



## DEFENSE SECURITY COOPERATION AGENCY

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WASHINGTON, D.C. 20301-2800

15 AUG 2013

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR  
INTERNATIONAL AFFAIRS  
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR  
DEFENSE EXPORTS AND COOPERATION  
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR  
INTERNATIONAL PROGRAMS  
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY  
DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE  
AND ACCOUNTING SERVICE – INDIANAPOLIS OPERATIONS  
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY  
DIRECTOR, DEFENSE LOGISTICS AGENCY  
DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE  
DIRECTOR, DEFENSE REUTILIZATION AND MARKETING  
SERVICE  
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY  
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE  
AGENCY  
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,  
NATIONAL SECURITY AGENCY

**SUBJECT:** Changes to Waiver Requirements to Improve the Letter of Offer and Acceptance (LOA) Development Processing Timelines, DSCA Policy 13-26 [SAMM E-Change 225]

**Reference:** DSCA Policy 13-16, "Revision to Letter of Offer and Acceptance (LOA) Document Processing Performance Metric", August 9, 2013

The referenced DSCA Policy established new Anticipated Offer Date (AOD) case group goals for all LOA documents for Letters of Request (LORs) received on or after August 15, 2013. The goal is to offer (or implement for Modifications) 100 percent of all LOA documents to the customer in AOD categories A, B, and D within 30 days from LOR receipt; and 100 percent of AOD category C documents within 90 days from LOR receipt. Exceptions to this policy may be made on an individual document basis and must be documented in DSAMS. Implementing Agencies (IAs) should review and develop internal processes and guidance to help meet the new AOD targets.

To help meet the new AOD case group times, DSCA has initiated several process improvement efforts to streamline the LOA development and DSCA internal review processes.

The following guidance is provided for the IAs to use when developing and submitting waiver requests and documents to accompany LOA packages. There is a minimum required lead time for DSCA to coordinate approval of many waiver requests with other U.S. Government organizations; therefore, it is essential that the IAs adhere to this guidance.

#### **Nonrecurring Costs (NC) Waivers:**

- a. NC Waiver request documents are required to be prepared as soon as the LOR is received. The IAs will submit the complete NC Waiver request packages to DSCA (Programs Directorate) no later than 10 working days from LOR receipt. This will allow DSCA the minimum required lead time to coordinate with OUSD (Comptroller); OUSD (AT&L); and with other DSCA Directorates.
- b. If the NC Waiver request is still under review when the LOA is ready to be offered to the Purchaser, the CWD will apply the following mandatory NC Waiver note to the LOA document, and the LOA document can continue through the coordination and counter-signature process. If the waiver is not approved, an LOA Amendment (or Modification if the purchaser refused to sign the amendment) will be prepared to add NC charges to the case.

#### Mandatory NC Waiver Note:

"Nonrecurring Costs (NC) apply to line item(s) [insert numbers] of this FMS case but are not included within the cost of the line item. The purchaser's request for waiver of NC charges against line items [insert number] is under review and was forwarded to DSCA on [insert date]. If this waiver is not approved, an LOA Amendment or Modification will be prepared to add NC charges to this case."

This note will be added to the Security Assistance Management Manual Appendix 6, "Nonrecurring Costs Not Included Pending Waiver Under Review".

This process cannot be used if the justification for the waiver request is "Loss of Sale", since "Loss of Sale" waiver requests must be approved prior to LOA (or Amendment when item(s) are being added) signature/acceptance.

#### **LOAs with medical countermeasure, toxicological agents, including chemical agents, biological agents, and associated equipment:**

Per SAMM section C4.4.15., IAs are required to submit a copy of LORs that include toxicological agents, including chemical agents, biological agents, and associated equipment, to DSCA as soon as the requirement is known to allow sufficient staffing time with the Office of the Assistant Secretary of Defense for Global Strategic Affairs/Countering Weapons of Mass Destruction (ASD(GSA/CWMD)). The IAs must submit a copy of the LOR to DSCA (Strategy Directorate) for staffing no later than 10 working days from LOR receipt to avoid delays in LOA processing. As DSCA review time for LOAs has been reduced, staffing of Medical Countermeasures LORs with ASD(GSA/CWMD) must be done in advance of LOA Review by DSCA.

If you have questions, please contact Ms. Kathy Ton, DSCA-STR/POL,  
kathy.ton@dscamil, (703) 604-6611.



Scott Schless  
Principal Director  
Strategy

Attachments:  
As stated

cc:  
STATE/PM-RSAT  
AFRICOM  
CENTCOM  
EUCOM  
JFCOM  
NORTHCOM  
PACOM  
SOCOM  
SOUTHCOM  
TRANSCOM  
USASAC  
SATFA TRADOC  
NAVICP  
NETSAFA  
AFSAC  
AFSAT  
MDA  
DISAM

## Security Assistance Management Manual (SAMM), E-Change 225

- 1) Add the following new LOA Note to SAMM Appendix 6:

<b>Note Usage</b>
<p>Mandatory for FMS LOAs when a Nonrecurring Costs charge applies and:</p> <ol style="list-style-type: none"><li>1. The NC charges would normally apply; and</li><li>2. A waiver has been requested but has not yet been approved/disapproved.</li></ol> <p>Mandatory for Amendments and Modifications when line items are added and an NC charge applies to the new lines and a waiver has been requested but not approved/disapproved; or quantities are increased on line items where an NC charge applies and a waiver has been requested but not approved/disapproved.</p> <p>This note cannot be used if the justification for the waiver is "Loss of Sale", since "Loss of Sale" waivers requests must be approved prior to LOA (or Amendment when items are being added) signature/ acceptance.</p>
<b>References</b>
<p>See Section C9.6.3.</p>
<b>Note Input Responsibility</b>
<p>CWD</p>
<b>Note Text</b>
<p>"Nonrecurring Costs (NC) apply to line item(s) [insert numbers] of this FMS case but are not included within the cost of the line item. The purchaser's request for waiver of NC charges against line items [insert number] is under review and was forwarded to DSCA on [insert date]. If this waiver is not approved, an LOA Amendment or Modification will be prepared to add NC charges to this case."</p>

- 2) Replace SAMM Section C4.4.15. in its entirety with the following:

“C4.4.15. Medical Countermeasures. Requests from partner nations to procure medical countermeasures such as drugs, vaccines, other medical interventions against biological and chemical agents, and associated equipment, require the approval of the Office of the Assistant Secretary of Defense for Global Strategic Affairs/Countering Weapons of Mass Destruction (ASD(GSA/CWMD)). It is essential that IAs provide copy of the LOR to DSCA (Strategy Directorate) no later than 10 working days from LOR receipt to allow sufficient time for staffing with ASD(GSA/CWMD). DSCA (Strategy Directorate) will inform the IA if the request is denied.”