



DEFENSE SECURITY COOPERATION AGENCY

2800 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2800

24 JUL 2018

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 LOGISTICS AGENCY DISPOSITION
SERVICES
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE, NATIONAL
SECURITY AGENCY


SUBJECT: Revision of Section 2.8 of Letter of Offer and Acceptance (LOA) Standard Terms and Conditions, DSCA Policy 18-35 [SAMM E-Change 389]

Effective August 1, 2018, Condition 2.8 of the LOA Standard Terms and Conditions (STCs) is revised as follows to conform to a recent change of the Defense Federal Acquisition Regulation Supplement (DFARS) Subpart 225.73 regarding treatment of indirect offsets.

"2.8. Any offset arrangement is strictly between the Purchaser and the U.S. defense contractor. The U.S. Government is not a party to any offset agreement that may be required by the Purchaser in relation to the sales made in this LOA. The USG assumes no obligation to administer or satisfy any offset requirements or bear any of the associated costs. Although offsets, as defined in the Defense Federal Acquisition Regulation Supplement, are not within the scope of the DoD contracts entered into to fulfill the requirements of this LOA, offset costs may be recovered through such contracts. Indirect offset costs may be deemed reasonable without further analysis in accordance with the Defense Federal Acquisition Regulation Supplement. If the Purchaser wishes to obtain information regarding offset costs, the Purchaser should request information directly from the U.S. defense contractor."

DSCA will update the Defense Security Assistance Management System (DSAMS) and Figure C5.F4. of the Security Assistance Management Manual (SAMM) to reflect this change. If the Case Writing Division (CWD) Approval Milestone date in DSAMS is on or after August 1, 2018, DSAMS will print the LOA with the updated version of the STCs. If the CWD Approval Milestone date precedes the effective date, DSAMS will print the LOA with the STCs effective prior to the implementation of this policy.

For any questions concerning this policy, please contact Mr. Micheal Slack, DSCA/SPP/SPI, at 703-697-9058 or e-mail: micheal.d.slack.civ@mail.mil.


for Charles W. Hooper
Lieutenant General, USA
Director

Attachment:
None

cc:

AFRICOM
CENTCOM
EUCOM
NORTHCOM
SOUTHCOM
PACOM
TRANSCOM
SOCOM
STATE/PM-RSAT
USASAC TRADOC
SATFA
USACE
NAVSUP
WSS
NETSAFA
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AFSAT
DISCS
MARCOR IP
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USCG International Affairs (G-CI)