

25 Oct 1999
In reply refer to:
I-013285/99

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE ARMY
(INTERNATIONAL AFFAIRS)
ATTN: SAUS-IA-DSZ
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS OFFICE
DEPARTMENT OF THE NAVY

DEPUTY UNDER SECRETARY OF THE AIR FORCE
(INTERNATIONAL AFFAIRS)
DEPARTMENT OF THE AIR FORCE

DIRECTOR, DEFENSE LOGISTICS AGENCY

DIRECTOR, NATIONAL IMAGERY AND MAPPING AGENCY

DIRECTOR, DEFENSE THREAT REDUCTION AGENCY

DIRECTOR, DEFENSE REUTILIZATION AND MARKETING
SERVICE

DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY

DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE

DEPUTY DIRECTOR FOR SECURITY ASSISTANCE,
DEFENSE FINANCE AND ACCOUNTING SERVICE -
DENVER CENTER

SUBJECT: Processing Classified Foreign Military Sales (FMS) Cases in the Defense
Security Assistance Management System (DSAMS)

The case development portion of DSAMS is fully operational and is now being used by the military departments and other implementing agencies to create the vast majority of Letters of Offer and Acceptance (LOAs). We have been receiving requests for information on how classified FMS cases should be handled in this system. DSAMS is an unclassified system. No classified information may be entered into this system even on a temporary basis. The following guidance is provided for your use in preparing these cases in an unclassified mode.

If you are writing a case that is subject to Arms Export Control Act Section 36(b) requirements (Congressional Notification), any record that relates the country with the items being sold is considered classified until the notification has formally been forwarded to Congress. Therefore, these cases cannot be entered into DSAMS using an accurate country code combined with an item description. To ensure timelines for LOA preparation and responsiveness are met, however, it may be necessary to begin preparation of the case prior to Congressional Notification. In these instances, the following procedures should be used to write these cases using DSAMS.

a. A "pseudo" case identifier must be created using a "pseudo" country code to ensure the prospective customer is not identified. This identifier may be used to enter all unclassified case information (including item descriptions) into DSAMS. The customer may not be named in the notes or other supporting data to ensure the information remains unclassified. The user should be cautioned when entering data under a "pseudo" country code. Many pricing waivers and restrictions are programmed in DSAMS under each specific country---when a "pseudo" country code is used, these waivers will not be automatically applied and the user will have to apply them individually as appropriate. The application of specific pricing within DSAMS could reveal the purchaser (i.e., inputting a specific waiver percentage for Contract Administrative Services (CAS) could be used to identify a list of potential customers). In these instances, the pricing should be done off-line and only a total price for the line should be entered.

b. After the notification has gone to Congress, the case should be copied onto the "real" case identifier and the remaining case information may be entered. Any pricing that was not entered into the system to protect the classification, should be entered into DSAMS at this time. The "pseudo" case should be deleted since it is no longer required. Using the "pseudo" case identifier will allow most of the case information to be entered and help case-writers continue their work prior to the notification. (NOTE: The information in this paragraph assumes the case will be unclassified after the formal notification has been made to Congress. If the case will remain classified, the procedures provided below for purchaser or USG-classified cases must be followed.)

There may be some LOAs that are classified at the request of the purchaser or for USG purposes. The Security Assistance Management Manual (SAMM), paragraph 50202.B., requires that the classification of any LOA must be approved by the Department of State, ASD/ISA, or DSCA. Any requests to classify cases should be sent to the DSCA country desk officer for staffing and approval. In instances where classification is approved, the following procedures should be used to write these cases using DSAMS:

a. The country must be specific in identifying which pieces of data are to be classified. For example, some customers may wish for the nomenclature of the item to remain classified, others may want to classify the quantity or information that would normally be included as a note.

b. Any piece of information that is considered classified cannot be entered into DSAMS. The bulk of the case (containing all unclassified information) may be created using DSAMS. Any classified information must be entered on the document via other means after the

document has been printed (i.e., using a typewriter). "Pseudo" or generic Military Articles and Services List (MASL) lines may be used within the system to prevent the item from being disclosed. Again, the user should be cautioned that using a "pseudo" MASL line will not allow automated application of pricing/waivers that are linked to the real MASL (i.e., nonrecurring cost (NC) recoupment charges). The user must ensure all appropriate charges are applied. If the application of specific pricing within DSAMS could reveal the item being purchased (i.e., inputting a specific NC value could be used to determine the exact item being sold), the pricing must be done off-line and only a total price for the line should be entered. (Note: This is an exception to the policy provided in DSCA memorandum I-010365, 18 Aug 99, "Quality Review of Letter of Offer and Acceptance (LOA) Documents," which required all cases to be priced using DSAMS pricing to the maximum extent possible.) When "pseudo" MASL lines are used, the correct MASL lines must be entered on the document off-line after it has been printed.

In order to enter classified cases into the DSCA 1200 System, the following steps should be taken:

- a. Implementing agencies should enter the S1 "add" transaction using an unclassified case description and a "U" in the classification field.
- b. Implementing agencies must call DSCA COMPT/RM on the STU phone (602-1197) to provide the classified information.
- c. DSCA COMPT/RM will modify the DSCA 1200 System record to include the classified information and change the classification field to "C."

It is vital that we adhere to classification requirements when writing FMS cases. Any "masking" features contained within DSAMS may not be used as a work-around method of printing an unclassified document---the data cannot be in the system. If you have questions concerning case-writing procedures, please contact Beth Baker, DSCA/PSD-PMD, (703) 604-6612 or e-mail: beth.baker@osd.pentagon.mil.

/s/
MICHAEL S. DAVISON, JR.
LIEUTENANT GENERAL, USA
DIRECTOR

cc: AMSAC-OL-MP