



**DEFENSE SECURITY COOPERATION AGENCY**  
2800 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-2800

25 MAR 2015

Reply in refer to:  
USP000842-15

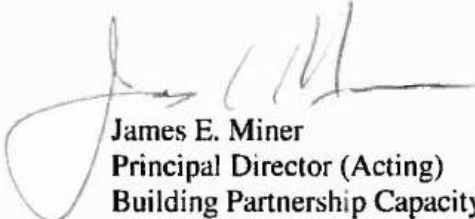
MEMORANDUM FOR DIRECTOR, NAVY INTERNATIONAL PROGRAMS OFFICE  
(ATTN: MS. MARCIA LEWIS IPO-240D)

SUBJECT: Establish Nonrecurring Cost (NC) Charges – MK15 Close-In Weapons System  
(CIWS) Phalanx System, DSCA Policy 15-11

The attached Finding, signed by the Director, Defense Security Cooperation Agency (DSCA), approves a NC recoupment pro rata charge for the sale, coproduction, or licensed production of the items shown on the Finding table.

The NC charges listed in the Finding will be included in the next update of Appendix 1 of the automated version of the Security Assistance Management Manual found on the DSCA Web Page.

Department of Defense (DoD) NC recoupment charges are required to be reimbursed to DoD within 30 days following delivery or purchaser acceptance (whichever comes first) of each item sold or produced; and all recoupments will be recorded under DSCA(Q) 1112 Report. In accordance with the Arms Export Control Act, any country requesting a waiver of NC charges must request the waiver in writing prior to finalization of the purchase, if it is to be approved. The point of contact for additional information is Ms. Susan Kidd at (703) 602-2017, e-mail: susan.kidd@dsc.mil.



James E. Miner  
Principal Director (Acting)  
Building Partnership Capacity

Attachment:  
As stated



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**FINDING**

In accordance with DoD Directive 2140.02, dated May 22, 2013, and DoD Directive 5105.65, dated October 26, 2012, I hereby approve a nonrecurring cost recoupment pro rata charge for the sale, coproduction, or licensed production of the major defense equipment shown below:

**CATEGORY XII – FIRE CONTROL, RANGE FINDER, OPTICAL AND GUIDANCE AND CONTROL EQUIPMENT**

<b>ITEM DESCRIPTION</b>	<b>PREVIOUS NC CHARGE</b>	<b>NC CHARGE</b>
Phalanx Block 1B Baseline 2 System MASL: 123000BL0CK1B	N/A	\$411,059.49
Phalanx Block 0 to Block 1B Baseline 2 Kit MASL: 123000BLK0K1T	N/A	\$210,623.88
Phalanx Block 1A to Block 1B Baseline 2 Kit MASL: 12300B1A21BKT	N/A	\$60,149.25
Phalanx Block 1 to Block 1B Baseline 2 Kit MASL: 12300BLK1BK1T	N/A	\$60,149.25
Phalanx Block 1B to Block 1B Baseline 2 Kit MASL: 12300B1B21BKT	N/A	\$0.00

These NC recoupment charges are effective immediately.

  
J.W. Rixey  
Vice Admiral, USN  
Director