



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

AUG 07 2003

In reply refer to:
I-02/016347-P2

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE ARMY
(DEFENSE EXPORTS AND COOPERATION)
(DASA(DE&C)/SAAL-ZN)
DEPARTMENT OF THE ARMY

DEPUTY ASSISTANT SECRETARY OF THE NAVY
(INTERNATIONAL PROGRAMS)
DEPARTMENT OF THE NAVY

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

SUBJECT: Implementation of Multiple-Duration Leases (DSCA 03-17)

REFERENCE: Minutes for Lease Duration Meeting, 7 Oct 02, DSADC,
Mechanicsburg, PA

The Security Assistance Management Manual (SAMM) delegates the administration of Leases (under chapter 6 of the Arms Export Control Act) to the implementing agency (IA) responsible for the defense article(s) being leased. In preparing leases, the IA has been limited to a set lease duration period, not to exceed five years, for all items contained in a particular lease. This requirement has proven cumbersome, in that leases with several line items often have leased assets returned at different times. This generates many lease amendments to reflect the actual time period and rental payment (depreciation) information for which each item was leased.

To resolve this problem, the referenced meeting discussed the development of multiple-duration leases in DSAMS. To allow the development of multiple-duration leases, changes have been incorporated into DSAMS 6.09 (release date August 2003). The following requirements shall be noted to develop multiple-duration leases in DSAMS:

- (a) The lease duration must be calculated for each line on a lease, rather than for the lease as a whole.
- (b) The IA must enter the individual line item durations at line level during lease development and forecast the return date of each item at the line level.
- (c) The total lease duration will be systemically updated using the longest duration period.
- (d) The calculation for the lease total case value will be based on the line durations in lieu of the lease duration.

When a discrepancy occurs between the forecasted and actual item return dates, an amendment will be prepared to remove the item(s) with a changed duration period from the original line, and create a new line for the item(s). The amendment must be clearly documented so deliveries are not duplicated.

The lease durations will continue to be calculated in months only. The smallest lease duration period is one month, and the longest lease duration period is 60 months. The time period required to complete major refurbishments is not calculated as a part of the lease duration period.

If you have any questions regarding this matter, please contact Ms. Dawn Burke at (703) 601-3864.

A handwritten signature in black ink, reading "Richard J. Millies". The signature is written in a cursive style with a large, prominent initial "R".

Richard J. Millies
Deputy Director

cc: DSADC