



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

14 MAR 2000

In reply refer to:
I-00/002801-PMD

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE ARMY
(INTERNATIONAL AFFAIRS)
ATTN: SAUS-IA-DSZ
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS OFFICE
DEPARTMENT OF THE NAVY

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

DIRECTOR, DEFENSE LOGISTICS AGENCY

DIRECTOR, NATIONAL IMAGERY AND MAPPING AGENCY

DIRECTOR, DEFENSE THREAT REDUCTION AGENCY

DIRECTOR, DEFENSE REUTILIZATION AND MARKETING
SERVICE

DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY

DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE

DEPUTY DIRECTOR FOR SECURITY ASSISTANCE,
DEFENSE FINANCE AND ACCOUNTING SERVICE -
DENVER CENTER

SUBJECT: LOA Note Regarding Unauthorized Use of Defense Articles (DSCA Policy 00-04)

Section 1225 of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (P.L. 106-113) included language to be added to the end of Section 3 of the Arms Export Control Act (22 U.S.C. 2753) as a new subsection. The new language requires formal agreement between the U.S. and the recipient nations that the U.S. retains the right to verify credible reports that U.S. Munitions List articles have been used for purposes not authorized under section 4 of the Arms Export Control Act or, if such agreement provides that such articles may only be used for purposes more limited than those authorized under section 4, for a purpose not authorized under such agreement. To ensure that all cases are written consistently in accordance with the new legislation, the FMS community must begin to incorporate this language as a note on all Letters of Offer and Acceptance (LOA).

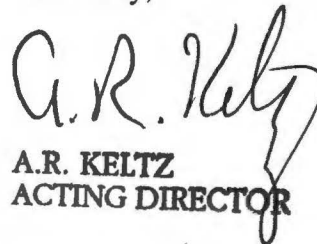
The following note should be inserted as paragraph, 70105.L.12, in the Security Assistance Management Manual (SAMM):

“12. **Unauthorized Use of Defense Articles**. All LOAs will contain the following note:

Defense articles furnished under this LOA may be used only for those authorized purposes set forth in section 2.2 of the Standard Terms and Conditions, unless the written consent of the USG has been obtained for a different use. The USG retains the right to verify reports that such defense articles have been used for purposes not authorized or for uses not consented to by the USG.”

Guidance in this memorandum is effective immediately and will be included in the Defense Acquisition Deskbook version of the SAMM as E-Change 11. If you have any questions regarding this matter, please feel free to contact either Beth Baker (703) 604-6612/DSN 664-6612 or Steve Harris at (703) 604-6611/DSN 664-6611.

Sincerely,


A.R. KELTZ
ACTING DIRECTOR

cc: AMSAC-OL-MP
CEMP-MD