



## DEFENSE SECURITY COOPERATION AGENCY

2800 DEFENSE PENTAGON

WASHINGTON, D.C. 20301-2800

05 AUG 2014

MEMORANDUM FOR DIRECTOR, DEFENSE THREAT REDUCTION AGENCY  
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY  
DIRECTOR, DEFENSE LOGISTICS AGENCY  
DIRECTOR, NATIONAL GEOSPATIAL – INTELLIGENCE  
AGENCY  
DIRECTOR, MISSILE DEFENSE AGENCY  
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY  
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 LOGISTICS AGENCY LOGISTICS  
INFORMATION SERVICE  
DIRECTOR, DEFENSE LOGISTICS AGENCY DISPOSITION  
SERVICES  
DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE  
AND ACCOUNTING SERVICE – INDIANAPOLIS OPERATIONS  
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,  
NATIONAL SECURITY AGENCY

SUBJECT: Best Value Considerations for Transportation, Defense Security Cooperation Agency (DSCA) Policy 14-15, [SAMM E-Change 255]

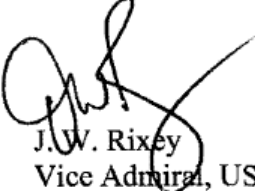
Reference: Department of Defense Instruction 4500.57, "Transportation and Traffic Management," March 18, 2008

DSCA policy requires Foreign Military Sales (FMS) purchasers to be responsible for transportation and delivery of its purchased materiel. Previously, our policy encouraged purchasers to hire an agent, known as a Freight Forwarder, to manage transportation and delivery. Based on its commercial and organic capabilities, the Defense Transportation System (DTS) managed by U.S. Transportation Command (USTRANSCOM) is also a viable transportation and delivery option for security cooperation materiel. Per Instruction referenced above, DoD is required to integrate military, commercial, alliance, and host-nation resources to the maximum extent possible. DSCA recognizes our global partners have a choice and encourage them to make a best value decision regarding transportation solutions for their country, whether they choose DTS or a Freight Forwarder.

Pursuant to section 1073 of the National Defense Authorization Act of 2014, P.L. 113-66, which amends 10 U.S.C. section 2642, DTS is authorized to make the DoD rate of

reimbursement available to FMS customers through 2019, which may result in lower transportation costs for FMS Purchasers. The DoD rate is the amount charged to one DoD component by another DoD component. This measure is intended to assist in maintaining a robust DTS, a critical capability that benefits the United States and its global partners.

Chapter 7 of the Security Assistance Management Manual (SAMM) will be updated as reflected in the attachment, and this change will be included in the online version of the SAMM found on the DSCA Web Page, [samm.dscamilitary.com](http://samm.dscamilitary.com), as SAMM E-Change 255. This change is effective immediately. For questions, please contact Mr. Todd Hughes at (703) 604-6598 or [todd.hughes@dscamilitary.com](mailto:todd.hughes@dscamilitary.com).



J.W. Rixey  
Vice Admiral, USN  
Director

Attachment:

As stated

cc:

STATE/PM-RSAT

AFRICOM

CENTCOM

EUCOM

NORTHCOM

PACOM

SOCOM

SOUTHCOM

TRANSCOM

USASAC

USASAC-NC

SATFA

TRADOC

NAVSUP WSS

NAVICP

NETSAFA

AFSAC

AFSAT

DISAM

MARCOR IP

SCETC

USCG International Affairs (G-CI)

**SECURITY ASSISTANCE MANAGEMENT MANUAL (SAMM), E-CHANGE 217**  
**Best Value Considerations for Transportation**

1. Replace Chapter 7, Section C7.1.1., with the following revised text,

C7.1.1. The United States Government and the purchaser's advanced planning for transportation of materiel is critical for case development and execution. It is Department of Defense (DoD) policy that the purchaser is responsible for transportation and delivery of its purchased materiel. DoD encourages purchasers to be self-sufficient by making informed decisions regarding transportation arrangements. Purchasers can use DoD distribution capabilities on a reimbursable basis at DoD reimbursable rates via the Defense Transportation System (DTS), or employ an agent, known as a Foreign Military Sales freight forwarder, to manage transportation and delivery from the point of origin (typically CONUS) to the purchaser's desired destination. The transportation procedures in this chapter generally apply to all Security Cooperation materiel, but any requirements specific to Building Partner Capacity programs are identified in Chapter 15.

2. Replace Chapter 7, Section C7.6.1., with the following revised text,

C7.6.1. Definition. DTS is the portion of the worldwide transportation infrastructure that supports Department of Defense (DoD) transportation needs in peace and war DoD Directive 4500.9E. DTS consists of two major elements: military (organic) and commercial resources. These resources include assets, services, and systems organic to, contracted for, or controlled by DoD. The DTS infrastructure, including ports, airlift, sealift, railway, highway, in-transit visibility systems, information management systems, Customs, and traffic management that DoD maintains is a vital element of DoD's capability to project power worldwide. DTS shipments must comply with the Defense Transportation Regulation (DTR) 4500.9-R. Use of the DTS may offer purchasers transportation alternatives to freight forwarders.