]

Current Fiscal Year - The fiscal year (1 October - 30 September) in progress.

D

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

Defense Attache Office - A DoD organization assigned to a US diplomatic mission overseas for the purposes of overt gathering of military information, representing DoD in the conduct of military liaison activities, and performing as a member of the US country team. Some DAOs have been designated by the President as responsible for security assistance functions in the host country.

Defense Automatic Addressing System (DAAS) - DAAS functions as an automated system for routing logistics data traffic and provides document processing and data information services. [DoDD 4000.25]

Defense Industrial Cooperation - US activities performed in conjunction with selected foreign countries, which are intended to stimulate the development of foreign defense industrial capabilities, particularly in emerging technologies, for the mutual benefit of all participants.

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

Defense Service - Includes any service, test, inspection, repair, training, publication, or technical or other assistance, or defense information used for the purpose of furnishing military assistance but does not include military education and training activities. [Section 644(f), FAA] For FMS, defense services also include training (AECA Section 47(4)). For purposes of guidance within this manual, includes military education and training activities and military design and construction services.

* Defense Business Operations Fund (DBOF) -
A working capital fund (see the FMR)

DOD Directive 2140.5 - *Defense Institute of Security Assistance Management*

DOD Directive 4000.25-8-M - *Military Assistance Program Address Directory*

DOD Directive 4100.37 - *Retention and Transfer of Materiel Assets*

DOD Directive 4140.17-M - *Military Standard Requisitioning and Issue Procedures (MILSTRIP)*

DOD Instruction 4140.42 - *Determination of Initial Requirements for Secondary Item Spare and Repair Parts*

DOD Instruction 4155.19 - *NATO Quality Assurance*

DOD Directive 4160.21 - *DOD Personal Property Utilization Disposal Program*

~~DOD 4160.21-M - Defense Reutilization and Marketing Manual~~

~~DOD 4160.21-M-1 - Defense Demilitarization Manual~~

DOD Directive 4165.6 - *Real Property Acquisition, Management, and Disposal*

DOD Directive 4175.1 - *Sale of Government-Furnished Equipment or Materiel and Services to U.S. Companies for Commercial Export*

DOD Directive 4410.6 - *Uniform Material Movement and Issue Priority System (UMMIPS)*

DOD Directive 4500.9 - *Transportation and Traffic Management*

DOD Directive 5000.1 - *Major and Non-Major Defense Acquisition Programs*

DOD Directive 5000.2 - *Defense Acquisition Program Procedures*

DOD Directive 5000.7 - *Official Temporary Duty Travel Abroad*

DOD Instruction 5000.33 - *Uniform Budget/Cost Terms and Definitions*

DOD Directive 5000.35 - *Defense Acquisition Regulatory System*

DOD Instruction 5010.12 - *Defense Technical Data Management Program*

DOD Directive 5030.14 - *Disclosure of Atomic Information to Foreign Governments and Regional Defense Organizations*

DOD Directive 5100.2 - *Support of Headquarters of Unified, Specified, or Subordinate Joint Commands*

DOD Directive 5100.55 - *United States Security Authority for NATO Affairs*

DOD Directive 5105.36 - *Defense Contract Audit Agency*

DOD Directive 5105.38 - *Defense Security Assistance Agency*

DOD Directive 5105.40 - *Defense Mapping Agency (DMA)*

DOD Directive 5123.3 - *DOD Policy and Responsibilities Related to International Security Assistance (ISA)*

DOD Directive 5128.1 - *Assistant Secretary of Defense (Production and Logistics)*

Change 6

DOD Directive 5132.2 - Assistant Secretary of Defense (International Security Affairs)

DOD Directive 5132.3 - Department of Defense Policies and Responsibilities Relating to Security Assistance

DOD Directive 5132.11 - Security Assistance Accounting Center

DOD Directive 5160.41 - Defense Language Program

DOD Directive 5200.12 - Conduct of Classified Meetings

DOD Industrial Security Manual 5220.22-M - Industrial Security Manual for Safeguarding Classified Information

DOD Directive 5230.11 - Disclosure of Classified Military Information to Foreign Governments and International Organizations

DOD Instruction 5230.17 - Procedures for Disclosure of Classified Military Information to Foreign Governments and International Organizations

DOD Instruction 5230.20 - Control of Foreign Representatives

DOD Directive 5410.17 - Informational Program for Foreign Military Trainees in the United States

DOD Directive 5500.7 - Standards of Conduct

DOD Directive 5530.3 - International Agreements

DOD 7000.14-R - Financial Management Regulation Volume 15
DOD Instruction 7230.7 - User Charges Security Assistance Policy and Procedures

DOD 7290.3-M - Foreign Military Sales Financial Management Manual

DOD Directive 7460.2 - Regulations Governing the Use of Management Funds

Change 6
7/4/3
DOD

J

TABLE D-7, GENERIC CODES - ALL SYSTEMS

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
A	AIRCRAFT				
1	Combat Aircraft:				
A	Attack.	FSC 1510	X		
B	Bomber.	FSC 1510	X		
F	Fighter.	FSC 1510	X		
S	Anti-Submarine.	FSC 1510	X		
V	VTOL & VSTOL.	FSC 1510	X		
2	Airlift Aircraft:				
C	Cargo Transport	FSC 1510	X		
3	Trainer Aircraft:				
T	Trainer	FSC 1510	X		
4	Helicopters:				
A	Attack.	FSC 1520	X		
C	Cargo Transport	FSC 1520	X		
H	General Purpose	FSC 1520	X		
L	Observation	FSC 1520	X		
S	Anti-Submarine.	FSC 1520	X		
T	Trainer	FSC 1520	X		
U	Utility	FSC 1520	X		
5	Other Aircraft:				
E	Special Electronic Installation	FSC 1500, 1510	X		
G	Glider.	FSC 1540	X		
K	Tanker.	FSC 1510	X		
L	Observation	FSC 1510	X		
P	Patrol.	FSC 1510	X		
R	Reconnaissance.	FSC 1510	X		
U	Utility	FSC 1510	X		
X	Research.	FSC 1510	X		
Z	Airship	FSC 155Z	X		
6	Modification of Aircraft:				
A	Minor Modification (Non-Enhanced)		X		**
B	Major Modification (Enhanced)		X		**
7	Aircraft Support Equipment:				
A*	Ground Handling Equipment	FSC 1730, 4920	X		*One dollar line provided for initial stockage and for follow-on.
B*	Arresting Barrier & Barricade Equipment	FSC 1710	X		

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Change b

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
A 7 C*	Launching Equipment	FSC 1720		X	*One dollar line provided for initial stockage and for follow-on. **
D*	Specialized Trucks & Trailers (Including Modifications)	FSC 1740		X	
E	Contractor-Provided Support Equipment			X	Program F-16 Avionics Intermediate Shop as major item (MDE). **
A 9	Aircraft Components & Spare Parts:				
A	Gasoline Reciprocating Engines, Complete. . .	FSC 2810		X	
B	Gas Turbines & Jet Engines, Complete.	FSC 2840		X	
C	Aircraft Components, Parts & Accessories. . .	FSG 16XX (except 1670), FSC 1270, 1280, 1290, 1377, 1560, 2620, 2810 (Components), 2840 (Components), 2915, 2925, 2935, 2945, 2950, 2995, 6340, 6605, 6610, 6615, 6620		X	May include other FSG when supplied for aircraft. **
D	Contractor-Provided Aircraft Components, Spares & Accessories			X	
B	MISSILES				
1	Ground Launched Missiles:				
	Missiles, Major Components, Class V Mods.			X	
	Missile Shop Sets, Test Equipment, Trailers, Vans, Mod Kits, Other Components & Support Equipment			X	
2	Air Launched Missiles:				
	Missiles, Major Components, Class V Mods.			X	
	Missile Shop Sets, Test Equipment, Trailers, Vans, Mod Kits, Other Components & Support Equipment			X	
3	Sea Launched Missiles:				
	Missiles, Major Components, Class V Mods.			X	
	Missile Shop Sets, Test Equipment, Trailers, Vans, Mod Kits, Other Components & Support Equipment			X	

The alpha codes indicated will be used by the Military Departments when submitting MASL data for ground launched missiles or associated dollar lines:

- | | | | |
|-------------|-------------|---------------|------------|
| A. Nike | G. Pershing | N. Lance | X. Patriot |
| B. Redeye | H. Entac | P. Stinger | Y. ATACMS |
| C. Hawk | J. Tow | R. Chaparral | |
| D. Mauler | K. Dragon | S. Shillelagh | |
| E. Jupiter | L. Lacrosse | V. Viper | |
| F. Sergeant | M. Thor | W. Roland | |

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Change 6

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	P. ATAS (Stinger)	W. Sparrow	**
B. Harm	G. Maverick	R. Sidewinder	Y. Matador	
C. Standard Arm	H. Hellfire	S. Bullpup	Z. AMRAAM	**
D. Standard	J. Air-Launched TOW	T. Phoenix		
E. Walleye	N. Falcon	V. Corporal		

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	
D	Contractor-Provided Guided Missile Parts, Components & Parts for Guided Missile Support Equipment			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	

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Change 6

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
C 2	Amphibious Ships:				
A	Tank Landing Ship	FSC 1905	X		
B	Medium Landing Ship (LSM/LSSL).	FSC 1905	X		
C	Medium Landing Ship, Rocket (LSMR).	FSC 1905	X		
D	Utility Landing Craft (LCU)	FSC 1905	X		
E	Transport (AKA/AP/APA/APC/APD).	FSC 1910	X		
3	Mine Warfare Ships:				
A	Coastal Minelayer (MMC)	FSC 1905	X		
B	Ocean Minesweeper (MSO)	FSC 1905	X		
C	Coastal Minesweeper (MCS)	FSC 1905	X		
D	Inshore Minesweeper (MSI/MSB)	FSC 1905	X		
E	Fleet Minesweeper (MSF)	FSC 1905	X		
G	Mine Countermeasure Support (MCS)	FSC 1905	X		
H	Auxiliary Mineplanter (YMP)	FSC 1905	X		
4	Patrol Ships:				
A	Patrol Frigate (PF)	FSC 1905	X		
B	Patrol Craft (PC)	FSC 1905	X		
C	Patrol Craft Escort (PCE)	FSC 1905	X		
D	Patrol Gunboat (PGM).	FSC 1905	X		
E	Seaward Defense Craft (SDC)	FSC 1905	X		
F	Fast Patrol Boat.	FSC 1905	X		
G	Patrol Torpedo Boat (PT).	FSC 1905	X		
5	Auxiliaries and Craft:				
A	Net Laying Ship (AN).	FSC 1925	X		
B	Oiler (AO).	FSC 1915	X		
C	Gasoline Tanker (AOG)	FSC 1915	X		
D	Fuel Oil Barge (YO/YSR)	FSC 1915	X		
E	Gasoline Barge (YOG).	FSC 1915	X		
F	Water Barge (YW).	FSC 1915, 1935	X		
G	Light Cargo Ship (AKL).	FSC 1925	X		
H	Auxiliary Ocean Tug (ATA/ATR)	FSC 1925	X		
K	Submarine Rescue Ship (ASR)	FSC 1925	X		
L	Seaplane Tender (AVP)	FSC 1925	X		
M	Small Harbor Tug (YTL).	FSC 1925	X		
N	Rescue Boat (AVR)	FSC 1940	X		
P	Medium Landing Craft (LCM).	FSC 1905	X		
Q	Vehicle/Personnel Landing Craft (LCVP).	FSC 1905	X		

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Change 6

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
C 5 R	Surveying Ship (AGS)	FSC 1990	X		
S	Landing Craft Repair Ship (ARL)	FSC 1925	X		
T	Large Harbor Tug (YTB)	FSC 1925	X		
V	Repair Ship (ARB)	FSC 1925	X		
W	Submarine Tender (AS)	FSC 1925	X		
X	Floating Drydock (AFDL/SRD)	FSC 1950	X		
Z	Miscellaneous Boats & Craft	FSG 19XX	X		
6	Ships Support Equipment:				
A	Ship Overhaul/Modernization/Construction (In Country)		X		
B	Shipbuilding Cost Sharing		X		
9	Ships Spares & Spare Parts:				
A	Ship Spare Parts, Components, & Accessories	FSG 20XX (except 2050), 30XX, FSC 6320	X		May include other FSG when supplied for ships and craft
B	Gas Turbine Engines, Complete	FSC 2835	X		
D	COMBAT VEHICLES				
1	Armored Carriers:				
A	Personnel Carriers, Full Track	FSC 2350	X		All spare parts for Combat Vehicles should be programmed under Generic Code K8A.
B	Personnel Carriers, Half Track	FSC 2350	X		
C	Armored Cars	FSC 2320, 2350	X		
D	Cargo Carriers	FSC 2320, 2350	X		
E	Weapons Carriers	FSC 2320, 2350	X		
2	Self-Propelled Artillery:				
A	Anti-Aircraft	FSC 2350	X		
B	Anti-Tank	FSC 2350	X		
C	105mm Howitzer	FSC 2350	X		
D	155mm Howitzer	FSC 2350	X		
E	4.2 Inch Mortar	FSC 2350	X		
F	8 Inch Howitzer	FSC 2350	X		
G	175mm Gun	FSC 2350	X		
Z	Other Self-Propelled Artillery	FSC 2350	X		
3	Tanks:				
A	Light Tank	FSC 2350	X		
B	Medium Tank	FSC 2350	X		
4	Tank Recovery Vehicles:				
A	Tank Recovery Vehicles	FSC 2350	X		

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Change 6

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
D 5	Other Combat Vehicles:				
A	High Speed Tractors	FSC 2430	X		
B	Amphibious Landing Vehicles	FSC 2320, 2350	X		**
C	Tank Mounted Bulldozers	FSC 2590	X		
E	TACTICAL AND SUPPORT VEHICLES				All spare parts for Tactical & Support Vehicles should be programmed under Generic Code K8A.
1	Semi-Trailers:				
A	Tank	FSC 2330	X		
B	Stake	FSC 2330	X		
C	Van	FSC 2330	X		
D	Low Bed	FSC 2330	X		
E	Transporter	FSC 2330	X		
Z	Other Semi-Trailers	FSC 2330	X		
2	Trailers:				
A	Cargo	FSC 2330	X		
B	Tank	FSC 2330	X		
C	Ammunition	FSC 2330	X		
D	Fuel Service	FSC 2330	X		
E	Low Bed	FSC 2330	X		
F	Flat Bed	FSC 2330	X		
G	Bolster	FSC 2330	X		
H	Dolly	FSC 2330	X		
Z	Other Trailers	FSC 2330	X		
3	Trucks:				
A	1/4 Ton Cargo	FSC 2320	X		
B	1/4 Ton Ambulance	FSC 2310	X		
D	3/4 Ton Cargo	FSC 2320	X		
E	3/4 Ton Ambulance	FSC 2310	X		
G	1 Ton Cargo	FSC 2320	X		
K	2 1/2 Ton Cargo	FSC 2320	X		
L	2 1/2 Ton Dump	FSC 2320	X		
M	2 1/2 Ton Special Purpose	FSC 2320	X		
N	2 1/2 Ton Tank	FSC 2320	X		
Q	2 1/2 Ton Truck-Tractor	FSC 2320	X		
R	2 1/2 Ton Wrecker	FSC 2320	X		
T	5 Ton Cargo	FSC 2320	X		
U	5 Ton Dump	FSC 2320	X		
W	5 Ton Truck-Tractor	FSC 2320	X		
X	5 Ton Wrecker	FSC 2320	X		
Z	Other Trucks	FSC 2320	X		

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Change 6

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
E 4	Support Vehicles:				
A	Station Wagons.	FSC 2310		X	
B	Sedans.	FSC 2310		X	
C	Buses	FSC 2310		X	
D	Motorcycles & Motor Scooters.	FSC 2340		X	
E	Ambulances.	FSC 2310		X	
F	Commercial Trucks	FSC 2320		X	
Z	Other Support Vehicles.	FSC 2310, 2320		X	
F	WEAPONS				
1	Weapons, up to 75mm:				
A	Pistols	FSC 1005		X	
B	Carbines.	FSC 1005		X	
C	Rifles.	FSC 1005		X	
E	Sub-Machine Guns.	FSC 1005		X	
F	Machine Guns.	FSC 1005		X	
G	Mounts.	FSC 1005, 1015, 1090		X	
H	Shotguns.	FSC 1005		X	
J	Sub-Caliber Weapons	FSC 1005, 1010		X	
K	Anti-Aircraft Guns.	FSC 1005, 1010		X	
L	Launchers	FSC 1005, 1010, 1055		X	
M	Mortars	FSC 1010		X	
Z	Other Weapons (up to 75mm).	FSC 1005, 1010, 1090		X	
2	Artillery, 75mm & over:				
A	75mm Guns	FSC 1015		X	
B	76mm Guns	FSC 1015		X	
C	90mm Guns	FSC 1015		X	
D	105mm Guns.	FSC 1015		X	
E	155mm Guns.	FSC 1025		X	
F	175mm Guns.	FSC 1025		X	
G	75mm Howitzer	FSC 1015		X	
H	105mm Howitzer.	FSC 1015		X	
J	155mm Howitzer.	FSC 1025		X	
K	8 Inch Howitzer	FSC 1030		X	
L	75mm Recoilless Rifles.	FSC 1015		X	
M	90mm Recoilless Rifles.	FSC 1015		X	
N	105mm Recoilless Rifles	FSC 1015		X	
P	106mm Recoilless Rifles	FSC 1015		X	
Q	120mm Recoilless Rifles	FSC 1015		X	
R	155mm Recoilless Rifles	FSC 1025		X	

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Sample 1

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
F 2 S	81mm Mortar	FSC 1015	X		
T	107mm/4.2 Inch Mortar	FSC 1015	X		
U	120mm Mortar.	FSC 1015	X		
Z	Other Weapons (75mm & over)	FSC 1015, 1020, 1025, 1030, 1035	X		
3	Naval Ordnance Weapons:				
A	20mm Mounts	FSC 1005	X		
B	40mm Mounts	FSC 1010	X		
C	3 Inch/50 Mounts.	FSC 1015	X		
D	5 Inch/25 Mounts.	FSC 1020	X		
E	5 Inch/38 Mounts.	FSC 1020	X		
F	5 Inch/54 Mounts.	FSC 1020	X		
G	Loading Machines (all calibers)	FSC 1010, 1015, 1020	X		
H	Torpedo Launchers	FSC 1045	X		
J	Depth Charge Launchers.	FSC 1045	X		
K	ASW Rocket Launchers.	FSC 1055	X		
L	Harbor Nets, Booms, & Buoys	FSC 1070, 2050		X	
M	Degaussing & Minesweeping Equipment	FSC 1075		X	
N	Naval Fire Control Directors.	FSC 1210	X		
P	Naval Fire Control Computing Sights	FSC 1220	X		
Q	ASW Fire Control Systems.	FSC 1230	X		
R	Gunfire Control Systems	FSC 1230	X		
S	Torpedo Fire Control Systems.	FSC 1210, 1220, 1230	X		
T	Submarine Fire Control Systems.	FSC 1230	X		
U	Target Designating Systems.	FSC 1260, 1265	X		
V	Fire Control Radar.	FSC 1285	X		
W	Close-in Weapon Systems	FSC 1230	X		
X	Multi-Weapon Defense Systems.	FSC 1230	X		
Y	Missile Fire Control Systems.	FSC 1230	X		
Z	Other Naval Ordnance Weapons.	FSG 10 (except 1070, 1075), FSC 1240, 1250, 1260, 1265, 1270, 1280, 1287, 1290	X	X	(1)
4	Other Weapons:				
A	Chemical Weapons & Equipment.	FSC 1040	X	X	(1)
B	Camouflage & Deception Equipment.	FSC 1080		X	**
D	Fire Control Equipment (other than naval ordnance).	FSG 12	X	X	(1)
Y	Non-Standard Weapons.			X	**
Z	Miscellaneous Other Weapons & Interchangeable Assemblies	FSC 1020, 1055, 1090, 1095	X	X	(1)

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Change ✓

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
F 9	Weapon Spare Parts, Components, & Accessories:				
A	Weapons	FSG 11XX, 12XX, FSC 1005, 1010, 1015, 1020, 1025, 1030, 1035, 1055, 1090, 1095, 2845 (other than Naval Ordnance).		X	**
B	Naval Ordnance Weapons.	FSG 10XX, 12XX, FSC 2845		X	**
C	Non-Standard Weapon Spare Parts, Components, & Accessories.			X	**
G	AMMUNITION				
1	Ammunition (up to 75mm) & Grenades:				
A	5.56mm/22 caliber	FSC 1305		X	
B	30 caliber.	FSC 1305		X	
C	7.62mm.	FSC 1305		X	
D	38 caliber.	FSC 1305		X	
E	45 caliber.	FSC 1305		X	
F	50 caliber.	FSC 1305		X	
G	60 caliber.	FSC 1305		X	
H	20mm.	FSC 1305		X	
I	22mm.	FSC 1305		X	
J	37mm.	FSC 1310		X	
K	40mm.	FSC 1310		X	
L	57mm.	FSC 1310		X	
M	60mm Mortar	FSC 1310		X	
N	Shotgun Ammunition.	FSC 1305		X	**
P	Grenades.	FSC 1330		X	
Z	Other Ammunition.	FSC 1305, 1310, 1330		X	(1)
2	Ammunition, 75mm & Over:				
A	75mm.	FSC 1315		X	
B	76mm.	FSC 1315		X	
C	81mm Mortar	FSC 1315		X	
D	90mm.	FSC 1315		X	
E	105mm	FSC 1315		X	
F	106mm	FSC 1315		X	
G	4.2 Inch Mortar	FSC 1315		X	
H	3 Inch/50	FSC 1315		X	
J	5 Inch/25	FSC 1320		X	
K	5 Inch/38	FSC 1320		X	
L	5 Inch/54	FSC 1320		X	

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Change 6

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
G 2 M	155mm	FSC 1320	X		
N	8 Inch.	FSC 1320	X		
P	175mm	FSC 1320	X		
Z	Other Ammunition.	FSC 1315, 1320	X	X (1)	
3	Land Mines & Explosives:				
A	Anti-personnel Mines.	FSC 1345	X		
B	Anti-tank Mines	FSC 1345	X		
C	Demolition Kits	FSC 1375	X		
D	Charges	FSC 1375	X		
Z	Other Explosives & Land Mine Components	FSC 1345, 1375, 1376, 1377	X	X (1)	
4	Naval Ordnance Ammunition:				
A	Service Mines, complete	FSC 1361	X		
B	Drill Mines, complete	FSC 1350, 1351	X		
C	Mine Components	FSC 1350, 1351		X	**
D	Torpedo Exercise Heads.	FSC 1355, 1356	X		
E	Anti-surface Torpedoes.	FSC 1356	X		
F	ASW Torpedoes	FSC 1356	X		
G	Torpedo Components.	FSC 1355, 1356		X	**
H	Depth Charges	FSC 1361	X		
J	Depth Charge Components	FSC 1360, 1361		X	**
5	Bombs & Rockets:				
A	Practice Bombs & Shapes	FSC 1105, 1325	X		
B	Armor Piercing Bombs.	FSC 1325	X		
C	Depth Bombs	FSC 1325	X		
D	Fire & Incendiary Bombs	FSC 1325	X		
E	Fragmentation Bombs	FSC 1325	X		
F	General Purpose Bombs	FSC 1325	X		
G	Electronic Operated Guided Bombs.	FSG 13	X		
M	Bomb Components	FSC 1325		X	
N	Other Bombs	FSC 1325	X		
P	2.25 Inch Rockets	FSC 1340	X		
Q	2.36 Inch Rockets	FSC 1340	X		
R	2.75 Inch Rockets	FSC 1340	X		
S	3.5 Inch Rockets.	FSC 1340	X		
T	5 Inch Rockets.	FSC 1340	X		
U	7.2 Inch Rockets.	FSC 1340	X		
V	Asroc Rockets	FSC 1356	X		
W	Honest John Rockets	FSG 10, 11 & 13.	X	X (1)	**

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Change

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
G 5 Y	Rocket Components	FSC 1340	X	X	(1)
Z	Other Rockets	FSC 1340	X		
6	Pyrotechnic & Chemical Munitions:				
A	Chemical Munitions.	FSC 1365	X	X	Program agents as major items; program ** articles other than agents in FSC 1365 ** as dollar lines. **
B	Pyrotechnics.	FSC 1370	X	X	(1)
7	Other Ammunition:				
A	Ammunition Raw Materials.	FSC 9999		X	
B	Fuzes and Primers	FSC 1390	X	X	(1)
C	Ammunition Containers	FSC 8140		X	
D	Miscellaneous Ammunition, Tools, & Specialized Equipment.	FSC 1385, 1386, 1395, 1398, 4927		X	
E	Non-Standard Ammunition			X	
H	COMMUNICATIONS EQUIPMENT				
1*	Telephone & Telegraph Equipment	FSC 5805	X	X	(1)
2*	Radio & Television Communications Equipment	FSC 5820, 5821, 5895, 5985	X	X	(1) Installation units will be programmed under dollar lines provided by DSAA.
3*	Radio Navigation Equipment.	FSC 5825, 5826, 5827	X	X	(1)
4*	Radar Equipment	FSC 5840, 5841, 5895	X	X	(1)
5*	Underwater Sound Equipment.	FSC 5845	X	X	(1)
6*	Other Communications Equipment (Including Modifications)	FSG 58XX, 59XX, 60XX	X	X	(1) Installation units for equipment in FSG 58XX (other than 5820, 5821) will be programmed under appropriate dollar line provided by DSAA.
7 Z	Non-Standard Communications & Electronic Equipment.			X	**

*The following alphabetic will be used by the Military Departments as the third character of the Generic Code to identify the type of installation:

- A Airborne
- B Fixed
- G Ground, General Ground Use
- K Amphibious
- P Pack or Portable
- V Ground, Vehicular
- W Water, Surface, and Underwater
- Z Other Communications Equipment (Including Modifications)

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Change to

9	Communications Equipment Spare Parts and Electronic Supplies:				
A	Communications Equipment Spare Parts and Electronic Supplies.	FSG 58XX, 59XX		X	**
B	Non-Standard Communications Equipment Spare Parts and Electronic Supplies.			X	**

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
J	SUPPORT EQUIPMENT				
1	Chemical Equipment:				
A	Decontaminating & Impregnating Equipment. . .	FSC 4230		X	
2	Construction Equipment:				
A	Full Track Tractors	FSC 2410		X	
B	Wheeled Tractors.	FSC 2420		X	
C	Earthmoving & Excavating Equipment.	FSC 3805		X	
D	Cranes & Crane Shovels.	FSC 3810		X	
E	Road Clearing Equipment	FSC 3825		X	
F	Military Bridging	FSC 5420		X	
Z	Miscellaneous Construction Equipment.	FSC 3815, 3830, 3895		X	
3	Materials Handling Equipment:				
A	Conveyors, Cranes & Derricks.	FSC 3910, 3950		X	
Z	Other Materials Handling Equipment.	FSG 39XX (except 3910, 3950)		X	
4	Photographic Equipment:				
A	Cameras	FSC 6720		X	
B	Projection Equipment.	FSC 6730		X	
C	Developing & Finishing Equipment.	FSC 6740		X	
Z	Other Photographic Equipment, Supplies, & Spare Parts.	FSG 67XX (except 6720, 6730, 6740)		X	
6	Other Equipment:				
A	Parachutes & Aerial Delivery Equipment.	FSC 1670		X	
D	Other Power Transmission Equipment.	FSG 30XX		X	
E	Woodworking Machinery & Equipment	FSG 32XX		X	
F	Metal Working Machinery	FSG 34XX		X	
G	Special Industrial Machines	FSG 36XX		X	
N	Safety & Rescue Equipment	FSG 42XX		X	
P	Steam Plant & Drying Equipment.	FSG 44XX		X	
Q	Maintenance & Repair Shop Equipment	FSC 4910, 4925, 4930, 4931, 4933, 4940		X	
R	Power & Distribution Equipment.	FSG 61XX, 62XX		X	
S	Non-Standard Power & Distribution Equipment			X	**
T	Instruments & Laboratory Equipment.	FSG 66XX (except 6610, 6630, 6640)		X	
U	Non-Standard Test Equipment			X	**
Z	Other Support Equipment	FSG 22XX, FSC 3835, 6310, 6330, 6350, 6650, 6665		X	

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Change to

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	
Y	Support Equipment - Royal Saudi Land Forces (RSLF).			X	**
Z	Other Support Equipment	FSG 37XX, 46XX, 47XX, 48XX, 71XX, 72XX, 73XX		X	
8	Books, Publications, and Maps and Charts:				**
A	Technical, Non-Technical Books, Publications, & Maps and Charts.	FSG 76XX		X	**
9	Contractor-Provided Technical Order Data				**
A	Contractor-Provided Technical Order Data.			X	**
K	SUPPLIES				
1	Clothing & Textile Supplies:				
A	Clothing/Textiles & Individual Equipment.	FSG 83XX, 84XX		X	
2	Medical Supplies:				
A	Drugs & 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	

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change 6

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
K 4 Z	Other General Supplies.	FSG 40XX, 75XX, 77XX, 78XX, 79XX, 80XX, 81XX (except 8140), 85XX, 93XX, FSC 8710, 8820, 9905, 9920, 9925, 9930, 9999		X	
5	Industrial Supplies:				
A	Industrial Supplies	FSG 31XX, 53XX, 94XX, 95XX, 96XX		X	
6	Fuels, Oils, & Chemicals:				
A	Jet Fuel.	FSC 9130		X	
B	Aviation Gasoline	FSC 9130		X	
C	Automotive Gasoline	FSC 9130		X	
D	Diesel Fuel	FSC 9140		X	
E	Navy Special Fuel Oil	FSC 9140		X	
F	Chemicals	FSG 68XX		X	
G	Solid Fuel.	FSC 9110		X	
Z	Other Petroleum, Oil & Lubricants	FSG 91XX (except 9110, 9130, 9140)		X	
7	Construction Supplies:				
Z	Construction Supplies	FSG 55XX, 56XX		X	
8	Automotive Supplies:				
A	Automotive Supplies & Spare Parts.	FSG 23XX, 24XX, 25XX, 26XX, (except 2620), 28XX (except 2810, 2840, 2845), FSC 2910, 2920, 2930, 2940, 2990, & other spare parts		X	Automotive supplies and spare parts for equipment in Generics D, E, J, & K
L	SUPPLY OPERATIONS				
1	Transportation Costs:				
A	Inland Transportation - CONUS	01		X	
B	Ocean Transportation.	01		X	
C	Air Transportation.	01		X	
D	Parcel Post	01		X	
E	Commercial Carrier.	01		X	
F	Inland Transportation Overseas.	01		X	
L 2	Packing, Crating, Handling, Port Loading & Port Unloading Costs:				
A	Packing, Crating & Handling	01		X	
B	Port Loading.	01		X	
C	Port Unloading.	01		X	

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Change a

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
L 3	Operation & Maintenance of MAP Installations:				
A	Operation & Maintenance Costs	01		X	
F	MAAG Housing.	01		X	
G	Maintenance & Repair of Real Property - MAP Installations.	01		X	
4	Storage & Maintenance of Stockpiles:				
A	Storage & Maintenance of Stockpiles	01		X	
5	Offshore Procurement Expenses:				
A	Offshore Procurement Expenses	01		X	
6	Logistics Management Expense:				
A	Logistics Management Expense (Not for MILDEP Use).	01		X	
7	Travel Expenses:				
A	Travel Expenses	01		X	
8	Case Management:				
A	Case Management Including Travel.	01		X	
9	Special Activities:				
A	Special Activities Including Incidental Travel	01		X	
B	Staging and Consolidation of FMS Shipments	01		X	Includes staging and consolidation of incoming articles into a single shipment at DOD activity in CONUS or contractor facility, at request of customer. **
C	Assemblage of FMS Shipments	01		X	Includes assemblage of articles by FMS case or project code at DOD activity or contractor facility for forwarding to in-country destination, at request of customer. **
M	MAINTENANCE OF EQUIPMENT				
1	Technicians & Allied Services:				
A	Aircraft Technical Assistance	02		X	
B	Missile Technical Assistance.	02		X	
C	Communications Technical Assistance	02		X	
D	EAM Services.	02		X	
E	Other Technical Assistance.	02		X	
F	Technical Data Package (TDP).	02		X	
G	Engineering Technical Assistance.	02		X	

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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	
	S	Training Devices, Simulators, and Targets				**
		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 (1)	**
	B	Overhaul of Ships	02	X	X (1)	**
	C	Repair/Rehab/Replacement, Other	02	X	X (1)	**
	D	Combat Vehicles	02	X	X (1)	**
	E	Tactical/Support Vehicles	02	X	X (1)	**
	F	Weapons	02	X	X (1)	**
	G	Ammunition.	02		X	
	H	Communications/Electronics, & Meteorological				
		Equipment.	02		X	
	J	Support Equipment	02		X	
	K	Missiles.	02	X	X (1)	**
	L	Training Devices, Simulators & Targets.	02		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 & Rehabili-				
		tation of Non-Standard Equipment			X	
N		TRAINING (FMS 1200 SYSTEM ONLY)				
	0	Training:				
		Training.	00		X	
	7	Training - Medical Services:				
		Medical Services.	00		X	
	9	Training:				
		Aids, Devices, Spare Parts.	00		X	
		Books, Publications, Other.	00		X	
		PCH&T Costs	00		X	

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Change 6

Generic Code	Item Ident. No.	Description/Category	Program as:		Remarks
			Major Item	Dollar Line	
N		TRAINING (MAP 1000 SYSTEM ONLY)			
I		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/Armuniton.	X		
	0143000	Auto/Ground Support.	X		
	0144000	Combat/Special Vehicle	X		

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Change 6

Generic Code	Item Ident. No.	Description/Category	Program as:		Remarks
			Major Item	Dollar Line	
N I D	0145000	Ships/Boats.	X		
	0146000	Weather/Meteorology.	X		
	0147000	Training Equipment/Devices	X		
	0148000	Support Technical Skills	X		
	0149000	Other.	X		
E	0150000	Logistics Training, U.S.:	X		
	0151000	Logistics Management	X		
	0152000	Supply/Warehousing	X		
	0153000	Transport/Distribution	X		
	0154000	Procurement.	X		
	0155000	Comptroller/Stat/ADPS.	X		
	0156000	Finance.	X		
	0157000	(Unassigned)	X		
	0158000	(Unassigned)	X		
	0159000	Other.	X		
F	0160000	Administrative Training, U.S.:			
	0161000	Personnel.	X		
	0162000	Manpower/Management.	X		
	0163000	Food Handling/Admin.	X		
	0164000	Info/Education	X		
	0165000	Clerical	X		
	0166000	Instructor/Supervisor.	X		
	0167000	(Unassigned)	X		
	0168000	Women's Military	X		
	0169000	Other.	X		
G	0170000	Professional/Special Training, U.S.:			
	0171000	Command/Staff.	X		
	0172000	Intelligence	X		
	0173000	Military Police/Civil Affairs.	X		
	0174000	Engineering/Construction	X		
	0175000	Medical/Health Hygiene	X		
	0176000	Legal.	X		
	0177000	English Language	X		
	0178000	Civilian Institution	X		
	0179000	Other.	X		
H	0180000	Orientation Training, U.S.:			
	0181000	Orientation Tours/DV	X		
	0182000	Orientation Tours/Non-DV	X		

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Change 6

Generic Code	Item Ident. No.	Description/Category	Program as:		Remarks
			Major Item	Dollar Line	
N 1 H	0183000	Observer	X		
	0184000	Exchange Student	X		
	0185000	Informational Program.	X		
	0186000	(Unassigned)	X		
	0187000	(Unassigned)	X		
	0188000	(Unassigned)	X		
	0189000	Other.	X		
J	0190000	Missile Training, U.S.:			
	0191000	IRBM	X		
	0192000	NIKE	X		
	0193000	HAWK	X		
	0194000	Other/Surface-to-Surface	X		
	0195000	Other/Surface-to-Air	X		
	0196000	Air-to-Air	X		
	0197000	Air-to-Surface	X		
	0198000	Target Drone	X		
	0199000	Other.	X		
FORMAL TRAINING - OVERSEAS					
N	0210000	Flying Training, O/S:			
	0211000	Pilot, Jet, Fixed Wing	X		
	0212000	Pilot, Conventional, Fixed Wing.	X		
	0213000	Pilot, Helicopter.	X		
	0214000	Non-Pilot.	X		
	0215000	Instructor	X		
	0216000	Special Techniques	X		
	0217000	Crew/Transition.	X		
	0218000	(Unassigned)	X		
	0219000	Other.	X		
P	0220000	Operations Training, O/S:			
	0221000	Combat Operations.	X		
	0222000	Weapons/Tactics/FAM.	X		
	0223000	Mine Warfare/ASW	X		
	0224000	Survival/Jungle/Arctic	X		
	0225000	Reconnaissance, Mapping/Photo.	X		
	0226000	Counterinsurgency/Psychological Warfare.	X		
	0227000	CBR.	X		
	0228000	Training Devices/Simulators.	X		
	0229000	Other.	X		

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Change 6

Generic Code	Item Ident. No.	Description/Category	Program as:		Remarks
			Major Item	Dollar Line	
N 1 Q	0230000	Communications/Electronics Training, O/S:	X		
	0231000	Electronic Fundamentals.	X		
	0232000	Ground Comm/Signal	X		
	0233000	Air Comm/Signal.	X		
	0234000	Fire Control Sys/Surface-to Air.	X		
	0235000	ASW Systems/Surface-to-Air	X		
	0236000	ECM Systems/Surface-to-Air	X		
	0237000	Other Radar Systems/Surface-to-Air	X		
	0238000	(Unassigned)	X		
	0239000	Other.	X		
R	0240000	Maintenance Training, O/S:			
	0241000	Aviation	X		
	0242000	Armament/Ammunition.	X		
	0243000	Auto/Ground Support.	X		
	0244000	Combat/Special Vehicle	X		
	0245000	Ships/Boats.	X		
	0246000	Other Support Equipment.	X		
	0247000	Training Aids/Devices.	X		
	0248000	Support Technical Skills	X		
	0249000	Other.	X		
S	0250000	Logistics Training, O/S:			
	0251000	Logistics Management	X		
	0252000	Supply/Warehousing	X		
	0253000	Transport/Distribution	X		
	0254000	Procurement.	X		
	0255000	Comptroller/Stat/ADPS.	X		
	0256000	Finance.	X		
	0257000	(Unassigned)	X		
	0258000	(Unassigned)	X		
	0259000	Other.	X		
T	0260000	Administrative Training, O/S:			
	0261000	Personnel.	X		
	0262000	Manpower/Management.	X		
	0263000	Food Handling/Admin.	X		
	0264000	Info/Education	X		
	0265000	Clerical	X		
	0266000	(Unassigned)	X		
	0267000	(Unassigned)	X		
	0268000	(Unassigned)	X		
	0269000	Other.	X		

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Change 6

Generic Code	Item Ident. No.	Description/Category	Program as:		Remarks
			Major Item	Dollar Line	
N 1 U	0270000	Professional/Special Training, O/S:			
	0271000	Command/Staff.	X		
	0272000	Intelligence/Counterintelligence	X		
	0273000	Military Police/Civil Affairs.	X		
	0274000	Engineering/Construction	X		
	0275000	Medical/Health Hygiene	X		
	0276000	Cadet.	X		
	0277000	English Language	X		
	0278000	(Unassigned)	X		
	0279000	Other.	X		
V	0280000	Orientation Training, U.S.:			
	0281000	Orientation Tours/DV	X		
	0282000	Orientation Tours/Non-DV	X		
	0283000	Observer	X		
	0284000	Exchange Student	X		
	0285000	(Unassigned)	X		
	0286000	(Unassigned)	X		
	0287000	(Unassigned)	X		
	0288000	(Unassigned)	X		
	0289000	Other.	X		
W	0290000	Missile Training, O/S:			
	0291000	(Unassigned)	X		
	0292000	(Unassigned)	X		
	0293000	(Unassigned)	X		
	0294000	(Unassigned)	X		
	0295000	(Unassigned)	X		
	0296000	(Unassigned)	X		
	0297000	(Unassigned)	X		
	0298000	(Unassigned)	X		
	0299000	Other.	X		
Z		PANAMA CANAL SCHOOL TRAINING			Not included in Unified Command ceiling. Programmed under Non-Regional Command.
	BUSARSA	Training at USARSA	X		
	D01AAFA	Training at IAFFA.	X		
	PSC1ATT	Training at SCIATT	X		
	PO1ANTN	Training at IANTN.	X		

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Change 6

Generic Code	Item Ident. No.	Description/Category	Program as:		Remarks
			Major Item	Dollar Line	
N 2					
MOBILE TRAINING TEAMS/DETACHMENTS					
	0300000	Mobile Training Teams/Detachments - CONUS:			
A	0301000	Aviation	X		
B	0302000	Combat Operation/Intel	X		
C	0303000	Communications/Electronic.	X		
D	0304000	Supply/Maintenance	X		
E	0305000	Personnel/Maintenance.	X		
F	0306000	Counterinsurgency.	X		
G	0307000	English Language	X		
H	0308000	Missiles	X		
J	0309000	Other.	X		
	0310000	Mobile Training Teams/Detachments - Overseas:			
M	0311000	Aviation	X		
N	0312000	Combat Operation/Intel	X		
P	0313000	Communications/Electronic.	X		
Q	0314000	Supply/Maintenance	X		
R	0315000	Personnel/Maintenance.	X		
S	0316000	Counterinsurgency.	X		
T	0317000	English Language	X		
U	0318000	Missiles	X		
V	0319000	Other.	X		
3					
FIELD TRAINING SERVICES					
A	0321000	Aircraft Engine/Airframe	X		
B	0322000	Communications/Electronics	X		
C	0323000	Radar Systems.	X		
D	0324000	Armament	X		
E	0325000	Maintenance.	X		
F	0326000	Training/Aids/Devices.	X		
G	0327000	English Language	X		
H	0328000	Missiles	X		
J	0329000	Other.	X		
5					
TRAINING OF U.S. MAP PERSONNEL					
A	0381000	Contract Cost.		X	
B	0382000	Training of U.S. MAP Personnel		X	

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Phase I and Phase II. Not included as part of Unified Command ceiling but programmed worldwide by Military Departments.

Change 6

Generic Code	Item Ident. No.	Description/Category	Program as:		Remarks
			Major Item	Dollar Line	
N 5 C	0383000	Language		X	Not included in Unified Command ceiling. Worldwide program prepared by DSAA.
E	0385000	Other Training Costs		X	Not included in Unified Command ceiling. Worldwide program budgeted for by Military Departments for training of U.S. personnel in skill peculiar to MAP assignments.
6		EXTRAORDINARY EXPENSES			
A	0390000	Extraordinary Expenses		X	Not included in Unified Command ceiling. Worldwide program budgeted for by Military Departments.
7		OTHER TRAINING SUPPORT			
A	0361000	Training Exercises		X	
B	0362000	Escort Officers.	X		
C	0363000	Supplies & Materials		X	
D	0364000	Facilities/Rehabilitation.		X	
E	0365000	Services	X	X	
F	0366000	Other.	X	X	
G	0367000	Shipment of Instructional Material		X	Not required for FY 84 and future programs.
Z	0399000	Abbreviated Training Plan Requirement.		X	To be used only when training items are unknown at time of programming.
9		TRAINING AIDS			
A	OTNGDEV	Training Aids & Devices.		X	
)	BBKPUBO	Army Books/Publications/Other.		X	
B)	DBKPUBO	Air Force Books/Publications/Other		X	
)	PBKPUBO	Navy Books/Publications/Other.		X	
)	BOOPCHT	Army PCH&T		X	
X)	DOOPCHT	Air Force PCH&T.		X	
)	POOPCHT	Navy PCH&T		X	
P		RESEARCH & DEVELOPMENT			
1		Development of Advance Design Weapons:			
A		Development of Advance Design Weapons . . .00		X	
B		Aircraft Weapons Certification.00		X	**

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Change 6

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
P 2	Other Development Costs:				
A	Non-Recurring R&D Costs	00		X	
B	First Article Testing	00		X	
Q	CONSTRUCTION				
1	Infrastructure (MAP 1000 System Only):				
A	Infrastructure.	06		X	
2	Other Construction:				
A	Contract Construction	06		X	
B	A&E Services.	06		X	
C	U.S. Government Costs	06		X	
D	Construction, A&E Services & Administrative Costs - SAO Facilities	06			
E	Other Construction.	06		X	
R	SPECIAL ACTIVITIES				
1	International Military Headquarters:				
A	International Military Headquarters	07		X	
2	International Forces Support:				
A	U.N. Forces Support in Korea.	07		X	
B	IAF Support in Dominican Republic	07		X	
D	OAS Peacekeeping Forces	07		X	
3	Expenses, Inspector General Foreign Assistance, State (MAP 1000 System Only):				
A	Expenses, Inspector General Foreign Assistance, State.	07		X	
4	Studies & Surveys:				
A	Studies & Surveys	07		X	
B	Audit Services.	07		X	
C	Quality Assurance Services.	07		X	
5	Weapons Production Projects (MAP 1000 System Only):				
A	Weapons Production.	07		X	
6	Extraordinary Expenses:				
A	Extraordinary Expenses.	07		X	
B	Program Management.	07		X	

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Change 6

Generic Code	Description	Federal Supply Classification	Program as:		Remarks
			Major Item	Dollar Line	
R 7	Ship Transfer Costs:				
A	Ship Transfer Costs	07		X	
8	Special Insurance:				
A	Special Insurance	07		X	
9	Other Special Activities:				
A	Special Activities.	07		X	
B	Non-Specific Requirements	07		X	
C	Foreign Currency SAO Support.	07		X	
D	Royalty Payments.	07		X	
E	Loan Fees	07		X	
F	Contract Termination Costs.	07		X	
G	Technical Assistance Field Team (TAFT).	07		X	
H	Asset Use Charge.	07		X	
Z	Other Services.	07		X	
T	ADMINISTRATIVE EXPENSES				
1	Administrative Expenses, Departmental & Headquarters:				
A	Administrative Expenses, Departmental & Headquarters	09		X	
2	SAO Administrative Expenses:				
A	SAO Administrative Expenses	09		X	
B	Security Assistance Support Expenses.	09		X	
3	Contractor Expenses:				
A	Contractor Expenses	09		X	
4	Administrative Surcharges:				
A	Administrative Surcharges	09		X	
U	FOREIGN MILITARY SALES ORDER (FMSO) (FMS 1200 SYSTEM ONLY)				
0 0	Foreign Military Sales Order (FMSO 1)	00		X	
1 0	Inventory Loss (FMSO 2)	00		X	

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

Change 1

Change to
Background

DEFENSE SECURITY ASSISTANCE AGENCY
OFFICE OF THE COMPTROLLER
FMS CONTROL AND REPORTS DIVISION

October 6, 1993

MEMO FOR: WAYNE WELLS, SAMP COORDINATOR

THROUGH: ~~MR. MALACHOWSKI~~ *ll*
~~MRS. MOORE~~ *hdm*

SUBJECT: Revisions to Table D-7, Generic Codes,
Security Assistance Management Manual
(SAMP)

Attached is the updated Generic Code Table, which is part of Appendix D, for inclusion in the next SAMP update. All changes are indicated by a double asterisk in the right-hand margin. Be aware that some data has shifted from one page to another, so I recommend reprinting the entire table.

Judy Frey

Judy Frey
X78960

Attachment
As stated

APPENDIX F

TRANSPORTATION COST LOOK-UP TABLE

A. **PURPOSE:** The purpose of this Appendix is to provide the procedures for development and use of the Transportation Cost Look-Up Table. The purpose of the table is to provide to applicable DOD components estimated actual transportation costs for items normally shipped in the Defense Transportation System (DTS) (e.g., sensitive/hazardous end items) when costs using standard transportation percentages are significantly different from actual charges.

B. **PROCEDURES:**

1. DSAA is responsible for recommending to OASD(C) those items which should be included in a transportation cost look-up table. Upon OASD(C) approval, DSAA shall disseminate the look-up table to the DOD Components by updating the table annually. SAAC is responsible for application of the look-up table rates, when applicable to DD Form 1517 billings by the DOD components for specific items on the look-up table. DOD components are responsible for:

- a. Making recommendations to DSAA relative to items and rates to be included in the look-up table.
- b. Using approved rates in LOAs prepared for items cited on the look-up table.
- c. Updating look-up table rates to assure estimated actual DOD costs are reflected.
- d. Providing information to the SAAC relative to the applicable delivery term code for each DD Form 1517 billing processed to SAAC for items on the look-up table. If the priority changes and the actual delivery of materiel does not correspond with the Delivery Term Code (DTC) designated in the LOA, a Transportation Bill Code (TBC) indicating the actual method of shipment is to be entered on the DD Form 1517 (position 59).

2. Each DOD component will provide to DSAA yearly (no later than 30 June) the recommended rates for subsequent fiscal year which will be effective 1 October. The formats at Tables F-1 and F-2 will be utilized in forwarding such recommendations to DSAA. DOD components will include the cost elements prescribed in ~~Section 804 of DOD 7290.3-M~~ *The FMR, Section 0805*. DSAA will evaluate data provided for recommended items and staff the addition of such items to the look-up table. DSAA will review and staff the revised rates and disseminate the revised table to SAAC and applicable DOD components by 31 August of each year by updating the Lookup Table. When a DOD component determines that an established transportation charge requires adjustment, the recommended revised rate will immediately be forwarded to DSAA. DOD components will utilize the rates on the look-up table in the development of all letters of offer when transportation costs are identified as ~~below the line charges on the DD Form 1513~~ *For item (1) of*. The rates have been developed and will be utilized as follows.

a. **Code 6:** FOB overseas port of discharge. U.S./DOD is responsible for transportation from CONUS point of origin to and including ocean transportation to the overseas port of discharge. Recipient country is responsible for vessel discharge, port handling and subsequent arrangements and costs. (Note: For simplification and ease of management, DTC 6 will not be used for MAC shipments.)

b. Code 8: FOB vessel--CONUS port of exit. U.S./DOD is responsible for transportation from CONUS point of origin to and including unloading, handling, and storage aboard vessel at port of exit. Recipient country is responsible for ocean transportation and subsequent arrangements and costs. **

c. Code 9: FOB port of discharge (landed). U.S./DOD is responsible for transportation from CONUS point of origin to and including vessel discharge and port handling at overseas port of discharge. Recipient country is responsible for loading on inland overseas carrier equipment and for subsequent arrangements and costs. (Note: For simplification and ease of management, DTC 9 will normally be used for MAC shipments only, (not SAMM flight). **

Special transportation requirements; e.g., SAMM flights, will continue to be identified ^{in a line item} above the ~~line~~ on the ~~DD Form 1513~~ ₁₀₉ and applicable actual charges billed to the customer.

C. TRANSPORTATION COST LOOK-UP TABLE: The latest DSAA approved transportation cost look-up table for selected items is located at Table F-3.

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Change 6

DOD 5105.38-M

TABLE F-3

TRANSPORTATION COST LOOK-UP TABLE
(Effective 1 JAN 94)

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	\$ 369	\$ 204	\$ 1,353
1410-01-150-2863	MISSILE, GM, INTERCEPT AERIAL, MIM-71F	379	204	1,389
1410-01-216-3775	MISSILE, GM, INTERCEPT AERIAL, MIM-72N	369	204	1,353
1440-00-937-3859	SYS, MISSILE, GM, INTERCEPT AERIAL, CARRIER MTD, M48	13,065	4,644	68,460
1440-01-069-8877	MISSILE, GM, INTERCEPT AERIAL, CARRIER MTD, M48A1	15,651	7,230	75,482
1440-01-106-3089	MISSILE, GM, INTERCEPT AERIAL, CARRIER MTD, M48A2	15,651	7,230	75,482
1440-01-181-6002	FLIR	331	243	1,371
1440-01-198-5892	MISSILE, GM, INTERCEPT AERIAL, MTD, M48A2E1	15,651	7,230	74,049
4935-01-104-9827	AN/TSM-96A	12,138	7,345	44,342
<u>DRAGON</u>				
1427-00-163-8959	MISSILE	\$ 144	\$ 98	\$ 495
1430-00-078-8340	TRACKER	765	754	1,228
1430-01-046-9594	NIGHT TRACKER	809	775	1483
<u>HAWK</u>				
1337-00-484-8551	ROCKET MOTOR, M112	\$ 903	\$ 687	\$ 4,460
1410-00-234-3266	MISSILE	1,389	1,173	10,454
1410-01-173-9990	MISSILE, MEI	2,252	1,173	10,454
1430-00-103-5270	IPCP, AN/MSW-11	13,950	6,508	48,667
1430-00-135-0267	ICWAR	7,726	2,834	28,003
1430-00-169-1859	ICC	14,604	6,967	49,530
1430-00-178-8453	PAR	9,695	3,233	35,687
1430-00-178-8454	ROR	7,239	2,735	23,106
1430-00-782-9816	HPI	13,867	6,817	46,309

change 6

<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	6,568	3,966	24,165
1430-01-042-4907	ICWAR/PIP, PHASE I	7,730	2,834	28,023
1430-01-042-4908	PAR/PIP, PHASE I	12,512	5,070	44,903
1430-01-042-4910	BCC/PIP, PHASE I	7,093	4,217	26,285
1430-01-042-4915	IPCP, PHASE I	13,950	6,508	48,667
1430-01-042-4918	ICC/PIP, PHASE I	14,359	6,917	49,050
1430-01-078-9643	HPI/PIP, PHASE II	13,867	6,817	46,309
1430-01-084-1130	IBCC, PHASE II	7,093	4,217	26,285
1430-01-084-1131	IPCP, PHASE II	13,950	6,508	48,667
1430-01-180-5318	PCP/PIP PHASE III	14,359	6,917	49,050
1430-01-181-5884	B&P, PHASE III	14,359	6,917	49,050
1430-01-184-6768	CWAR/PIP PHASE III	6,993	2,685	25,251
1430-01-191-8780	HPI/PIP PHASE III	13,867	6,817	46,309
1440-00-602-5055	LSCB, PHASE I	124	110	503
1440-00-805-3012	LAUNCHER	6,985	3,972	26,445
1450-00-066-8873	LOADER, XM501E3	53952	2,066	19,890
4935-00-133-9770	SHOP EQUIP, AN/TSM-112 W/SM 35 BEAM	2,257	1,709	7,875
4935-00-604-7460	IAFU OMC GRD	1,732	1,458	5,117
4935-00-782-1957	SHOP EQUIP, AN/TSM-105	6,568	3,966	24,165
4935-00-880-4510	SHOP EQUIP, AN/TSM-107	6,568	3,966	24,165
4935-01-042-4909	SHOP EQUIP, AN/TSM-107 PIP	6,568	3,966	24,165
4935-01-043-2244	SHOP EQUIP (NO. 1), PHASE I	8,402	4,842	31,842
4935-01-051-8691	SHOP EQUIP, AN/TSM-104	6,568	3,966	23,744
4935-01-067-3362	SHOP EQUIP, GM, AN/TSM-120	2,257	1,709	8,434
4935-00-083-3128	SHOP EQUIP (NO. 8)	6,256	2,535	21,913
4935-01-083-3129	SHOP EQUIP (NO. 1), PHASE II	8,402	4,848	31,848
4935-01-085-5618	SHOP EQUIP (NO. 9)	5,519	2,386	18,856
4935-01-085-5679	SHOP EQUIP (NO. 9), PHASE II	4,226	3,678	12,455
4935-01-091-4450	TAS MAINT. KIT PHASE II	1,974	1,289	7,397
4935-01-218-7088	SHOP EQUIP (NO. 8), PHASE III	6,256	2,535	21,913
4935-01-218-7089	SHOP EQUIP (NO. 1), PHASE III	7,844	4,123	25,473
4935-01-223-9122	T.A.G., PHASE III	2,962	2,688	9,440
4935-01-282-9256	SHOP EQUIP (NO. 20), PHASE III	22,874	7,991	86,112
4935-01-286-5599	SHOP EQUIP (NO. 21), PHASE III	22,135	7,252	84,837
5821-00-192-8668	TRANSMITTING SET	124	110	402

change 6

<u>NSN</u>	<u>ITEM</u>	<u>CODE 6*</u>	<u>CODE 8*</u>	<u>CODE 9*</u>
<u>HELLFIRE</u>				
1401-01-126-4662	MISSILE AGM-114A	230	163	899
1410-01-192-0293	MISSILE AGM-114C	230	163	897
1410-01-332-2471	MISSILE AGM-114F	269	193	1,004
<u>HELICOPTER, UH-1H</u>				
1615-00-183-0834	TRANSMISSION	785	407	771
1615-01-056-4550	HUB ASSEMBLY, MAIN ROTOR	523	334	682
1615-01-096-5427	HUB ASSEMBLY, MAIN ROTOR	486	297	561
1615-01-145-3928	GEAR BOX	986	608	1,358
1615-01-168-2983	GEAR BOX	1,060	682	1,432
1615-01-237-0512	HUB ASSEMBLY, MAIN ROTOR	516	327	666
1615-01-310-4978	BLADE, ROTARY WING	745	367	835
1615-01-230-6218	GEAR BOX ASSEMBLE INPUT	377	188	323
1615-01-306-6948	HEAD, ROTOR WING	1,899	1,143	2,335
1615-01-075-5283	HUB ASSEMBLY, MAIN ROTOR	1,753	997	1,978
1615-01-106-1903	MAIN ROTOR BLADE	1,067	500	1,089
1615-01-284-6419	MAIN GEAR BOX, MODULE	1,060	682	1,432
1615-01-252-6376	TRANSMISSION	1,193	815	1,756
1650-01-273-7608	SERVOCYLINDER	334	145	190
2840-01-093-7451	ENGINE	815	437	1,032
2840-01-979-1003	ENGINE	813	437	817
2840-01-284-4011	ENGINE	512	323	656
2835-01-172-6200	ENGINE, GAS TURBINE	382	193	336
2915-01-005-9197	FUEL CONTROL	334	145	177
2915-01-216-9779	FUEL CONTROL	334	145	177
<u>MLRS</u>				
1055-01-192-0358	LAUNCHER (201 CONFIG.)	16,086	6,686	112,999
1055-01-251-9756	LAUNCHER (202 CONFIG.)	16,086	6,686	112,999
1055-01-329-6826	LAUNCHER (203 CONFIG.)	16,086	6,686	112,999
1340-01-122-3506	ROCKET POD, TACTICAL	2,180	1,371	14,506
1340-01-149-0918	ROCKET POD, PRACTICE	2,180	1,371	14,506
<u>PATRIOT</u>				
1410-01-087-6343	GM, INTERCEPT AERIAL, MIM-104	3,851	2,232	12,536
1410-01-205-7066	GM, INTERCEPT AERIAL, MIM-104-A	3,851	2,232	12,536

change 6

<u>NSN</u>	<u>ITEM</u>	<u>CODE 6*</u>	<u>CODE 8*</u>	<u>CODE 9*</u>
1410-01-267-6685	GM, INTERCEPT AERIAL, MIM-104-B	3,851	2,232	12,536
1410-01-286-9689	GM, INTERCEPT AERIAL, MIM-104-C	3,851	2,232	12,536
1430-01-087-6330	RADAR SET, AN/MPQ-53	30,100	11,692	124,515
1430-01-087-6337	AN/MSQ-116	28,034	10,997	103,973
1430-01-087-6338	AN/MGQ-104	29,034	10,997	106,501
1430-01-131-5373	ANTENNA MAST GROUP OA-9054 (V) 4/G	26,931	10,481	110,033
1430-01-239-6723	MODULATOR	1,005	811	4,944
1430-01-260-4963	EXCITER GROUP	1,389	1,355	2,902
1430-01-111-2419	MICROWAVE DEVICE	325	235	1,227
1430-01-092-4032	EXCITER	1,376	1,349	2,851
1430-01-234-1498	MICROWAVE DEVICE	509	380	1,830
1430-01-219-5560	COOLER LIQUID	951	795	4,046
1430-01-139-9738	EXCITER GROUP	212	175	728
1430-01-110-2668	ELECTRON TUBE	255	208	975
1430-01-131-5427	AN/MRC-137	27,635	10,598	97,553
1440-01-087-9844	M901 LAUNCHING STATION	27,635	10,598	97,768
2330-01-130-7980	SEMI-TRAILER, MAINTENANCE	24,499	9,812	84,664
4935-01-136-0233	GM, SYSTEM SHOP EQUIPMENT	24,499	9,812	85,277
4935-01-134-8713	GM, SYSTEM SHOP	24,499	9,812	104,263
4935-01-182-0578	MAINTENANCE CENTER CONTACT TEAM	26,696	10,442	102,521
5960-01-091-0668	ELECTRON TUBE	233	185	784
6130-01-109-9112	POWER SUPPLY	1,196	902	5,705
<u>REDEYE</u>				
1425-00-930-9923	M41 GUIDED MISSILE	124	89	343
1425-01-078-9258	M41 MISSILE W/METL CONT.	130	95	445
1425-01-078-9259	M41 MISSILE ASSEMBLY	124	89	343
6920-00-809-0399	GUIDED MISSILE TRAINING SET	353	328	886
<u>STINGER</u>				
1425-01-024-9982	WPN ROUND	197	132	570
1427-01-024-9967	MSL ROUND	148	83	521
1427-01-219-7116	WPN ROUND, LESS GRIPSTOCK	154	92	491
1427-01-325-3158	MISSILE ROUND	126	86	482
1427-01-325-3160	WEAPON ROUND, PARTIAL	139	90	487
1440-01-170-8618	GRIPSTOCK - CONTROL GROUP	39	36	105
1440-01-281-9458	GRIPSTOCK, CONTROL GROUP	39	36	99
6920-01-024-6948	THT	303	271	933
6920-01-246-0701	CAPTIVE FLIGHT TRAINER	303	271	867
6920-01-283-7826	TRAINING SET	303	271	933

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change 6

<u>NSN</u>	<u>ITEM</u>	<u>CODE 6*</u>	<u>CODE 8*</u>	<u>CODE 9*</u>
<u>THERMAL IMAGERY</u>				
5855-01-037-7340	NIGHT SIGHT, AN/TAS-6	614	603	1,205
5855-01-037-7341	AN/TAM-3	217	206	1,022
5855-01-083-9051	AN/UAS-11	750	668	2,398
5855-01-154-3871	AN/TAM-3A	516	386	1,904
5855-01-173-0808	NIGHT SIGHT, AN/UAS-12B	654	622	1,748
<u>TOW</u>				
1410-01-007-2507	MISSILE	123	885	485
1410-01-007-2508	MISSILE	118	83	474
1410-01-106-8514	I-TOW	123	88	485
1410-01-135-2092	TOW-2 MISSILE	123	88	485
1410-01-137-9976	MISSILE, PRACTICE	118	83	474
1410-01-180-6790	I-TOW MISSILE W/CLM & MVIC	123	88	485
1410-01-229-9948	MISSILE	123	88	485
1410-01-257-7583	I-TOW MISSILE	123	88	485
1410-01-257-7584	TOW MISSILE, W/CLM	123	88	479
1410-01-257-7585	TOW PRACTICE MSL, W/CLM	118	83	474
1410-01-300-0254	TOW-2A MISSILE W/CLM, BGM-71E-1B	123	88	485
1410-01-301-0815	TOW-2 MISSILE W/CLM, BGM-71D-1B	123	88	485
1410-01-303-5172	TOW-2 MISSILE	118	83	474
1410-01-309-8302	TOW PRACTICE MISSILE W/CLM, BTM-71A-1B	118	83	474
1410-01-309-8303	I-TOW MISSILE W/CLM, BGM-71C-2B	123	88	485
1410-01-313-5364	TOW PRACTICE MISSILE W/CLM & DEU	118	83	474
1410-01-313-5365	I-TOW MISSILE, W/CLM & DEU	123	88	485
1410-01-313-5366	TOW-2 MISSILE	123	88	485
1410-01-313-5367	TOW-2A MISSILE	123	88	485
1410-01-322-5333	TOW-2B MISSILE	123	88	485
1410-01-343-8924	TOW, PRACTICE MISSILE BTM-71E-2B	123	88	485
1410-01-370-2288	TOW, 2A MISSILE	123	88	485
1440-00-169-1764	LCHR	1,885	1,611	4,384
1440-01-104-9834	LCHR, TUBULAR, GM, TOW-2	1,885	1,611	4,776
1440-01-271-3015	TOW-2 LAUNCHER	1,885	1,611	4,785
1440-01-298-9788	TOW-2 LAUNCHER	1,885	1,611	4,785
4935-00-150-5905	CSS	3,099	1,867	12,555
4935-01-070-3426	FIELD TEST SET	856	582	3,461
4935-01-082-7023	ICSS	3,099	1,867	12,555
4935-01-114-3919	CSS, TOW-2	3,099	1,867	12,555

change 6

<u>NSN</u>	<u>ITEM</u>	<u>CODE 6*</u>	<u>CODE 8*</u>	<u>CODE 9*</u>
4935-01-142-9561	FIELD TEST SET, TOW-2	856	582	3,461
4940-01-154-3957	IMP. CSS, TOW-2	3,231	766	18,348
5855-01-083-9053	NIGHT SIGHT, AN/TAS-4A	805	773	1,771
5855-01-152-8781	NIGHT SIGHT, AN/UAS-12A	805	773	1,771
5855-01-245-8689	AN/UAS-12A	805	773	1,771
5855-01-301-0158	NIGHT SIGHT, AN/UAS-12C	805	773	1,771
6130-01-018-9786	BATTERY CHARGER	208	176	717
6920-00-179-7320	M70 TRAINER, TOW	929	655	3,404
6920-01-145-6098	M70 TRAINER, TOW-2	929	655	3,404

NAVY ANNEX

HARM MISSILE

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

HARPOON MISSILE

1410-01-139-1741	RGM-84D-3	1,350	972	6,641
1410-01-181-8546	AGM-84D-1	867	611	4,846
1410-01-181-8548	RGM-84D-1	1,309	932	6,557
1410-01-181-8549	UGM-84D-1	2,728	988	7,352
1410-01-198-7063	RGM-84D-4	1,356	979	6,940

MK 46 TORPEDO

1356-01-282-4662	TORPEDO, MK 46 MOD 5A(S)	769	494	3,658
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SIDEWINDER MISSILE

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

change 6

<u>NSN</u>	<u>ITEM</u>	<u>CODE 6*</u>	<u>CODE 8*</u>	<u>CODE 9*</u>
<u>P-3 AIRCRAFT</u>				
MODEL# 6846954	T-56A14 ENGINE	4,076	2,589	7,409

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>				
1336-00-883-5361JB	WARHEAD	209	190	441
1336 00-883-5360	BOOSTER WARHEAD	194	185	197
1336-00-432-2682JB	ARM DEVICE	301	292	297
1337-01-118-4657	ROCKET MOTOR	252	207	487
1410-00-238-1486JE	AGM-65A	648	360	1,613
1410-01-101-8490JE	AGM-65A	648	360	1,613
1410-01-089-2505JE	AGM-65B	648	360	1,613
1410-00-125-6760JE	AGM-65B	648	360	1,613
1410-01-244-5628JE	AGM-65G	707	382	2,293

AMRAAM

1410-01-301-3317A1	AIM-120	215	124	931
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SIDEWINDER MISSILE

1410-01-135-2771AB	AIM-9L	140	75	510
1410-01-137-5971AB	AIM-9E-2	140	75	510
1410-01-137-5972AB	AIM-9P-3	140	75	510
1410-01-162-9395AB	AIM-9M-3	140	75	510
1427-01-255-3015XZ	AIM-9P-4 GCS	27	14	99
1427-01-342-3811XZ	AIM-9P-4 GCS	27	14	99
1427-01-346-8789XZ	AIM-9P-4 GCS	27	14	99

SPARROW MISSILE

1410-01-168-3591BL	AIM-7M	269	148	1,059
1410-01-168-3592BL	AIM-7M	269	148	1,059
1410-01-308-3789BL	AIM-7M	269	148	1,059
1410-01-308-3788BL	AIM-7M	269	148	1,059
1410-01-135-6176BL	AIM-7E	262	146	968

*If the priority changes and the actual delivery of materiel does not correspond with the Delivery Term Code (DTC) designated in the LOA, a Transportation Bill Code (TBC) indicating the actual method of shipment is to be entered on the DD Form 1517 (Position 59).

Change 6
Background



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

24 NOV 1993

I-04165/93

MEMORANDUM FOR DIRECTOR FOR SECURITY ASSISTANCE
OFFICE OF THE DEPUTY CHIEF OF STAFF FOR LOGISTICS
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS
DEPARTMENT OF THE NAVY

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

DEPUTY DIRECTOR FOR SECURITY ASSISTANCE
DEFENSE FINANCE ACCOUNTING SERVICE-DENVER CENTER

DEFENSE INSTITUTE FOR SECURITY ASSISTANCE
MANAGEMENT/DISAM

FROM: Director, Security Assistance Operations
Prepared by: LTC R. Casalengo, OPS-MGT, x78108

SUBJECT: Revision to the Security Assistance Management
Manual (SAMM)
ACTION MEMORANDUM

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
January 1, 1994, and will be included in the next formal SAMM
change.

H. Diehl McKalip
Director
Security Assistance Operations

Attachment
As stated

Copy furnished:
ODC (MS) AP

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