



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

APR 2 2007

In reply refer to:  
I-07/001979-POL

MEMORANDUM FOR SEE DISTRIBUTION

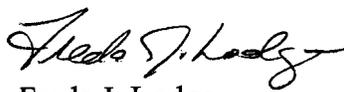
SUBJECT: Correction of Security Assistance Management Manual (SAMM) Table  
AP1.T5., DSCA 07-08 [SAMM E-Change 72]

To be considered as Major Defense Equipment (MDE), defense articles must both be identified on the U.S. Munitions List (USML) as Significant Military Equipment (SME) and have a nonrecurring research and development cost of more than \$50,000,000 or a total production cost of more than \$200,000,000. Appendix 1 of the SAMM lists Nonrecurring Cost (NRC) Recoupment Charges for MDE items by USML Category. Table AP1.T5. for USML Category V, which includes Propellants, Explosives, and Incendiary Agents, incorrectly states, "Items In This Category, Which Meet The Dollar Value Criteria To Be Listed As MDE, Are Not SME As Defined In The USML." In fact, a number of defense articles in Category V are identified as SME, and NRC recoupment charges should be established for those that meet the dollar value to be listed as MDE. The proposed change below deletes the inaccurate language and notes that no USML Category V items are currently identified as MDE. MILDEPs should review their records and submit paperwork for any items in Category V that may meet the MDE criteria.

TABLE AP1.T5. CATEGORY V  
PROPELLANTS, EXPLOSIVES AND INCENDIARY AGENTS

| Item Description   | Approved<br>Nonrecurring Cost<br>(NC) Charge | Effective Date |
|--|--|----------------|
| 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. <i>No Items Currently Identified</i> |  |                |

This change will be incorporated in the automated version of the SAMM found on the DSCA webpage, [www.dsca.mil](http://www.dsca.mil), as SAMM E-change 72. If you have any questions concerning this change, please contact Mike Slack, DSCA/STR-POL, at (703) 601-3842 or e-mail: [michael.slack@dsca.mil](mailto:michael.slack@dsca.mil).

  
Freda J. Lodge  
Principal Director  
Strategy

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