



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

08 JAN 2018

USP003904-17

MEMORANDUM FOR DIRECTOR, NAVY INTERNATIONAL PROGRAMS OFFICE
(ATTN: MS. MARCIA LEWIS, IPO-230G)
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING
SERVICE, INDIANAPOLIS

SUBJECT: Establish Nonrecurring Cost Charge for Shallow Water Combat Submersible, DSCA Policy Memo 18-03

Reference: Recoupment of Nonrecurring Costs on Sales of Major Defense Equipment for the Shallow Water Combat Submersible (SWCS) MK 11 memo, dated June 27, 2017 (Ser NSW/176)

The attached Finding, signed by the Director, Defense Security Cooperation Agency, approves the nonrecurring cost (NC) recoupment pro rata charge for the sale, coproduction, or licensed production of the item shown on the Finding table. The NC charge listed in the Finding will be included in the next update of Appendix 1 of the automated version of the Security Assistance Management Manual (SAMM) found on the DSCA Web Page.

Unless waived, the DoD NC recoupment charge is required to be reimbursed to the Department of Defense within 30 days following delivery or purchaser acceptance (whichever comes first) of each item sold or produced; and the recoupment 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. If you have any questions regarding this matter, please contact Ms. China Harvey-Halder at (703) 697-9672; e-mail: dichina.k.harvey-halder.ctr@mail.mil or Ms. Susan Kidd at (703) 697-9673; e-mail: susan.c.kidd.civ@mail.mil.

A handwritten signature in blue ink, reading "Michèle Hizon", is positioned above the printed name and title.

Michèle Hizon
Principal Director
Directorate of Security Assistance

Attachment:
As stated



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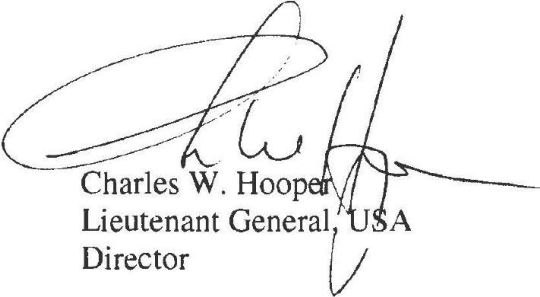
FINDING

In accordance with DoD Directive 2140.02, dated May 22, 2013, I hereby approve nonrecurring cost (NC) recoupment pro rata charge for the sale, coproduction, or licensed production of the major defense equipment shown below:

CATEGORY XX – Submersible Vessels and Related Articles

ITEM DESCRIPTION (Letter of Offer and Acceptance Worthy Description)	Previous NC Charge	New NC Charge
Shallow Water Combat Submersible (SWCS) MASL: 190500000SWCS	N/A	\$8,140,225.53

The NC recoupment charge is effective immediately.



Charles W. Hooper
Lieutenant General, USA
Director