

M A S M III

**FOREIGN MILITARY SALES
PROCEDURES**



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, D. C. 20301

Jewelle
20 FEB 1973

In reply refer to:
I-1473/73

MEMORANDUM FOR RECIPIENTS OF MILITARY ASSISTANCE AND SALES MANUAL - PART III

SUBJECT: MASM Transmittal III-11

Attached is MASM Transmittal III-11 which updates the Foreign Military Sales procedures to 31 January 1973.

Remove the following from your current MASM III: pages v, vii, viii, ix and Chapter H.

Insert the following included in this Transmittal: pages v, vii, viii, ix and Chapter F.

Chapter H is obsolete and is therefore cancelled. Chapter F is a new Chapter. It should be noted that with the publication of Chapter F, all Chapters previously indicated in the contents as "In Preparation" have now been completed.

The following revisions have been superceded and therefore should be marked as obsolete:

Transmittal III-2 dated 19 May 1971
DSAA memo, IT-12697/71, October 1971,
Subject: Revisions to Military Assistance
and Sales Manual - Part III

RAY PEET
Vice Admiral, USN
Director

Defense Security Assistance Agency

Attachment
a/s



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, D. C. 20301

Deuschle

6 FEB 1973

In reply refer to:
I-668/73

MEMORANDUM FOR RECIPIENTS OF MILITARY ASSISTANCE AND SALES MANUAL - PART III

SUBJECT: MASM Transmittal III-10

Attached is MASM Transmittal III-10 which updates the Foreign Military Sales procedures to 31 December 1972.

Remove the following from your current MASM III: pages v, vii, viii, ix, Chapter A, pages D-3, D-4, E-3, J-3 through J-6, Appendix A, pages AppB-1, AppB-2, AppB-13 and AppB-14.

Insert the following: pages v, vii, viii, ix, Chapter A, pages D-3, D-4, E-3, J-3 through J-6, Chapters M and N, Appendix A, pages AppB-1, AppB-2, AppB-13 and AppB-14.

Chapters M and N are new. Chapter A, pages D-3, E-3, J-3, J-5, Appendix A, pages AppB-1, AppB-2 and AppB-13 have been revised and are dated 31 December 1972 with specific procedural changes and additions indicated by a broken line in the margin of the page. Pages D-4, J-4, J-6 and AppB-14 have been reprinted without changes, and, therefore, continue to bear the date of their last revision.

The following Transmittals (listed on page iii) have been superseded by new issuances and, therefore, should be marked as obsolete: Transmittal III-1, III-3, III-6 and III-7.

Ray Peet
RAY PEET

Vice Admiral, USN
Director,

Defense Security Assistance Agency

Attachment
a/s

Deuschle

AK



DEFENSE SECURITY ASSISTANCE AGENCY
WASHINGTON, D. C. 20301

JAN 1973

In reply refer to:
I-16644/72

MEMORANDUM FOR RECIPIENTS OF MILITARY ASSISTANCE AND SALES MANUAL - PART III

SUBJECT: MASM III Transmittal

Attached is MASM Transmittal III-9 which updates the Foreign Military Sales procedures to 31 October 1972.

Remove the following from your current MASM III: pages v, vii, viii, ix, B-7, Chapter E, pages G-1 and G-2, Chapter K, pages L-7 through L-10, L-17 and L-18, AppB-15 and AppB-16.

Insert the following: pages v, vii, viii, ix, B-7, Chapter E, pages G-1 and G-2, Chapter K, pages L-7 through L-10, L-17 and L-18, AppB-15 and AppB-16.

Page B-7, Chapter E, page G-2, Chapter K, pages L-7, L-10, L-17 and AppB-16 have been revised and are dated 31 October 1972 with specific procedural changes and additions indicated by a broken line in the margin of the page. Pages G-1, L-8 and L-9, L-18, and AppB-15 have been reprinted without change and, therefore, continue to bear the date of their last revision.

Ray Peet

RAY PEET

Vice Admiral, USN
Director,

Defense Security Assistance Agency

Attachment
a/s



DEFENSE SECURITY ASSISTANCE AGENCY
WASHINGTON, D. C. 20301

20 NOV 1972

In reply refer to:
I-14418/72

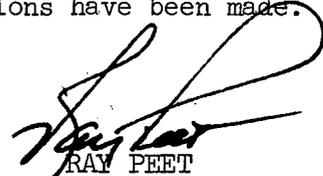
MEMORANDUM FOR RECIPIENTS OF MILITARY ASSISTANCE AND SALES MANUAL - PART III
SUBJECT: MASM III Transmittal

Attached is MASM Transmittal III-8 which updates the Foreign Military Sales procedures to 30 September 1972.

Remove the following from your current MASM III: pages v, vii, viii, A-1, B-3, B-4 and Appendix B.

Insert the following: pages v, vii, viii, ix, A-1, B-3, B-4, Chapters G, J and L and Appendix B.

Chapters G, J and L are new. Page A-1 and B-3 have been reprinted to make minor editorial changes; and, therefore, they continue to bear their original date of publication. Revised page B-4 and Appendix B bear the date of 30 September 1972 with specific changes indicated by a broken line in the margin of each page where changes and/or additions have been made.


RAY PEET

Vice Admiral, USN
Director,

Defense Security Assistance Agency, OSD

Attachment
a/s

Deuschle



DEFENSE SECURITY ASSISTANCE AGENCY
WASHINGTON, D. C. 20301

25 SEP 1972

In reply refer to:
I-12268/72

MEMORANDUM FOR RECIPIENTS OF MILITARY ASSISTANCE AND SALES MANUAL - III

SUBJECT: MASM III Transmittal

Attached is MASM Transmittal III-7 which updates the Foreign Military Sales procedures to 31 August 1972.

Remove the following portions of your current MASM III: page v and Appendix A.

Insert the following: page v and revised Appendix A.

Revised pages bear the date of 31 August 1972 with specific changes and additions indicated by a broken line in the margin of each paragraph.

A handwritten signature in black ink, appearing to read "Ray Peet", written over a large, stylized flourish.

RAY PEET
Vice Admiral, USN
Director,

Defense Security Assistance Agency, OSD

Attachment
a/s



DEFENSE SECURITY ASSISTANCE AGENCY
WASHINGTON, D. C. 20301

18 AUG 1972

In reply refer to:
I-9951/72

MEMORANDUM FOR RECIPIENTS OF MILITARY ASSISTANCE AND SALES MANUAL - III

SUBJECT: MASM III Transmittal

Attached is MASM Transmittal III-6 which updates the Foreign Military Sales procedures to 31 July 1972.

Remove the following portions of your current MASM III: the front and back covers, pages iii, v, vii, viii, ix, x, and Chapter E. Please note that this transmittal eliminates from the Table of Contents the sub-paragraph structure previously shown under Appendix A and B.

Insert the following: the new front and back covers, pages iii, iv, v, vii, viii and revised Chapter E.

Revised pages bear the date of 31 July 1972 with specific procedural changes and additions indicated by a broken line in the margin of each Chapter. Pages that have been reprinted without change continue to bear the date of their last revision.

In addition to the above post the following pen and ink change to Page D-3 sub-paragraph (23): Change the figure of (\$72.9 mil) to read (\$71.0 mil).

Attachment
a/s

A handwritten signature in black ink, reading "Erich von Marbod", is written over the typed name.

Erich F. von Marbod
Comptroller



DEFENSE SECURITY ASSISTANCE AGENCY
WASHINGTON, D. C. 20301

20 JUL 1972

In reply refer to:
I-9017/72

MEMORANDUM FOR RECIPIENTS OF MILITARY ASSISTANCE AND SALES MANUAL - PART III

SUBJECT: Transmittal III-5

Attached is MASM Transmittal III-5 which updates the Foreign Military Sales procedures to 30 June 1972.

Remove the following portions from your current MASM III: Pages v, vii, viii, ix and x.

Insert the following: The enclosed pages v, vii, viii, ix, x and new Chapters B and D.

Both the revised and new pages bear the date of 30 June 1972. Pages that have been reprinted without change will continue to bear the date of their last revision.

A handwritten signature in cursive script that reads "Harold V. Larson".

Attachment
a/s

Harold V. Larson
Deputy Director
Defense Security Assistance Agency



DEFENSE SECURITY ASSISTANCE AGENCY
WASHINGTON, D. C. 20301

In reply refer to:
IT-3636/72

MEMORANDUM FOR RECIPIENTS OF MILITARY ASSISTANCE AND SALES MANUAL - PART III

SUBJECT: Transmittal III-4

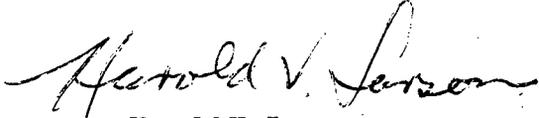
Attached is MASM Transmittal III-4 which updates the Foreign Military Sales procedures to 29 February 1972.

Remove the following portions from your current MASM III: Pages v and vii.

Insert the following: The revised pages v, vii and new Chapters A and C.

Both the revised and new pages bear the date of 29 February 1972. Pages that have been reprinted without change will continue to bear the date of their last revision.

Attachment
a/s


Harold V. Larson
Deputy Director
Defense Security Assistance Agency



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, D. C. 20301

In reply refer to:
IT-1925/72

MEMORANDUM FOR RECIPIENTS OF MILITARY ASSISTANCE AND SALES MANUAL - PART III

SUBJECT: MASM III Transmittal

Attached is MASM Transmittal III-3 which updates the Foreign Military Sales Procedures to 31 January 1972.

Remove the following portions of your current MASM III: The Cover, pages v and vii.

Insert the following: The New Cover, pages v, vii, E-1 and E-2.

Chapter E is new. Revised pages bear the date of 31 January 1972. Pages that have been reprinted without change will continue to bear the date of their last revision.

Attachment
a/s

A handwritten signature in cursive script, reading "Harold V. Larson", is positioned above the typed name.

Harold V. Larson
Deputy Director

Defense Security Assistance Agency

L/C Denschle



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

19 May 1971

In reply refer to:
I-7115/71

INTERNATIONAL SECURITY AFFAIRS

MEMORANDUM FOR RECIPIENTS OF MILITARY ASSISTANCE AND SALES MANUAL - PART III

SUBJECT: Transmittal III-2

Chapter H, Implementation of FMS Materiel and Services Cases is transmitted herewith accompanied by the List of Effective Pages and revised page vii of the Contents. All of the above pages bear the date May 31, 1971.

Chapter H and the List of Effective Pages are new and should be inserted in MASM-III. Page vii is revised to take into account the new pages and should be substituted for the existing page vii.

A handwritten signature in black ink that reads "Robert H. Warren".

ROBERT H. WARREN
Lieutenant General, USAF
Deputy Assistant Secretary,
Military Assistance and Sales



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

9 OCT 1970

INTERNATIONAL SECURITY AFFAIRS

In reply refer to:
I-9793/70

**MEMORANDUM FOR RECIPIENTS OF MILITARY ASSISTANCE AND SALES MANUAL -
PART III**

SUBJECT: Transmittal III-1

Attached is Military Assistance and Sales Manual (MASM) transmittal III-1 which inaugurates Part III of the MASM. The primary purposes of the new manual are to prescribe procedures applicable to Foreign Military Sales and to establish policy with regard to implementation of the new Foreign Military Sales reporting system. This transmittal contains Chapters K and U along with Appendices A and B. Other chapters are in preparation, as indicated in the Contents and will be published as they are completed.

A handwritten signature in black ink, reading "Robert H. Warren", is positioned to the right of the main text. The signature is written in a cursive style with a long horizontal flourish at the end.

Robert H. Warren
Lieutenant General, USAF
Deputy Assistant Secretary,
Military Assistance and Sales

MILITARY ASSISTANCE AND SALES MANUAL—PART III

LIST OF EFFECTIVE PAGES

| <i>Chapters</i> | <i>Page Numbers</i> | <i>Date of Latest Revision</i> |
|-----------------|------------------------------|--------------------------------|
| CONTENTS | vii | January 31, 1973 |
| | viii | January 31, 1973 |
| | ix | January 31, 1973 |
| A | A-1 | December 31, 1972 |
| B | B-1 through B-3 | June 30, 1972 |
| | B-4 | September 30, 1972 |
| | B-5 and B-6 | June 30, 1972 |
| | B-7 | October 31, 1972 |
| C | C-1 through C-4 | February 29, 1972 |
| D | D-1 and D-2 | June 30, 1972 |
| | D-3 | December 31, 1972 |
| | D-4 | June 30, 1972 |
| E | E-1 and E-2 | October 31, 1972 |
| | E-3 | December 31, 1972 |
| F | F-1 through F-11 | January 31, 1973 |
| G | G-1 | September 30, 1972 |
| | G-2 | October 31, 1972 |
| | G-3 through G-10 | September 30, 1972 |
| J | J-1 and J-2 | September 30, 1972 |
| | J-3 | December 31, 1972 |
| | J-4 | September 30, 1972 |
| | J-5 | December 31, 1972 |
| | J-6 through J-11 | September 30, 1972 |
| K | K-1 through K-18 | October 31, 1972 |
| L | L-1 through L-6 | September 30, 1972 |
| | L-7 | October 31, 1972 |
| | L-8 and L-9 | September 30, 1972 |
| | L-10 | October 31, 1972 |
| | L-11 through L-16 | September 30, 1972 |
| | L-17 | October 31, 1972 |
| | L-18 | September 30, 1972 |
| M | M-1 through M-7 | December 31, 1972 |
| N | N-1 through N-3 | December 31, 1972 |
| APPENDIX | | |
| A | AppA-1 through AppA-9 | December 31, 1972 |
| B | AppB-1 and AppB-2 | December 31, 1972 |
| | AppB-3 through AppB-12 | September 30, 1972 |
| | AppB-13 | December 31, 1972 |
| | AppB-14 and AppB-15 | September 30, 1972 |

MILITARY ASSISTANCE AND SALES MANUAL--PART III

CONTENTS

| <i>Chapter</i> | <i>Page number</i> |
|---|--------------------|
| Record of Transmittals | iii |
| List of Effective Pages | v |
| A. PURPOSE, AUTHORITY AND SCOPE OF THE MILITARY ASSISTANCE AND SALES MANUAL - PART III | A-1 |
| 1. Authority | A-1 |
| 2. Purpose | A-1 |
| 3. Scope | A-1 |
| 4. Distribution of the MASM | A-1 |
| 5. Reports Control Symbol | A-1 |
| B. ELIGIBILITY FOR FOREIGN MILITARY SALES | B-1 |
| 1. General Authority | B-1 |
| 2. Conditions of Eligibility | B-1 |
| 3. Eligible Countries and International Organizations | B-1 |
| 4. Special Approval Requirements | B-1 |
| C. DOD DIRECTIVES AND INSTRUCTIONS | C-1 |
| D. FOREIGN MILITARY SALES POLICIES, GUIDELINES AND RESTRICTIONS | D-1 |
| 1. Purpose | D-1 |
| 2. Basic Sales Policy and Guidelines | D-1 |
| 3. Major Restraints and Significant Recurring Reports to the Congress | D-2 |
| E. SECURITY RESTRICTIONS | E-1 |
| 1. Classification of Foreign Military Sales Information | E-1 |
| 2. Security Classification Guidelines | E-1 |
| 3. Release of Information | E-2 |
| F. GENERAL PROCEDURES | F-1 |
| 1. Introduction | F-1 |
| 2. Buyer-Seller Relationships | F-1 |
| 3. Purpose for Sale of U.S. Military Equipment Abroad | F-1 |
| 4. General Criteria Regarding Sale of Military Equipment | F-2 |
| 5. Channels Used in the Sale of Military Equipment | F-2 |
| 6. Basic FMS Sales Procedures | F-3 |
| 7. Pricing of FMS Transactions | F-4 |
| 8. Authorized Surcharges | F-5 |
| 9. Item Availability | F-6 |
| 10. U.S. Response to Requests for "Offset" Procurement | F-7 |
| 11. Release of U.S. Technology | F-9 |
| 12. Principles Regarding Coproduction Projects | F-10 |
| G. CREDIT MANAGEMENT | G-1 |
| 1. Purpose | G-1 |
| 2. Policy Guidance | G-1 |
| 3. Types of Credit | G-1 |
| 4. Financial Standards and Criteria | G-2 |

MILITARY ASSISTANCE AND SALES MANUAL—PART III

| | <i>Page number</i> |
|--|--------------------|
| 5. Treasury Guidelines | G-3 |
| 6. Eximbank Credit Procedures | G-4 |
| 7. FMS Credit Procedures | G-5 |
| 8. DOD-Guaranteed Credit Procedures | G-6 |
| 9. Treasury Advertized Bidding Process | G-7 |
| 10. Credit Approval Procedures | G-8 |
| 11. Industry/Banking Coordination | G-9 |
| 12. Preparation of Credit and Guaranty Agree- ments | G-10 |
| | |
| J. FINANCIAL PROCEDURES | J-1 |
| 1. Purpose | J-1 |
| 2. Basic Principles | J-1 |
| 3. Financing and Billing for Cash Sales | J-2 |
| 4. Financing and Billing for Foreign Military Sales Under Credit Agreements Executed Subsequent to March 1972 | J-3 |
| 5. Financing and Billing for Military Sales Guarantees | J-5 |
| 6. Commercial Contracts Financed from DOD Direct Credit Funds | J-6 |
| 7. Commercial Contracts Financed by Guaranty of Private Credit | J-7 |
| 8. Processing Foreign Military Sales Under Credit Agreements Executed Prior to April 1972 | J-7 |
| 9. Closing Foreign Military Sales Cases Financed Under Credit Arrangements Executed Prior to April 1972 | J-9 |
| 10. Multiple Sources of Funding | J-10 |
| 11. Overdue Billings and Delinquent Accounts | J-11 |
| 12. Sale of MAP Owned Property Under FMS | J-11 |
| 13. Addresses of Military Department Central Collection and Billing Offices | J-11 |
| 14. Addresses of Military Department Central Activities Responsible for Preparation and Issuance of Letters of Offer | J-11 |
| | |
| K. FOREIGN MILITARY SALES REPORTING SYSTEM | K-1 |
| 1. Purpose | K-1 |
| 2. Concept | K-1 |
| 3. Reporting Frequency | K-1 |
| 4. Master File Update | K-2 |
| 5. Major Features | K-2 |
| 6. Preparation of FMS Reports Cards | K-2 |
| 7. Control Fields | K-12 |
| 8. Changing Field to Blank | K-12 |
| 9. Increase or Decrease of Numbers | K-13 |
| 10. Inter-Relationship of Card Fields | K-13 |
| 11. Card Processing | K-14 |
| 12. Special Characters | K-14 |

| | <i>Page number</i> |
|---|--------------------|
| L. FMS REPORTS | L-1 |
| 1. Purpose | L-1 |
| 2. Structure of FMS Reports | L-1 |
| 3. Categories of FMS Reports | L-1 |
| 4. Requests for FMS Reports | L-1 |
| 5. FMS Reports | L-2 |
| 6. Abbreviated Titles | L-6 |
| M. FMS-COMMERCIAL AVAILABILITY | M-1 |
| 1. Purpose | M-1 |
| 2. Legislative Provisions | M-1 |
| 3. Definitions | M-1 |
| 4. Department of Defense Policy Guidance | M-2 |
| N. PREPARATION OF FMS PROJECTIONS | N-1 |
| 1. Purpose | N-1 |
| 2. Reporting Procedures and Submission Requirements | N-1 |
| 3. Details of the Projections | N-1 |
| APPENDIX A - GLOSSARY OF TERMS | AppA-1 |
| APPENDIX B - MACHINE READABLE CODES | AppB-1 |

CHAPTER A

PURPOSE, AUTHORITY AND SCOPE OF THE
MILITARY ASSISTANCE AND SALES MANUAL—PART III**1. Authority**

The Military Assistance and Sales Manual (MASM) Part III is authorized under DOD Directive 5105.38 dated August 11, 1971 and DOD Directive 5132.3 dated July 8, 1963. (MASM I contains objectives of Military Assistance and Foreign Military Sales and MASM II contains Military Assistance Program procedures).

2. Purpose

MASM Part III is issued by the Defense Security Assistance Agency and prescribes the operating procedures for Foreign Military Sales, provides guidance on established Foreign Military Sales procedures, and prescribes legislative and management reporting requirements.

3. Scope

The procedures prescribed in MASM Part III pertain to Foreign Military Sales for cash, credit, or credit guaranties. They describe sales authorizations and limitations, credit planning and programming concepts, forms of funding, and reporting requirements. These procedures are applicable to all Foreign Military Sales activities of the Unified Commands, Military Departments, Joint Chiefs of Staff, Defense Supply Agency and other elements within the Department of Defense.

4. Distribution of the MASM**a. Unified Commands and Military Departments**

DSAA makes bulk distribution of the MASM and published changes to Unified Command and Military Department Headquarters who in turn are responsible to make proper distribution to all users within their respective areas of Command. Military Departments and Unified Commands should inform subordinate commands, MAAGs, Military Missions, Defense Attaches and U.S. Military Representatives assigned to host countries exercising Security Assistance responsibilities of proper channels for arranging to be placed on automatic distribution for MASM Transmittals. Military Departments and Unified Commands should inform DSAA (see address in paragraph b below) of the number of copies of Transmittals required.

b. Other Distribution

DSAA will make distribution of the MASM within OSD and other governmental agencies. Requests placed on DSAA for MASM distribution will be honored if a valid requirement is established by the requesting office and/or agency. All inquiries should be addressed to the DSAA Comptroller, Attention: Data Systems and Reports Division.

5. Reports Control Symbol

RCS:DSAA (AR) 1100 is assigned to the data processing cards and tapes as well as related narrative prescribed by MASM Part III for Foreign Military Sales activities.

CHAPTER B

ELIGIBILITY FOR FOREIGN MILITARY SALES

1. General Authority

No defense article or defense service may be sold to any country or international organization unless the President finds, in accordance with Section 3 of the Foreign Military Sales Act, as amended (hereafter referred to as the FMSA), that

(1) the furnishing of defense articles and defense services to such country or international organization will strengthen the security of the United States and promote world peace;

(2) the country or international organization shall have agreed not to transfer title to, or possession of, any defense article so furnished to it to anyone not an officer, employee, or agent of that country or international organization unless the consent of the President has first been obtained; and

(3) the country or international organization is otherwise eligible to purchase defense articles or defense services (see par 2 below).

2. Conditions of Eligibility

Countries or international organizations found eligible to purchase defense articles and defense services under the Presidential finding are also subject to other provisions of the FMSA, as well as the Foreign Assistance Act of 1961, as amended. A summary of

the major restraints on FMS and FMS Credits is included under MASM III, Chapter D, Foreign Military Sales Policies, Guidelines and Restrictions, par 3.

3. Eligible Countries and International Organizations

The current list of eligible countries and international organizations as determined by the President is appended as Table B-1.

4. Special Approval Requirements

a. Approval channels related to major capital end-items and maintenance support items and where emergency procedures or special instructions apply are indicated in Table B-2. The procedures for the implementation of FMS requests are covered in Chapter F.

b. Except as authorized in Table B-2, requests for the purchase of defense articles and defense services will be submitted through diplomatic channels to the Department of State for approval and forwarded, as appropriate, to the Department of Defense for implementation in accordance with established policies and procedures. Out of channel requests, i.e. requests not received in accordance with par a, immediately above, will be processed as outlined in Chapter F.

TABLE B-1

FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS ELIGIBLE
TO PURCHASE DEFENSE ARTICLES AND DEFENSE SERVICES
UNDER THE AUTHORITY OF THE FOREIGN MILITARY SALES ACT¹

COUNTRIES

| | | | |
|---------------|------------------------|--|------------------------------------|
| | <i>Africa</i> | | <i>Near East and South Asia</i> |
| Cameroon | Mali | Afghanistan | Lebanon |
| Dahomey | Morocco | Greece | Nepal |
| Ethiopia | Niger | India | Pakistan |
| Ghana | Nigeria | Iran | Saudi Arabia |
| Guinea | Senegal | Israel | Sri Lanka (Ceylon) |
| Ivory Coast | Tunisa | Jordan | Turkey |
| Liberia | Upper Volta | Kuwait | |
| Libya | Zaire | | |
| | <i>Europe</i> | | <i>Western Hemisphere</i> |
| | (Less Greece & Turkey) | Argentina | Honduras |
| Austria | Luxembourg | Bolivia | Jamaica |
| Belgium | Netherlands | Brazil | Mexico |
| Denmark | Norway | Canada | Nicaragua |
| Finland | Portugal | Chile | Panama |
| France | Spain | Colombia | Paraguay |
| Germany | Sweden | Costa Rica | Peru |
| (Fed Rep of) | Switzerland | Dominican Republic | Trinidad and Tobago |
| Iceland | United Kingdom | Ecuador | Uruguay |
| Ireland | (Incl Crown Agents) | El Salvador | Venezuela |
| Italy | Yugoslavia | Guatemala | |
| | <i>Far East</i> | | <i>International Organizations</i> |
| Australia | Laos | International Control Commission (ICC) (Laos) | |
| Burma | Malaysia | North Atlantic Treaty Organization (NATO) and its agencies | |
| Cambodia | New Zealand | Organization of American States (OAS) | |
| China, Rep of | Philippines | United Nations (UN) and its agencies | |
| Indonesia | Singapore | International Civil Aviation Organization (ICAO) | |
| Japan | Thailand | | |
| Korea, Rep of | Vietnam, Rep of | | |

TABLE B-2¹

**APPROVAL REQUIREMENTS FOR THE PURCHASE OF
DEFENSE ARTICLES AND DEFENSE SERVICES**

| <i>Eligible Country</i> | <i>Category²</i> | | <i>Authorized³ 120-day payment</i> | <i>Authorized⁴ direct arrangements for dependable undertakings</i> | <i>Authorized⁵ receipt DSA excess property listings</i> | <i>Emergency Pro- cedures or Special Instructions Unique to Par- ticular Country, Countries, or Region also apply</i> |
|---|--|---|---|---|--|---|
| | <i>Maintenance support items for materiel of US origin</i> | <i>Major or capital end items</i> | | | | |
| <i>NATO Countries:</i> | | | | | | |
| Belgium | A | A | X | X | X | |
| Canada | A | A | X | X | X | |
| Denmark | A | A | X | X | X | |
| France | A | A | X | X | X | |
| Germany (Federal Republic of) ^{6,7} | A | A | X | X | X | |
| Greece | A | B | X | X | X | X |
| Iceland | A | B | X | X | X | |
| Italy | A | A | X | X | X | |
| Luxembourg | A | A | X | X | X | |
| Netherlands | A | A | X | X | X | |
| Norway | A | A | X | X | X | |
| Portugal | A | B | X | X | X | X |
| Turkey | A | B | X | X | X | |
| United Kingdom ⁹ | A | A | X | X | X | |
| <i>Other European Countries:</i> | | | | | | |
| Austria | A | A | X | X | X | |
| Ireland | A | A | X | X | X | |
| Spain | A | A | X | X | X | |
| Sweden | A | A | X | X | X | |
| Switzerland | A | A | X | X | X | |
| Yugoslavia | A | B | X | X | — | |
| <i>Near East and South Asia countries:</i> | | | | | | |
| Afghanistan | A | B | — | — | — | |

TABLE B-2¹APPROVAL REQUIREMENTS FOR THE PURCHASE OF
DEFENSE ARTICLES AND DEFENSE SERVICES

| Eligible Country | Category ² | | Authorized ³ 120-day payment | Authorized ⁴ direct arrangements for dependable undertakings | Authorized ⁵ receipt DSA excess property listings | Emergency Pro- cedures or Special Instructions Unique to Par- ticular Country, Countries, or Region also apply |
|----------------------------|--|----------------------------------|---|---|---|--|
| | Maintenance support items for materiel of US origin | Major or capital end items | | | | |
| India | B | B | X | X | X | X |
| Iran | A | B | X | X | X | |
| Israel | A | B | X | X | X | X |
| Jordan | A | B | X | X | X | X |
| Kuwait | A | B | X | X | X | X |
| Lebanon | A | B | X | X | X | X |
| Nepal | A | B | — | — | — | |
| Pakistan | B | B | X | X | X | X |
| Saudi Arabia | A | B | X | X | X | X |
| Sri Lanka (Ceylon) | A | B | — | — | X | |
| <i>Far East Countries:</i> | | | | | | |
| Australia | A | A | X | X | X | |
| Burma | A | B | — | — | X | |
| Cambodia | A | B | — | — | X | X |
| China, Republic of | A | B | X | X | X | X |
| Indonesia | A | B | X | X | X | |
| Japan | A | A | X | X | X | |
| Korea | A | B | X | X | X | X |
| Laos | A | B | — | — | X | X |
| Malaysia | A | B | X | X | X | |
| New Zealand | A | A | X | X | X | |
| Philippines | A | B | X | X | X | |
| Singapore | A | B | X | X | X | |
| Thailand | A | B | X | X | X | X |
| Vietnam | A | B | — | — | X | X |

TABLE B-2¹

**APPROVAL REQUIREMENTS FOR THE PURCHASE OF
DEFENSE ARTICLES AND DEFENSE SERVICES**

| <i>Eligible Country</i> | <i>Category²</i> | | <i>Authorized³ 120-day payment</i> | <i>Authorized⁴ direct arrangements for dependable undertakings</i> | <i>Authorized⁵ receipt DSA excess property listings</i> | <i>Emergency Pro- cedures or Special Instructions Unique to Par- ticular Country, Countries, or Region also apply</i> |
|--|--|---|---|---|--|---|
| | <i>Maintenance support items for materiel of US origin</i> | <i>Major or capital end items</i> | | | | |
| <i>African Countries⁸:</i> | | | | | | |
| Cameroon | A | B | — | — | — | |
| Dahomey | A | B | — | — | — | |
| Ethiopia | A | B | — | — | X | |
| Ghana | A | B | — | — | — | |
| Guinea | A | B | — | — | — | X |
| Ivory Coast | A | B | — | — | — | |
| Liberia | A | B | — | — | X | |
| Libya | B | B | — | — | — | X |
| Mali | A | B | — | — | — | |
| Morocco | | B | X | X | X | |
| Niger | A | B | — | — | — | |
| Nigeria | A | B | — | — | — | |
| Senegal | A | B | — | — | — | |
| Tunisia | B | B | — | — | X | |
| Upper Volta | A | B | — | — | — | |
| Zaire | A | B | X | X | X | |
| <i>Latin American Countries⁸:</i> | | | | | | |
| Argentina | A | B | X | X | X | |
| Bolivia | A | B | X | X | X | |
| Brazil | A | B | X | X | X | |
| Chile | A | B | X | X | X | X |
| Colombia | A | B | X | X | X | |
| Costa Rica | A | B | X | X | X | |
| Dominican Republic | A | B | X | X | X | |

TABLE B-2¹

**APPROVAL REQUIREMENTS FOR THE PURCHASE OF
DEFENSE ARTICLES AND DEFENSE SERVICES**

| <i>Eligible Country</i> | <i>Category²</i> | | <i>Authorized³ 120-day payment</i> | <i>Authorized⁴ direct arrangements for dependable undertakings</i> | <i>Authorized⁵ receipt DSA excess property listings</i> | <i>Emergency Pro- cedures or Special Instructions Unique to Par- ticular Country, Countries, or Region also apply</i> |
|--|--|---|---|---|--|---|
| | <i>Maintenance support items for materiel of US origin</i> | <i>Major or capital end items</i> | | | | |
| Ecuador | A | B | X | X | X | X |
| El Salvador | A | B | X | X | X | X |
| Guatemala | A | B | X | X | X | |
| Honduras | A | B | X | X | X | X |
| Jamaica | A | B | — | — | — | |
| Mexico | A | B | X | X | X | |
| Nicaragua | A | B | X | X | X | |
| Panama | A | B | X | X | X | |
| Paraguay | A | B | X | X | X | |
| Peru | A | B | X | X | X | |
| Trinidad and Tobago | A | B | — | — | — | |
| Uruguay | A | B | X | X | X | |
| Venezuela | A | B | X | X | X | |
| <i>International Organizations:</i> | | | | | | |
| ICC (International Commission for Supervision and Control in Laos) | B | B | X | X | X | |
| NATO (North Atlantic Treaty Organization and its agencies) | A | A | X | X | X | |
| Organization of American States (OAS) | A | B | — | — | — | |
| United Nations (and its agencies) | B | B | — | — | — | |
| ICAO (International Civil Aviation Organization) | A | A | — | — | — | |

30 June 1972

TABLE B-2¹

APPROVAL REQUIREMENTS FOR THE PURCHASE OF DEFENSE ARTICLES AND DEFENSE SERVICES

NOTE: All sales shall be made for not less than the value thereof and paid in U.S. dollars. Payments shall be in advance or, as determined by the President to be in the best interests of the U.S.:

- a. Cash Sales from Stock—within a reasonable period not to exceed 120 days after delivery of the articles or the rendering of services (FMSA Sec. 21);
 - b. Procurement for Cash Sales—under terms of dependable undertaking or within 120 days after delivery of defense articles or the rendering of defense services (Sec. 22);
 - c. Credit Sales—on terms or repayment within a period not to exceed 10 years after delivery of articles or the rendering of services (Sec. 23); or
 - d. Guaranties—to individual, corporation, partnership, or other juridical entity doing business in the U.S. (excluding U.S. Government agencies) against political and credit risk of nonpayment arising out of their financing of credit sales of defense articles or defense services to eligible countries and international organizations (Sec. 24).
1. As of June 1, 1972.
 2. Category A—Country purchase programs and/or requests authorized for submission directly to Military Departments for action.
Category B—Country purchase programs and/or requests require submission to, and approval of, the Department of State and Department of Defense prior to action within the Military Departments or DSA.
The "X" denotes authorized; dashes or their absence denote ineligible or not applicable.
 3. Subject to Military Department approval, payment may be made within 120 days of delivery of defense articles furnished from the stocks of, or for defense services rendered by the U.S. Military Departments. The Director, DSAA, approval is required for payment to be made 120 days after delivery for sales from new procurement.
 4. Arrangements for purchases under the dependable undertaking provisions of the FMSA may be made directly with the Military Department concerned, subject to the approval of that department.
 5. Countries or international organizations receiving distribution of lists of excess U.S. military materiel available for sale through the Defense Logistics Services Center (DLSC), Defense Supply Agency (DSA), (DOD Instruction 2110.8).
 6. Except for purchases of items listed and defined in Annexes 2 and 3 of Paris Protocol III.
(See Memo I-2710/9 dtd 11 June 1959).
 7. Request for payment of Federal Republic of Germany purchases will be submitted in accordance with DODI 2110.32.
 8. All sales requests are also subject to Regional dollar ceilings.
 9. Crown Agents when acting as agents of the United Kingdom may purchase, under Category B, maintenance support items for material of U.S. origin and/or major or capital end items for Colonies, Protectorates, and Trust Territories.

CHAPTER C

DOD DIRECTIVES AND INSTRUCTIONS

Significant DOD Directives and Instructions pertaining to Foreign Military Sales and its administration are as follows:

- ★1130.2 October 2, 1965 + Ch. 2, 3—Engineering and Technical Services—Management and Control.

This Directive establishes Department of Defense policies and criteria for the management, programming, use, administration, and reporting of engineering and technical services furnished to foreign governments and international organizations under the Military Assistance Program.

- ★2000.3 March 11, 1959 + Ch. 1, 2—International Interchange of Patent Rights and Technical Information.

This Directive applies to the activities of all Department of Defense personnel involved in the international interchange for defense purposes of patent rights and technical information. The policy prescribed herein applies to unclassified as well as classified information, owned by the United States government or privately owned, but does not apply to patents, patent applications, and technical information in the field of atomic energy.

- ★2000.8 February 14, 1964 + Ch. 2, 3—Cooperative Logistics Support Arrangements.

This Instruction prescribes policies and criteria for preparing cooperative logistic support arrangements between the U.S. Department of Defense and the defense establishment of foreign governments, and assigns responsibilities for implementation thereof.

- ★2000.9 March 26, 1968—International Co-Production Projects and Agreements Between the United States and Other Countries or International Organizations.

This Directive prescribes general policies and principles governing international co-production projects negotiated under agreements between the United States Government and eligible foreign governments, international organizations, foreign producers or other approved agencies.

- ★2010.1 March 1, 1961 + Ch. 1, 2—Support of International Military Activities.

This Instruction assigns responsibilities and establishes methods for providing budgetary, financial, logistical, and administrative support by agencies of the Department of Defense to international military headquarters and other international military agencies of the North Atlantic Treaty Organization (NATO), the South East Asia Treaty Organization (SEATO), and the Central Treaty Organization (CENTO).

- ★2015.4 November 5, 1963—Mutual Weapons Development Data Exchange Program (MWDDEP) and Defense Development Exchange Program (DDEP).

This Instruction establishes procedures for exchanging certain technical and scientific military information of mutual interest to the United States and other countries through exchange of correspondence, reports, equipment or other material or technical documents, and by visits of technical personnel; and delineates Director of Defense Research and Engineering and military department assigned responsibilities for carrying out the subject programs. The provisions of this Instruction apply to the military departments; to the MAAGs as may be determined on a case-by-case basis; and cover the exchange of information concerning a military technical or scientific area, weapon, weapon system, or operational concept.

- ★2030.3 September 28, 1962 + Ch. 1, 2—Implementing Procedures for Security Trade Controls on Foreign Excess Personal Property.

This Instruction deals with security trade control policy governing sales of United States military foreign excess personal property. The provisions of this Instruction apply to the military departments and all other agencies of the Department of Defense involved in sales transactions of foreign excess personal property, including property purchased with non-appropriated funds and MAP-returned material disposed of by Department of Defense activities.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

- ★2100.3 July 11, 1963—United States Policy Relative to Commitments to Foreign Governments Under Foreign Assistance Programs.

This Directive promulgates the policy to insure that the United States, or an individual representing the U.S., does not make commitments, expressed or implied, to furnish funds, including long term credit arrangements, goods or services to foreign governments without appropriate governmental clearances; satisfactory assurance that such commitments can and will be met and do take into account the best interests of the U.S. in the use of its resources; and a clear understanding with the recipient as to the nature, scope and time-span of the commitment.

- ★2110.8 April 4, 1967—Transfer of Releasable Assets of the DOD to Eligible Foreign Countries and International Organizations on a Foreign Military Sales Basis.

This Instruction establishes policies and procedures for the transfer by sale of releasable assets of the Department of Defense to eligible foreign countries and international organizations.

- ★2110.12 August 19, 1970 +Ch. 1—Shipment of Military Assistance Program and Foreign Military Sales Materiel.

This Instruction prescribes policies and procedures applicable to shipments of the following types of materiel; Military Grant Aid (MAP), Military Assistance Grant Aid Service Funded (MASF), MAP-owned Redistributable Materiel, and Foreign Military Sales (FMS). It also states policies and procedures for transfer of title of this materiel from the United States to the recipient and payment of transportation and related accessorial costs.

- ★2110.29 September 24, 1970—Method of Financing, Funding, Accounting, and Reporting for Foreign Military Sales to Friendly Foreign Governments and International Organizations.

This Instruction prescribes uniform procedures for financing, funding, accounting, and reporting for sales of Defense articles and Defense services to friendly foreign countries and international organizations.

- ★2110.32 November 7, 1962 +Ch. 1, 2—Financial Procedures for Military Assistance Sales under the Military Procurement Agreement Between the United States and the Federal Republic of Germany.

This Instruction prescribes uniform procedures and requirements for accounting and preparing requests for monthly advances of funds for Military Assistance Sales cases received from the Federal Republic of Germany.

- ★2140.1 January 29, 1970 +Ch. 1—Pricing of Sales of Defense Articles and Defense Services to Foreign Countries and International Organizations.

This Instruction provides policies for uniform DOD application of pricing and cost criteria in connection with sales of Defense articles and Defense services (including training) furnished pursuant to Foreign Military Sales agreements and supply support arrangements with friendly foreign governments and international organizations.

- ★2140.2 March 15, 1967—Recovery of Nonrecurring Costs Applicable to Foreign Sales.

This Directive provides policy, criteria, and procedures for use by Department of Defense Components in (1) determining the DOD nonrecurring costs associated with the research, development, and production of major defense equipment offered for sale to foreign governments and international organizations; (2) calculating the equitable share of such costs which should be borne by the foreign buyer; and (3) including such share in the sales price.

- ★2140.3 October 8, 1969—Foreign Military Sales Materiel Billing Procedures.

This Instruction establishes the requirements and procedures for supporting the accounting statement or billing for materiel prepared and submitted by the Military Departments to foreign governments and by the Defense Supply Agency and General Services Administration to the Military Departments for Foreign Military Sales (FMS).

- ★3100.3 September 27, 1963 +Ch. 1—Cooperation with Allies in Research and Development of Defense Equipment.

This Directive establishes Defense Department policy for strengthening cooperation with Allies in research and development and assigns responsibilities for implementing it. This policy calls for maximum coordination of technical objectives and programs with those of our allies.

- ★4000.25 March 23, 1971—Administration of Military Standard Logistics Data Systems.

This Directive prescribes uniform guidance and responsibilities for the assignment, development, and continuous administration of military standard logistics data system. It is the intent of this Directive to promote the utilization of military standard logistics data systems in the implementation of approved Department of Defense policies in such logistics functional areas as: cataloging, inventory management, procurement, contract administration, storage, distribution, transportation and movement, maintenance, property disposal, international supply support, and integrated support of weapons.

- ★4100.37 June 30, 1971—Retention and Transfer of Materiel Assets.

This Directive clarifies terms defined in the Foreign Assistance Act which affect transfer of DOD materiel to allied and friendly forces; amends the retention policy concerning retail stock; expands the authorization for non-reimbursable transfer of assets to satisfy prepositioned war reserve deficiencies; and clarifies the policy on pricing and transfers of materiel assets to allied forces.

- ★4140.19 May 1, 1968 + Ch. 3—Phased Provisioning of Selected Items for Initial Support of Weapons Systems, Support Systems and End Items of Equipment.

This Instruction promotes an increased use of phased provisioning as a management technique to defer procurement of selected items during initial provisioning and prescribes the conduct of a time-phased series of provisioning reviews and redeterminations of the range and quantity of selected items to be procured for initial support. The provisions of this Instruction apply to complex weapon and support systems and high-cost end items of equipment being procured by the military departments and defense agencies, including those procured for the Military Assistance Program and the Foreign Military Sales Program.

- ★5100.27 December 29, 1964—Delineation of International Logistic Responsibilities.

This Directive expands existing Department of Defense international security and logistic responsibility assignments and functions, assigns specific international logistic responsibilities, and emphasizes and clarifies the coordination responsibilities of DOD components to assure effective and efficient fulfillment of international logistic plans and programs.

- ★5105.38 August 11, 1971—Defense Security Assistance Agency (DSAA).

This Directive establishes the Department of Defense organizational structure for carrying out the responsibilities of the Secretary of Defense under the Foreign Military Sales Act, as amended; and the Foreign Assistance Act of 1961, as amended; under Executive Orders and Directives relating to the administration of Military Assistance and Foreign Military Sales.

- ★5118.4 March 19, 1970—Deputy Comptroller for Internal Audit—Functions and Responsibilities.

This Instruction establishes procedures governing activities of the Office of the Deputy Comptroller for Internal Audit (DCIA) with particular reference to DCIA audit coverage of military assistance program activities at the OSD, Unified Commands, MAAGs and missions, and Military Assistance Service Funded (MASF) programs.

- ★5132.2 May 20, 1961 + Ch. 2, 4—Assistant Secretary of Defense (International Security Affairs).

This Directive sets forth the responsibilities, functions, and authorities of the Assistant Secretary of Defense (International Security Affairs).

- ★5132.3 July 8, 1963 + Ch. 1, 2, 3—Department of Defense Policy and Responsibilities Relating to Military Assistance.

This Directive establishes Department of Defense policy for carrying out the responsibilities of the Secretary of Defense under the Foreign Assistance Act of 1961, as amended and under Executive Orders and Directives relating to the administration of Military Assistance.

- ★5210.47 December 31, 1964 + Ch. 1, 2, 3, 4, 5, 6, 7—Security Classification of Official Information.

This Instruction provides guidance, policies, standards, criteria and procedures for the security classification of official information under the provisions of Executive Order 10501, as amended, for uniform application throughout the Department of Defense including foreign security classification.

- ★5230.11 March 26, 1970 + Ch. 1—Disclosure of Classified Military Information to Foreign Governments and International Organizations.

This Directive implements the provision of the "National Policy and Procedures for the Disclosure of Classified Military Information to Foreign Governments and International Organizations, 27 September 1966" insofar as they pertain to the Department of Defense and it establishes internal DOD procedures for the disclosure of classified military information to foreign governments and international organizations.

- ★7060.2 January 16, 1969 + Ch. 1, 2—International Balance of Payments Program—Accounting, Reporting, and Estimating.

This Instruction establishes the DOD system of accounting and reporting for DOD international transactions related to U.S. balance of payments data, including grants and credits extended to foreign countries. It also establishes the DOD management control system for transactions entering the international balance of payments.

- ★7200.7 December 16, 1964 + Ch. 1, 2—Accounting and Pricing for Materiel Financed by Procurement Appropriations for Military Functions.

This Directive establishes policies, procedures, and criteria to be followed by Defense components in the pricing of and financial accounting for inventories,

MILITARY ASSISTANCE AND SALES MANUAL—PART III

receipts, and issues of all materials, supplies, and equipment.

- ★7250.7 August 19, 1968—Monthly Reports on Budget Status.

This Instruction provides for preparation and submission of reports on budget status, and supporting schedules and reports, including Military Assistance Program (MAP) account—consolidated report applicable to Office of the Assistant Secretary of Defense (International Security Affairs) only—and MAP parent account—by Office of the Assistant Secretary of Defense (International Security Affairs) only—and separate MAP transfer appropriation accounts.

- ★7420.1 January 26, 1967 + Ch. 1, 2—Regulations Governing Stock Fund Operations.

This Directive establishes regulations concerning stock fund operations and is applicable to MAP with regard to transfers of property to MAP and Foreign Military Sales recipients.

- ★7510.4 April 7, 1967 + Ch. 1, 2—Uniform Policy for Charging Accessorial and/or Administrative Costs Incident to Issues, Sales, and Transfers of Materials, Supplies and Equipment.

This Instruction establishes the policies and procedures to be followed by the military departments and Defense agencies for charging expenses arising from or incident to issues, sales and transfers of all materials, supplies, and equipment (materiel), including issues, sales, and transfers to Military Assistance Programs.

CHAPTER D

FOREIGN MILITARY SALES POLICIES, GUIDELINES AND RESTRICTIONS

1. Purpose

Supplement information provided in MASM—Part 1, DOD Directive No. 5132.3, Department of Defense Policy and Responsibilities Relating to Military Assistance, July 8, 1963 and other related basic directives and instructions governing military export sales activities.

2. Basic Sales Policy and Guidelines

In enacting the Foreign Military Sales Act (FMSA), as amended, the Congress consolidated and revised foreign assistance legislation relating to reimbursable exports.

a. Basic Sales Policy. In this Act, the Congress:

(1) Declared the ultimate goal of the U.S. to be a world free of the dangers and burdens of armaments with the use of force subordinated to the rule of law;

(2) Affirmed the increasing cost and complexity of defense equipment and recognized that there continues a need for international defense cooperation to maintain peace and security;

(3) Established that the United States will facilitate the common defense by entering into international arrangements with friendly countries on projects of cooperative exchange of data, research, development, production, procurement and logistics support to achieve national defense requirements and objectives of mutual concern;

(4) To this end, authorized sales to

friendly countries to equip their forces with due regard to impact on social and economic development and on arms races;

(5) Declared the sense of the Congress that all such sales be approved only when they are consistent with the foreign policy interests of the United States.

b. The following guidelines currently govern military export sales activities. They are continually under review and thus are subject to modification. They do not constitute a new official statement of policy but reflect the criteria upon which sales proposals are likely to be judged at this time.

c. Guidelines. Except where overriding considerations dictate otherwise, the following guidelines will govern Department of Defense sales activities:

(1) Department of Defense sales proposals will be made only in response to the foreign country's initiative.

(2) Department of Defense will sell only those items it believes the foreign country needs to meet valid military requirements.

(3) Sales will be encouraged or promoted only when specifically authorized by the Assistant Secretary of Defense (International Security Affairs) (e.g., consistent with its economic/financial capabilities, a country might be encouraged to purchase in order to make the transition from grant aid to sales).

(4) Wherever practicable, foreign countries will be encouraged to purchase directly

from U.S. commercial sources rather than from the Department of Defense.

(5) To the extent practicable, the Department of Defense will assist U.S. industry in making sales directly to foreign governments to meet valid requirements; relationships with industry will be forthright, factual, and avoid all connotation of favoritism.

(6) Unless dictated by overriding logistics considerations approved by the Secretary of Defense, the Department of Defense will not enter into sales arrangements which entail commitments for Department of Defense procurement in foreign countries.

(7) To the extent economically and technically feasible, and consistent with proprietary rights and U.S. production considerations, less-developed countries will be encouraged to meet their requirements from in-country production or co-production rather than from procurement abroad.

(8) The Department of Defense will not sell items which it believes the foreign country does not need, cannot afford, or can obtain better elsewhere.

(9) Credit and credit guaranties under the Foreign Military Sales Act will be used only to assist countries in acquiring essential items which cannot reasonably be financed by other means and normally will be used only to finance investment requirements.

(10) Wherever practicable, private financing will be used instead of direct FMS credit.

(11) Concessionary FMS credit terms (i.e., interest rates less than cost of money to the U.S. Government) will not be granted unless it is determined to be in the national interest.

(12) U.S. sales will be favored consistent with overall U.S. policy considerations.

(13) We will welcome consultation with our friends and allies on research, development, production, and logistic support programs of mutual interest.

3. Major Restraints and Significant Recurring Reports to the Congress

The following is a summary of the ma-

ajor restraints and requirements for reporting to the Congress which govern foreign military sales activities, and reflect major requisites which impact on military export sales. Unless otherwise noted, references are to the FMSA, as amended.

a. Major Restraints

(1) Sales will be approved only when consistent with US foreign policy interests, foreign aid purposes as embodied in the FAA, the extent and character of the military requirement, the economic and financial capability of the purchases, with particular regard being given, where appropriate, to proper balance among such sales, grant military assistance and economic assistance as well as to the impact of the sales on social and economic development programs and on existing or incipient arms races (Sec. 1).

(2) Sales and credit guaranties (Secs. 21, 22, 23 and 24) shall not be approved to arm military dictators who are denying the growth of fundamental rights or social progress to their people. The President may waive this limitation when he determines it would be important to the Security of the United States (Sec. 1).

(3) The Secretary of State shall be responsible for determining whether there shall be a sale to any particular country and the amount of the sale (Sec. 2(b)).

(4) The President must determine the eligibility of the prospective purchaser on the basis that sales will strengthen US security and promote world peace (Sec. 3(a)(1)).

(5) The purchaser must agree not to transfer purchased items without prior US consent; and the President must promptly report to the Congress when such consent is given (Sec. 3(a)(2) and Sec. 9 of P.L. 91-672).

(6) Sales, credits, and guaranties shall be cut off for 1 year to any country which seizes or takes into custody or fines US fishing vessels for engaging in fishing more than twelve miles from the coast of that country, unless the President waives the cut off as important to US security or receives reasonable assurances from the country involved

that future violations will not occur and promptly so reports to the Congress (Sec. 3(b)).

(7) Sales may be made only for purposes of internal security, legitimate self-defense, civic action, or regional or collective arrangements consistent with the United Nations (UN) Charter, or requested by the UN (Sec. 4).

(8) No FMS credits or guaranties shall be extended to less developed countries—except Greece, Turkey, Iran, Israel, Republic of China, Philippines, and Korea—to buy sophisticated weapons, such as missiles and jet aircraft for military purposes, unless the President determines that such financing is important to the US national security (Sec. 4).

(9) The International Fighter Aircraft shall not be provided to any country under sale, grant, loan, or transfer except South Vietnam unless authorized by the FAA or FMSA, or unless it is a commercial sales transaction not financed by the US (Sec. 7 of PL 91-672).

(10) Sales will be made for the FMS credits repaid only with US dollars (Secs. 21, 22 and 23).

(11) Sales of unclassified defense articles shall not be made to the government of any economically developed nation unless such articles are not generally available for purchase by such nations from commercial sources in the United States. The President may waive this provision when he determines that it is in the national interest to do so (Sec. 23).

(12) FMS credits must be repaid within ten years after the delivery of the defense articles or the rendering of the defense services (Sec. 23).

(13) Private financing by US institutions may be guaranteed by the US upon obligation of 25% of the face amount of the guaranty (Sec. 24).

(14) Export-Import Bank financing of sales to economically less developed countries is prohibited (Sec. 32).

(15) Ceilings on grant aid and sales combined for Latin America is established at \$100 million and for Africa \$40 million; the President may waive these ceilings up to 50% over the ceilings if overriding requirements of national security justify the waiver.

(16) FMS credit and guaranty standards and criteria, e.g., interest rates, shall be established by the President in accordance with the foreign, national, security and financial policies of the U.S. (Sec. 34).

(17) Further sales, credits, and guaranties shall be terminated to any economically less developed country which diverts economic aid, or its own resources to unnecessary military expenditures to a degree which materially interferes with its development (Sec. 35).

(18) The munitions licensing requirement which controls the export and import of arms, ammunition, and implements of war, including technical data relating thereto remains in effect (Sec 414 Mutual Security Act of 1954, as amended).

(19) Cash received from FMS and from repayments of FMS credits shall not be used for financing new credits or guaranties (Sec. 37).

(20) Arms control consequences must be taken into consideration when evaluating any FMS sale (Sec. 42(a)(3)).

(21) FMS funds may be used for procurement outside the U.S. only if the President determines that such procurement will not result in adverse effects upon the US economy or the industrial mobilization base (Sec. 42(c)).

(22) Provisions of Atomic Energy Act and 10 USC 7307 (requiring separate legislation for major ship loans and sales) are unaffected by the FMSA (Sec. 44).

(23) No MAP or FMS credits shall be provided Greece unless the President finds that overriding U.S. national security requirements justify a waiver of this restriction; and, in no event, may the aggregate amount of both MAP and FMS credits in any fiscal year exceed the amount determined to have been expended in FY 1971 (\$71.0 mil) (Sec. 620(v) FAA).

MILITARY ASSISTANCE AND SALES MANUAL—PART III

b. Significant Recurring Reports to the Congress:

(1) Semiannual reports of past sales, credits, and guaranties to or for economically less developed countries (Sec. 35(b));

(2) Semiannual forecasts of sales, credits, and guaranties to or for economically less developed countries (Sec. 35(b));

(3) Semiannual reports of munition list exports by US or private US firms to any foreign recipient or purchaser (Sec. 36(a));

(4) Annual reports of dollar value of cash and credit FMS orders, commitments to order, estimated orders, and estimated commercial orders and commitments to order received by US private firms (Sec. 36(b)); and

(5) Value and probable impact on the U.S. economy, employment, industrial mobilization base and balance of payments. Prior to the consummation of any coproduction transaction (or licensed production outside the U.S.). (Sec. 42(b)).

CHAPTER E

SECURITY RESTRICTIONS

1. Classification of Foreign Military Sales Information

Classification of Foreign Military Sales information is governed by Department of Defense security directives, appropriate Military Department security regulations and security classification guidelines established by the Department of State for Foreign Military Sales (FMS). Security restrictions on Military Assistance (MAP) programs are set forth in MASM II. Security problems which are unique to Foreign Military Sales will be governed by the provisions of this manual and instructions covering the particular situation issued by the DSAA. Except as the DSAA or other appropriate authority may direct, classification of information relating to Foreign Military Sales originated by a country will be honored by U.S. agencies.

2. Security Classification Guidelines**a. General Guidelines**

Apart from the classified data which are specifically noted in this paragraph, all other data may be assumed to be unclassified. All data designated as classified is classified confidential unless otherwise specifically indicated. All confidential data will automatically be declassified after six (6) years in accordance with the general declassification schedule prescribed by Executive Order 11652. In cases where planning data is classified secret, it shall be downgraded to confidential after two years and declassified six years later. Figure E-1 outlines declassification and downgrading instructions for FMS program detail and country dollar levels. The guidelines contained in this chapter will be

under constant review and changes will be published whenever circumstances justify.

b. One-time Declassification Authority

In line with downgrading instructions contained in paragraph 2a above and Figure E-1, all data published by DSAA prior to the date of this chapter which pertain to FY 67 and prior FMS data are downgraded to unclassified. This blanket declassification includes computer products as well as typed and printed data.

c. Specific Classification Guidelines

(1) The price, quantities, terms, and/or conditions of arms sales arrangements to individual countries may be made public at the discretion of either the Department of State or the Department of Defense, after consultation with the other, when:

- (a) The sales arrangement includes such agreement by the purchaser;
- (b) The purchaser agrees to their release;
- (c) The purchaser has previously released them;
- (d) The release is of significant interest to the United States Government as determined by either State or DOD after agreement of the other.

(2) Figures of quantities and/or values of items purchased or delivered to individual countries and international organizations against cash and/or credit sales arrangements are classified, except when included in a letter of offer or case directive. (Figures showing these data consolidated to FMS budget activity level are unclassified.)

- (3) Forecasts of future FMS cash and/

MILITARY ASSISTANCE AND SALES MANUAL—PART III

or credit sales to individual countries and international organizations are classified; however, credit program figures for the budget year will be declassified upon presentation of CPDs to Congress.

(4) Delivery/expenditure forecasts against orders placed by any country or international organization are classified.

d. Exceptions to the General Rules

Portions of accepted FMS cases extracted by implementing agencies for invitation and administration of supply actions need not be classified providing the data, document or report does not show a complete country program, or complete weapons system. Letters of offer, case directives and implementation records, such as: production or repair schedules, requisitions, shipping documents, bills of lading, work orders, contract documents, work sheets and related feeder information will be unclassified unless otherwise specifically directed.

3. Release of Information

a. Unclassified

(1) The policy of the Department of Defense is to make the maximum amount of information available to the public. Such release will be in accordance with established DOD procedures (DOD Directive 5400.7).

(2) The existence of information in unclassified form is not an authorization for release of that information outside program execution channels.

(3) Unclassified price catalogs may be released to recipient countries, subject to the understanding that:

(a) Catalog prices are provided for country procurement planning purposes only.

(b) Prices quoted are not necessarily those which have been applied or will be applied to items delivered or services rendered to the country.

b. Classified

Except as may be specifically authorized by the Director, DSAA with the concurrence of the Department of State, the release of classified information will be limited to FMS Credit plans and programs for the country or organization to which the information is being released. Such classified information will only be released to country officials who require such information in their official capacity.

c. Chief of Diplomatic Mission

All release of information will be made through or with the approval of the U.S. Chief of Diplomatic Mission to the country concerned.

Figure E-1

FMS
CLASSIFICATION
COUNTRY DOLLAR LEVELS AND PROGRAM DETAIL

| PROGRAM YEARS* | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 |
|--|------|------|------|------|------|------|------|------|------|------|------|
| Guidelines for: Israel, Jordan, Lebanon, Morocco, Saudi Arabia and Tunisia | | | | | | | | | | | |
| In CY 1972 | C | C | C | C | C | C | C | C | S | S | |
| In CY 1973 | | C | C | C | C | C | C | C | C | S | S |
| In CY 1974 | | | C | C | C | C | C | C | C | C | S |
| In CY 1975 | | | | C | C | C | C | C | C | C | C |
| In CY 1976 | | | | | C | C | C | C | C | C | C |
| In CY 1977 | | | | | | C | C | C | C | C | C |
| In CY 1978 | | | | | | | C | C | C | C | C |
| In CY 1979 | | | | | | | | C | C | C | C |
| In CY 1980 | | | | | | | | | C | C | C |
| Guidelines for all other FMS Programs | | | | | | | | | | | |
| In CY 1972 | C | C | C | C | C | C | C | C | S | S | |
| In CY 1973 | | C | C | C | C | ** | C | C | C | S | S |
| In CY 1974 | | | C | C | C | C | ** | C | C | C | S |
| In CY 1975 | | | | C | C | C | C | ** | C | C | C |
| In CY 1976 | | | | | C | C | C | C | ** | C | C |
| In CY 1977 | | | | | | C | C | C | C | ** | C |
| In CY 1978 | | | | | | | C | C | C | C | ** |
| In CY 1979 | | | | | | | | C | C | C | C |
| In CY 1980 | | | | | | | | | C | C | C |

LEGEND: C = Confidential - S = Secret - Blank unshaded area = Unclassified - Shaded area = Non-Existent - Country Dollar Levels



*All data pertaining to Program Year 68 and prior is unclassified

**Country dollar levels become unclassified at the time the CPD is submitted to Congress

CHAPTER F

GENERAL PROCEDURES

1. Introduction

This Chapter describes the general context and character of Foreign Military Sales (FMS) and covers the processes and practices with which the U.S. Government decides to sell military equipment to a foreign government—or decides not to.

2. Buyer-Seller Relationships

An essential characteristic of Military Export Sales, whether they be commercial or through government channels, is that two governments must agree before a transaction is concluded. Neither government can direct the transaction; either government can shape it only by withholding its approval. Sales are negotiated. Both the buyer and the seller must be satisfied.

This essential characteristic predominates in shaping the conduct and style of Foreign Military Sales. Some of the rules governing FMS are hard and fast. For example, the U.S. Government is required by law to sell only for dollars. Most of the “rules” must be pragmatically applied. Since a sale must be negotiated, rules take the shape of preferences and sale procedures take on the shape of general practice, with the consequence that exceptions to the rule are more easily cited than the rule itself.

3. Purpose for Sale of U.S. Military Equipment Abroad

All nations generally prefer to buy at home. All nations express that preference by a willingness to pay a premium or make a sacrifice in terms of price, and/or quality for the privilege of buying at home. But because

some goods are simply not available at home, or because the premium or sacrifice is too large, all nations make some of their purchases abroad.

For civil goods, trade patterns reflect the wide diversity of procurement decisions made by private citizens. Military trade patterns reflect the policies and preferences of governments—because of acquisition and use of military equipment is uniquely a governmental function.

In a narrow sense, the U.S. Government sells military equipment abroad because such sale is authorized and encouraged by law—in modern times, since the Mutual Defense Act of 1949. In a broader sense, the U.S. Government sells military equipment abroad for all the basic reasons expressed in Chapter D as well as the following:

- a. because the United States, with only 6 percent of the world's population but one-third of its gross national product, is the world's most technologically advanced nation;
- b. because the United States has maintained a foreign policy and style since World War II of aspiring to promote a world free of dangers and burdens of armament with the use of force subordinates to the rule of law;
- c. because the United States has long believed that its national security is inseparable from and dependent upon free world security;
- d. because the United States has, since World War II, joined with its free world friends and allies in concluding that such security must rest on a strong and well-equipped defense capability;

- e. because the Marshall Plan and successor assistance efforts, under which the United States has granted Military Assistance totaling over \$37 billion since World War II, combined with the self help efforts of recipient countries, have restored the economies of most free world countries; and
- f. because, finally, economically capable nations are now able to pay for the military equipment that they wish to obtain from the United States.

In brief, with many military requirements still unmet and with many modernization requirements accumulating, all the foreign policy, security and military motivations that gave rise to U.S. military grant assistance now motivate the transfers of military equipment on terms of sale.

4. General Criteria Regarding Sale of Military Equipment

In general the U.S. Government is willing to sell equipment to such countries at such times as it approves such sales on a case-by-case basis.

- a. It is easier to approve the sale of less, rather than more sophisticated equipment; easier to approve the sale of less, rather than more, expensive equipment; easier to approve the sale of equipment adopted by the U.S. forces and promising to the buyer, thereby, the benefits of logistics standardization.
- b. The willingness of the U.S. Government to sell military equipment varies country by country in accordance with the military requirement, ability to maintain and use, compatibility with existing inventory, and impact on the preconceptions and the actions of the buyer's neighbors.
- c. The willingness of the U.S. Government to sell military equipment varies with time and situation; thus changes in terms of foreign policy, diplomacy, economy, finances and security, reflecting the changing world-wide situation, can cause reversals in such willingness from time to time.

This is not to say that there are no sources of guidance with regard to the question of the U.S. Government's willingness to sell. The National Disclosure Policy Manual, Revision 1/3 dated 18 October 1972, records the levels of classification which the U.S. Government is willing in general to release to cited countries. Requests for exceptions to policy established by this document are handled by the National Disclosure Policy Board which is chaired by the Department of Defense.

The legislative restraints on Foreign Military Sales are reviewed in Chapter D. These reflect the guidelines and constraints that must be followed prior to the approval of Military Export Sales.

5. Channels Used in the Sale of Military Equipment

"Military Export Sales" divide themselves into "Foreign Military Sales" and "Commercial Sales." Foreign Military Sales are government-to-government transactions; for these sales, the Department of Defense purchases equipment from United States firms, takes title to the equipment (or has title to equipment to be sold from U.S. stocks), and sells the equipment to the foreign buyer. For Commercial Sales, the U.S. firm sells directly to the foreign buyer.

Foreign Military Sales do not require the Defense Department to obtain an export license from the State Department if the items are physically exported by DOD; the purchaser requires a license if the items are delivered to the purchaser in the United States. For Commercial Sales, an export license from the State Department is required for the export of all military equipment (i.e., all materiel listed in the munitions list).

Section 22 of the Foreign Military Sales Act, which covers cases involving DOD procurement from a U.S. source and onward sale to a foreign buyer, provides, "No sales of unclassified defense articles shall be made to the government of any economically developed nation under the provisions of this section unless such nations from commercial sources in the United States: Provided, how-

ever, that the President may waive the provisions of this sentence when he determines that the waiver of such provisions is in the national interest." This waiver authority has been delegated in succession to the Secretary of Defense and to the Director, Defense Security Assistance Agency. Chapter M, describes the DOD policy and procedures applying to Commercial Sales of military export articles and services.

The Defense Department preference, therefore, is to use commercial channels as much as possible. Nevertheless, some two-thirds to three-fourths of all U.S. military exports actually pass through government-to-government channels for one or more of the following reasons:

- a. Major weapons systems involve substantial amounts of Government Furnished Equipment (GFE). Since the U.S. Government is not authorized to sell military equipment to private parties, such GFE can only be sold to foreign governments or international organizations. This GFE likewise cannot be sold to U.S. prime manufacturers for incorporation in weapons systems and onward sale to foreign buyers. Our practice, therefore, is to use the FMS channel.
- b. For some special situations, the U.S. Government wishes to exercise the control that is more easily achieved with the FMS channel.
- c. Classified equipment, which must in any event be delivered through government channels, is often easier to sell through the government channel.
- d. Sales made under supply support arrangements and similar logistics sales arrangements are handled through the FMS channel as the only practicable way of permitting the armed forces of friends and allies to "buy into" the U.S. logistics system and to obtain support therefrom under the same procedure as do using U.S. units.

6. Basic FMS Sales Procedures

Eligible countries and international organizations authorized to procure military

equipment and services from the United States are listed in Chapter B. Special approval requirements are prescribed for major capital end-items, maintenance support items, and where emergency procedures or special instructions apply, as shown in Chapter B, Table B-2.

Following are the prescribed procedures and administrative channels for implementing FMS requests:

a. Normal Sales Channels

(1) Cash Sales.*

Category A Countries—For major end-item or maintenance support items: At the discretion of the requesting country, FMS requests will be submitted either through the country's representatives in the United States, such as the Purchasing Missions, Embassies, or Military Attaches in Washington, or through the United States Country Team located in the foreign country, such as the U.S. Embassy, Military Assistance Advisory Group, U.S. Military Mission, or U.S. Defense Attache's Office. Such requests for cash sales will be submitted directly to the appropriate U.S. Military Department concerned with the FMS request.

All African and Inter-American nations, where regional ceilings are imposed by statute, shall provide information copies of their FMS requests to the State Department.

Category B Countries—For major end items or maintenance support items: At the discretion of the requesting country, FMS requests will be submitted either through the country representatives in the U.S., e.g., Purchasing Mission, Embassy, or Military Attaches in Washington, or through the U.S. Country Team, e.g., U.S. Embassy,

* Some countries are listed as Category A for major end-items but Category B for maintenance support items.

Special Conditions: Sale of electronic warfare (EW) equipment to NATO countries will, for the most part, follow normal FMS channels. However, special coordination and review by USEUCOM will be required to assure that the equipment to be purchased by one NATO country is compatible with the overall NATO EW concept.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

MAAG/Mission, or Defense Attache directly to the State Department. Such requests to State can take the form of a diplomatic note or letter request. Information copies of such requests shall be submitted to DSAA, Directorate of Sales Negotiations, as well as to the appropriate MAAG/Mission or DAO.

(2) FMS Credit Sales. Requests for FMS credit sales will be submitted in conformance with Chapter G, Credit Management. Once the credit program has been approved by the State Department, DOD and Treasury, implementing letters of offer or commercial contracts can be executed by the buying country directly with the supplier, i.e., the Military Departments or commercial contractor.

(3) Coordination of Letters of Offer. All letters of offer for major end-items and those of a critical or special nature should be coordinated with the Directorate of Sales Negotiations, DSAA. Additionally, those letters of offer for maintenance support items requested by countries in regions where a dollar ceiling exists (Latin America and Africa) should be coordinated with DSAA.

b. Out of Channel Requests

When a Military Department receives a request for defense articles or services in a manner not specifically authorized as outlined above, or specified in Chapter B, Table B-2, the request should be forwarded to the DSAA. The DSAA will, in turn, seek State Department approval. With such approval, the DSAA will return the request to the appropriate Military Department for implementation and will advise the originator of this action as well as the proper channel for similar future reports.

7. Pricing of FMS Transactions

Defense policy outlined in DOD Instruction 2140.1, 29 January 1970, calls for uniform DOD application of pricing and cost criteria for sales of Defense articles and services to eligible foreign governments and international organizations. In general terms, this means that DOD pricing and

procedures will provide for the charging of all DOD direct and indirect costs, including those referred to as an "administrative charge" for the use of the DOD logistics system.

To assure that all such costs are covered in the DOD pricing, quotations or defense articles and services will be estimated and final adjustments will take place after delivery of the items or rendering of the services. DD Form 1513, Letter of Offer and Acceptance, provides for such estimated prices unless a waiver of this requirement is obtained from the Director, DSAA, in accordance with the national security interest.

a. Items from Defense Stocks

Pricing of defense items from stock inventories will be handled according to DOD Instruction 2140.1. For example, standard prices will govern when nonexcess materiel is to be sold. This includes all items in the United States military supply system, except such major items as complete ships, aircraft and missiles, space vehicles, and plant and production equipment.

Standard prices will include the current market or procurement cost of the item at the time the price is established or re-established. As a general rule, standard prices for items currently procured are reviewed once a year and revised when significant changes occur. Reductions in inventory standard prices may be made for sale of nonexcess materiel:

(1) when material is in long supply, or

(2) when there is a determination by the inventory manager that there is an actual difference in utility or desirability of an item due to age, condition or model. Sales of excess material will be priced as prescribed in DOD Instruction 2140.1.

b. Items from New Procurement

Prices of defense articles and services procured for eligible foreign governments or international organizations pursuant to Section 22 of the FMS Act, which require inventory replacement, will be cited to re-

cover full DOD contract costs (including the cost of government materiel). In addition, the purchaser shall be required to obligate itself to pay any damages or costs that may accrue from the purchaser's cancellation of the contract. An "administrative charge," as defined in paragraph 8b, will be added to the contract cost and included in the billing.

In general, defense articles shall be priced on the same basis as the cost principles used in pricing defense contracts for items of DOD use. However, recognition shall be given to reasonable and allocable contractor costs which are justified in connection with a particular sale (see ASPR 6-703.3).

Recovery of the equitable share of non-recurring costs associated with the research, development and production of major defense equipment sold to foreign governments and international organizations will be in accordance with DOD Directive 2140.2. The cost of deviations from United States configuration and special technical data desired by a foreign government will be included as a charge to the foreign government additional to the average unit standard price or other U.S. normal charges.

Prices of defense articles from new procurement may be fixed when a determination is made under Section 22 of the FMS Act that such a sale is in the national interest. Requests for such fixed pricing will be referred to the Director, Defense Security Assistance Agency.

8. Authorized Surcharges

Prices of defense articles and services sold to eligible foreign governments and international organizations will include the following charges:

a. Accessorial Costs

These represent certain expenses incident to issues, sales, and transfers of materiel which are not included in the standard price or contract cost of materiel, such as:

(1) Packing, handling and crating costs (known as PCH&T costs when trans-

portation is included). These are costs incurred for labor, materials, or services in preparing the materiel for shipment from the storage or distribution points.

(2) Transportation costs. Inland and ocean transportation costs, representing shipments by land, sea, and air, inland and coastwise waterways, vessel or air, and including parcel post via surface or air.

(3) Port loading and unloading costs. These are costs for labor, materials, or services at ports of embarkation or debarkation.

(4) Prepositioning costs. Supply distribution costs incurred at locations outside the United States in anticipation of support to other authorized customers. These costs are applicable when shipments are made from overseas storage and distribution points, except that no positioning costs shall be assessed on "long supply" stocks.

b. Administrative Charges

An administrative charge for the use of the DOD logistics system shall be added to prices of contractual services and nonexcess materiel sold to eligible foreign governments and international organizations, for the purpose of recovering the DOD costs. Such a charge will be made in lieu of separate computations of charges for the costs of general management and administrative expenses pertaining to supply and procurement and services and other DOD costs (except Seat of Government costs).

The rate charge for administrative costs will be as prescribed in DOD Instruction 2140.1, 29 January 1970. Supply support arrangements will include an administrative charge of 5 percent added to the basic sales prices of contractual services and materiel to be provided. Foreign Military Sales other than supply support arrangements will include an administrative charge of 2 percent added to the cost price of contractual services, new procurements, or materiel from stock to be provided.

Rates for accessorial and administrative costs will be subject to review at least every two years. Requests for exceptions to the

MILITARY ASSISTANCE AND SALES MANUAL—PART III

pricing policies prescribed herein, in the case of unresolved disputes, or deviations from any price or service charge when it can be shown that such deviations is in the best interests of the United States Government shall be submitted through the Director, DSAA, to be forwarded to the Assistant Secretary of Defense (Comptroller) for resolution or approval. Such requests will contain the basis or justification and supporting data for the exception.

c. Nonrecurring Cost Recovery

Defense policy, DOD Directive 2140.2, 15 March 1967, calls for the inclusion of DOD nonrecurring costs associated with the research, development and production of major defense equipment offered for sale to foreign governments and international organizations. The calculated equitable share of such costs to be borne by the foreign buyer shall be included in the sales price unless waived as described below. Many foreign purchasers of U.S. military equipment contend that research and development should be viewed as a cost to the U.S. for its own national defense, and therefore should not be passed on to the foreign buyers.

While the U.S. Military Departments must continue to charge for our investment in R&D, the surcharge should not exceed 4 percent of the sales price, and it may be waived on a case-by-case basis under the following circumstances; since these are exceptions, these criteria should not be passed on to buyers:

(1) When the sale of a weapon system for which research, development, test and evaluation costs have been incurred amount to less than \$50 million, or total production is estimated at less than \$200 million.

(2) All sales to developing countries.

(3) Sales through commercial channels wherein it would not be appropriate to include a pro rata share of nonrecurring costs.

(4) Any weapon system in existence whose R&D costs have already been amortized or otherwise recovered.

Therefore, when it can be demonstrated

that a surcharge waiver is in the best interest of the U.S. Government, such an exception should be initiated in accordance with DOD Directive 2140.2.

9. Item Availability

Defense policy calls for a determination to be made that sale of a defense item will not degrade U.S. defense efforts by taking needed equipment from U.S. stocks or by disrupting deliveries of critical items from production for U.S. forces, unless security or foreign policy requirements are such that sale of the item is in the overall U.S. national interest.

a. Diversion of FMS Equipment

The Secretary of Defense on 20 September 1972 prescribed policies for allocating Defense materiel between U.S. forces and international security requirements to meet competing demands in a period of declining materiel acquisition programs. These include:

(1) To the maximum extent possible, allocations of materiel shall be made within the normal priorities structure—the Uniform Military Materiel Issue and Priority Systems (UMMIPS).

(2) Presidentially-directed, or Secretary of Defense-initiated materiel allocations shall be accorded sufficient priority through diversion of assets from other programs to assure accomplishment of the directed allocation within the time period specified.

(3) High priority international requirements (such as FMS requests) may be met by diverting or withdrawing equipment from U.S. active or reserve forces providing the operational readiness posture of these forces is not significantly lowered and payback can be accomplished in a reasonable period of time. Such determination may be made by the Military Departments.

(4) Materiel being procured or stocked specifically for FMS may be diverted to meet higher priority foreign requirements or urgent needs of U.S. Forces with the prior

concurrence of the Director, DSAA, who will, as appropriate, obtain policy guidance from the ASD (ISA).

(5) All requests or recommendations for diversions of FMS equipment will be referred to the Director, DSAA. In those instances where agreement cannot be reached with DSAA concerning the use of foreign program assets, or diversion of defense materiel, the matter will be referred to the ASD (I&L) for review of available options and recommended courses of action and for decision by the Secretary of Defense.

b. Direct Commercial Sales of Military Exports

The FMS Act reiterates the long-standing injunction that sales of unclassified defense equipment to economically developed countries shall be made by private industry whenever possible. Sales to the economically less-developed countries will also be made through commercial channels whenever feasible.

There are, however, many kinds of defense transactions that require government-to-government arrangements, such as:

(1) Sales of classified equipment and items produced in U.S. arsenals;

(2) Transactions which the procuring government, for reasons of insufficient procurement experience or for other reasons, insists should be concluded on a government-to-government basis;

(3) Transactions which are part of a larger government-to-government agreement (such as our arrangements with the FRG); and

(4) Occasions when U.S. industry requests a government-to-government transaction, to avoid political or trade reprisals; or to remain competitive, such as when a prime contractor cannot assemble all of the necessary government furnished equipment associated with a major weapon system at economically viable prices.

Apart from such valid exceptions, listed above, the Military Departments should refrain from taking foreign orders for equip-

ment that could be filled directly by private industry. Under certain circumstances, where exceptions to this policy should be considered, to meet foreign competition or otherwise to serve the U.S. national interest, requests should be submitted to the Director, DSAA, for appropriate action. (For detailed procedures on Commercial Sales, see Chapter M.)

10. U.S. Response to Requests for "Offset" Procurement

The Defense Department prefers that sales be negotiated without "offset" procurement arrangements wherever possible and that the need for including an "offset" agreement be considered only on a case-by-case basis. If it is decided in any given case that such an agreement should be considered, the principles set forth below should govern.

"Offset" procurement is the term used to cover the offering, on a selective and case-by-case basis to foreign governments, of opportunities to respond to selected DOD procurement requirements. In the past, DOD has entered into such offset arrangements with the FRG, Italy, UK, Norway and Australia. At present, there are three formal commitments outstanding: FRG, Norway, and Australia. Experience to date with offset arrangements indicates that foreign countries find it difficult to compete effectively for enough U.S. business to achieve the offset procurement targets which are provided under the agreements. DOD has not had the need for a complete weapon system large enough or sophisticated enough to be procured from a foreign country to make such offset procurements sizable and attractive.

There are practical logistical problems involved in considering the procurement of major items or any quantity of sub-systems or components from a foreign source. Most important of these is the need for the U.S. to maintain a viable mobilization base within the U.S., which reduces or effectively eliminates a large quantity of items to be offered for foreign bidding. There also is the undesirability of considering foreign

MILITARY ASSISTANCE AND SALES MANUAL—PART III

sources as mobilization base producers (other than Canada) for major items, assemblies, and critical components. We also have the problem of assuring proper quality of the defense items.

The administrative process for selecting items for competition has been lengthy and involved, as has been the procedure in waiving the bid differentials as the "Buy American" and the 50 percent gold flow rule. Unsuccessful U.S. producers in such competition also create many political and other pressures in opposition to any waiver of "Buy American" and "gold flow" differentials, especially in times of a declining DOD budget. This is understandable, inasmuch as such companies are not themselves realizing any direct benefits from the sale to a foreign country.

Nonetheless, if it is decided that such offset arrangements should be considered, due to the magnitude of total sales involved or for other specifically justified reasons, the following basic guidelines will be applied:

a. There must be, as a minimum, a plan for a realistic implementation of the offset agreement.

b. DOD will urge the contractor to accept all or a major portion of the offset obligation.

c. The initiatives for offset procurement arrangements should be taken by the buying government.

a. DOD Participation in Offset Procurement

In the current highly competitive international market, and in view of the fact that offset procurement arrangements are being used rather widely in the free world sale of military equipment, there is justification for some flexibility in our present practice of discouraging offset procurement arrangements. DOD willingness to be flexible is affected by the levels current and projected net defense expenditures in the potential buying country. DOD participation in such offset procurement should be governed by the following principles, in order of applications:

(1) If an offset is necessary, DOD will,

first, consider that it is the responsibility of the U.S. company or companies and their subcontractors involved in producing the equipment who would thereby benefit from the sale to undertake offset procurement from the buying country.

(2) If the DOD is convinced that the company or companies and their subcontractors involved in selling the equipment to the foreign country are not able to provide sufficient procurement to fulfill the offset, then DOD participation will be considered. It will first be limited to any government-furnished-equipment (GFE) provided to the U.S. contractors or subcontractors involved in the sale. The Buy American Act and gold-flow differentials will not be applied in evaluation of foreign bids.

(3) If it is not possible to restrict the DOD participation to foreign competition for GFE items involved in the item being sold, an effort will be made to restrict the release of invitations to bid to equipment in the same general industrial category as the item being sold. An alternative is to place some portion with firms that otherwise have received benefits of other Foreign Military Sales.

(4) The next preference is to enter into arrangements on selected items using non-appropriated funds. This, however, has limited potential because of the comparatively small amount of non-appropriated funds available.

(5) The least preferred method of filling the offset procurement arrangement is to permit foreign competition for items not directly related to the equipment being sold.

Except in special circumstances, fulfillment of reciprocal procurement obligations will be subject to two basic conditions:

(a) that the foreign source fully satisfies DOD requirements for performance, quality and delivery; and

(b) that procurement from the foreign source would cost no more than would procurement of comparable U.S. items eligible for contract award. To ensure that DOD reciprocal procurement obligations are effective,

tively end expeditiously handled, arrangements with foreign governments should reflect a general plan for implementation.

Furthermore, DOD reserves unto itself the unilateral right to select items suitable for offset procurement which will be opened for foreign source competition. For such items that are selected, DOD will assure the foreign source competitors that a waiver of the Buy American Act and the gold-flow differentials will be granted to the foreign source competitor if the procurement conditions noted above have been properly met. Offset proposals and serious queries relating thereto should be referred to the DSAA Directorate of Sales Negotiations.

b. Interdependent Research and Development

Another area to be considered in possible offset arrangements is in conjunction with Interdependent R&D projects. The Defense Department has been pursuing with its major allies a policy of interdependent R&D aimed at improving mutual planning and acquisition of our respective national R&D programs, in order to decrease possible duplication and to increase effectiveness of the programs. A number of major factors and considerations encourage interdependent R&D programs:

(1) The Nixon Doctrine, which states in part that our allies must share a larger portion of the free world defense burden.

(2) The declining R&D budgets of the U.S., which puts a premium on achieving a greater R&D return per R&D dollar spent. By reducing duplication in R&D programs among our allies, greater use of the technical resources of the free world can be realized. U.S. R&D dollars thereby saved are available for other critical R&D areas.

(3) Significant advances in the technical capability of our allies. Transfer of some of this advanced technology and operational capability to the U.S. can be accomplished on a faster schedule and with less expense than through our own duplicated development.

The Defense Department intends to utilize

allied developments only in those instances where it is clearly advantageous for the U.S. to do so. Production of these items, however, will be accomplished in the U.S. except where special circumstances justify overseas production. For example, when immediate hardware availability is required for operational reasons, when the production buy is too small to be economical for new production line start-up, or if reciprocal procurement obligations (offset arrangements) make it attractive to delay transition from off-the-shelf procurement to domestic production. Even in these circumstances, offshore procurement should be terminated as soon as such reasons are no longer controlling.

11. Release of U.S. Technology

The release of U.S. technology within existing law and directives to a particular country or international organization is decided basically on judgments stemming from the comparison of likelihood and cost of compromise on the one hand with other benefits to the U.S. Government on the other hand. A classic example of this comparison was a case recently to the effect that the U.S. would not release four RF-4 aircraft to a European buyer because such an increase in force capability would not offset the security risks involved, but, on the same grounds, of increased capability, would release a substantially larger number of RF-4's. Any relaxation of our release restraints would have to be applied to specific cases. The administrative process must assure that both sides of the comparison are given full attention in the decision-making on releasability of technology. This means balancing the possible gains to the U.S. against the possible dangers of compromise.

In the presently highly competitive free world defense market, other industrialized countries have been vigorously expanding their own military export efforts and have increased their sales substantially since calendar year 1968. Aided in part by substantial progress in their technological ability, major industrialized nations have success-

fully penetrated the free world defense markets that were once a virtual U.S. monopoly. In an increasing number of instances it is obvious that U.S. equipment is too sophisticated for the needs of some countries. However, there are a number of instances where a U.S. sale might have been made except for foreign competition and U.S. willingness to meet such competitive terms as: offset procurement agreement; larger share of coproduction in the buying country and "third country" sales rights; and release of technical information.

There are a number of avenues within current executive authority which the U.S. might explore in the context of Military Export Sales, and a significant one is considering the relaxation of restraints on releasability of U.S. technology, thereby increasing the number of items available to foreign buyers. Some guidelines on this subject are:

a. It must be determined that the defense items proposed for sale do not contain classified components which, if compromised, would adversely affect U.S. national security. The risk of compromise must be evaluated in terms of the recipient country's ability to safeguard the classified items, the advantages to U.S. national security in making the item available, and the possible effect of compromise of the classified defense item.

b. It must be determined that sale of the defense item would not degrade U.S. defense efforts by taking needed equipment from U.S. sources or by disrupting deliveries of critical items from production for U.S. forces, unless security or foreign policy requirements are such that sale of the item is in the overall U.S. national interest.

c. Sales of defense items must be subject to terms and conditions that safeguard the proprietary rights of U.S. firms and citizens and that provide appropriate reimbursements for such proprietary rights.

12. Principles Regarding Coproduction Projects

Defense policy, expressed in DOD Directive 2000.9, dated 26 March 1968, states that

initiation of coproduction project agreements will be encouraged and supported by all elements of DOD under the following circumstances:

a. When they advance the ability of participating countries to improve their military readiness through expansion of their technical and military support capability, while promoting U.S.-allied standardization of military materiel and equipment thus generating uniform logistics support and multi-national operational capabilities.

b. When they directly benefit the U.S. through increased capability to support the deployment of U.S. forces, strengthen international military operations in times of emergency or hostilities, encourage the utilization of common military materiel, and improve mutual support capability of friendly allied nations.

c. When they supplement and reinforce the U.S. FMS program.

d. When they are in the best interest of the U.S.

A coproduction project may be limited to the assembly of a few end-items with a small input of local country parts, or it may extend to a major manufacturing effort requiring the build-up of capital industries. Coproduction is a program under the aegis of the U.S. Government, by diplomatic or DOD agreement, either directly through the FMS program or indirectly through specific licensing arrangements by designated commercial firms, which enables an eligible foreign government, international organization, or designated foreign commercial producer to acquire the "know-how" to manufacture or assemble, repair, maintain and operate, in whole or in part, a specific weapon, communication or support system, or an individual military item.

The "know-how" furnished through coproduction programs may include research, development production data and/or manufacturing machinery or tools, raw or finished materiel, components or major sub-assemblies, managerial skills, procurement assistance or quality-control procedures. Third

country sales limitations and licensing agreements are also included, as required. Thus coproduction programs may be limited or extensive depending upon the major objectives to be attained.

Coproduction projects may be initiated by DSAA or, subject to prior approval of DSAA, by the Military Departments, the Military Assistance Advisory Groups, and by authorized representatives of foreign governments and international organizations. The cognizant DOD component will ensure appropriate coordination with DSAA and furnish technical and negotiating assistance as required. After such agreements are signed, the appropriate DOD component will perform the necessary managerial and reporting functions.

In all cases, as a prerequisite, the restrictions imposed by Section 42(b) of the FMS

Act will be complied with, namely: "No credit sale shall be extended and no guarantee shall be issued in any case involving coproduction or licensed, production outside the United States of any defense article of United States origin unless the Secretary of State shall, in advance of any such transaction, advise the appropriate committees of the Congress and furnish the Speaker of the House of Representatives and the President of the Senate with full information regarding the proposed transaction, including, but not limited to, a description of the particular defense article or articles which would be produced under license or coproduced outside the United States, the estimated value of such production or coproduction, and the probable impact of the proposed transaction on employment and production within the United States".

CHAPTER G

CREDIT MANAGEMENT

1. Purpose

This chapter prescribes the Foreign Military Credit Sales management policies and procedures. It describes the source of credit financing available through the U.S. Government for such sales, the eligibility requirements in each category, and the basic standards and criteria, as well as Treasury guidelines that apply in the consummation of such sales. FMS Act credit restrictions and other limitations are reviewed, as well as the interagency credit approval procedures and requirements. Credit sales of defense articles and services will be accomplished in accordance with policies and procedures contained in this Chapter, Chapter J, and pertinent DOD directives and instructions as supplemented by the Military Departments concerned.

2. Policy Guidance

Under direction of the President, the Secretary of State is responsible for the "continuous supervision and general direction" of sales under the FMS Act. This authority includes, but is not limited to, determining whether there shall be a sale to a country and the amount thereof, to the end that sales are integrated with other U.S. activities and the foreign policy of the U.S. is best served.

The FMS Act specifies that "The President shall prescribe appropriate procedures to assure coordination among representatives of the U.S. Government in each country", under the leadership of the Chief of the U.S. Diplomatic Mission. The Act further provides for the Chief of the Diplomatic Mission to "make sure that recommendations of such representatives pertaining to sales are coordinated with political and economic considerations".

Credit sales are subject to close scrutiny as to foreign and national security policy objectives, as well as restraints, because of direct U.S. financial involvement and limited credit resources generally available for such sales.

The Nixon Doctrine stresses the importance of foreign assistance, including credit sales, as a major element of our foreign policy. It has "special significance at a time when we are reducing our direct military presence abroad and encouraging other countries to assume greater responsibilities".

The President described the purpose of the Security Assistance Program as "... to ease and to speed the transition (friendly and allied foreign countries) to greater national self-reliance". Credit assistance helps to facilitate this transition from grant aid to sales.

Each credit or guaranty transaction will be reviewed in the light of the purchasing country's financial condition, its need for credit, U.S. economic or military assistance programs in the country and region, and other proposed arms purchases by the country. The suitability of items to the Armed Forces of the purchasing country will also be taken into account, with particular attention to the level of weapons sophistication and the capability of the country to maintain, support and employ the items effectively.

3. Types of Credit

Three basic types of credit assistance utilizing U.S. Government resources are generally available for Foreign Military Credit Sales:

a. Private Guaranteed Credit

Private banks and financial institutions, as well as U.S. suppliers, may finance such sales with U.S. Government guaranty as approved

in the U.S. national interest. Eximbank and DOD have guaranty programs that can be considered upon request of the buying government and U.S. lender, and following inter-agency approval. Eximbank covers credit financing of defense articles only to the developed countries (defined later) whereas DOD guarantees credit sales only to the economically less developed countries (also defined in subsequent sections of this chapter).

Private guaranteed credit is preferred over direct government credit because less U.S. Government expenditures are involved and the U.S. debt burden is eased, thereby encouraging the private enterprise system.

b. Eximbank Direct Credit

Eximbank direct credit may be utilized for sales of defense items only to developed countries. The FMS Act (Section 32) specifically prohibits Eximbank from using its credit resources for the sale of defense items to economically less developed countries.

c. FMS Direct Credit

This source of funding defense articles and services is normally available only to economically less developed countries. Assurance must be given that there is no other source available for such financing. This source utilizes 100 percent FMS funding in contrast with 25 percent FMS funding obligation as a guaranty reserve for credit sales privately financed with DOD guaranty. As such, requests for direct FMS credit are carefully scrutinized on a case-by-case basis and must be approved by the State, Defense and Treasury Departments, as well as the Executive Office of the President.

4. Financial Standards and Criteria

Prior to the sale of defense articles and services to any country or international organization, the President must find that the furnishing of such articles or services will strengthen the security of the United States and promote world peace. The FMS Act prescribes this requirement (Section 3). The Act also prescribes that the President shall establish standards and criteria for credit and guaranteed transactions in accordance

with the foreign national security and financial policies of the United States (Section 34). Numerous other restrictions and limitations pertaining to credit sales are also prescribed by the Act, as amended. These are described in subsequent sections of this chapter.

Following are the financial standards and criteria issued by the State, Defense and Treasury Departments pursuant to the FMS Act:

a. Recipients

(1) Credit or guaranty assistance should be extended only for sales to countries which have a demonstrable financial need for credit assistance, for example, foreign exchange or budgetary needs.

(2) There should be a reasonable expectation of repayment in dollars by the country or international organization acquiring the defense articles or defense services.

(3) Private or Eximbank financing facilities will be relied upon to the maximum extent possible for sales to the economically developed countries.

(4) Defense Department credit assistance and guaranties offered under the Act will normally be utilized only for economically less developed countries and will take into account U.S. military and economic assistance which such countries may be receiving. Private financing facilities will be relied upon to the extent feasible.

(5) Guaranties against political and credit risks of nonpayment may be issued to any juridical entity doing business in the United States (excluding U.S. Government entities).

b. Terms

(1) Credit sales will be executed on terms of repayment in U.S. dollars to the U.S. Government of not less than the value thereof within a period not to exceed ten years after delivery.

(2) When only Defense Department credit is involved in a transaction it will carry interest rates not less than cost of money to the U.S. Government.

(3) Credit extended through private sources using Department of Defense guaran-

ties will carry rates, terms, and conditions determined by negotiation with private lenders, subject to Treasury concurrence. Fees of not less than one-fourth of 1 per cent shall be charged for such guaranties.

(4) A transaction in which direct Defense Department credit is combined with credit extended through private sources will carry an interest rate on the Defense Department credit such that the interest rate for the combined package is not less than cost of money to the U.S. Government.

(5) Guaranties shall be backed by 25 percent reserve.

c. Repayment

A repayment obligation will not be created which would place an undesirable burden on a purchasing country's foreign exchange resources, create excessive claims on future budgets (e.g., induced expenditures for maintenance, spare parts, replacement, and indirect support and organization costs), or otherwise materially interfere with its development.

d. Exceptions

Exceptions to these financial standards and criteria may be required to serve the U.S. interest. For example, U.S. foreign policy, economic, or military considerations relating to proposed sales transactions may justify concessionary interest rates or other credit or guaranty assistance at variance with the guidelines set forth above. Such exceptions will be made only after consultation among State, Treasury, and Defense.

e. Review

At least annually, the Departments of State, Treasury, and Defense will review these standards and their application, and the Department of Treasury will be responsible for obtaining the advice of the National Advisory Council on International Monetary and Financial Policies.

5. Treasury Guidelines

In further implementation of the standards and criteria, Treasury issued the following

criteria for credit terms and guaranty of private lending that it would approve in connection with FMS funded by DOD:

a. Fixed Interest Rate

(1) When private funds *from domestic sources* are lent in connection with Foreign Military Sales at a fixed interest rate, Treasury would approve a USG guaranty of the credit provided the interest rate were no more than one-half of 1 per cent above the prime rate at time of signing of the loan document.

(2) When private funds *utilizing Eurodollars* are lent in connection with Foreign Military Sales at a fixed interest rate, Treasury would approve a USG guaranty of the credit provided the interest rate were no more than three-fourths of 1 per cent above the high side of the six-month Eurodollar rate in London for interbank transfers at time of signing of the loan document. In this case, Eurodollar funds must continue to be used so long as the guaranty remains in force.

b. Fixed-Mixed Packages

When FMS sales are financed by a combination of DOD and private funds, the interest rate on the USG portion of the loan may be as low as Eximbank's basic lending rate then in effect or the cost of money to the U.S. Government, whichever is lower. The interest rate on the private portion of the combined loan would be as indicated in the above for fixed interest rate. The effective interest rate for the combined loan would be not less than the cost of money to the USG.

c. Floating Interest Rate

(1) When private funds *from domestic sources* are lent in connection with Foreign Military Sales at a floating interest rate, Treasury would approve a USG guaranty of the credit provided the interest rate were no more than one-half of 1 percent above the prime rate and in any event not more than 9 per cent.

(2) When private funds *utilizing Eurodollars* are lent in connection with Foreign Military Sales at a floating interest rate, Treasury would approve a USG guaranty of the credit provided the interest rate were no more than three-fourths of 1 per cent above

the high side of the London interbank transfer rate appropriate for the review period selected by the borrower and in any event not more than 10 per cent.

d. Floating-Mixed Packages

When Foreign Military Sales are financed by a combination of DOD and private funds, the interest rate on the USG portion may be as low as Eximbank's basic lending rate then in effect or the cost of money to the U.S. Government, whichever is lower. The interest rate on the non-USG portion of the loan would be as indicated in the above for floating rates. The average rate for the total agreement would also be a floating rate, resulting from a fixed interest rate on the USG portion and a floating rate on the non-USG portion.

e. Adjustment of Floating Rate

(1) For *domestic funds*, the floating rate would be adjusted whenever the prime rate changes.

(2) For *Eurodollars*, the floating rate would be adjusted periodically in accordance with the review period of the selected London interbank transfer rate.

f. Guaranty

No U.S. Government guaranty would be offered if the interest rate on private funds exceeds percentage margins indicated above in the fixed interest rate and the floating interest rate. If interest rate on private funds subsequently floats through absolute ceiling stated in the floating interest rate above, interest above absolute ceiling would not be guaranteed. The U.S. guaranty covers either principal or interest up to the principal amount of the loan.

6. Eximbank Credit Procedures

a. Eligibility and Restrictions

The FMS Act specifically prohibited Eximbank from using its funds to credit finance defense articles and services to any economically less developed countries after June 30, 1968. Only the developed countries were considered for such credit. Developed countries are those defined as developed under the Treasury

Interest Equalization Tax (IET) definition, as well as under Eximbank's own definition, and determination that the nation is credit worthy. Examples of countries eligible for Eximbank credit: the industrial nations of Europe, Japan, Australia, New Zealand, Iran, Kuwait, and others that may be determined to be economically developed.

b. Levels of Credit

The level of credit is determined by Eximbank through mutual understandings with the Department of Defense with the concurrence of State and Treasury. An exchange of correspondence between the Secretary of Defense and the President/Chairman of Eximbank formally initiates such credit availabilities. Coordination of State and Treasury is obtained by Defense. Justification of country needs, defense articles and services, and other credit requirements are transmitted by Defense to Eximbank.

c. Eximbank Procedures to Obtain Credit

Requests for Eximbank credit from developed countries should be forwarded through normal diplomatic channels to Defense and State for interagency approval. Such requests should also be transmitted through normal country financial channels with Eximbank. These procedures are necessary to assure that the requests receive full U.S. Government attention as soon as possible. Eximbank looks to DOD for approval of defense items, in collaboration with State and Treasury. Specific credit negotiations, however, are conducted by Eximbank with the borrowing country, and private lending institutions when guaranties are involved.

d. Mixed Private Credit Transactions

Eximbank policy, whether for commercial or defense credits, calls for the use of private resources to the maximum extent feasible. Reason for this policy is to minimize Government fund requirements and expenditures. It is also in conformance with Congressional intentions that the U.S. Government support the private enterprise system as expressed in Eximbank's charter. Eximbank obligates 25 percent of its funds as a contingency reserve

to cover private credit financing in the event of a default. This is required as a prudent management procedure. The FMS Act prescribes a comparable guaranty reserve for Defense guaranteed private credits.

Eximbank prefers to blend government with private credit so as to provide more favorable "effective interest rates". Eximbank's portion of such credit is at a basic rate lower than directly-financed Eximbank credit where no private credit is involved. Maturities may also be tailored as necessary to enhance private participation. This means Eximbank's agreement to later maturities while early repayments accrue to the private portion of the credit. Usual Eximbank repayment periods for defense credits are a maximum of seven years.

e. Preliminary Commitments

To assist U.S. exporters in their sales abroad, Eximbank policy allows for possible "preliminary commitments" of credits and guaranties to U.S. suppliers, foreign governments, or financial institutions. As with commercial credits, defense requests must be submitted to Eximbank outlining the amount of such credit desired, terms and conditions to be proposed, and end items required to be financed. Since Eximbank consults with DOD as to approval of all defense credits, the preliminary commitments likewise should be processed through Defense and State channels for review and approval.

7. FMS Credit Procedures

The FMS Act provides for both direct FMS credit (Section 23) and guaranties of private credit (Section 24). Eligibility for such credits, authorization and funding limitations, regional ceilings, and other restrictions, as well as general procedures, apply to both types of these credits. Basic differences, however, do exist between the two types of credit and these are discussed in the subsequent section on DOD guaranteed credit procedures.

a. Eligibility

Although there is no legal prohibition against using FMS funds for credit to developed

countries, U.S. Government policy and practice has generally restricted such credit to eligible economically less developed countries. Basic reason for this policy is to maximize available FMS credit resources which are generally more limited than Eximbank or private credit resources. All possible availabilities must be examined to assure that the FMS credit is a "last resort" source.

A major purpose of FMS credit is to help in transitioning the economically less developed countries from grant aid to sales. This is a priority requirement for the fund and should help to implement the Nixon Doctrine objective of assisting allied and friendly nations in acquiring a greater degree of self-sufficiency. Countries now participating in U.S. military grant assistance are priority candidates for this source. Their requirements should be considered in accordance with U.S. national interests—political, military, and financial.

Security needs affecting vital U.S. interests, regardless of whether or not grant assistance is involved, are also priority candidates for this credit. For example, in the Middle East where threatened world peace and security of the U.S. may be involved, such countries are highly eligible for FMS credits—both direct and guaranteed from private sources.

b. Levels of FMS Credit

The FMS Act, through annual amendments, provides for varying levels of credit availabilities, depending upon Congressional approvals of authorizations and the appropriation of credit funds each fiscal year. Proceeds from repayments, interest earnings and other receipts, such as guaranty fees, cannot be used for additional credit financing. The DOD revolving fund was abolished at the end of Fiscal Year 1968. DOD financing, therefore, must be requested and approved each year. Specific country justifications and credit requirements must be developed each year, and requests for funds approved on a case-by-case basis.

c. Credit Restrictions

Besides authorization and funding limitations, there are specific restrictions both on

sales and credit prescribed by the FMS Act, as amended:

(1) *Regional Ceilings*

Latin American countries shall not exceed \$75 million (later raised to \$100 million) and African countries shall not exceed \$40 million in credit and cash sales, excluding training (Section 33). These ceilings may be exceeded by not more than 50 percent if there is a Presidential waiver approving such sales in the national interest.

(2) *Arming Dictators*

Sales and guaranties shall not be approved where they would have the effect of arming military dictators who are denying the growth of fundamental rights or social progress to their own people (Section 1).

(3) *Seizing Fishing Vessels*

No defense articles or services shall be sold by the United States to any country which seizes or takes into custody, or fines an American fishing vessel engaged in fishing more than twelve miles from the coast of that country (Section 3(b)).

(4) *Sophisticated Weapons*

No funds authorized under the FMS Act shall be used to guarantee, or extend credit, or participate in an extension of credit in connection with any sale of sophisticated weapon systems, such as missile systems and jet aircraft for military purposes, to any underdeveloped country (other than seven specifically exempted) unless the President determines that such financing is important to the national security of the United States and reports within thirty days each such determination to the Congress (Section 4). The seven countries exempt are Greece, Turkey, Iran, Israel, the Republic of China, the Philippines and Korea.

(5) *Unnecessary Military Expenditures*

No sale shall be made to an economically less developed country that is diverting development assistance or resources furnished by the United States to military expenditures, or diverting its own resources to unnecessary military expenditures to a degree which materially interferes with its development, until the President is assured that such diversion shall no longer take place (Section 35(a)).

d. DOD Credit Agreement

Direct FMS credit provided to foreign governments requires a Government-to-Government credit agreement. The buying country must initiate a request for such credit and the agreement is executed between the respective defense ministries, the Department of Defense for the U.S. Government, and the Ministry of Defense for the purchasing government.

8. DOD—Guaranteed Credit Procedures

The FMS Act (Section 24) provides that the President may “guarantee any individual, corporation, partnership, or other juridical entity doing business in the U.S. (excluding U.S. Government agencies) against political and credit risks of nonpayment arising out of their financing of credit sales of defense articles and defense services to friendly countries and international organizations”.

The President delegated this authority to the Secretary of Defense who, in turn, delegated it to the Director, Defense Security Assistance Agency. Private credit guaranteed by DOD must, therefore, be approved at this level, and DOD will issue such guaranty signed by the Director, Defense Security Assistance Agency, or his acting designee.

a. Eligibility and Objectives

Countries eligible for FMS direct credit are also eligible for DOD guaranteed private credit. This means, in effect, the economically less-developed countries. Financial standards and criteria (quoted in paragraph 4) apply to such sales. Private financing will be used to the extent feasible. Private resources with favorable credit terms and conditions have increased recently. This source will be encouraged in order to maximize U.S. capabilities for carrying out FMS credit programs pursuant to the national objective of helping allied and friendly nations toward greater self-sufficiency.

b. Private Credit Levels

Several factors contribute to increased private credit availabilities:

(1) more private banks and financial institutions are interested in loaning money for foreign military sales;

(2) more favorable terms and conditions are being offered;

(3) purchasing countries are willing to use this source;

(4) suppliers have shown greater interest due in large measure to increased foreign competition for defense sales.

The U.S. Government has also increased efforts to seek private participation. Treasury and the Federal Reserve Bank of New York, for example, are lending their good offices to assist foreign governments in obtaining more competitive bids from private lenders for such credits. DOD has explored sources of private bank and lending institutions interested in credit financing defense articles and has compiled a list of banks willing to provide financing to foreign governments, U.S. suppliers and others when backed by DOD guaranties.

c. Procedures to Obtain a DOD Guaranty

There are four main steps in concluding private credit guaranty arrangements with the Department of Defense.

(1) The country involved must indicate its desire for such credit backed by a guaranty from the U.S. Government. Specific data on the amount of such credit, items to be procured, priorities, and other considerations should be submitted through official channels to DOD. This should include State channels to facilitate inter-agency coordination and approval.

(2) The banks or U.S. suppliers desiring the DOD guaranty for such credit should request guaranty approval from DOD and indicate proposed terms and conditions to be in their loan agreement. Such terms must conform with Treasury guidelines (described in paragraph 5).

(3) DOD will submit an official request to State and Treasury for approval, and subsequently for apportionment of funds by the Office of Management and Budget.

(4) DOD can then approve and issue a guaranty agreement to the private lender. A check for the guaranty fee of one-fourth of 1 percent should accompany the signed guaranty agreement to make it effective. The check from the lender should be made out to the U.S. Treasurer on behalf of the borrowing

government. This guaranty fee is normally reimbursed by the borrower.

d. DOD Preliminary Commitments.

DOD guaranteed private credit may also be committed in advance of a transaction where justified in the national interest. For example, it may be necessary to compete with foreign suppliers and financial institutions. Justification for such an advanced commitment must contain all the basic elements of a normal FMS credit transaction. All such requests must be processed through Defense, State and Treasury for review and approval.

e. Guaranty Agreement

Private credit guaranteed by DOD requires a guaranty agreement between the U.S. Government acting through the DOD and the private lenders. The loan agreement between the buying country and the U.S. lender must also accompany this guaranty agreement, as well as the guaranty fee.

9. Treasury Advertised Bidding Process

a. Applicability

To assist allied and friendly nations who qualify for FMS credit to obtain the most competitive terms and conditions from private credit sources, the Treasury Department began in FY1972 to "lend its good offices" to advertise for competitive bidding on the interest rates.

b. Benefits to Private Banks and Purchasers

Treasury's public notice of invitation to bid by financial institutions for FMS private credit to the Republic of China, guaranteed by DOD, was published in the *Federal Register* on June 7, 1972. A supplement was published on June 19, 1972, which outlined the following benefits to private financial institutions:

- (1) No interest equalization tax;
- (2) No federal stamp tax;
- (3) No federal income tax on the guaranty fee reimbursed by the borrower;
- (4) No U.S. withholding tax on the interest paid on the loan since the interest is foreign source income;
- (5) No taxes imposed by the borrower;

(6) The loan is not subject to legal lending limits of national banks since the participations are deemed to be general obligations of the U.S.;

(7) The rates and participations are fully and unconditionally guaranteed by the U.S. Government acting through the DOD;

(8) Any obligation so eligible may also be accepted by Federal Reserve Banks as collateral for advances to member banks of the Federal Reserve System; and

(9) Participations are acceptable from special depositories of public money at their face amount to secure Treasury deposits.

The Treasury announcement enhances the capability of purchasing countries obtaining private credit, guaranteed by DOD, at the most favorable rates.

10. Credit Approval Procedures

a. Normal Credit Channels.

Approved requirements for the purchase of defense articles and services are outlined in Chapter B (Eligibility for FMS), Tables B-1 and B-2. Credit sales require additional procedures and considerations. Not only must the defense items be eligible for sale to the particular country, but also the credit allocation and priority of funding and limitations must be met. To assure that all requirements are met and credit funds are available for the transaction, here are the normal procedures:

(1) *Purchasing Country Request.* All credit sales must originate from requests by the purchasing country. Although funds are earmarked for potential country sales in the budget requests to Congress, actual allocations after approval of the legislation depend upon specific country requests for such credit. Requests normally are transmitted through the U.S. diplomatic mission in the foreign country, or through the foreign representatives in Washington. The request should be as specific as possible as to item content, level of credit, timing, and should reflect military, economic and political requirements, where applicable, to assure full consideration by the U.S. Government.

(2) *U.S. Country Team Review.*

To assure coordination among representatives of the U.S. Government in the purchasing country, the credit request should be reviewed by the Chief of the diplomatic mission (the U.S. Ambassador, for example) and should contain his assessment as to the political, economic and military justification. This step is essential to permit a total evaluation of the priority of the requirement against other country needs for such limited U.S. credit resources.

(3) *Private Financing.*

Where U.S. Government guarantees may be required to secure private credit financing by U.S. corporations or lending institutions against political and credit risks of non-payment, the lender must also apply to the Department of Defense (Director, DSAA). The application for such credit guarantee should reflect actions taken under the aforementioned steps of approval, as applicable, such as: the country request or intentions to purchase the defense articles and services, the U.S. Country Team approval or views, the priority and anticipated timing of the transaction. It should also include any other supporting evidence as to the credit need, on-going country negotiations with the U.S. supplier or banker, and other private justifications for such credit guaranty including third country competition. These should be submitted for Washington consideration.

(4) *Governmental Coordination and Approval.*

The Defense Department (Director, DSAA) normally originates all final formal interagency coordination of the FMS credit transaction. Each credit sales transaction (one item or the total annual anticipated credit package) must be submitted to State and Treasury for specific approval prior to final consummation by Defense. The justification request will reflect: specific item content to the extent definable, estimated costs, anticipated credit needs, terms and conditions for approval, and other supporting data, such as military, political, and economic justifications. In particular, the request will reflect the purchasing country needs, priority, and views of the U.S. Country Team. Final credit agreements may

be consummated either in Washington with the foreign representatives or in the purchasing country, as may be mutually determined and approved by the Director, DSAA.

b. Out-of-Channel Requests

Where credit requests are received not in accordance with the procedures or special instructions indicated in Chapter B (Tables B-1 and B-2) and not in conformance with implementing procedures contained above, such out-of-channel requests will be processed as follows:

(1) Supplier/Banker Requests.

The classification of defense articles according to civil/military usage or governmental/private purchaser may cause confusion in the eligibility of credit from the Department of Defense or from Eximbank. Eximbank may credit finance some dual-use items, such as communications equipment or air navigation facilities at airports, for economically less developed countries but not military equipment. Therefore, requests for such articles and services must be examined by the respective financial sources as to legal qualifications as well as other eligibility. Such requests will be forwarded to the Defense Security Assistance Agency for coordination with Eximbank.

(2) Country Status Change.

Since Eximbank cannot legally finance defense articles and services to economically less developed countries after June 30, 1968, and since the economic status of countries change from time to time, where a country desires a reconsideration of its status in order to qualify for Eximbank credit, such requests will be forwarded to Director, DSAA, for coordination with State, Treasury, and the Eximbank.

11. Industry/Banking Coordination

a. Cooperation with the Private Sector

The Defense Department maintains a continuing and systematic liaison with defense private industries to assure that there is consideration of defense programs and policies in the military export field consistent with our national policy and objectives. The Defense

Security Assistance Agency is responsible for maintaining such liaison with and assistance to U.S. industry in the export of military supplies, equipment and services. DSAA is responsible for advising the Secretary of Defense and his principal management assistants on Foreign Military Sales, credit financing, and other matters pertaining to military exports consistent with the Security Assistance programs.

DSAA serves as a focal point in bringing together representatives of financial institutions, banks, and industry credit resources, to coordinate with government credit guaranty sources on behalf of foreign buyers requiring such credit and U.S. suppliers who would make such export sales consistent with our national policy. Results of meetings with industry-banking sources have been to stimulate private bank participation in FMS credit—using both DOD-funded and Eximbank-funded guarantees. Standards and criteria for credit financing FMS transactions have been clarified through such media, and Treasury guidelines for private financing with DOD guarantees are explained and modified from time-to-time as necessary to achieve the private financing program objectives. In this manner, continuous liaison is maintained with industry and financial institutions.

b. Private Bank Liaison

DOD issued a special letter on 11 June 1971 to approximately 200 banks and financial institutions participating in Eximbank's credit guaranty program for commercial exports, to ascertain the interest of such financial institutions to participate in DOD's guaranty program. The Bankers Association for Foreign Trade (BAFT) also called attention to the FMS Act (Section 24) which authorizes the guaranty of military export credits extended by private lenders to friendly foreign governments. These efforts and other liaison with financial resources serve to establish a better understanding of the FMS credit program and its authorities and restraints. Such efforts are to be continued and maintained to achieve the FMS program objectives in conformance with national policy. Future liaison and co-

ordination between government, industry and banking sources will be of increasing importance and necessary to achieve the objectives of the Security Assistance Program.

12. Preparation of Credit and Guaranty Agreements

Appropriate agreements for each type of credit transaction will be prepared by the Defense Security Assistance Agency for FMS credit and by Eximbank for its credit financing.

DSAA will prepare its agreements in close collaboration with the Office of General Counsel, Department of Defense. Because of the many variations in content and format, especially where private credit may be involved, it is not feasible to establish or maintain a standard, uniform credit agreement, or standard private credit guaranty agreement. Any requests for such sample agreements from potential buyers, suppliers, or lenders should be referred to the Director, DSAA, for appropriate action.

CHAPTER J

FINANCIAL PROCEDURES

1. Purpose

This chapter provides a general description of the financial principles and procedures which apply for various FMS transactions. It is designed to provide an overview of FMS financing and the responsibilities of concerned activities. Detailed guidance on the financial functions of pricing, preparation of billings, and accounting is included in DOD Instructions 2140.1, 2140.3 and 2110.29.

2. Basic Principles**a. Recovery of Costs**

The goal of FMS management is to conduct the FMS program at no cost to the US Government, while insuring prompt and complete service to the customer nation. Achievement of this goal requires a thorough understanding of procedures for pricing items or services furnished, administering FMS cases, and reporting of deliveries of materiel or services. The DD Form 1513 Offer and Acceptance contract makes it mandatory for the purchaser to pay for the full value of the transaction, regardless of terms of sale specified for the individual case. The single exception to the principle of total contract cost recovery is the fixed price concept included in Section 22 of the FMSA.

b. Administration of Cash Sales Program

(1) Separate trust funds (account XX-11X8242.XX) have been established for each Military Department to account for payments received from customers and disbursements to suppliers for FMS cash sales. These funds can be either cited directly on contracts for FMS items for that customer, or can be used to reimburse military de-

partment appropriations for deliveries (or progress payments made) of items initially procured by those appropriations.

(2) Each Military Department has established a central office to dispatch billings to, and receive payments from, FMS customers. This provides the customer with a single source to which payments can be made, and to which queries concerning these payments can be addressed.

(3) Cash payments deposited to the customer trust fund, other than for cash-in-advance sales, are based on requests for funds or billings submitted by the Military Department. Requests for funds under a dependable undertaking transaction will be submitted so as to insure receipt of customer payments in advance of delivery or contractor requirement for funds, regardless of whether military department appropriations or trust funds are cited on procurement contracts. Billings for Foreign Military Sales under 120 day payment transactions should be submitted at time of delivery. The accumulation of large unexpended balances in customer trust accounts, for substantial periods, should be avoided.

(4) Cash payments often will be received, for an individual FMS case, which are in excess of the final value of that particular case. With customer approval, these funds can be retained in the customer's trust fund and applied against other FMS cases. Upon customer demand, however, these overpayments will be refunded at the time the FMS case is closed, provided there are no collection delinquencies for other FMS cases for that customer.

c. Administration of FMS Credit Program

(1) The FMS credit appropriation provides initial funding of FMS or commercial

MILITARY ASSISTANCE AND SALES MANUAL—PART III

sales under medium-term credit terms. Annual appropriation requirements are defended before Congress by OSD/DSAA. The appropriation is administered by DSAA.

(2) Customer payments of principal and interest, for items received under medium-term credit sales, are based upon the terms of individual credit agreements. DSAA designates a single Military Department as executive agent to carry out the terms of each agreement.

d. Preparation and Implementation of DD Form 1513 Letters of Offer

Military Departments are responsible for preparing DD 1513's and for establishing estimated prices and availabilities of defense articles and services offered for sale thereon. Military Departments are responsible for negotiating terms of sale for cash sales, in accordance with policy guidance provided by DSAA. They are responsible for establishing management systems necessary to insure prompt implementation of FMS cases, including those systems required to finance, account, and report accomplishment for each individual case.

3. Financing and Billing for Cash Sales

a. Cash in Advance Terms of Sale (Type of Assistance Code 3)

Under these terms, the customer payment is made at the time of acceptance of the DD 1513 Letter of Offer. The amount of payment is the entire estimated value of the FMS case, as shown on the DD 1513. The payment satisfies the customer liability for the transaction if the final value (i.e., final cost) of the case is the same as that estimated in the Letter of Offer. The customer is liable, and will be billed, to pay any costs which are in excess of those originally estimated on the DD 1513. Overpayments, which may be caused by a reduction in costs from those estimated in the DD 1513, will be processed in accordance with para 2b(4) above. Sales of items from either defense stocks or new procurement can be transacted under these terms.

b. 120-Day Payment Terms of Sale (Type Assistance Code 5)

Except as noted in para 3c, these terms can be offered only for those FMS cases which encompass items which will be furnished solely from defense stocks. The 120-day deferral of customer payment applies to the value of each individual item delivered under the case, i.e., it does not mean that the customer is relieved from making any payments until 120 days after the whole case is classified as a delivered case. Billings will be sufficiently prompt to permit customer payments to be received within a reasonable period not to exceed 120 days after the end of the month in which delivery of material/services occurred.

c. Dependable Undertaking—120 Day Payment (Type Assistance Code F)

120-day payment terms may be extended to FMS cases which require defense procurement, upon specific determination by the Director, DSAA that such terms are in the best interests of the United States. This determination, when made, may apply against an entire FMS case, or may be applied to extend 120-day payment terms only for specified items to be delivered under a case. In either event, criteria for billing for the items delivered under 120-day payment terms are the same as in para 3b.

d. Dependable Undertaking Terms of Sale (Type Assistance Code 4)

(1) Dependable undertaking terms can be applied for sales from both defense stocks and new procurement. Applied to sales from defense stocks, these terms commit the customer to make payments by the time FMS items are delivered, rather than to pay cash either with the order or within 120 days after delivery. Applied to sales from defense procurement, the terms commit the customer to make payments at such time and in such amounts as are required to meet all payments requirements of the contract (including cancellation costs), in advance of the time such payments are due.

(2) Dependable undertaking terms are applied to finance a wide range of FMS transactions, ranging from the sale of complicated major weapons systems to simple procurements of individual items. Criteria for requesting payments (including down payments) from customers can vary considerably, depending upon the nature and source of the article sold and the funds cited to procure the article (i.e., reimbursable Military Department appropriations or direct citation of the trust fund). Providing the principles of para 2b(3) are followed, requests for funds and/or billings can be developed upon any of the following bases, or a combination thereof:

(a) A fixed schedule of payments for a case can be negotiated, providing latitude is retained to increase periodic fund requirements as necessary to insure sufficient funds are in hand to meet contractor requirements.

(b) When contractors do not require progress or partial payments, funds may be requested based on delivery forecasts, so as to be received by the time constructive delivery occurs.

(c) Funds for progress or partial payments may be requested based upon contractor or military department forecasts of expenditure requirements. Timing and amount of request can be based on actual, individual forecasts or upon Military Department experience for payments requirements for similar items. An example of the latter method is the application of cost curves which reflect contractor costs at given stages of production (i.e., termination liability curves) for the item being procured.

(d) Proportionate amounts of funds for administrative charges will be requested in consonance with funds for the material/services portion of the FMS case.

(3) Occasionally, developed nations will finance significant FMS transactions via a credit agreement with the Export-Import Bank. Such transactions are treated as normal dependable undertaking sales, although certification of billings and routing of billings may differ in order to satisfy

customer or Export-Import Bank requirements.

(4) The customer commitment to dependable undertaking terms also can be satisfied by establishing an irrevocable letter of credit, with a commercial bank, upon which funds can be drawn as required. In this instance, the customer should be advised to instruct the bank involved to expect only that billing documentation which is prescribed in DODI 2140.3.

4. Financing and Billing for Foreign Military Sales under Credit Agreements Executed Subsequent to March 1972

a. Applicability

The procedures in this part apply to those credit agreements signed subsequent to March 1972. Procedures for processing earlier credit agreements including executive agency assignments, allocation of funds, processing of promissory notes, and routing of billings, have been published in DODI 2110.29 and in individual letters which remain in effect. General procedures for processing these earlier credit agreements are explained in paragraph 8 below.

b. Execution of Credit Agreements

(1) DSAA is responsible for negotiating all credit agreements with foreign customers. This includes determining the defense articles and services to be furnished, credit limits, and terms of repayments and interest charges. It also is responsible for obtaining apportionments of foreign military sales appropriation (account 11*1082), obligating these funds based upon signed credit agreements, and transferring all funds and obligations to the Military Department which has been designated as executive agent.

(2) On receipt of a signed credit agreement, DSAA will provide copies, and implementation instructions, to applicable agencies listed in paragraph 14 below. Receipt of the signed agreement authorizes the Military Department to execute DD 1513's, citing the credit agreement in the manner described

MILITARY ASSISTANCE AND SALES MANUAL—PART III

in paragraph 4c. Implementation instructions will, when feasible, provide:

(a) General parameters under which FMS cases may be offered.

(b) A general description of items anticipated to be purchased under the credit agreement.

(c) The anticipated source of supply (i.e., commercial or FMS).

(3) The customer has primary responsibility for insuring that the value of orders placed for credit financing do not exceed the amount of available credit. DSAA will monitor orders placed, via the DSAA (AR) 1100 system, and will advise Military Departments and the customers, as required, when the credit is fully utilized.

(4) The U.S. Army Finance and Comptroller Information Systems Command (hereafter FINCISCOM) is designated executive agency for all credit agreements. Executive agency responsibilities include:

(a) Managing the transfer account 21-11*1082.

(b) Disbursing funds from this account to pay billings which are properly payable under a given credit agreement.

(c) Submitting periodic billings to the customer for repayments of principal and interest, based upon the terms of the credit agreement and the completed promissory notes previously submitted by the customer.

c. Processing DD 1513 Letters of Offer and Purchase Arrangements for Credit Sales

(1) The Military Department involved prepares DD 1513's for FMS cases contemplated for credit financing based upon authorization received from DSAA Sales Negotiation Directorate, or upon advice from the customer that a given case is contemplated for financing under a credit agreement. When it is known that financing of an FMS case is to be from credit funds under an existing credit agreement, DD 1513 Terms of Sale will cite the appropriate credit agreement and credit number (e.g., FY 1972 Credit Agreement Venezuela 721, dated June 15, 1972 (code Z)).

(2) When the customer requests finan-

cing of an FMS case to be from credit funds under an existing credit agreement, but available credit is insufficient to finance the entire value of the case, DD 1513 Terms of Sale will cite the appropriate credit agreement and the dollar value of credit approved for the case and cite dependable undertaking terms for the balance of the case. Type of finance codes for cases of this type will be assigned in accordance with paragraph 10b(1).

(3) A copy of each DD 1513, which reflects FY 1972 or subsequent credit terms, will be forwarded to Comptroller, DSAA at the time that it is submitted to the country.

(4) Occasionally customers will request coverage, under a designated credit agreement, for FMS cases which previously have been implemented as normal dependable undertaking sales. Such request may be approved by the Military Department involved, unless existing policy requires DSAA approval of the item content of the credit program involved. The Military Department will give formal approval (rather than verbal) to the customer, and forward a copy of the letter approving the change in financing to Comptroller, DSAA. No revised terms of sale need be shown on the DD 1513; however, transaction coding in the DSAA (AR) 1100 reporting system must be revised to reflect appropriate type of assistance codes.

d. Coding of Transaction in the DSAA (AR) 1100 Reporting System

(1) FMS cases financed wholly from credit funds must bear type of finance code Z in the DSAA (AR) 1100 reporting system and in subsidiary military department systems. The basis for applying finance code Z is the terms of sale of the DD 1513, or the formal approval of a customer request to convert a case from cash to credit financing.

(2) Finance code Z serves a dual purpose. First, it indicates in DOD reporting systems that the transaction is financed by credit funds and second, it designates to the military department accounting office the nature of the billing system to be used.

e. Processing and Routing Billings

The customer will be billed in the same manner as for dependable undertaking terms of sale. Billings will be routed directly from the military department central billing office to the designated representative of the customer. Separate billings must be submitted for finance code Z cases, except that multiple cases covered by a single credit agreement may be reflected on a single billing document if desired.

f. Processing Promissory Notes

(1) The customer may satisfy the billing by sending a cash payment directly back to the military department billing office. However, if the customer desires to have the billing paid from DOD direct credit funds available under the credit agreement, he:

(a) Prepares and signs a promissory note for the amount of payment desired.

(b) Designates the date on which the disbursement of DOD direct credit funds is to be made.

(c) Sends the promissory note along with a copy of the billing to Comptroller, DSAA. This data is forwarded by a transmittal letter which specifies the credit agreement under which payment is requested. A copy of the transmittal letter is sent to the military department billing office.

(2) Comptroller, DSAA verifies that the purchase arrangement against which payment is requested has been authorized. After verifying that the promissory note is correctly filled out, forward the promissory note and supporting documentation to FINCISCOM for payment.

g. Processing of Payments of DOD Direct Credit Funds

(1) Upon receipt of the promissory note and supporting documentation, FINCISCOM verifies that:

(a) Unliquidated obligations under the

credit agreement are sufficient to permit expenditure.

(b) Billings from Military Departments identify FMS case designators and amounts owed for each credit agreement.

(2) FINCISCOM then expends DOD direct credit funds (account 21-11*1082), sending checks to the appropriate military department billing office, along with a notification identifying the FMS cases and respective dollar amounts for which the check is drawn. The expenditure of funds should be made on the disbursement date designated by the customer (see paragraph 4f (1) (b)).

(3) Military department billing offices receive the payment from FINCISCOM and deposit it to the trust fund account of the customer involved. The trust fund (account XX-11X8242.XX) then is cited for direct payments to suppliers or for reimbursement to the appropriate military department appropriation.

h. Processing Billings for Repayment of Principal and Interest

(1) FINCISCOM has responsibility for sending to the customer all billings for the repayment of principal and interest under terms of the credit agreement.

(2) All customer payments of principal and interest will be made to FINCISCOM, which will deposit the payments to appropriate miscellaneous receipts accounts of the U.S. Treasury.

5. Financing and Billing for Military Sales Guaranties**a. General Explanation**

(1) Credit agreements occasionally stipulate that all or part of the credit financing is to be provided to the customer from private commercial sources. Under Section 24 of the FMSA, the United States Government has authority to guaranty those commercial sources from losses due to default in customer repayment. In addition to the agreement between the U.S. and the customer, guaranty financing requires:

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(a) An agreement between the U.S. and the commercial financing source, which outlines the conditions of the guaranty and stipulates the fee which the U.S. will charge for making the guaranty.

(b) An agreement between the commercial financing source and the customer, which outlines terms of repayment of the loan, interest rates, documentation required to draw down funds under the loan agreement, etc.

(2) DSAA obligates funds, in the amount of 25 percent of the value of guaranty loans, in the parent account of the FMS credit appropriation. As loan repayments are made by the customer to the commercial source, funds in the guaranty reserve which are in excess of 25 percent of contractual requirements are deobligated and returned to the general fund of the Treasury.

b. Procedures for Processing FMS Cases

(1) Procedures for preparing and routing DD 1513's, coding of documents, and routing of billings are identical to those explained in paragraph 4c through 4e above.

(2) Upon receipt of the billing, the customer is responsible for furnishing required documentation to the commercial financing source involved. Payments to satisfy the billing are made directly from the commercial financing source to the billing office of the Military Department. Payments are deposited to the trust fund account of the customer, which then is cited for direct expenditure to suppliers or for reimbursement to the appropriate military department appropriation.

6. Commercial Contracts Financed from DOD Direct Credit Funds

a. Applicability

The procedures in this part apply to those credit agreements signed subsequent to March 1972. Procedures for processing prior transactions of this type are published elsewhere and remain in effect.

b. Approval Process

(1) Credit agreements normally include provisions to allow DOD direct credit funds to be used to finance approved, specified contracts which have been executed directly between the customer and a contractor. The provisions provide, in general terms, for the customer to receive contractor billings, certify their correctness, and pass them to DOD for payment to be made directly to the contractor.

(2) Based on formal country request, DSAA Sales Negotiation Directorate approves the commercial purchase from the designated U.S. supplier under a designated credit agreement.

(3) Based upon this approval, DSAA Comptroller advises FINCISCOM that the commercial contract is a purchase arrangement under the credit agreement and of the amount of credit approved for the transaction. A copy of the commercial contract is furnished to FINCISCOM.

(4) FINCISCOM responsibilities for these transactions are basically the same as those noted in paragraph 4b(2) above, plus those noted in paragraph 6e below.

c. Processing Billings and Promissory Notes

(1) The customer receives invoices from the contractor along with standard form 1034's. The customer then takes the following actions:

(a) Certifies the invoice as proper for payment.

(b) Prepares and signs a promissory note for the amount of payment desired. This normally will be in the amount of the invoice, but will be less than that amount if the customer intends to make partial payments from cash or private credit sources.

(c) Designates the date on which the disbursement of DOD Direct funds is to be made.

(d) Transmits the promissory note, the certification, and copies of the standard form 1034 in quadruplicate, to Comptroller, DSAA. Specifies the credit agreement under which payment is requested.

(2) Comptroller, DSAA takes those actions described in paragraph 4f(2) above and forwards the package to FINCISCOM for payment.

d. Processing Payments and Billings for Repayments of Principal and Interest

(1) Upon receipt of the promissory note and supporting documentation, FINCISCOM verifies that:

(a) Unliquidated obligations under the credit agreement are sufficient to permit expenditure.

(b) The standard form 1034 has been properly filled out in quadruplicate and that proper certification is made.

(2) FINCISCOM then expends DOD direct credit funds, issuing separate checks directly to the contractors concerned.

(3) Billings for repayment of principal and interest are processed in accordance with 4h above.

e. Reporting of Transactions

(1) DSAA Comptroller assigns FMS case designators to identify these commercial transactions in the DSAA(AR) 1100 reporting system. To the extent possible, a separate case designator will be assigned to each contract which is to be paid from DOD direct credit funds.

(2) DSAA is responsible for reflecting the FMS case in the reporting system. The value of the case will be the estimated final value of the contract or transaction involved.

(3) FINCISCOM will furnish quarterly reports to DSAA which reflect the quarterly and cumulative amount of disbursements made from DOD direct credit funds against each individual FMS case involved. DSAA will reflect deliveries, by case, in the value of disbursements reported by FINCISCOM.

(4) FINCISCOM will advise, as a part of its report, when disbursements against the case are complete and no further action against the case is contemplated. DSAA will take the action required to reflect the case as final in DSAA(AR) 1100 report records.

7. Commercial Contracts Financed by Guaranty of Private Credit

This method of financing is authorized under Section 24 of the FMSA; this paragraph applies to contracts executed directly between the customer and the supplier. Responsibilities for executing agreements are the same as those included in paragraph 5a above. Procedures for routing and payment of contractor billings are determined by negotiation among the customer, the supplier, and the source of private credit. DOD financial responsibilities are those agreed in the guaranty agreement between the DOD and the lender, i.e., those required to guaranty the loan.

8. Processing Foreign Military Sales under Credit Agreements Executed Prior to April 1972

a. General Explanation

(1) This paragraph explains those procedures normally used to process credit sales authorized by credit agreements executed prior to April 1972. Legal authority for these sales is included in:

(a) Section 23 of the FMSA for credit agreements executed subsequent to 30 June 1968. These sales are financed by the foreign military sales appropriation, account 11*1082.

(b) Section 524 of the Foreign Assistance Act of 1961, as amended, for credit agreements executed prior to 1 July 1968. These sales are financed by the former foreign military sales revolving fund, now termed liquidation of foreign military sales fund, account 11X4117.

(2) DODI 2110.29 establishes general policies for administering these credit agreements and provides detailed instructions for administering the accounts mentioned above.

(3) Variations to the procedures outlined below have been published by individual letters, as required to implement extraordinary transactions. These letters remain in effect.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

b. Execution of Credit Agreements

(1) DSAA is responsible for negotiating all credit agreements with foreign customers. This includes determining the defense articles and defense services to be furnished, credit limits, and terms of repayments and interest charges. It is responsible for obtaining apportionments of the foreign military sales appropriation (account 11*1082); apportionments are not required for the revolving fund (account 11X4117). DSAA obligates these funds based upon signed credit agreements and allocates obligational authority, as required, to the Military Department(s) responsible for supplying the items and services covered by the credit agreement.

(2) DSAA assigns an executive agent for each credit agreement that involves more than one Military Department. Normally, this is the Military Department which is responsible for furnishing the preponderance of the items covered by the credit agreement. Responsibilities of the executive agent are specified by individual letter and include:

(a) Preparing promissory notes, forwarding these to the customer, and receiving signed notes from the customer.

(b) Submitting periodic billings to the customer for repayments of principal and interest based upon the terms of the credit agreement and the signed promissory notes received from the customer.

c. Processing DD 1513 Letters of Offer and Acceptance and Obtaining Financing

The Military Department involved prepares DD 1513's for the items covered by the credit agreement. Terms of sale in the DD 1513 cite the applicable credit agreement. The Military Department then requests a transfer of obligational authority by the Comptroller, DSAA, from the appropriate credit account, to the extent that sufficient obligational authority has not previously been allocated to the Military Department. The funds, when received, can be cited for direct expenditures to suppliers or can be reserved to reimburse the appropriate

military department appropriation for progress payments/deliveries made.

d. Coding of Transactions in the DSAA(AR) 1100 Reporting System

FMS cases for items authorized by credit agreements executed prior to 30 June 1968 must bear type of finance code 8 in the DSAA(AR) 1100 reporting system and in subsidiary military department systems. FMS cases for items authorized by subsequent credit agreements bear type of finance code Q or M, as appropriate. The basis for recording finance codes is the terms of sale of the DD 1513, or an approved customer request to revise terms of sale for a given DD 1513 from cash to credit terms.

e. Processing of Payments of DOD Direct Credit Funds

The Military Department responsible for administering the FMS case disburses DOD direct credit funds (account XX-11*1082 or account XX-11X4117, as appropriate) as contractor costs are incurred or as deliveries of items are made. The military department accounting and billing office then:

(1) Forwards periodic statements of account to the customer which reflect costs incurred for the FMS case(s) under the given credit agreement.

(2) Advises the executive agent of the amounts and dates of disbursement of DOD direct credit funds.

f. Processing of Promissory Notes and Billings for Repayment of Principal and Interest

(1) Based on information provided under paragraph 8e(2) above, the executive agent prepares promissory notes and forwards them to the customer for signature and return.

(2) The executive agent is responsible for sending all billings to the customer for the repayment of principal and interest under the terms of the credit agreement.

(3) The customer is instructed to forward all payments of principal and interest

to FINCISCOM, U.S. Army, which receives these payments and deposits them to appropriate accounts of the U.S. Treasury.

9. Closing Foreign Military Sales Cases Financed under Credit Agreements Executed Prior to April 1972

a. Applicability

This applies to FMS cases financed from long-term credit funds under the terms of credit agreements executed prior to April 1972. These cases are reflected in FMS records under type of finance codes 8, Q, M, X, and Y.

b. Purpose

(1) Cash sales cases, and those cases financed from credit sources under the provisions of paragraph(s) 4 and 5, are considered closed when collections of funds for the cases into the customer trust fund are equal to the final value of material/services delivered to the customer for that case. Past procedures have stipulated that FMS credit cases be held open until sufficient repayments had been collected against the applicable credit agreement to be applied to individual FMS cases in the total value of deliveries for those cases. Accordingly, some cases remained in an open status for years after final supply action was completed.

(2) The purpose of this procedure is to separate management of individual FMS cases from the parent credit agreement. This makes it possible to close out cases promptly after all items and services have been delivered, necessary adjustments have been made, and final accounting statements have been issued to the customer.

c. Procedures for Closing Cases

The Military Department responsible for implementing the FMS case will not report collections against the case, in the DSAA (AR) 1100 report, until deliveries are completed. At the time the FMS case is fully delivered (i.e., supply complete), final pricing adjustments are made, and all disbursements from the appropriate credit transfer

account have been made for the case, the Military Department responsible for implementing the case will:

(1) Insure that the value of item detail for the case is adjusted to equal the final delivered value for the case.

(2) For purposes of reporting only, make the value of collections for the case in the DSAA(AR) 1100 report to equal the final delivered value as reported in the DSAA(AR) 1100 report.

(3) Issue a final accounting statement for the case to the customer. Do not include any collection information on the statement. Include the following on the face of the statement:

“This case is financed under the terms of credit agreement (number), dated (date of credit agreement). (Executive Agent) will issue periodic billings for principal and interest, under the terms of the credit agreement, to cover costs of this and all other FMS cases financed under the credit agreement.”

(4) Send a copy of the final accounting statement to the executive agent for the credit agreement.

(5) To ensure that cases will be reflected as closed in the DSAA(AR) 1100 reporting system, the following checks should be made:

(a) Ensure that each detail record (RSN) reflects deliveries (quantity and value) equal to the purchase information contained in that record and that each record contains a completed line code (c).

(b) Ensure that the total value of all purchases in a case are within \$1 of the case value contained in the case record.

(c) Ensure that the collections are entered in fields to coincide with the fields used to enter case values (e.g., cash, DOD credit, etc.) and that in each instance collections are within \$1 of case values.

(d) Ensure that the record count submitted initially agrees with the number of detail records on file.

(e) If (1)-(4) above are completed, the case status should be C. The final action required at that time is to submit a card A to enter case status F.

d. Executive Agent Responsibilities

Executive agent responsibilities are unchanged from those included in DODI 2110.29 and in individual letters of instruction with the following exception. Under these procedures, there is no requirement for the executive agent to distribute principal repayment collections to individual FMS cases.

e. Processing Discrepancy Report Credits

All outstanding discrepancy reports will be processed against a case prior to closing the case and, as long as the FMS case is open, the discrepancy report adjustment will be recorded against the affected case. When the affected case has been closed, the adjustment will be recorded against the trust fund account of the customer.

10. Multiple Sources of Financing

a. Reasons for Using Multiple Sources of Financing

(1) Customers occasionally finance major sales partially from cash and partially from credit sources. The two primary reasons for use of multiple financing are:

(a) The customer desires to pay cash for the transactions to the maximum extent possible, but must obtain partial credit financing because of inability to pay for the entire transaction on cash terms.

(b) The customer desires to utilize credit for the transaction to the maximum extent possible, but cannot obtain approval for DOD direct credit financing for the entire amount due to insufficient funds in the FMS credit appropriation or for policy reasons.

(2) In either event the customer is obligated to pay cash, under dependable undertaking terms of sale, for all costs of the sale which exceed the amount of credit authorized in the purchase agreement for the transaction.

b. Type of Finance Coding Required for Cases Financed Under Credit Agreements Executed Subsequent to March 1972

(1) FMS cases should be coded with type of finance code Z to the extent that credit financing has been authorized by a purchase arrangement. The difference between the value of the total case and the value of credit financing authorized should be coded type of finance code 4.

(2) FMS cases for which full credit financing has been authorized by a purchase arrangement should be coded type of finance code Z in their entirety, even though the credit may be extended partially under DOD direct credit and partially under private guaranty credit.

c. Criteria for and Routing of Billings for Cases Financed under Credit Agreements Executed Subsequent to March 1972

Billings for multiple financed FMS cases should be prepared and routed as if the cases were financed under normal dependable undertaking terms. The customer has the option to satisfy each billing by paying cash, by obtaining payment via guaranty credit, or by obtaining payment from DOD direct credit funds.

d. Type of Finance Coding Required for Cases Financed under Credit Agreements Executed Prior to April 1972

(1) FMS cases should be coded with type of finance codes 8, Q, M, or G, as appropriate, to the extent that credit financing has been authorized in accordance with the terms of sale of the DD 1513. The difference between the value of the total case and the value of credit financing authorized should be coded type of finance 4.

(2) FMS cases for which full credit financing has been authorized should be coded 8, Q, or M, as appropriate, to the extent that financing is under DOD direct credit. The portion of the case which is financed under guaranty credit should be coded type of finance G.

e. Criteria for and Routing of Billings for Cases Financed under Credit Agreements Executed Prior to April 1972

(1) The customer is furnished only

MILITARY ASSISTANCE AND SALES MANUAL—PART III

with statements of account for those costs which are covered by DOD direct credit funds, since no action is required by the customer prior to disbursement of these funds.

(2) The customer is provided billings for those costs which are covered either by dependable undertaking or guaranty financing. The billings are prepared and routed as if the cases were financed under normal dependable undertaking terms. The customer can satisfy each billing either by paying cash or by making payment from funds obtained via guaranty credit sources.

11. Overdue Billings and Delinquent Accounts

a. The terms of sale of each DD 1513 dictate the timing, amounts, and due dates for payment of the billings which Military Departments produce for each FMS case. The customer is obligated to make payments against these billings, on time and in full, by the terms of sale of the DD 1513. The Military Departments are obligated, in order to comply with the Foreign Military Sales Act, to insure timely collection of funds which are due.

b. Most problems of collection are due to late payment, rather than to any tendency of FMS customers to default on payments. Late payments frequently result from the customer's misunderstanding of terms of sale, the content of the billings, or the general problems of communication. Each Military Department should establish a procedure which fixes responsibilities for follow-up on overdue billings. Recognition should be given to the problem of improving communications with the customer on financial matters.

c. Delinquent accounts should be referred to DSAA Comptroller when Military Departments have exhausted internal means of collection.

12. Sale of MAP Owned Property under FMS

Proceeds from the sale of MAP owned

property are properly reimbursable to MAP appropriation 11*1080. The Military Department which transacts the sale should specify to DSAA at the time the DD 1513 letter of offer is prepared, the items being sold and any special conditions of sale. Comptroller, DSAA will issue special instructions required to insure reimbursement to the MAP appropriation.

13. Addresses of Military Department Central Collection and Billing Offices

- a. Department of the Army
U.S. Army Finance and Comptroller
Information Systems Command
ATTN: MA/SAD
1000 Independence Avenue, S.W.
Washington, D.C. 20314
- b. Department of the Navy
Commanding Officer
Navy International Logistics Control
Office
Bayonne, New Jersey 07002
- c. Department of the Air Force
Air Force Accounting and Finance
Center
ATTN: ACFR
3800 York Street
Denver, Colorado 80205

14. Addresses of Military Department Central Activities Responsible for Preparation and Issuance of Letters of Offer

- a. Department of the Army
Deputy Chief of Staff for Logistics
(DALO-ILS)
Hqrs. Department of Army
Washington, D.C. 20310
- b. Department of the Navy
Chief of Naval Operations (063)
Hqrs. Department of Navy
Washington, D.C. 20350
- c. Department of the Air Force
Director of Military Assistance and
Sales (AF/LGF)
Hqrs. U.S. Air Force
Washington, D.C. 20330

CHAPTER K

FOREIGN MILITARY SALES REPORTING SYSTEM

1. Purpose

The purpose of this chapter is to provide a general description of the concept and characteristics of the FMS reporting system and provide rules and instructions for preparing punch cards used in the system.

2. Concept

a. Master file records are maintained by DSAA containing information on cases previously reported and, as changes occur, they are reported by the Military Departments and processed to the master file.

b. The reporting system covers the status of sales negotiations as well as the execution of accepted sales cases. Reporting commences as soon as a formal sales offer is transmitted to the representative of a foreign government or international organization and continues until the final delivery is made; final statement of accounts is rendered; and final collection of funds is received from the foreign government or international organization. Offers which are not accepted by the foreign government; offers which are withdrawn by the U.S. or declined by a foreign government; or, an accepted case which is subsequently cancelled by either the foreign government or the U.S. are not deleted from the master file, but are retained as inactive records for a period of two years after the initial offer date.

c. The FMS reporting system contains two types of records, case and item detail:

(1) A case record contains the identification of the sales case, a description of the contents of the case, the important transaction dates, the details of case financing and

the status of case collections. Case records are created when an offer is first made, and are maintained in the file permanently even though the offer is subsequently refused or cancelled. One case record (and only one) will be established for each sales agreement between the U.S. government and a foreign government or international organization as documented by DD Form 1513 or other equivalent documents.

(2) A series of item detail records is established at the time a case is implemented to specify the materiel and services contained within the case. Item detail records reflect the identification of materiel and services, the quantities and/or values purchased, delivery commitments, delivery forecasts and the cumulative deliveries made. Item detail records are established at the level prescribed by the Military Articles and Services List (MASL).

3. Reporting Frequency

The FMS reporting system operates under the following reporting cycle:

a. Data cards required to establish case records are submitted within five working days after the formal offer is tendered. Likewise, changes in case status or case financing must also be reported within five working days of such actions.

b. Item detail cards are required within five working days after a case reaches implemented status. Corrections or adjustments of item detail records are reported as they occur.

c. Item deliveries and case collections are reported quarterly NLT 30 calendar days after the close of each fiscal quarter.

4. Master File Update

a. Data from the Military Departments, and data prepared manually or mechanically within DSAA are processed in a weekly update normally performed on Wednesday. Quarterly submissions of delivery and collection data are processed in the applicable weekly update cycle,

b. During each weekly update, input will be edited and the rejected cards will be returned to the change originator via AUTODIN for correction and resubmission. Rejected cards will contain an action code to identify the error conditions. All rejected cards should be corrected and resubmitted immediately. In no case should collection and delivery data be held for resubmission with the next quarterly report.

5. Major Features

a. Delivery forecasts will be computed centrally from the single forecast date reported in the item detail record.

b. Deliveries of materiel made via military transportation and without export license are identified separately for reporting to the Department of Commerce.

c. The FMS master file contains delivery and collection status as of the end of the last fiscal quarter and as of the end of the last fiscal year. Data in these fields may be changed, adjusted or deleted by submission of C or D Cards with the appropriate reason for change codes.

d. When quarterly delivery and collection data from the Military Departments have been processed to the FMS master file and all quarterly reports prepared, the current cumulative collection and delivery figures

will be moved automatically to the fields used to record "end of last fiscal quarter."

e. When fourth quarter delivery and collection data submitted by the Military Departments have been posted to the FMS master file and all annual reports prepared, the current cumulative collection and delivery figures will be moved automatically to the fields used to record "end of last fiscal year".

6. Preparation of FMS Data Cards

a. There are ten card formats used in the FMS reporting system. These formats are shown on Figures K-1, K-2 and K-3 at the end of this chapter. The cards with numeric card codes (column 1) are used to add or delete either case records or item detail records. The cards with alpha card codes are used to change or augment data previously submitted for case or item detail records, or to post deliveries or collections to the FMS master file. The zero card is used (by DSAA only) for all credit allocation transactions.

b. Data may be submitted to DSAA in any one of three different ways. Actual punch cards may be submitted by AUTODIN or messenger. Otherwise, data may be submitted on transcript sheets and the key punching will be performed by DSAA. Pre-printed transcript sheets are available in DSAA. Voluminous data submissions such as quarterly delivery and collection reports may be submitted on magnetic tape. If this method is preferred, Military Departments must make special arrangements with DSAA as to tape characteristics.

c. Specific instructions for preparation of each data card are contained in the following paragraphs.

(1) Card 1 (Case Card)

| Abbreviation Title of Field | Field Name | Card Column | Number Columns in Field | Type of Character | Instruction | Appendix B Reference |
|-----------------------------------|--------------------------|----------------|-------------------------------|--|---|----------------------------|
| S | System Code | 1 | (1) | Alpha | Must be filled. Punch "S". | Para 36 |
| Y | | | | | | |
| C | Card Code | 2 | (1) | Numeric | Must be filled. Punch "1". | Para 7 |
| D | | | | | | |
| CC | Country/Activity Code | 3-4 | (2) | Alpha/ Numeric | Must be filled. | Para 15 |
| I | Implementing | 5 | (1) | Alpha | Must be filled. | Para 23 |
| A | Agency Code | | | | | |
| CSE | Case Designator | 6-8 | (3) | Alpha/ Numeric | Must be filled. | Para 9 |
| C | Case Suffix | 9 | (1) | Numeric | May be blank if suffix not needed. | Para 11 |
| S | Code | | | | | |
| | Blank | 10-12 | (3) | | Must be blank. | |
| A | Action Code | 13 | (1) | Alpha | Leave blank. | Para 3 |
| C | | | | | | |
| C | Change Originator | 14 | (1) | Alpha | Must be filled. | Para 12 |
| O | Code | | | | | |
| RE | Reason for | 15-16 | (2) | Alpha/ Numeric | Must be filled. 1st character always alpha and 2nd always numeric. | Para 29 |
| CH | Change Code | | | | | |
| S | Status Code | 17 | (1) | Alpha | Must be filled. | Para 34 |
| T | | | | | | |
| OFFER | Offer Date | 18-22 | (5) | Numeric | Must be filled. Punch offer date based on DD Form 1513. | Para 27 |
| YR DAY | | | | | | |
| ACCPT | Acceptance Date | 23-27 | (5) | Numeric | May be blank for new cases. May be filled when reconstructing FY 70 and prior case records. | Para 1 |
| YR DAY | | | | | | |
| IMPLT | Implementation | 28-32 | (5) | Numeric | May be blank for new cases. May be filled when reconstructing FY 70 and prior case records. | Para 22 |
| YR DAY | Date | | | | | |
| ITM | Item Count | 33-35 | (3) | Numeric | May be blank for new cases. May be filled when reconstructing FY 70 and prior case records. If filled, right justify, zero fill to left. | Para 24 |
| ONT | | | | | | |
| DESCRIP- TION | Case Description | 36-80 | (45) | Alpha/ Numeric/ Special Char- acters | 15 characters must be entered. Left justify. | Para 8 |

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(2) Card A (Case Card—Change)

| <i>Abbreviation Title of Field</i> | <i>Field Name</i> | <i>Card Column</i> | <i>Number Columns in Field</i> | <i>Type of Character</i> | <i>Instruction</i> | <i>Appendix B Reference</i> |
|--|---|------------------------|--|--|--|-------------------------------------|
| S Y | System Code | 1 | (1) | Alpha | Must be filled. Punch "S". | Para 36 |
| C D CC | Card Code Country/Activity Code | 2 3-4 | (1) (2) | Alpha Alpha/ Numeric | Must be filled. | Para 7 Para 15 |
| I A | Implementing Agency Code | 5 | (1) | Alpha | Must be filled. | Para 23 |
| CSE | Case Designator | 6-8 | (3) | Alpha/ Numeric | Must be filled. | Para 9 |
| C S | Case Suffix Code | 9 | (1) | Numeric | May be blank if suffix not needed. | Para 11 |
| A C C O | Blank Action Code Change Originator Code | 10-12 13 14 | (3) (1) (1) | Alpha Alpha | Must be blank. Leave blank. Must be filled. | Para 3 Para 12 |
| RE CH | Reason for Change Code | 15-16 | (2) | Alpha/ Numeric | Must be filled. 1st character always alpha and 2nd always numeric. | Para 29 |
| S T | Status Code | 17 | (1) | Alpha | May be blank. | Para 34 |
| OFFER YR DAY | Offer Date | 18-22 | (5) | Numeric | Should be blank unless offer date initially submitted in Card 1 is wrong and must be corrected. | Para 27 |
| ACCPT YR DAY | Acceptance Date | 23-27 | (5) | Numeric | May be blank. Must be filled if status code A is punched in column 17. Should be filled if status code I is punched in column 17 and acceptance date not previously recorded. | Para 1 |
| IMPLT YR DAY | Implementation Date | 28-32 | (5) | Numeric | May be blank. Must be filled if status code I is punched in column 17. | Para 22 |
| ITM CNT | Item Count | 33-35 | (3) | Numeric | May be blank. Must be filled if status code I is punched in column 17. If filled, right justify, zero fill to left. | Para 24 |
| DESCRIP- TION | Case Description | 36-80 | (45) | Alpha/ Numeric/ Special Char- acters | Should be blank unless description initially furnished on Card 1 is being corrected or improved. If filled, a minimum of 15 characters must be entered. Left justify. | Para 8 |

(3) Card 2 (Case Trailer Card—Addition)

| <i>Abbreviation Title of Field</i> | <i>Field Name</i> | <i>Card Column</i> | <i>Number Columns in Field</i> | <i>Type of Character</i> | <i>Instruction</i> | <i>Appendix B Reference</i> |
|--|--------------------------|------------------------|--|----------------------------------|---|-------------------------------------|
| S | System Code | 1 | (1) | Alpha | Must be filled. Punch "S". | Para 36 |
| Y | | | | | | |
| C | Card Code | 2 | (1) | Numeric | Must be filled. Punch "2". | Para 7 |
| D | | | | | | |
| CC | Country/Activity Code | 3-4 | (2) | Alpha/ Numeric | Must be filled. | Para 15 |
| I | Implementing | 5 | (1) | Alpha | Must be filled. | Para 23 |
| A | Agency Code | | | | | |
| CSE | Case Designator | 6-8 | (3) | Alpha/ Numeric | Must be filled. | Para 9 |
| C | Case Suffix | 9 | (1) | Numeric | May be blank if suffix not needed. | Para 11 |
| S | Code | | | | | |
| | Blank | 10-12 | (3) | | Must be blank. | |
| A | Action Code | 13 | (1) | Alpha | Leave blank. | Para 3 |
| C | | | | | | |
| C | Change Originator | 14 | (1) | Alpha | Must be filled. | Para 12 |
| O | Code | | | | | |
| RE | Reason for | 15-16 | (2) | Alpha/ Numeric | Must be filled. 1st character always | Para 29 |
| CH | Change Code | | | | alpha and 2nd always numeric. | |
| | Blank | 17-19 | (3) | | Leave blank. | |
| TA | Type of | 20-22 | (3) | Alpha/ Numeric | One column must be filled. Two or | Para 37 |
| | Assistance Code | | | | three columns should be filled if | |
| | | | | | case is multiple financed. | |
| M | Method of | 23 | (1) | Alpha/ Numeric | Must be filled. | Para 25 |
| F | Funding Code | | | | | |
| CASH | Cash Amount | 24-32 | (9) | Numeric | Punch or leave blank in accordance | |
| AMOUNT | | | | | with method of funding code. If | |
| | | | | | filled, right justify, zero fill to left. | |
| CDT | Credit Arrange- | 33-35 | (3) | Numeric | Punch or leave blank in accordance | Para 16 |
| ARR | ment Number | | | | with method of funding code. | |
| CDT | Credit Amount | 36-44 | (9) | Numeric | Punch or leave blank in accordance | |
| AMOUNT | | | | | with method of funding code. If | |
| | | | | | filled, right justify, zero fill to left. | |
| CDT | Credit Arrange- | 45-47 | (3) | Numeric | Punch or leave blank in accordance | Para 16 |
| ARR | ment Number | | | | with method of funding code. | |
| CDT | Credit Amount | 48-56 | (9) | Numeric | Punch or leave blank in accordance | |
| AMOUNT | | | | | with method of funding code. If | |
| | | | | | filled, right justify, zero fill to left. | |
| CDT | Credit Arrange- | 57-59 | (3) | Numeric | Punch or leave blank in accordance | Para 16 |
| ARR | ment Number | | | | with method of funding code. | |
| CDT | Credit Amount | 60-68 | (9) | Numeric | Punch or leave blank in accordance | |
| AMOUNT | | | | | with method of funding code. If | |
| | | | | | filled, right justify, zero fill to left. | |
| CDT | Credit Arrange- | 69-71 | (3) | Numeric | Punch or leave blank in accordance | Para 16 |
| ARR | ment Number | | | | with method of funding code. | |
| CDT | Credit | 72-80 | (9) | Numeric | Punch or leave blank in accordance | |
| AMOUNT | Amount | | | | with method of funding code. If | |
| | | | | | filled, right justify, zero fill to left. | |

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(4) Card B (Case Trailer Card—Change)

| Abbreviation Title of Field | Field Name | Card Column | Number Columns in Field | Type of Character | Instruction | Appendix B Reference |
|-----------------------------------|-------------------------------------|----------------|-------------------------------|---------------------------|--|----------------------------|
| S Y | System Code | 1 | (1) | Alpha | Must be filled. Punch "S". | Para 36 |
| C D | Card Code | 2 | (1) | Alpha | Must be filled. Punch "B". | Para 7 |
| CC | Country/Activity Code | 3-4 | (2) | Alpha/ Numeric | Must be filled. | Para 15 |
| I A | Implementing Agency Code | 5 | (1) | Alpha | Must be filled. | Para 23 |
| CSE | Case Designator | 6-8 | (3) | Alpha/ Numeric | Must be filled. | Para 9 |
| C S | Case Suffix Code | 9 | (1) | Numeric | May be blank if suffix not needed. | Para 11 |
| A C | Blank Action Code | 10-12 13 | (3) (1) | Alpha | Must be blank. Leave blank. | Para 3 |
| C O | Change Originator Code | 14 | (1) | Alpha | Must be filled. | Para 12 |
| RE CH | Reason for Change Code | 15-16 | (2) | Alpha/ Numeric | Must be filled. 1st character always alpha and 2nd always numeric. | Para 29 |
| TA | Blank Type of Assistance Code | 17-19 20-22 | (3) (3) | Alpha/ Numeric or * | Leave blank. Fill only to correct an error or if financing of case changes. Use an asterisk (*) to blank a column previously filled. | Para 37 |
| M F | Method of Funding Code | 23 | (1) | Alpha/ Numeric | Fill only to correct an error, or if financing of case changes. If filled, dollar amounts of all cash and/or credit financing and appropriate credit arrangement numbers <i>must</i> also be punched. | Para 25 |
| CASH AMOUNT | Cash Amount | 24-32 | (9) | Numeric | (The nine fields in cols 24 thru 80 are treated as though they were one in posting changes to the FMS master file. If any of the fields are filled, the entire nine fields are changed to either blank or to amounts or figures punched in Card B. Therefore, to change any dollar amount or credit arrangement number, the total data for case financing must be restated in the change card. Financing data must be restated if method of funding code is punched in Card B, and vice versa. Whenever financing data is punched in Card B, it must be consistent with method of funding code in Card B. The appropriate credit arrangement number must be punched in the preceding field if a dollar amount is punched in any of the fields for credit financing.) | Para 16 |
| CDT ARR | Credit Arrange- ment Number | 33-35 | (3) | Numeric | | Para 16 |
| CDT AMOUNT | Credit Amount | 36-44 | (9) | Numeric | | |
| CDT ARR | Credit Arrange- ment Number | 45-47 | (3) | Numeric | | Para 16 |
| CDT AMOUNT | Credit Amount | 48-56 | (9) | Numeric | | |
| CDT ARR | Credit Arrange- ment Number | 57-59 | (3) | Numeric | | Para 16 |
| CDT AMOUNT | Credit Amount | 60-68 | (9) | Numeric | | |
| CDT ARR | Credit Arrange- ment Number | 69-71 | (3) | Numeric | | Para 16 |
| CDT AMOUNT | Credit Amount | 72-80 | (9) | Numeric | | |

(5) Card C (Case Collection Card—Change)

| Abbreviation Title of Field | Field Name | Column Card | Number Columns in Field | Type of Character | Instruction | Appendix B Reference |
|-----------------------------------|-----------------------------|----------------|-------------------------------|-------------------------|--|----------------------------|
| S Y C D CC | System Code | 1 | (1) | Alpha | Must be filled. Punch "S". | Para 36 |
| I A CSE | Card Code | 2 | (1) | Alpha | Must be filled. Punch "C". | Para 7 |
| C S | Country/Activity Code | 3-4 | (2) | Alpha/ Numeric | Must be filled. | Para 15 |
| A C | Implementing Agency Code | 5 | (1) | Alpha | Must be filled. | Para 23 |
| C O | Case Designator | 6-8 | (3) | Alpha/ Numeric | Must be filled. | Para 9 |
| RE CH | Case Suffix Code | 9 | (1) | Numeric | May be blank if suffix not needed. | Para 11 |
| A C C | Blank | 10-12 | (3) | | Must be blank. | |
| O | Action Code | 13 | (1) | Alpha | Leave blank. | Para 3 |
| RE CH | Change Originator Code | 14 | (1) | Alpha | Must be filled. | Para 12 |
| | Reason for Change Code | 15-16 | (2) | Alpha/ Numeric | Must be filled. 1st character always alpha and 2nd always numeric. | Para 29 |
| | Blank | 17-23 | (7) | | Leave blank. | |
| CASH AMOUNT | Cash Amount | 24-32 | (9) | Numeric or * | Punch or leave blank. Entries must correspond to method of funding code in case record. If filled, right justify, zero fill to left. | |
| | Blank | 33-35 | (3) | | Must be blank. | |
| CDT AMOUNT | Credit Amount | 36-44 | (9) | Numeric or * | Punch or leave blank. Entries must correspond to method of funding code in case record. If filled, right justify, zero fill to left. To void previous entry, punch * in units position. | |
| | Blank | 45-47 | (3) | | Must be blank. | |
| CDT AMOUNT | Credit Amount | 48-56 | (9) | Numeric or * | Punch or leave blank. Entries must correspond to method of funding code in case record. If filled, right justify, zero fill to left. To void previous entry, punch * in units position. | |
| | Blank | 57-59 | (3) | | Must be blank. | |
| CDT AMOUNT | Credit Amount | 60-68 | (9) | Numeric or * | Punch or leave blank. Entries must correspond to method of funding code in case record. If filled, right justify, zero fill to left. To void previous entry, punch * in units position. | |
| | Blank | 69-71 | (3) | | Must be blank. | |
| CDT AMOUNT | Credit Amount | 72-80 | (9) | Numeric or * | Punch or leave blank. Entries must correspond to method of funding code in case record. If filled, right justify, zero fill to left. To void previous entry, punch * in units position. | |

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(6) Card 4 (Item Detail Card—Addition)

| <i>Abbreviation Title of Field</i> | <i>Field Name</i> | <i>Card Column</i> | <i>Number Columns in Field</i> | <i>Type of Character</i> | <i>Instruction</i> | <i>Appendix B Reference</i> |
|--|-----------------------------|------------------------|--|--|--|-------------------------------------|
| S | System Code | 1 | (1) | Alpha | Must be filled. Punch "S". | Para 36 |
| Y | | | | | | |
| C | Card Code | 2 | (1) | Numeric | Must be filled. Punch "4". | Para 7 |
| D | | | | | | |
| CC | Country/Activity Code | 3-4 | (2) | Alpha/ Numeric | Must be filled. | Para 15 |
| I | Implementing Agency Code | 5 | (1) | Alpha | Must be filled. | Para 23 |
| A | | | | | | |
| CSE | Case Designator | 6-8 | (3) | Alpha/ Numeric | Must be filled. | Para 9 |
| C | Case Suffix Code | 9 | (1) | Numeric | May be blank if suffix not needed. | Para 11 |
| S | | | | | | |
| RSN | Record Serial Number | 10-12 | (3) | Alpha/ Numeric | Must be filled. | Para 30 |
| A | Action Code | 13 | (1) | Alpha | Leave blank. | Para 3 |
| C | | | | | | |
| C | Change Originator Code | 14 | (1) | Alpha | Must be filled. | Para 12 |
| O | | | | | | |
| RE | Reason for Change Code | 15-16 | (2) | Alpha/ Numeric | Must be filled. 1st character always alpha and 2nd always numeric. | Para 29 |
| CH | | | | | | |
| GEN | Generic Code | 17-19 | (3) | Alpha/ Numeric | Must be filled. 1st character always alpha, 2nd always numeric, and 3rd always alpha | Para 21 |
| CDE | | | | | | |
| FEDERAL STOCK NO | Federal Stock Number | 20-30 | (11) | Alpha/ Numeric/ Special Char- acters | Must be filled and match MASL. No alpha O's or alpha I's will be used. (Ø & 1 numerics will be used in lieu thereof.) | Para 20 |
| S | Spare Parts Code | 31 | (1) | Alpha | May be blank. Punch only if line item is CSP or AGE. | Para 33 |
| P | | | | | | |
| QTY | Quantity Purchased | 32-37 | (6) | Numeric | May be blank. Must be filled in if MASL unit of issue is not XX. If filled, right justify, zero fill to left. | |
| PUR | | | | | | |
| TOTAL PRICE | Total Sales Price | 38-46 | (9) | Numeric | Must be filled. Right justify, zero fill to left. | |
| DEL | Delivery Commitment Code | 47-49 | (3) | Numeric | May be blank. If filled, enter date based on DD Form 1513. | Para 17 |
| COM | | | | | | |
| DEL | Delivery Forecast Code | 50-52 | (3) | Numeric | May be blank. | Para 18 |
| FOR | | | | | | |
| | Blank | 53-62 | (10) | | Leave blank. | |
| C | Completed Line Item Code | 63 | (1) | Alpha | May be blank. If filled punch "C". | Para 13 |
| L | | | | | | |
| P | Progress Payment Code | 64 | (1) | Alpha | May be blank. If filled punch "P". | Para 28 |
| P | | | | | | |
| M | Method of Shipment Code | 65 | (1) | Alpha | Must be filled if quantity delivered or value delivered fields contain Data. | Para 26 |
| S | | | | | | |
| QTY | Quantity Delivered | 66-71 | (6) | Numeric | May be blank. If filled, right justify, zero fill to left. | |
| DEL | | | | | | |
| VALUE | Value Delivered | 72-80 | (9) | Numeric | May be blank. If filled, right justify, zero fill to left. | |
| DEL | | | | | | |

(7) Card D (Item Detail Card—Change/Delivery)

| Abbreviation Title of Field | Field Name | Card Column | Number Columns in Field | Type of Character | Instruction | Appendix B Reference |
|-----------------------------------|-----------------------------|----------------|-------------------------------|--|---|----------------------------|
| S | System Code | 1 | (1) | Alpha | Must be filled. Punch "S". | Para 36 |
| Y | | | | | | |
| C | Card Code | 2 | (1) | Alpha | Must be filled. Punch "D". | Para 7 |
| D | | | | | | |
| CC | Country/Activity Code | 3-4 | (2) | Alpha/ Numeric | Must be filled. | Para 15 |
| I | Implementing Agency Code | 5 | (1) | Alpha | Must be filled. | Para 23 |
| A | | | | | | |
| CSE | Case Designator | 6-8 | (3) | Alpha/ Numeric | Must be filled. | Para 9 |
| C | Case Suffix Code | 9 | (1) | Numeric | May be blank if suffix not needed. | Para 11 |
| S | | | | | | |
| RSN | Record Serial Number | 10-12 | (3) | Alpha/ Numeric | Must be filled. | Para 30 |
| A | Action Code | 13 | (1) | Alpha | Leave blank. | Para 3 |
| C | | | | | | |
| CO | Change Originator Code | 14 | (1) | Alpha | Must be filled | Para 12 |
| RE | Reason for Change Code | 15-16 | (2) | Alpha/ Numeric | Must be filled, 1st character always alpha and 2nd always numeric. | Para 29 |
| CH | | | | | | |
| GEN | Generic Code | 17-19 | (3) | Alpha/ Numeric | May be blank. Fill only to change item identification and description. If filled, 1st character always alpha, 2nd always numeric and 3rd always alpha. On Card D, if generic code is filled FSN must also be filled and vice versa. Also, spare parts code must be punched if line is CSP or AGE. | Para 21 |
| CDE | | | | | | |
| FEDERAL STOCK NO | Federal Stock Number | 20-30 | (11) | Alpha/ Numeric/ Special Char- acters | May be blank. If filled, no alpha O's or alpha I's to be used. (Ø & 1 numerics will be used in lieu thereof.) | Para 20 |
| S | Spare Parts Code | 31 | (1) | Alpha | May be blank. | Para 33 |
| P | | | | | | |
| QTY | Quantity | 32-37 | (6) | Numeric | May be blank. Fill only to correct error or if case is modified by renegotiation. If filled, right justify, zero fill to left. | |
| PUR | Purchased | | | | | |
| TOTAL PRICE | Total Sales Price | 38-46 | (9) | Numeric | May be blank. Fill only to correct error or if case is modified by renegotiation. If filled, right justify, zero fill to left. | |
| DEL COM | Delivery Commitment Code | 47-49 | (3) | Numeric or * | May be blank. If filled, enter date based on DD Form 1513. To void previous entry, punch * in units position. | Para 17 |

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(7) Card D (Item Detail Card—Change/Delivery)—Continued

| Abbreviation Title of Field | Field Name | Card Column | Number Columns in Field | Type of Character | Instruction | Appendix B Reference |
|-----------------------------------|--------------------------------------|----------------|-------------------------------|-------------------------|---|----------------------------|
| DEL FOR | Delivery Forecast Code | 50-52 | (3) | Numeric or * | May be blank. For defintized lines, submit data when forecast is available from supply planning. To void previous entry, punch * in units position. | Para 18 |
| C L | Blank Completed Line Item Code | 53-62 63 | (10) (1) | Alpha or * | Leave blank. May be blank. If filled Punch "C". To void previous entry, punch * in units position. | Para 13 |
| P P | Progress Payment Code | 64 | (1) | Alpha or * | May be blank. If filled Punch "P". To void previous entry, punch * in units position. | Para 28 |
| M S | Method of Shipment Code | 65 | (1) | Alpha | Must be filled if either quantity or value delivered is reported. | Para 26 |
| QTY DEL | Quantity Delivered | 66-71 | (6) | Numeric or * | May be blank. If filled, right justify, zero fill to left. To void previous entry, punch * in units position. | |
| VALUE DEL | Value Delivered | 72-80 | (9) | Numeric or * | May be blank. If filled, right justify zero fill to left. To void previous entry, punch * in units position. | |

(8) Card 5 (Case Delete Card)

| Abbreviation Title of Field | Field Name | Card Column | Number Columns in Field | Type of Character | Instruction | Appendix B Reference |
|-----------------------------------|-----------------------------|----------------|-------------------------------|-------------------------|--|----------------------------|
| S Y | System Code | 1 | (1) | Alpha | Must be filled. Punch "S". | Para 36 |
| C D | Card Code | 2 | (1) | Numeric | Must be filled. Punch "5". | Para 7 |
| CC | Country/Activity Code | 3-4 | (2) | Alpha/ Numeric | Must be filled. | Para 15 |
| I A | Implementing Agency Code | 5 | (1) | Alpha | Must be filled. | Para 23 |
| CSE | Case Designator | 6-8 | (3) | Alpha/ Numeric | Must be filled. | Para 9 |
| C S | Case Suffix Code | 9 | (1) | Numeric | May be blank if suffix not needed. | Para 11 |
| A C | Blank Action Code | 10-12 13 | (3) (1) | Alpha | Must be blank. Leave blank. | Para 3 |
| C O | Change Originator Code | 14 | (1) | Alpha | Must be filled. | Para 12 |
| RE CH | Reason for Change Code | 15-16 | (2) | Alpha/ Numeric | Must be filled. 1st character always alpha and 2nd always numeric. | Para 29 |
| | Blank | 17-80 | (64) | | Leave blank. | |

(9) Card 6 (Item Delete Card)

| Abbreviation Title of Field | Field Name | Card Column | Number Columns in Field | Type of Character | Instruction | Appendix B Reference |
|-----------------------------------|-----------------------------|----------------|-------------------------------|-------------------------|---|----------------------------|
| S | System Code | 1 | (1) | Alpha | Must be filled. Punch "S". | Para 36 |
| Y | | | | | | |
| C | Card Code | 2 | (1) | Numeric | Must be filled. Punch "6". | Para 7 |
| D | | | | | | |
| CC | Country/Activity Code | 3-4 | (2) | Alpha/ Numeric | Must be filled. | Para 15 |
| I | Implementing Agency Code | 5 | (1) | Alpha | Must be filled. | Para 23 |
| A | | | | | | |
| CSE | Case Designator | 6-8 | (3) | Alpha/ Numeric | Must be filled. | Para 9 |
| C | Case Suffix Code | 9 | (1) | Alpha/ Numeric | May be blank if suffix not needed. | Para 11 |
| S | | | | | | |
| RSN | Record Serial Number | 10-12 | (3) | Alpha/ Numeric | Must be filled. | Para 30 |
| A | Action Code | 13 | (1) | Alpha | Leave blank. | Para 3 |
| C | | | | | | |
| C | Change Originator Code | 14 | (1) | Alpha | Must be filled. | Para 12 |
| O | | | | | | |
| RE | Reason for Change Code | 15-16 | (2) | Alpha/ Numeric | Must be filled. 1st character always alpha and 2nd always numeric. | Para 29 |
| CH | Blank | 17-80 | (64) | | Leave blank. | |

(10) Card Ø (Credit Allocation Add/Change/Delete) (DSAA Use Only)

| Abbreviation Title of Field | Field Name | Card Column | Number Columns in Field | Type of Character | Instruction | Appendix B Reference |
|-----------------------------------|--------------------------------|----------------|-------------------------------|-------------------------|---|----------------------------|
| S | System Code | 1 | (1) | Alpha | Must be filled. Punch "S". | Para 36 |
| Y | | | | | | |
| C | Card Code | 2 | (1) | Numeric | Must be filled. Punch "Ø". | Para 7 |
| D | | | | | | |
| CC | Country/Activity Code | 3-4 | (2) | Alpha/ Numeric | Must be filled. | Para 15 |
| I | Implementing Agency Code | 5 | (1) | Alpha | Must be filled. | Para 23 |
| A | | | | | | |
| CDT | Credit Arrange- ment Number | 6-8 | (3) | Numeric | Must be filled. | Para 16 |
| ARR | Blank | 9-12 | (4) | | Leave blank. | |
| A | Action Code | 13 | (1) | Alpha | Must be filled. Enter A for Add; C for Change; or D for Delete. | |
| C | Blank | 14-71 | (58) | | Leave blank. | |
| CDT | Credit | 72-80 | (9) | Numeric | Must be filled, when Action Code is A or C. Leave blank for Action Code D. Zero fill to left. | |
| AMT | Amount | | | | | |

7. Control Fields

Individual records in the FMS master file are distinguished, one from another, by data punched in columns two through twelve of the FMS data cards. Data in these control fields may not be changed by submission of change cards. In order to correct an error in any of these fields it is necessary that the erroneous case or item detail record be deleted, and the corrected case or item detail record added back to the FMS master file. In order that these control fields may be used consistently throughout the FMS master file, the following rules will be applied in processing card input.

a. The case suffix code is not required in the case and item detail records unless the case in question has a suffix other than Ø. If blank, this field will be zero-filled during the DSAA update.

b. The record serial number (RSN) field must be filled for all item detail records (added by 4 Card, changed by D Card, or deleted by 6 Card). In most input cards for case records (Cards 1, 2, A, B, and C) this field will be zero-filled during the DSAA update. Delete cards for case records (5 Card) which have any characters punched in the RSN field will be rejected.

8. Changing Field to Blank

a. A Number of fields in the FMS master file will normally remain blank permanently, or may be temporarily blank pending posting of the first delivery or collection transaction. If data is erroneously entered in one of these fields, and must be corrected by changing the field to a blank condition, it is done by submitting the appropriate change card with an asterisk (*) in the units position (extreme right-hand column) of the field to be blanked. The fields listed for the cards indicated below may be changed in this fashion:

| CARD | FIELD NAME | CARD COLUMNS |
|------|-------------------------|--------------|
| B | Type of Assistance Code | 20-22 |
| C | Cash Amount | 24-32 |
| | Credit Amount | 36-44 |
| | Credit Amount | 48-56 |
| | Credit Amount | 60-68 |
| D | Credit Amount | 72-80 |
| | Delivery Commitment | 47-49 |
| | Delivery Forecast | 50-52 |
| | Completed Line Item | 63 |
| | Progress Payment | 64 |
| | Quantity Delivered | 66-71 |
| | Value Delivered | 72-80 |

b. It is not necessary to use the asterisk for blanking an erroneous date in the case record, since these fields are controlled by the status code. The same is true for the item count field of the case record. When the status code is O or E, the acceptance date, implementation date and item count in input cards or the master file record are changed to blank automatically. When the status code is A, the implementation date and item count are changed to blank. When the status code is X, the acceptance date, implementation date and item count will remain either blank or filled based upon the status the case had attained prior to cancellation.

c. Use of the asterisk in any of the five fields showing case financing, or the four fields showing credit arrangement numbers, is never necessary since these fields are automatically controlled by the method of funding code. If the method of funding of the case changes, it is necessary to include in the change submission (Card B) a complete restatement of case financing using any or all of the fields provided for dollar amounts and credit arrangement numbers. Entries in these fields will be edited by using the new or restated method of funding code as a control, and fields which are blank in the change card will cause any previous entry in the same position in the master file record to be changed to blank.

d. Use of an asterisk in the quantity purchased field of the item detail record is not permitted. This field is controlled by the unit of issue code obtained from the MASL. If

the unit of issue for the line item is XX, the quantity field is automatically made blank. If the unit of issue is not XX, the quantity field may not be changed to blank.

e. Although asterisks are not required or permitted in the fields for dollar values in Card B, it is possible that an erroneous collection entry must be reduced to zero (or blank). Therefore, asterisks in the fields for cash or credit amounts in Card C are acceptable and will be processed to change previously reported data to blank.

9. Increase or Decrease of Numbers

The fields in the FMS report cards used for recording quantities or dollar values may occasionally require correction by upward or downward adjustment, or figures for deliveries and collections will frequently be increased as additional transactions are posted. These changes are *never* made by punching plus or minus amounts in the change card submission. The changes are always made by submission of data in the change cards which restate the new or corrected figures. The fields listed in the cards indicated below must always show the revised or corrected amounts to be posted to the FMS master file.

| CARD | FIELD NAME | CARD COLUMNS |
|------|--------------------------|--------------|
| B | Cash Amount | 24-32 |
| | Credit Amount | 36-44 |
| | Credit Amount | 48-56 |
| | Credit Amount | 60-68 |
| | Credit Amount | 72-80 |
| C | Cash Amount | 24-32 |
| | Credit Amount | 36-44 |
| | Credit Amount | 48-56 |
| | Credit Amount | 60-68 |
| | Credit Amount | 72-80 |
| D | Quantity Purchased | 32-37 |
| | Total Sales Price | 38-46 |
| | Quantity Delivered | 66-71 |
| | Value Delivered | 72-80 |

10. Inter-Relationship of Card Fields

Certain card fields in the FMS reporting system are interrelated and are treated together during card edit or updating of the master file. The most significant of these

inter-relationships are described below:

a. Dates and item count information in case records are directly related to the status of the case. The offer date must be included when the initial case record is established by Card 1. When the status becomes A, the acceptance date must be included in the same card which reports the status change. If the status becomes I, R, D or C, the implementation date and item count must be contained in the case record or included in the card changing the status code. Conversely, if a status code is corrected to an earlier status position, unneeded date and item count information is automatically blanked in the master file record.

b. The method of funding code is used to control data entries in the fields for posting case financing and related credit arrangement numbers. For example, if method of funding code is 1, positive numbers will be accepted only in the field for cash amount. If method of funding code is 3, data must be included for the credit arrangement number in the first and second fields provided for credit information, and the dollar amount of credit must be punched in the first and second fields provided for credit dollar amounts. A similar relationship exists for all method of funding codes for multiple financing arrangements up to five different financing arrangements for a single case. In view of the control function based on method of funding code, it is necessary that a change card containing a revised or corrected method of funding code also restate all credit arrangement numbers and dollar amounts of financing, and that they be consistent with the new method of funding code. Similarly, in any case with multiple financing, the change of only one dollar amount, or of a credit arrangement number alone, is prohibited. If a credit arrangement number must be changed or if one dollar amount must be changed, it is necessary that total case financing be restated in the change card (and method of funding code entered) as though a new case record was being established in the FMS master file. These control measures are necessary to insure

that case financing information is not inadvertently or unintentionally changed to an incorrect total value.

c. The generic code and FSN, in an item detail record, must match a valid MASL line. If the line item is for CSP or AGE, the match cannot take place unless the appropriate code is punched in the spare parts column. If the item identification is to be changed, it is necessary that both the generic code and FSN be punched in the D Card. If the line is being changed to a CSP or AGE line (or CSP or AGE for a different end item), the spare parts code and the generic code and FSN of the major item must be punched in the D Card.

d. For all shipments made after December 31, 1970, the quantity and value will be reported separately for shipments made by military transportation and those deliveries made to freight forwarders for commercial shipment. If value delivered or quantity delivered figures are punched in D Card, the method of shipment code must also be punched. (Use F code only, when reconstructing data on deliveries made prior December 31, 1970).

e. There is also a relationship between progress payment code and unit of issue. When deliveries are posted for other than dollar lines and delivery cost is reported without a quantity, the delivery card will be rejected unless a progress payment code (P) is entered in the D Card.

11. Card Processing

a. The following rules govern the acceptance and processing of cards, received during the same week, which contain identical data in control fields:

(1) Card 1 must be accompanied by Card 2, and vice versa. Single cards of the required pair will be rejected, or if one is rejected during edit, the second will be rejected also.

(2) Duplicate add cards (1, 2 and 4) will be rejected.

(3) Card A may not be submitted at the same time as Card 1.

(4) Card B may not be submitted at the same time as Card 2.

(5) Card C may be submitted along with Card 1-2 pair.

(6) Card D may be submitted at the same time as Card 4, provided the second position of the reason for change code is Ø, and the method of shipment code is different from the one punched (if punched) in Card 4.

b. The following rules govern the acceptance and processing of cards whenever received:

(1) Add cards (1, 2 and 4) which match the control fields of records already posted to the FMS master file will be rejected.

(2) Change cards (A, B, C and D) which do not match the control fields of records already posted to the FMS master file will be rejected, except as noted in paragraph a, above.

(3) Duplicate C Cards are allowed if the first position of the reason for change code is not duplicated and none of the reason for change codes begin with B.

(4) Duplicate D Card submissions are allowed provided:

(a) No more than one D Card has a code other than Ø in the second position of the reason for change code.

(b) Those having Ø in the second position of the reason for change field have different method of shipment codes.

(c) Those having the same method of shipment code do not have the same character punched in the first position of the reason for change field.

(d) Those having the same method of shipment code do not have a reason for change code beginning with B.

12. Special Characters

In the FMS reporting system only ten special characters maybe used. These characters must be punched as prescribed below:

| CHAR- ACTERS | NAME | PUNCHING INSTRUCTIONS |
|-----------------|---------------------------|--------------------------|
| — | Minus (Dash) | 11 |
| + | Plus | 12 |
| . | Period | 12, 3, 8 |
| , | Comma | Ø, 3, 8 |
| / | Slash (Diagonal) | Ø, 1 |
| \$ | Dollar | 11, 3, 8 |
| * | Asterisk | 11, 4, 8 |
| (| Parenthesis (Left) | Ø, 4, 8 |
|) | Parenthesis (Right) | 12, 4, 8 |
| = | Equal | 3, 8 |

FIGURE K-1

**CARD FORMATS
FMS REPORTING SYSTEM**

**CARD 1
CARD A**

| | |
|---------------------|----|
| SYSTEM CODE | 1 |
| CARD CODE | 2 |
| COUNTRY CODE | 3 |
| IMPLEMENTING AGENCY | 4 |
| CASE DESIGNATOR | 5 |
| CASE SUFFIX | 6 |
| BLANK | 7 |
| BLANK | 8 |
| BLANK | 9 |
| BLANK | 10 |
| BLANK | 11 |
| ACTION CODE | 12 |
| CHANGE ORIGINATOR | 13 |
| REASON FOR CHANGE | 14 |
| REASON FOR CHANGE | 15 |
| STATUS | 16 |
| STATUS | 17 |
| STATUS | 18 |
| OFFER DATE | 19 |
| OFFER DATE | 20 |
| OFFER DATE | 21 |
| OFFER DATE | 22 |
| OFFER DATE | 23 |
| ACCEPTANCE DATE | 24 |
| ACCEPTANCE DATE | 25 |
| ACCEPTANCE DATE | 26 |
| ACCEPTANCE DATE | 27 |
| ACCEPTANCE DATE | 28 |
| IMPLEMENTATION DATE | 29 |
| IMPLEMENTATION DATE | 30 |
| IMPLEMENTATION DATE | 31 |
| IMPLEMENTATION DATE | 32 |
| IMPLEMENTATION DATE | 33 |
| ITEM COUNT | 34 |
| ITEM COUNT | 35 |
| ITEM COUNT | 36 |
| DESCRIPTION | 37 |
| DESCRIPTION | 38 |
| DESCRIPTION | 39 |
| DESCRIPTION | 40 |
| DESCRIPTION | 41 |
| DESCRIPTION | 42 |
| DESCRIPTION | 43 |
| DESCRIPTION | 44 |
| DESCRIPTION | 45 |
| DESCRIPTION | 46 |
| DESCRIPTION | 47 |
| DESCRIPTION | 48 |
| DESCRIPTION | 49 |
| DESCRIPTION | 50 |
| DESCRIPTION | 51 |
| DESCRIPTION | 52 |
| DESCRIPTION | 53 |
| DESCRIPTION | 54 |
| DESCRIPTION | 55 |
| DESCRIPTION | 56 |
| DESCRIPTION | 57 |
| DESCRIPTION | 58 |
| DESCRIPTION | 59 |
| DESCRIPTION | 60 |
| DESCRIPTION | 61 |
| DESCRIPTION | 62 |
| DESCRIPTION | 63 |
| DESCRIPTION | 64 |
| DESCRIPTION | 65 |
| DESCRIPTION | 66 |
| DESCRIPTION | 67 |
| DESCRIPTION | 68 |
| DESCRIPTION | 69 |
| DESCRIPTION | 70 |
| DESCRIPTION | 71 |
| DESCRIPTION | 72 |
| DESCRIPTION | 73 |
| DESCRIPTION | 74 |
| DESCRIPTION | 75 |
| DESCRIPTION | 76 |
| DESCRIPTION | 77 |
| DESCRIPTION | 78 |
| DESCRIPTION | 79 |
| DESCRIPTION | 80 |

**CASE CARD
(Addition/Change)**

**CARD 2
CARD B**

| | |
|---------------------|----|
| SYSTEM CODE | 1 |
| CARD CODE | 2 |
| COUNTRY CODE | 3 |
| IMPLEMENTING AGENCY | 4 |
| CASE DESIGNATOR | 5 |
| CASE SUFFIX | 6 |
| BLANK | 7 |
| BLANK | 8 |
| BLANK | 9 |
| BLANK | 10 |
| BLANK | 11 |
| ACTION CODE | 12 |
| CHANGE ORIGINATOR | 13 |
| REASON FOR CHANGE | 14 |
| REASON FOR CHANGE | 15 |
| REASON FOR CHANGE | 16 |
| REASON FOR CHANGE | 17 |
| REASON FOR CHANGE | 18 |
| REASON FOR CHANGE | 19 |
| CASH | 20 |
| CREDIT | 21 |
| CREDIT | 22 |
| CREDIT | 23 |
| CREDIT | 24 |
| CREDIT | 25 |
| CREDIT | 26 |
| CREDIT | 27 |
| CREDIT | 28 |
| CREDIT | 29 |
| CREDIT | 30 |
| CREDIT | 31 |
| CREDIT | 32 |
| CREDIT | 33 |
| CREDIT | 34 |
| CREDIT | 35 |
| CREDIT | 36 |
| CREDIT | 37 |
| CREDIT | 38 |
| CREDIT | 39 |
| CREDIT | 40 |
| CREDIT | 41 |
| CREDIT | 42 |
| CREDIT | 43 |
| CREDIT | 44 |
| CREDIT | 45 |
| CREDIT | 46 |
| CREDIT | 47 |
| CREDIT | 48 |
| CREDIT | 49 |
| CREDIT | 50 |
| CREDIT | 51 |
| CREDIT | 52 |
| CREDIT | 53 |
| CREDIT | 54 |
| CREDIT | 55 |
| CREDIT | 56 |
| CREDIT | 57 |
| CREDIT | 58 |
| CREDIT | 59 |
| CREDIT | 60 |
| CREDIT | 61 |
| CREDIT | 62 |
| CREDIT | 63 |
| CREDIT | 64 |
| CREDIT | 65 |
| CREDIT | 66 |
| CREDIT | 67 |
| CREDIT | 68 |
| CREDIT | 69 |
| CREDIT | 70 |
| CREDIT | 71 |
| CREDIT | 72 |
| CREDIT | 73 |
| CREDIT | 74 |
| CREDIT | 75 |
| CREDIT | 76 |
| CREDIT | 77 |
| CREDIT | 78 |
| CREDIT | 79 |
| CREDIT | 80 |

**CASE TRAILER CARD
(Addition/Change)**

CARD C

| | |
|---------------------|----|
| SYSTEM CODE | 1 |
| CARD CODE | 2 |
| COUNTRY CODE | 3 |
| IMPLEMENTING AGENCY | 4 |
| CASE DESIGNATOR | 5 |
| CASE SUFFIX | 6 |
| BLANK | 7 |
| BLANK | 8 |
| BLANK | 9 |
| BLANK | 10 |
| BLANK | 11 |
| ACTION CODE | 12 |
| CHANGE ORIGINATOR | 13 |
| REASON FOR CHANGE | 14 |
| REASON FOR CHANGE | 15 |
| REASON FOR CHANGE | 16 |
| REASON FOR CHANGE | 17 |
| REASON FOR CHANGE | 18 |
| REASON FOR CHANGE | 19 |
| REASON FOR CHANGE | 20 |
| REASON FOR CHANGE | 21 |
| REASON FOR CHANGE | 22 |
| REASON FOR CHANGE | 23 |
| REASON FOR CHANGE | 24 |
| REASON FOR CHANGE | 25 |
| REASON FOR CHANGE | 26 |
| REASON FOR CHANGE | 27 |
| REASON FOR CHANGE | 28 |
| REASON FOR CHANGE | 29 |
| REASON FOR CHANGE | 30 |
| REASON FOR CHANGE | 31 |
| REASON FOR CHANGE | 32 |
| REASON FOR CHANGE | 33 |
| REASON FOR CHANGE | 34 |
| REASON FOR CHANGE | 35 |
| REASON FOR CHANGE | 36 |
| REASON FOR CHANGE | 37 |
| REASON FOR CHANGE | 38 |
| REASON FOR CHANGE | 39 |
| REASON FOR CHANGE | 40 |
| REASON FOR CHANGE | 41 |
| REASON FOR CHANGE | 42 |
| REASON FOR CHANGE | 43 |
| REASON FOR CHANGE | 44 |
| REASON FOR CHANGE | 45 |
| REASON FOR CHANGE | 46 |
| REASON FOR CHANGE | 47 |
| REASON FOR CHANGE | 48 |
| REASON FOR CHANGE | 49 |
| REASON FOR CHANGE | 50 |
| REASON FOR CHANGE | 51 |
| REASON FOR CHANGE | 52 |
| REASON FOR CHANGE | 53 |
| REASON FOR CHANGE | 54 |
| REASON FOR CHANGE | 55 |
| REASON FOR CHANGE | 56 |
| REASON FOR CHANGE | 57 |
| REASON FOR CHANGE | 58 |
| REASON FOR CHANGE | 59 |
| REASON FOR CHANGE | 60 |
| REASON FOR CHANGE | 61 |
| REASON FOR CHANGE | 62 |
| REASON FOR CHANGE | 63 |
| REASON FOR CHANGE | 64 |
| REASON FOR CHANGE | 65 |
| REASON FOR CHANGE | 66 |
| REASON FOR CHANGE | 67 |
| REASON FOR CHANGE | 68 |
| REASON FOR CHANGE | 69 |
| REASON FOR CHANGE | 70 |
| REASON FOR CHANGE | 71 |
| REASON FOR CHANGE | 72 |
| REASON FOR CHANGE | 73 |
| REASON FOR CHANGE | 74 |
| REASON FOR CHANGE | 75 |
| REASON FOR CHANGE | 76 |
| REASON FOR CHANGE | 77 |
| REASON FOR CHANGE | 78 |
| REASON FOR CHANGE | 79 |
| REASON FOR CHANGE | 80 |

**CASE COLLECTION CARD
(Change)**

CHAPTER I

FMS REPORTS

1. Purpose

The purpose of this chapter is to provide users of the FMS data system with a description of the various reports which can be produced from the system and to outline the procedure to be used when requesting such reports.

2. Structure of FMS data base

These reports are derived from case records and item detail records established by the Military Departments and from credit allocation records entered into the data base by DSAA.

a. A single case record is established for each FMS case by entry of a 1 and 2 card pair and C cards (see Figure K-1). A case record describes the items or services contained in each case and outlines the financing and collections of the case.

b. A series of item detail records are established for each implemented FMS case by entry of 4 and D cards which depict items ordered (purchased) under a case and deliveries against the orders.

c. DSAA records the allocation of credit amounts to each Military Department by the entry of Ø (zero) cards (see Figure K-3). Zero cards identify the dollar amount of credit allocated to each service from the basic credit arrangement. This allocation data is used when producing reports A (Status of FMS Credit Programs) and B (FMS Financial Summary) and provides a cross check to insure that credit balances are available when credit cases are entered into the data base.

3. Categories of FMS Reports

Reports are structured to provide management data at four levels of detail.

a. Item detail level:

Report D (Item Detail Listing)

Report E (Item Delivery Status)

Report F (Item Deliveries by Period)

b. Item detail data summarized into categories:

Report G (Status of Purchases)

Reports H, I, and J (Status of Deliveries)

c. Case Level:

Report C (Case Listing Foreign Military Sales)

Report K (Foreign Military Sales Collections)

Report L (FMS Case Level Summary)

d. Summary Management Data containing data from more than one type record:

Report A (Status of FMS Credit Allocations)

Report B (FMS Financial Summary)

Report M (FMS Fiscal Year Summary)

4. Requests for FMS Reports

a. Requests for FMS reports described in this chapter will be honored by DSAA if a valid requirement is established for the report requested. Requesting agencies should insure that requirements are carefully screened prior to submission. In those instances where assistance is required in selecting proper reports, telephone or written inquiries will be given prompt attention by

the Data Systems Branch of the DSAA Comptroller.

b. All requests for reports should be submitted to DSAA, ATTN: Data Systems Branch. Each request must specify the report(s) desired and the specific sort or select option(s) required by the individual user. Requests which do not contain sufficient justification and identifying data will be returned for clarification. Requests will be honored as rapidly as possible after receipt of request. Normal processing time (after receipt of the request) is between 1 and 2 weeks.

c. Most reports described herein will be classified **CONFIDENTIAL** in accordance with guidelines set forth in Chapter E.

5. FMS Reports

a. Availability of Reports

The following paragraphs outline the specific reports available. To the extent possible, applicable sort and select options have been grouped together for a series of reports which are controlled similarly. A sample of each report is shown at Figures L-1 to L-13. The data contained in these illustrations is not necessarily actual data from the file nor are the dates and numbers consistent from one sample to the next. These sample reports are to be viewed as samples for format purposes only. All codes referred to in sort or select options may be found in Appendix B. Agencies requesting reports must express a sort sequence and must address those select options which are preceded by an asterisk. All other select options should be reviewed carefully in order to limit the data addressed. When an option is not indicated in a field, DSAA will include all records relevant to that field. For example: If Unified Command is not selected, the report will contain records pertaining to all Unified Commands; or, if no generic code is selected, records containing all generic codes will be included in the report.

b. Report Descriptions

(1) Report A, STATUS OF FMS CREDIT ALLOCATIONS (Figure L-1)

Report A is designed primarily for management use at OSD and Military Department level. This summary report shows: (a) the value of each credit arrangement with a breakout of allocations to each Military Department, allocations for financing commercial sales, and the portion of each credit arrangement remaining in the parent account; (b) the value of cases financed under each allocation; (c) credit still available (unused); and, (d) drawdown of cash to finance program requirements.

SORT OPTIONS

Area, Country
Unified Command, Country
Country (alphabetical by country code)

SELECT OPTIONS

Area
Unified Command
Country
*Number of Copies

(2) Report B, FMS FINANCIAL SUMMARY (Figure L-2)

Report B is designed primarily for management use at OSD and Military Department level. This summary report draws upon data from case records and from credit allocation data. The cash column contains an accumulation of all cash values contained in case records. The FY of each case is the fiscal year in which the case is accepted.

The credit column is derived from Ø cards, entered in the file by DSAA. The FY is the fiscal year of acceptance of the credit arrangement. Totals are provided by country, area or unified command, and worldwide.

SORT OPTIONS

Area, Country
Unified Command, Country
Country
Country, Implementing Agency

SELECT OPTIONS

Area
Unified Command
Country
Implementing Agency
Fiscal Year
*Number of Copies

(3) Report C, CASE LISTING FOREIGN MILITARY SALES (Figure L-3)

This report portrays the data from selected

case records. In instances where more than two credit arrangements apply, the third and fourth arrangements and appropriate dollar values are portrayed in a second line, directly under the first two credits. The total value of case financing is shown in the righthand field of the report. Totals are provided for each country by cash, credit and total values of each case.

***SORT OPTIONS*¹**

- Area, Country
- Unified Command, Country
- Area, Country, Implementing Agency
- Unified Command, Country, Implementing Agency
- Area, Country, FY, Implementing Agency
- Area, Country, Implementing Agency, Credit Arrangement No.
- Area, Country, Acceptance Date, Implementing Agency
- Area, Country, Offer Date, Implementing Agency, Case Number
- Country, Implementing Agency

SELECT OPTIONS

- Area
- Unified Command
- Country
- Implementing Agency
- Case Designator
- Case Status
- Fiscal Year
- Method of Funding
- Type of Assistance
- *Page Break
 - First Sort Position
 - First and Second Sort Positions
 - First, Second, and Third Sort Positions
 - First, Second, Third, and Fourth Sort Positions
- *Number of Copies

(4) Report D, ITEM DETAIL LISTING FMS (Figure L-4)

Report E, ITEM DELIVERY STATUS (Figure L-5)

Report F, ITEM DELIVERIES BY PERIOD (Figure L-6)

Report G, FOREIGN MILITARY SALES STATUS OF PURCHASES (Figure L-7)

Report H, STATUS OF DELIVERIES (Figure L-8)

¹ In each sort, records are listed by Case Designator within the minor sort requested.

Report I, STATUS OF DELIVERIES (Figure L-9)

Report J, STATUS OF DELIVERIES (Figure L-10)

This series of reports is drawn from the detail records. Sort and select options listed below pertain to all of these reports. Following the sort and select options is a description of each report.

***SORT OPTIONS*¹**

- Area, Country
- Unified Command, Country
- Area, Country, Implementing Agency
- Unified Command, Country, Implementing Agency
- Area, Country, FY, Implementing Agency, Case Number
- Country, Implementing Agency

SELECT OPTIONS

- Area
- Unified Command
- Country
- Implementing Agency
- Case Designator
- Case Status
- Method of Funding
- Type of Assistance
- Generic Code (first digit only)
- Beginning and Ending Date—FY and Quarter of data to be included
- Delivery Period
 - Cumulative (all periods)
 - Current Quarter
 - Current FY
- Method of Shipment
- *Page Break
 - First Sort Position
 - First and Second Sort Positions
 - First, Second, and Third Sort Positions
 - First, Second, Third, and Fourth Sort Positions
- *Number of Copies

(a) Report D, ITEM DETAIL LISTING FMS (Figure L-4)

Report D consists of a listing containing selected item detail records. This report will be extremely voluminous and requests should be carefully reviewed to ensure that only the necessary case numbers, statuses, or FYs are selected. Each detail record will be represented by one to three lines in the report. The first line will reflect basic program data. Lines 2 and 3 will show cumulative deliveries by method of shipment F

¹ For Reports D, E, and F the individual lines are listed by Case Designator (CC6-9) and Record Serial Number (CC10-12) within the minor sort selected.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

(freight forwarder) and M (DOD transportation). If delivery data is not applicable, these lines (2 and 3) will be omitted.

(b) Report E, ITEM DELIVERY STATUS (Figure L-5)

Report E contains one printed line for each detail record which portrays the quantity and value purchased, delivered, and undelivered for each line. Case and country totals are provided.

(c) Report F, ITEM DELIVERIES BY PERIOD (Figure L-6)

Report F contains one printed line for each detail record which portrays the quantity and value delivered during the current quarter (most recent quarter reported), current FY, and since inception of the line (cumulative). Case and country totals are provided.

(d) Report G, FOREIGN MILITARY SALES STATUS OF PURCHASES (Figure L-7)

This report summarizes purchase quantities and values into general categories and portrays the purchases by fiscal year. Year of purchase is determined by the acceptance date of the case. The left-hand column combines all purchases from 1950 to the year shown in the heading. The number of years to be accumulated in this column is variable. The other 4 FY columns contain data for the 4 FYs following the final year indicated in the left-hand column. When requesting Report G indicate the most recent year desired in the cumulative (left-most) column. For example, if 1967 is requested as the most recent year in the cumulative column, the data will be presented as follows, from left to right: FY 50-67, FY 68, FY 69, FY 70, FY 71.

(e) Report H, STATUS OF DELIVERIES (Figure L-8)

This report summarizes purchases and deliveries into general categories. Purchases for the current quarter and FY to date are based upon fiscal year of acceptance of the case. Deliveries for the current quarter and FY to date are based upon quarterly delivery data received from the Military Departments. Delivery information by quarter is

only available from FY 72 to the present. All previous delivery data is cumulative.

1. Fiscal Year: Select beginning and ending FY and quarter. This selection is based upon acceptance date of the case, not upon delivery date. Normal dates if all data are to be included would be FY 50, 1st quarter to current quarter.

2. Delivery Data: If it is desired that a specific quarter deliveries be shown in the current quarter, it should be indicated. This also applies to FY to date deliveries. If a quarter or FY is not specified, the most current data on file will be provided.

(f) Report I, STATUS OF DELIVERIES (Figure L-9)

This report summarizes purchases and deliveries into broad categories and portrays the data by fiscal year within each country. Fiscal year, reflected in left-hand column is based upon the fiscal year of acceptance of the case and not upon delivery date. Purchases for the current quarter and FY to date (in the headings) are based upon the acceptance date of the case. Deliveries for the current quarter and FY to date (as shown in the headings across top of page) are based upon quarterly delivery data received from the Military Departments. For example, an aircraft reflected as 1964 in left column, but shown as a current quarter delivery, is an aircraft purchased as a part of a 1964 case, but not delivered until the current year. Delivery information by quarter is only available from FY 72 to the present. All delivery data for prior years is cumulative.

1. Fiscal Year: Select beginning and ending FY and quarter. This selection is based upon acceptance date of the case, not upon delivery date. Normal dates if all data are to be included would be FY 50, 1st quarter to current quarter.

2. Delivery Data: If it is desired that a specific quarter delivery be shown in the current quarter, it must be so indicated. This also applies to FY to date deliveries: When the quarter or FY is not specified, the most current data on file will be provided.

(g) Report J, STATUS OF DELIVERIES (Figure L-10)

This report summarizes purchases and deliveries to the first digit of the generic code and portrays the data by fiscal year within each country. The fiscal year reflected in left-hand column is based upon acceptance date of the case and not upon delivery date. Purchases for the current quarter and FY to date are based upon the fiscal year of acceptance of the case. Deliveries for the current quarter and FY to date are based upon quarterly delivery data received from the Military Departments. For example, an aircraft reflected as 1964 in left column, but shown as a current quarter delivery, is an aircraft purchased as a part of a 1964 case, but not delivered until the current quarter. Delivery information by quarter is only available from FY 72 to the present. Delivery data for prior years is cumulative.

1. Fiscal Year: Select beginning and ending FY and quarter. This selection is based upon acceptance date of the case, not upon delivery date. Normal dates for all data to be included would be FY 50, 1st quarter to current quarter.

2. Delivery Data: If it is desired that a specific quarter deliveries be shown in the current quarter, it should be so indicated. This also applies to FY to Date deliveries. If not specified, the most current data on file will be provided.

(5) Report K, FOREIGN MILITARY SALES COLLECTIONS (Figure L-11)

Report L, FMS CASE LEVEL SUMMARY (Figure L-12)

Report M, FMS COUNTRY LEVEL SUMMARY (Figure L-13)

This series of reports draws upon both case and detailed records. Sort and select options listed below pertain to all of these reports unless otherwise indicated. Following the sort and select options is a description of each report.

*SORT OPTIONS*¹

- Area, Country²
- Unified Command, Country²
- Area, Country, Implementing Agency
- Unified Command, Country, Implementing Agency
- Area, Country, FY, Implementing Agency
- Country²
- Country, Implementing Agency

SELECT OPTIONS

- Area
- Unified Command
- Country
- Implementing Agency
- Case Designator
- Case Status
- FY (based on acceptance date of case)
- Method of Funding
- Type of Assistance
- Collections
 - Cumulative
 - Current Quarter
 - Current FY
- *Page Break
 - First Sort Position
 - First and Second Sort Positions
 - First, Second, and Third Sort Positions
 - First, Second, Third, and Fourth Sort Positions
- *Number of Copies

(a) Report K FOREIGN MILITARY SALES COLLECTIONS (Figure L-11)

This report consists of a listing containing collection data from selected case records. Cases are assigned to a FY by acceptance date or date of offer if not accepted. Collections are recorded as current quarter, FY to date, or listed under total collections based upon quarterly input from the Military Departments. Country totals are provided.

(b) Report L, FMS CASE LEVEL SUMMARY (Figure L-12)

This report consists of a listing containing selected items of data drawn from both case and detail records. The data is portrayed at the case level to provide an overall view of the status of each case. The field, undefined purchases, is computed by subtracting total purchases (derived from detail records) from case value (derived from case record). The undelivered balance field

¹ Reports K and L are sorted by case identifier, within each sort shown.

² Report M may be obtained only in these 3 sequences.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

is computed by subtracting total deliveries (derived from detail records) from total purchases. Item count and item in file refer to the number of detail records expected and entered.

(c) Report M, FMS FISCAL YEAR SUMMARY (Figure L-13)

This report summarizes case values (from case records) and purchases from detail records) to the country level by fiscal year. FY is determined by acceptance date of the case. Undefined purchases are determined by subtracting purchases from case values.

6. Abbreviated Titles

Abbreviated titles are used in column headings of the various reports prepared from the FMS master file. The most common of these abbreviations are as follows:

| <i>Abbreviation</i> | <i>Meaning</i> |
|---------------------|---------------------------|
| ACCP | Acceptance Date |
| DATE | |
| A | Action Code |
| C | |
| CASE | Case Number |
| NO | |
| CC | Country/Activity Code |
| C | Card Code |
| D | |
| CDT | Credit Arrangement Number |
| ARR | |
| C | Completed Line Item Code |
| L | |
| C | Case Suffix Code |
| S | |
| CSE | Case Number |
| C | Change Originator |
| O | |

| <i>Abbreviation</i> | <i>Meaning</i> |
|---------------------|-------------------------------------|
| C | Completed Record Code |
| R | |
| DEL | Delivery Commitment Code |
| COM | |
| DEL | Delivery Forecast Code |
| FOR | |
| DESCRIPTION | Case or Item Description |
| E | Economic Code |
| C | |
| FSN | Federal Stock Number |
| FY | Fiscal Year |
| FYQ | Fiscal Year & Quarter of Acceptance |
| GEN | Generic Code |
| CDE | |
| I | Implementing Agency Code |
| A | |
| IMPLT | Implementation Date |
| DATE | |
| ITM | Item Count |
| CNT | |
| M | Method of Funding Code |
| F | |
| M | Method of Shipment Code |
| S | |
| OFFER | Offer Date |
| DATE | |
| P | Progress Payment Code |
| P | |
| QTR | Fiscal Quarter |
| QTY | Quantity |
| RE | Reason for Change Code |
| CH | |
| RSN | Record Serial Number |
| S | Spare Parts Code |
| P | |
| S | Status Code |
| T | |
| S | System Code |
| TA | Type of Assistance Code |
| U | Unit of Issue Code |
| I | |
| VALUE | Cost Expressed in Dollars |

Figure L-1

| UNCLASSIFIED | | | | | | |
|-------------------------------|---------------------------|-------------|---------------|--------------|---------------|---------------|
| STATUS OF FMS CREDIT PROGRAMS | | | | | | |
| CTRY/CDT/LINE TITLE | D O L L A R A M O U N T S | | | | SEQUENCE: CC | |
| | ---ARMY--- | ---NAVY--- | -AIR FORCE-- | -COMMERCIAL- | UNDISTRIBUTED | ---TOTAL--- |
| PERU | | | | | | |
| 551 CREDIT PROGRAM | | | | 15,000,000 | | 15,000,000 |
| ACCEPTED CASES | | | | 15,000,000 | | 15,000,000 |
| UNUSED | | | | | | |
| DRAWDOWN | | | | 15,000,000 | | 15,000,000 |
| 571 CREDIT PROGRAM | | | | 663,744 | | 663,744 |
| ACCEPTED CASES | | | | 663,744 | | 663,744 |
| UNUSED | | | | | | |
| DRAWDOWN | | | | 663,744 | | 663,744 |
| 651 CREDIT PROGRAM | 2,432,799 | | 284,547 | | | 2,717,346 |
| ACCEPTED CASES | 2,432,799 | | 284,547 | | | 2,717,346 |
| UNUSED | | | | | | |
| DRAWDOWN | 2,432,799 | | 284,547 | | | 2,717,346 |
| 661 CREDIT PROGRAM | | | 1,159,253 | | | 1,159,253 |
| ACCEPTED CASES | | | 1,159,254 | | | 1,159,254 |
| UNUSED | | | 1- | | | 1- |
| DRAWDOWN | | | 1,159,254 | | | 1,159,254 |
| COUNTRY TOTAL | | | | | | |
| CREDIT PROGRAM | 2,432,799 | | 1,443,800 | 15,663,744 | | 19,540,343 |
| ACCEPTED CASES | 2,432,799 | | 1,443,801 | 15,663,744 | | 19,540,344 |
| UNUSED | | | 1- | | | 1- |
| DRAWDOWN | 2,432,799 | | 1,443,801 | 15,663,744 | | 19,540,344 |
| WORLDWIDE TOTAL | | | | | | |
| CREDIT PROGRAM | 1,223,453,088 | 558,888,170 | 1,156,620,072 | 105,134,958 | 213,118,288 | 3,257,214,576 |
| ACCEPTED CASES | 1,054,867,669 | 461,776,574 | 1,028,493,852 | 102,772,951 | | 2,647,911,046 |
| UNUSED | 168,585,419 | 97,111,596 | 128,126,220 | 2,362,007 | 213,118,288 | 609,303,530 |
| DRAWDOWN | 587,638,045 | 145,368,462 | 370,181,484 | 76,746,873 | | 1,179,934,864 |

Figure L-2

UNCLASSIFIED
F M S ACTIVITIES REPORT

UNIFIED COMMAND: EUROPEAN COMMAND

DOLLARS IN THOUSANDS

SEQUENCE: UC,CC

| CTRY/PROG YR | CASH | CREDIT | TOTAL |
|---------------------------|--------|---------|---------|
| ISRAEL | | | |
| 63 + PRIOR | 2,763 | 27,421 | 30,184 |
| 64 | 371 | | 371 |
| 65 | 909 | 12,883 | 13,792 |
| TOTAL | 4,043 | 40,304 | 44,346 |
| INTERMEDIATE TOTAL | | | |
| 63 + PRIOR | 2,763 | 27,421 | 30,184 |
| 64 | 371 | | 371 |
| 65 | 909 | 12,883 | 13,792 |
| TOTAL | 4,043 | 40,304 | 44,346 |
| <hr/> | | | |
| VENEZUELA | | | |
| 63 + PRIOR | 18,052 | 55,196 | 73,248 |
| 64 | 1,009 | 10,000 | 11,009 |
| 65 | 656 | 10,000 | 10,656 |
| TOTAL | 19,717 | 75,196 | 94,913 |
| INTERMEDIATE TOTAL | | | |
| 63 + PRIOR | 18,052 | 55,196 | 73,248 |
| 64 | 1,009 | 10,000 | 11,009 |
| 65 | 656 | 10,000 | 10,656 |
| TOTAL | 19,717 | 75,196 | 94,913 |
| WORLDWIDE TOTAL | | | |
| 63 + PRIOR | 20,815 | 82,616 | 103,432 |
| 64 | 1,380 | 10,000 | 11,380 |
| 65 | 1,565 | 22,883 | 24,448 |
| TOTAL | 23,760 | 115,499 | 139,259 |

** LESS THAN 500 DOLLARS

RCS: BI

UNCLASSIFIED

PAGE

DATE 31 MAY 7

30 September 1972

Figure L-3.

U N C L A S S I F I E D
CASE LISTING FOREIGN MILITARY SALES

| COUNTRY: IRAN | | | SEQUENCE: UC,CC | | | IMPLEMENTING AGENCY: ALL SERVICES | | | | | | | |
|-----------------------------------|---------|-------------------|-------------------|-------------------|-----------------------|---|----------------|------------|------------------|------------|------------------|----------------|--|
| UNIFIED COMMAND: EUROPEAN COMMAND | | | | | | AREA: | | | | | | | |
| I CASE CC A | S NO | --OFFER-- FY T | --ACCPY-- DATE | --IMPLT-- DATE | -----DESCRIPTION----- | M TA F | CASH AMOUNT | CDT ARR | CREDIT AMOUNT | CDT ARR | CREDIT AMOUNT | TOTAL VALUE | |
| IR B | MCU0 | 66 C | 19 MAY 65 | 17 AUG 65 | 17 AUG 65 | DENTAL INSTRMENTS/SUPPLIES | 3 1 | 5836 | | | | 5836 | |
| IR B | UBG0 | 66 I | 12 JUN 65 | 10 SEP 65 | 10 SEP 65 | CARR PER ARMD M113A1 | 8 2 | | | 661 | 6085960 | 6085960 | |
| IR B | UBI0 | 66 C | 20 APR 65 | 19 JUL 65 | 19 JUL 65 | GUN MACHINE GUN 30CAL | 6 2 | | 651 | 364847 | | 364847 | |
| IR B | UBU0 | 66 I | 24 SEP 65 | 23 DEC 65 | 23 DEC 65 | CMBT VEH, TANK, MEDIUM (75) | 8 2 | | | 661 | 15055741 | 15055741 | |
| IR B | UBX0 | 66 I | 24 SEP 65 | 23 DEC 65 | 23 DEC 65 | CARR CMD POST-M577A1 (1) | 8 2 | | | 661 | 877627 | 877627 | |
| IR B | UBY0 | 66 C | 14 DEC 65 | 14 MAR 66 | 14 MAR 66 | CHEMICAL WEAPONS + EQUIP | 3 1 | 715 | | | | 715 | |
| IR B | UBZ0 | 66 C | 10 JUL 65 | 08 OCT 65 | 08 OCT 65 | GENERAL SUPPLIES/EQUIPMENT | 3 1 | 281969 | | | | 281969 | |
| IR B | UCA0 | 66 C | 10 JUL 65 | 08 OCT 65 | 08 OCT 65 | GENERAL SUPPLIES/EQUIPMENT | 3 1 | 622124 | | | | 622124 | |
| IR B | UCB0 | 66 I | 11 JUL 65 | 09 OCT 65 | 09 OCT 65 | OPEN END MILITARY SALES/REP PTS-ORD EQUIP | 3 1 | 2400612 | | | | 2400612 | |
| IR B | UCG0 | 66 I | 30 NOV 65 | 28 FEB 66 | 28 FEB 66 | CONTR TECH/SERV COMMCTN | 8 2 | | | 661 | 50654 | 50654 | |
| IR B | UCH0 | 66 I | 30 NOV 65 | 28 FEB 66 | 28 FEB 66 | MILITARY BOATING EQUIP | 8 2 | | | 661 | 2110561 | 2110561 | |
| IR B | UCK0 | 66 I | 06 OCT 65 | 04 JAN 66 | 04 JAN 66 | TRK STK 5T BRDG TRANS (30) | 8 2 | | | 661 | 380734 | 380734 | |
| IR B | UCL0 | 66 C | 14 DEC 65 | 14 MAR 66 | 14 MAR 66 | LAUNCHER GRENADE | 3 1 | 286 | | | | 286 | |
| IR B | UCM0 | 66 I | 14 DEC 65 | 14 MAR 66 | 14 MAR 66 | CARTRIDGE 40MM HE | 3 1 | 882 | | | | 882 | |
| IR B | UCS0 | 66 C | 14 AUG 65 | 12 NOV 65 | 12 NOV 65 | CONTR TECH/SERV OTHER | 3 1 | 5000 | | | | 5000 | |
| IR B | UCZ0 | 66 I | 30 NOV 65 | 28 FEB 66 | 28 FEB 66 | ROCKET 3.5 HEAT (600) | 8 2 | | | 661 | 9036 | 9036 | |
| IR B | UDB0 | 66 C | 13 JAN 66 | 13 APR 66 | 13 APR 66 | SUPPORT VEH TRUCK | 3 1 | 40830 | | | | 40830 | |
| COUNTRY TOTAL | | | | | | | | 38264574 | | | 58353631 | 96618205 | |
| INTERMEDIATE TOTAL | | | | | | | | 38264574 | | | 58353631 | 96618205 | |
| WORLDWIDE TOTAL | | | | | | | | 38264574 | | | 58353631 | 96618205 | |

RCS CC

U N C L A S S I F I E D

PAGE

DATE 02 AUG 7

L-9

MILITARY ASSISTANCE AND SALES MANUAL—PART III

Figure L-5

U N C L A S S I F I E D

ITEM DELIVERY STATUS

| COUNTRY | | SEQUENCE | | UC,CC | | IMPLEMENTING AGENCY | | ARMY | | | | | | | | | | | | | | | | | | | | |
|-----------------|----------|-----------------|------|-------|--------------------------|---------------------|-----------|------|-----------|-----|-------------|-----|-----|----------|-----|-----|-----------|----------|-----|-----|-----|-------|--|-----------|--|--|--|---------|
| UNIFIED COMMAND | | EUROPEAN | | AREA | | | | | | | | | | | | | | | | | | | | | | | | |
| I | CASE GEN | S | CPSC | DEL | DEL | --- | PURCHASED | --- | DELIVERED | --- | UNDELIVERED | | | | | | | | | | | | | | | | | |
| CC | A NO CDE | --- | FSN | --- | DESCRIPTION | UI | P LPTR | FYQ | COM | FOR | RSN | QTY | --- | VALUE | --- | QTY | --- | VALUE | --- | QTY | --- | VALUE | | | | | | |
| GY B | UG00 | H00000000000000 | | | OTHER COMMUNICATIONS EQP | XX | C C | 642 | 000 | 000 | 001 | | | 285840 | | | | 285840 | | | | | | | | | | |
| GY B | UG00 | J00000000000000 | | | MISC OTHER SUPPORT EQP | XX | C C | 642 | 000 | 000 | 002 | | | 98454 | | | | 98454 | | | | | | | | | | |
| GY B | UG00 | K00000000000000 | | | OTHER SUPPLIES | XX | C C | 642 | 000 | 000 | 003 | | | 7374 | | | | 7374 | | | | | | | | | | |
| GY B | UG00 | L00000000000000 | | | SUPPLY OPERATIONS | XX | C C | 642 | 000 | 000 | 004 | | | 13666 | | | | 13666 | | | | | | | | | | |
| CASE TOTALS | | | | | | | | | | | | | | | | | 405334 | | | | | | | 405334 | | | | |
| GY B | UGT0 | F2000000000000 | | | 90 MM GUNS | EA | C C | 643 | 000 | 000 | 001 | 225 | | 14750 | | 225 | | 14750 | | | | | | | | | | |
| CASE TOTALS | | | | | | | | | | | | | | | | | 14750 | | | | | | | 14750 | | | | |
| GY B | UHC0 | B9X00000000000 | | | MISSILE SPARE PARTS | XX | C C | 644 | 000 | 000 | 001 | | | 13509 | | | | 13509 | | | | | | | | | | |
| GY B | UHC0 | L00000000000000 | | | SUPPLY OPERATIONS | XX | C C | 644 | 000 | 000 | 002 | | | 1216 | | | | 1216 | | | | | | | | | | |
| CASE TOTALS | | | | | | | | | | | | | | | | | 14725 | | | | | | | 14725 | | | | |
| GY B | UHD0 | J00000000000000 | | | MISC OTHER SUPPORT EQP | XX | C C | 644 | 000 | 000 | 001 | | | 248 | | | | 248 | | | | | | | | | | |
| CASE TOTALS | | | | | | | | | | | | | | | | | 248 | | | | | | | 248 | | | | |
| GY B | UHM0 | K00000000000000 | | | OTHER SUPPLIES | XX | C C | 644 | 000 | 000 | 001 | | | 150 | | | | 150 | | | | | | | | | | |
| GY B | UHM0 | L00000000000000 | | | SUPPLY OPERATIONS | XX | C C | 644 | 000 | 000 | 002 | | | 8 | | | | 8 | | | | | | | | | | |
| CASE TOTALS | | | | | | | | | | | | | | | | | 158 | | | | | | | 158 | | | | |
| GY B | UHK0 | J00000000000000 | | | MISC OTHER SUPPORT EQP | XX | C C | 643 | 000 | 000 | 001 | | | 227580 | | | | 227580 | | | | | | | | | | |
| GY B | UHK0 | L00000000000000 | | | SUPPLY OPERATIONS | XX | C C | 643 | 000 | 000 | 002 | | | 1510 | | | | 1510 | | | | | | | | | | |
| CASE TOTALS | | | | | | | | | | | | | | | | | 229090 | | | | | | | 229090 | | | | |
| GY B | UHM0 | K00000000000000 | | | OTHER SUPPLIES | XX | C C | 644 | 000 | 000 | 001 | | | 5739 | | | | 5739 | | | | | | | | | | |
| GY B | UHM0 | L00000000000000 | | | SUPPLY OPERATIONS | XX | C C | 644 | 000 | 000 | 002 | | | 204 | | | | 204 | | | | | | | | | | |
| CASE TOTALS | | | | | | | | | | | | | | | | | 5943 | | | | | | | 5943 | | | | |
| GY B | UIB0 | J00000000000000 | | | MISC OTHER SUPPORT EQP | XX | C C | 644 | 000 | 000 | 001 | | | 3675 | | | | 3675 | | | | | | | | | | |
| GY B | UIB0 | L00000000000000 | | | SUPPLY OPERATIONS | XX | C C | 644 | 000 | 000 | 002 | | | 129 | | | | 129 | | | | | | | | | | |
| CASE TOTALS | | | | | | | | | | | | | | | | | 3804 | | | | | | | 3804 | | | | |
| GY B | ZZZ0 | J00000000000000 | | | MISC OTHER SUPPORT EQP | XX | C C | 642 | 000 | 000 | 001 | | | 75000000 | | | | 75000000 | | | | | | | | | | |
| GY B | ZZZ0 | L00000000000000 | | | SUPPLY OPERATIONS | XX | C C | 642 | 000 | 000 | 002 | | | 1479877 | | | | 1479877 | | | | | | | | | | |
| GY B | ZZZ0 | N00000000000000 | | | TRAINING | XX | C C | 642 | 000 | 000 | 003 | | | 1875857 | | | | 1875857 | | | | | | | | | | |
| CASE TOTALS | | | | | | | | | | | | | | | | | 78355734 | | | | | | | 78355734 | | | | |
| COUNTRY TOTALS | | | | | | | | | | | | | | | | | 344869300 | | | | | | | 337513750 | | | | 7355550 |

MILITARY ASSISTANCE AND SALES MANUAL—PART III

30 September 1972

L-11

Figure L-6

U N C L A S S I F I E D

ITEM DELIVERIES BY PERIOD

| COUNTRY | | SEQUENCE | | UC,CC | | IMPLEMENTING AGENCY | | ARMY | |
|-----------------|----------------|---------------------------|---------------------------|-----------------|-------------------------|---------------------|-------|------|-----------|
| UNIFIED COMMAND | | | | | | EUROPEAN | | | |
| AREA | | | | | | | | | |
| I CASE GEN | S CPSC | DEL DEL | QUARTERLY DEL | FISCAL YEAR DEL | CUMULATIVE DEL | | | | |
| CC A NO CDE | FSN | DESCRIPTION | UI P LPTR FYQ COM FOR RSN | QTY | VALUE | QTY | VALUE | QTY | VALUE |
| GY B UBEO | F9X00000000000 | WEAPONS SPARES | XX C C | 642 000 000 001 | | | | | 51502 |
| GY B UBEO | K0000000000000 | OTHER SUPPLIES | XX C C | 642 000 000 002 | | | | | 274 |
| GY B UBEO | L0000000000000 | SUPPLY OPERATIONS | XX C C | 642 000 000 003 | | | | | 1813 |
| CASE TOTALS | | | | | | | | | |
| GY B UBEO | F9X00000000000 | WEAPONS SPARES | XX C C | 641 000 000 001 | | | | | 45522 |
| GY B UBEO | L0000000000000 | SUPPLY OPERATIONS | XX C C | 641 000 000 002 | | | | | 1593 |
| CASE TOTALS | | | | | | | | | |
| GY B UBEO | K0000000000000 | OTHER SUPPLIES | XX C C | 641 000 000 001 | | | | | 9906 |
| GY B UBEO | L0000000000000 | SUPPLY OPERATIONS | XX C C | 641 000 000 002 | | | | | 347 |
| CASE TOTALS | | | | | | | | | |
| GY B UBEO | L0000000000000 | SUPPLY OPERATIONS | XX I | 641 000 711 001 | 1440 | | 2427 | | 89324 |
| CASE TOTALS | | | | | | | | | |
| GY B UBEO | L0000000000000 | SUPPLY OPERATIONS | XX I | 641 000 711 001 | 1440 | | 2427 | | 89324 |
| CASE TOTALS | | | | | | | | | |
| GY B UBLO | M1X00000000000 | TECHNICAL ASSISTANCE | XX C C | 642 000 000 001 | | | | | 4300 |
| CASE TOTALS | | | | | | | | | |
| GY B UBLO | M1X00000000000 | TECHNICAL ASSISTANCE | XX C C | 642 000 000 001 | | | | | 4300 |
| CASE TOTALS | | | | | | | | | |
| GY B UBMO | B9X00000000000 | MISSILE SPARE PARTS | XX C C | 642 000 000 001 | | | | | 20969452 |
| GY B UBMO | E1000000000000 | SEMI-TRAILERS ALL TYPES | EA C C | 642 000 000 002 | | | | 42 | 906962 |
| GY B UBMO | F0000000000000 | OTHER WPNS + ORDNANCE EQP | XX C C | 642 000 000 003 | | | | | 900000 |
| GY B UBMO | J0000000000000 | MISC OTHER SUPPORT EQP | XX C C | 642 000 000 004 | | | | | 1610226 |
| GY B UBMO | K0000000000000 | OTHER SUPPLIES | XX C C | 642 000 000 005 | | | | | 272023 |
| GY B UBMO | L0000000000000 | SUPPLY OPERATIONS | XX C C | 642 000 000 006 | | | | | 1022126 |
| CASE TOTALS | | | | | | | | | |
| GY B UBMO | L0000000000000 | SUPPLY OPERATIONS | XX C C | 642 000 000 006 | | | | | 25680789 |
| GY B UBNO | B9X00000000000 | MISSILE SPARE PARTS | XX C C | 641 000 000 001 | | | | | 2187 |
| GY B UBNO | M1X00000000000 | TECHNICAL ASSISTANCE | XX C C | 641 000 000 002 | | | | | 5120 |
| CASE TOTALS | | | | | | | | | |
| GY B UBNO | M1X00000000000 | TECHNICAL ASSISTANCE | XX C C | 641 000 000 002 | | | | | 7307 |
| CASE TOTALS | | | | | | | | | |
| GY B UBTO | J0000000000000 | MISC OTHER SUPPORT EQP | XX C C | 641 000 000 001 | | | | | 325 |
| CASE TOTALS | | | | | | | | | |
| GY B UBTO | J0000000000000 | MISC OTHER SUPPORT EQP | XX C C | 641 000 000 001 | | | | | 325 |
| CASE TOTALS | | | | | | | | | |
| GY B UBWO | M1X00000000000 | TECHNICAL ASSISTANCE | XX C C | 642 000 000 001 | | | | | 1210 |
| CASE TOTALS | | | | | | | | | |
| GY B UBWO | M1X00000000000 | TECHNICAL ASSISTANCE | XX C C | 642 000 000 001 | | | | | 1210 |
| CASE TOTALS | | | | | | | | | |
| GY B UBZO | B9X00000000000 | MISSILE SPARE PARTS | XX C C | 641 000 000 001 | | | | | 7468760 |
| GY B UBZO | E3500000000000 | TRUCKS 5T ALL TYPES | EA C C | 641 000 000 002 | | | | 14 | 284690 |
| GY B UBZO | E3200000000000 | OTHER TRUCKS | EA C C | 641 000 000 003 | | | | 1 | 20420 |
| GY B UBZO | F0000000000000 | OTHER WPNS + ORDNANCE EQP | XX C C | 641 000 000 004 | | | | | 32058 |
| GY B UBZO | H0000000000000 | OTHER COMMUNICATIONS EQP | XX C C | 641 000 000 005 | | | | | 645962 |
| GY B UBZO | J0000000000000 | MISC OTHER SUPPORT EQP | XX C C | 641 000 000 006 | | | | | 598641 |
| GY B UBZO | K0000000000000 | OTHER SUPPLIES | XX C C | 641 000 000 007 | | | | | 141870 |
| GY B UBZO | L0000000000000 | SUPPLY OPERATIONS | XX C C | 641 000 000 008 | | | | | 329004 |
| CASE TOTALS | | | | | | | | | |
| GY B UBZO | L0000000000000 | SUPPLY OPERATIONS | XX C C | 641 000 000 008 | | | | | 9521405 |
| CASE TOTALS | | | | | | | | | |
| COUNTRY TOTALS | | | | | 54869 | | 79136 | | 337513750 |
| RCS FG | | | | | U N C L A S S I F I E D | | | | |
| | | | | | PAGE | DATE 31 MAY 7 | | | |

MILITARY ASSISTANCE AND SALES MANUAL - PART III

L-12

30 September 1972

30 September 1972

Figure L-7

UNCLASSIFIED

STATUS OF PURCHASES

| CATEGORIES/DESCRIPTIONS | CUM THRU FY 1960 | | FY 1961 | | FY 1962 | | FY 1963 | | FY 1964 | | TOTAL | |
|----------------------------|------------------|--------|---------|--------|---------|--------|---------|--------|---------|--------|-------|---------|
| | QTY | VALUE | QTY | VALUE | QTY | VALUE | QTY | VALUE | QTY | VALUE | QTY | VALUE |
| A/C MODS, AGE AND OTHER | | | | 2126 | | | | 142 | | 13281 | | 18399 |
| AIRCRAFT FIGHTER F-86K | | | | | 88 | 39142 | | | | | 88 | 39142 |
| AIRCRAFT FIGHTER F-104F | 30 | 43969 | | | | | | | | | 30 | 43969 |
| AIRCRAFT FIGHTER F-104G-D | | | 54 | 65174 | | | 18 | 21696 | | | 72 | 86870 |
| AIRCRAFT CARGO C-47 | | | | | 21 | 2595 | | | | | 21 | 2595 |
| AIRCRAFT CARGO C-118 | | | | | 2 | 997 | | | | | 2 | 997 |
| AIRCRAFT CARGO C-140 | | | | | 2 | 3606 | | | 1 | 1814 | 3 | 5420 |
| AIRCRAFT CARGO CONVAIR | | | | | 2 | 832 | 1 | 608 | | | 3 | 1500 |
| AIRCRAFT TRAINER T-33A | | | | | 60 | 8350 | | | | | 60 | 8350 |
| AIRCRAFT TRAINER HARVARD | | | | | 52 | 146 | | | | | 52 | 146 |
| HELICOPTER CH-34A | | | | | 87 | 31093 | 1 | 358 | | | 88 | 31451 |
| HELICOPTER SH-34J (HSS-1N) | 2 | 789 | | | 3 | 1244 | | | | | 5 | 2033 |
| HELICOPTER UH-1D W/AV L-11 | | | | | | | | | 4 | 913 | 4 | 913 |
| DRONE TARGET MQM33A | 32 | 93 | 15 | 44 | | | | | 4 | 12 | 51 | 149 |
| AIRCRAFT UTIL HU-16A | | | | | | | | | 3 | 165 | 3 | 165 |
| AIRCRAFT UTIL HU-16D | 4 | 3004 | | | | | | | | | 4 | 3004 |
| AIRCRAFT SPARE PARTS | | 1461 | | 32831 | | 83808 | | 38208 | | 41689 | | 197997 |
| TOTAL AIRCRAFT (+ SP) | | 49317 | | 100175 | | 174663 | | 61071 | | 57875 | | 443100 |
| DESTROYERS | | | | | | | | | 3 | 140000 | 3 | 140000 |
| TANK LANDING SHIPS | | | 7 | 495 | | | | | | | 7 | 495 |
| PATROL CRAFT | | | | | | | 1 | 1543 | | | 1 | 1543 |
| MISC BOATS AND CRAFT | | | 2 | 483 | | | 215 | 12660 | | | 217 | 13143 |
| SHIP SPARE PARTS | | 1930 | | 461 | | 40 | | 2936 | | 2954 | | 8321 |
| TOTAL SHIPS (+ SP) | | 1930 | | 1439 | | 40 | | 17138 | | 142954 | | 163501 |
| CARR PERS ARMD FULL TRACK | | | | | 2130 | 63215 | | | 700 | 19493 | 2830 | 82707 |
| CARR WEAPONS | 500 | 29341 | | | | | | | | | 500 | 29341 |
| ARTILLERY SP ANTI TANK | 3 | 154 | | | | | | | | | 3 | 154 |
| ARTILLERY SP 105 MM HOW | 64 | 7844 | | | | | | | | | 64 | 7844 |
| ARTILLERY SP 155 MM HOW | | | | | 268 | 30887 | | | 81 | 9475 | 349 | 40362 |
| ARTILLERY SP 8 IN HOW | | | 16 | 2199 | 38 | 5800 | | | 39 | 5961 | 93 | 13961 |
| ARTILLERY SP 175 MM GUN | | | | | 132 | 22229 | | | 13 | 2121 | 145 | 24350 |
| ARTILLERY SP OTHER | 81 | 15829 | | | | | | | | | 81 | 15829 |
| LIGHT TANKS | 450 | 43428 | | | | | | | | | 450 | 43428 |
| MEDIUM TANKS | 1358 | 180330 | | | 200 | 17382 | | | 210 | 11796 | 1768 | 209508 |
| TANK RECOVERY VEHICLES | 294 | 19272 | | | 126 | 22047 | | | | | 420 | 41318 |
| BULLDOZERS TANK MID | 1 | 8 | | | | | 104 | 992 | | | 105 | 1000 |
| SEMI-TRAILERS ALL TYPES | | | | | | | | | 73 | 1630 | 73 | 1630 |
| TRAILERS ALL TYPES | 244 | 508 | | | | | | | 1 | 6 | 245 | 514 |
| TRUCKS 1/4T ALL TYPES | | | | | | | | | 4 | 11 | 4 | 11 |
| COUNTRY TOTAL | | 715622 | | 159379 | | 640766 | | 347278 | | 725998 | | 2589042 |

IN THOUSANDS OF DOLLARS, ** LESS THAN \$500, * QTY UNAVAIL FOR DEL PRIOR TO JUN 63, = QTY IS MISSLES VALUE INCLUDES SUPPORT EQUIPMENT

RCS GG

UNCLASSIFIED

PAGE

DATE 31 MAY 7

L-13

MILITARY ASSISTANCE AND SALES MANUAL—PART III

Figure L-8

U N C L A S S I F I E D

STATUS OF DELIVERIES

| COUNTRY | SEQUENCE | UC,CC | IMPLEMENTING AGENCY | ALL IAS | | | | | | | | |
|----------------------------|----------------|---------|--------------------------|---------|-----------------|-------|----------------|--------|---------------------------|-------|-----------------|-------|
| GERMANY (BONN) | | | | | | | | | | | | |
| UNIFIED COMMAND | EUROPEAN | | AREA | | | | | | | | | |
| CATEGORIES/DESCRIPTIONS | CUMULATIVE QTY | VALUE | PURCHASES FY TO DATE QTY | VALUE | CURRENT QTR QTY | VALUE | CUMULATIVE QTY | VALUE | DELIVERIES FY TO DATE QTY | VALUE | CURRENT QTR QTY | VALUE |
| A/C MODS, AGE AND OTHER | | 18102 | 12985 | | | | 18102 | | | | | |
| AIRCRAFT FIGHTER F-86K | 88 | 39142 | | | | | 88 | 39142 | | | | |
| AIRCRAFT FIGHTER F-104F | 30 | 43969 | | | | | 30 | 43969 | | | | |
| AIRCRAFT FIGHTER F-104G-D | 72 | 86870 | | | | | 72 | 86870 | | | | |
| AIRCRAFT CARGO C-47 | 21 | 2595 | | | | | 21 | 2595 | | | | |
| AIRCRAFT CARGO C-118 | 2 | 997 | | | | | 2 | 997 | | | | |
| AIRCRAFT CARGO C-140 | 2 | 3606 | | | | | 2 | 3606 | | | | |
| AIRCRAFT CARGO CONVAIR | 3 | 1500 | | | | | 3 | 1500 | | | | |
| AIRCRAFT TRAINER T-33A | 60 | 8350 | | | | | 60 | 8350 | | | | |
| AIRCRAFT TRAINER HARVARD | 52 | 146 | | | | | 52 | 146 | | | | |
| HELICOPTER CH-34A | 88 | 31451 | | | | | 88 | 31451 | | | | |
| HELICOPTER SH-34J (HSS-1N) | 5 | 2033 | | | | | 5 | 2033 | | | | |
| DRONE TARGET MQM33A | 51 | 149 | 4 | 12 | | | 51 | 149 | | | | |
| AIRCRAFT UTIL HU-16D | 4 | 3004 | | | | | 4 | 3004 | | | | |
| AIRCRAFT SPARE PARTS | | 180347 | 24039 | | 32 | | 180315 | | 13357 | | | |
| TOTAL AIRCRAFT (+ SP) | | 422261 | 37035 | | 32 | | 422230 | | 13357 | | | |
| TANK LANDING SHIPS | 7 | 495 | | | | | 7 | 495 | | | | |
| PATROL CRAFT | 1 | 1543 | | | | | 1 | 1543 | | | | |
| MISC BOATS AND CRAFT | 217 | 13143 | | | | | 217 | 13143 | | | | |
| SHIP SPARE PARTS | | 6091 | 724 | | ** | | 5676 | | 3 | | | |
| TOTAL SHIPS (+ SP) | | 21272 | 724 | | ** | | 20857 | | 3 | | | |
| CARR PERS ARMD FULL TRACK | 2130 | 63215 | | | | | 2130 | 63215 | | | | |
| CARR WEAPONS | 500 | 29341 | | | | | 500 | 29341 | | | | |
| ARTILLERY SP ANTI TANK | 3 | 154 | | | | | 3 | 154 | | | | |
| ARTILLERY SP 105 MM HOW | 64 | 7844 | | | | | 64 | 7844 | | | | |
| ARTILLERY SP 155 MM HOW | 269 | 31008 | 1 | 122 | | | 269 | 31008 | | | | |
| ARTILLERY SP 8 IN HOW | 67 | 9987 | 13 | 1987 | | | 67 | 9987 | | | | |
| ARTILLERY SP 175 MM GUN | 132 | 22229 | | | | | 132 | 22229 | | | | |
| ARTILLERY SP OTHER | 81 | 15829 | | | | | 81 | 15829 | | | | |
| LIGHT TANKS | 450 | 43428 | | | | | 450 | 43428 | | | | |
| MEDIUM TANKS | 1558 | 197712 | | | | | 1558 | 197712 | | | | |
| TANK RECOVERY VEHICLES | 420 | 41318 | | | | | 420 | 41318 | | | | |
| BULLDOZERS TANK MTD | 105 | 1000 | | | | | 105 | 1000 | | | | |
| SEMI-TRAILERS ALL TYPES | 73 | 1630 | 73 | 1630 | | | 73 | 1630 | | | | |
| TRAILERS ALL TYPES | 244 | 508 | | | | | 244 | 508 | | | | |
| TRUCKS 1/4T ALL TYPES | 4 | 11 | 4 | 11 | | | 4 | 11 | | | | |
| TRUCKS 2 1/2T ALL TYPES | 39 | 319 | 9 | 87 | | | 39 | 319 | | | | |
| TRUCKS 5T ALL TYPES | 52 | 1064 | 20 | 395 | | | 52 | 1064 | | | | |
| COUNTRY TOTAL | | 2282040 | 418995 | | 29194 | | 2254821 | | 18243 | | | 55 |

IN THOUSANDS OF DOLLARS, ** LESS THAN \$500, * QTY UNAVAIL FOR DEL PRIOR TO JUN. 63, = QTY IS MISSLES VALUE INCLUDES SUPPORT EQUIPMENT.

RCS HG

U N C L A S S I F I E D

PAGE

DATE 31 MAY 7

L-14

MILITARY ASSISTANCE AND SALES MANUAL—PART III

30 September 1972

30 September 1972

Figure L-9

| U N C L A S S I F I E D | | | | | | | | | | |
|---------------------------|----------------|------------|------------|-------------|-----------------------------|------------|-------------|------------|------------|-------------|
| STATUS OF DELIVERIES | | | | | | | | | | |
| COUNTRY | GERMANY (BONN) | SEQUENCE | UC | CC | IMPLEMENTING AGENCY ALL IAS | | | | | |
| UNIFIED COMMAND EUROPEAN | | | | | AREA | | | | | |
| CATEGORIES/DESCRIPTIONS | | PURCHASES | | DELIVERIES | | PURCHASES | | DELIVERIES | | |
| | | CUMULATIVE | FY TO DATE | CURRENT QTR | CUMULATIVE | FY TO DATE | CURRENT QTR | CUMULATIVE | FY TO DATE | CURRENT QTR |
| | | QTY | VALUE | QTY | VALUE | QTY | VALUE | QTY | VALUE | QTY |
| A/C MODS, AGE AND OTHER | | | | | | | | | | |
| | FY 1961 | | 2126 | | | | | 2126 | | |
| | FY 1962 | | 2849 | | | | | 2849 | | |
| | FY 1963 | | 142 | | | | | 142 | | |
| | FY 1964 | | 12985 | | 12985 | | | 12985 | | |
| | TOTAL | | 18102 | | 12985 | | | 18102 | | |
| AIRCRAFT FIGHTER F-86K | | | | | | | | | | |
| | FY 1962 | 88 | 39142 | | | | | 88 | 39142 | |
| | TOTAL | | 39142 | | | | | | 39142 | |
| AIRCRAFT FIGHTER F-104F | | | | | | | | | | |
| | FY 1960 | 30 | 43969 | | | | | 30 | 43969 | |
| | TOTAL | | 43969 | | | | | | 43969 | |
| AIRCRAFT FIGHTER F-104G-D | | | | | | | | | | |
| | FY 1961 | 54 | 65174 | | | | | 54 | 65174 | |
| | FY 1963 | 18 | 21696 | | | | | 18 | 21696 | |
| | TOTAL | | 86870 | | | | | | 86870 | |
| AIRCRAFT CARGO C-47 | | | | | | | | | | |
| | FY 1962 | 21 | 2595 | | | | | 21 | 2595 | |
| | TOTAL | | 2595 | | | | | | 2595 | |
| AIRCRAFT CARGO C-118 | | | | | | | | | | |
| | FY 1962 | 2 | 997 | | | | | 2 | 997 | |
| | TOTAL | | 997 | | | | | | 997 | |
| AIRCRAFT CARGO C-140 | | | | | | | | | | |
| | FY 1962 | 2 | 3606 | | | | | 2 | 3606 | |
| | TOTAL | | 3606 | | | | | | 3606 | |
| TOTAL COUNTRY WORLDWIDE | | | | | | | | | | |
| | FY 1956 | | 12 | | | | | | 12 | |
| | FY 1957 | 4 | 7133 | | | | | 4 | 7133 | |
| | FY 1958 | 445 | 114259 | | | | | 445 | 114259 | |
| | FY 1959 | 942 | 167140 | | | | | 942 | 167140 | 14 |
| | FY 1960 | 1994 | 427077 | | | | | 1994 | 427036 | |
| | FY 1961 | 132 | 159379 | | | | | 132 | 159369 | 10 |
| | FY 1962 | 3581 | 640766 | | | | | 3573 | 640752 | 138 |
| | FY 1963 | 1023 | 347278 | | | | | 1023 | 328417 | 17914 |
| | FY 1964 | 350 | 418995 | 350 | 418995 | 29194 | | 350 | 410702 | 188 |
| | TOTAL | | 2282040 | | 418995 | 29194 | | | 2254821 | 18243 |

IN THOUSANDS OF DOLLARS, ** LESS THAN \$500, * QTY UNAVAIL FOR DEL PRIOR TO JUN 63, = QTY IS MISSLES VALUE INCLUDES SUPPORT EQUIPMENT

RCS IG

U N C L A S S I F I E D

PAGE

DATE 31 MAY 7

MILITARY ASSISTANCE AND SALES MANUAL - PART III

L-15

Figure L-10

U N C L A S S I F I E D

STATUS OF DELIVERIES

| COUNTRY GERMANY (RDNM) | SEQUENCE UC/CC | | IMPLEMENTING AGENCY ALL IAS | | | | | | | | | |
|-------------------------|--------------------------|---------|-----------------------------|--------|-------------|-------|------------|---------|-----------------------|-------|-------------|-------|
| | UNIFIED COMMAND EUROPEAN | | AREA | | | | | | | | | |
| CATEGORIES/DESCRIPTIONS | CUMULATIVE | | PURCHASES FY TO DATE | | CURRENT QTR | | CUMULATIVE | | DELIVERIES FY TO DATE | | CURRENT QTR | |
| | QTY | VALUE | QTY | VALUE | QTY | VALUE | QTY | VALUE | QTY | VALUE | QTY | VALUE |
| AIRCRAFT (+ SP) | | | | | | | | | | | | |
| FY 1957 | 4 | 4160 | | | | | 4 | 4160 | | | | |
| FY 1958 | 32 | 93 | | | | | 32 | 93 | | | | |
| FY 1960 | 32 | 45064 | | | | | 32 | 45064 | | | | |
| FY 1961 | 69 | 100175 | | | | | 69 | 100175 | | | | |
| FY 1962 | 317 | 174663 | | | | | 317 | 174663 | | | | |
| FY 1963 | 20 | 61071 | | | | | 20 | 61071 | | 13357 | | |
| FY 1964 | 4 | 37035 | 4 | 37035 | | | 4 | 37004 | | | | |
| TOTAL AIRCRAFT (+ SP) | | 422261 | | 37035 | | | 32 | 422230 | | 13357 | | |
| SHIPS (+ SP) | | | | | | | | | | | | |
| FY 1959 | | 162 | | | | | | 162 | | | | |
| FY 1960 | | 1769 | | | | | | 1769 | | | | |
| FY 1961 | 9 | 1439 | | | | | 9 | 1443 | | | | |
| FY 1962 | | 40 | | | | | | 40 | | 3 | | |
| FY 1963 | 216 | 17138 | | | | | 216 | 17138 | | | | |
| FY 1964 | | 724 | | 724 | | ** | | 305 | | ** | | |
| TOTAL SHIPS (+ SP) | | 21272 | | 724 | | ** | | 20857 | | 3 | | |
| VEH + WPNS (+ SP) | | | | | | | | | | | | |
| FY 1958 | 413 | 55659 | | | | | 413 | 55659 | | | | |
| FY 1959 | 942 | 94512 | | | | | 942 | 94512 | | | | |
| FY 1960 | 1962 | 190493 | | | | | 1962 | 190493 | | | | |
| FY 1961 | 54 | 3045 | | | | | 54 | 3045 | | | | |
| FY 1962 | 2904 | 168820 | | | | | 2904 | 168820 | | | | |
| FY 1963 | 787 | 6987 | | | | | 787 | 6987 | | | | |
| FY 1964 | 346 | 7723 | 346 | 7723 | | 206 | 346 | 7590 | | | | |
| TOTAL VEH + WPNS (+ SP) | | 527240 | | 7723 | | 206 | | 527107 | | | | |
| AMMUNITION | | | | | | | | | | | | |
| FY 1957 | | 2942 | | | | | | 2942 | | | | |
| FY 1959 | | 2675 | | | | | | 2675 | | 13 | | |
| FY 1960 | | 27117 | | | | | | 27117 | | | | |
| FY 1961 | | 20515 | | | | | | 20515 | | | | |
| FY 1962 | | 17137 | | | | | | 17137 | | ** | | |
| FY 1963 | | 46854 | | | | | | 39277 | | | | |
| FY 1964 | | 34501 | | 34501 | | 15741 | | 34421 | | 110 | | |
| TOTAL AMMUNITION | | 151742 | | 34501 | | 15741 | | 138084 | | 123 | | |
| COUNTRY TOTAL | | 2282040 | | 418995 | | 29194 | | 2254821 | | 18243 | | 55 |

IN THOUSANDS OF DOLLARS, ** LESS THAN \$500, * QTY UNAVAIL FOR DEL PRIOR TO JUN 63, = QTY IS MISSLES VALUE. INCLUDES SUPPORT EQUIPMENT

RCS JG

U N C L A S S I F I E D

PAGE

DATE 31 MAY 7

L-16

30 September 1972

MILITARY ASSISTANCE AND SALES MANUAL—PART III

Figure L-11

31 October 1972

| FOREIGN MILITARY SALES COLLECTIONS | | | | | | | | | |
|------------------------------------|------------------|------------|-----------------|--------------------|------------|---------------------------|-------------------|------------|----------|
| COUNTRY: GERMANY (BONN) | | | SEQUENCE: UC,CC | | | IMPLEMENTING AGENCY: ARMY | | | |
| UNIFIED COMMAND: EUROPEAN COMMAND | | | | | | AREA: | | | |
| I CASE CC A NO FY | CASH COLLECTIONS | | | CREDIT COLLECTIONS | | | TOTAL COLLECTIONS | | |
| | CUMULATIVE | FY TO DATE | CURR QTR | CUMULATIVE | FY TO DATE | CURR QTR | CUMULATIVE | FY TO DATE | CURR QTR |
| GY B UFXD 64 | 757536 | | | | | | 757536 | | |
| GY B UFXD 64 | 1018 | | | | | | 1018 | | |
| GY B UFXD 64 | 4510 | | | | | | 4510 | | |
| GY B UGED 64 | 20131 | | | | | | 20131 | | |
| GY B UGED 64 | 456947 | | | | | | 456947 | | |
| GY B UGKD 64 | 12270 | | | | | | 12270 | | |
| GY B UGLD 64 | 442 | | | | | | 442 | | |
| GY B UGMD 64 | 201925 | | | | | | 201925 | | |
| GY B UGND 64 | 53720 | 17832 | 1147 | | | | 53720 | 17832 | 1147 |
| GY B UGQD 64 | 405334 | | | | | | 405334 | | |
| GY B UGTD 64 | 14750 | | | | | | 14750 | | |
| GY B UHCD 64 | 14725 | | | | | | 14725 | | |
| GY B UHDD 64 | 248 | | | | | | 248 | | |
| GY B UHFD 64 | 158 | | | | | | 158 | | |
| GY B UHKD 64 | 229090 | 8626 | | | | | 229090 | 8626 | |
| GY B UHMD 64 | 5943 | | | | | | 5943 | | |
| GY B UIRD 64 | 3804 | | | | | | 3804 | | |
| GY B ZZZO 64 | 78355734 | | | | | | 78355734 | | |
| COUNTRY TOTAL | 344869300 | 16261240 | 2470 | | | | 344869300 | 16261240 | 2470 |
| WORLDWIDE TOTAL | 638869300 | 40261240 | 15928 | | | | 638869300 | 40261240 | 15928 |

MILITARY ASSISTANCE AND SALES MANUAL—PART III

L-17

Figure L-12

U N C L A S S I F I E D

FMS CASE LEVEL SUMMARY

COUNTRY: GERMANY (BONN) SEQUENCE: UC,CC
UNIFIED COMMAND: EUROPEAN COMMAND

IMPLEMENTING AGENCY: ARMY

AREA:

| CC | I A | CASF NO | FY | S T | ITEM CNT | ITEMS IN FILE | CASE VALUE | TOTAL PURCHASES | UNDEFINED PURCHASES | TOTAL DELIVERIES | UNDELIVERED BALANCE | TOTAL COLLECTIONS |
|-----------------|-----|---------|----|-----|----------|---------------|--------------|-----------------|---------------------|------------------|---------------------|-------------------|
| GY | B | UFLD | 64 | C | 001 | 001 | 438,826 | 438,826 | | 438,826 | | 438,826 |
| GY | B | UFMD | 64 | C | 001 | 001 | 712 | 712 | | 712 | | 712 |
| GY | B | UF00 | 64 | C | 001 | 001 | 1,681 | 1,681 | | 1,681 | | 1,681 |
| GY | B | UFU0 | 64 | C | 001 | 001 | 77 | 77 | | 77 | | 77 |
| GY | B | UFV0 | 64 | C | 002 | 002 | 1,025,228 | 1,025,228 | | 1,025,228 | | 1,025,228 |
| GY | B | UFW0 | 64 | C | 002 | 002 | 757,536 | 757,536 | | 757,536 | | 757,536 |
| GY | B | UFX0 | 64 | C | 002 | 002 | 1,018 | 1,018 | | 1,018 | | 1,018 |
| GY | B | UFY0 | 64 | C | 002 | 002 | 4,510 | 4,510 | | 4,510 | | 4,510 |
| GY | B | UGE0 | 64 | C | 002 | 002 | 20,131 | 20,131 | | 20,131 | | 20,131 |
| GY | B | UGF0 | 64 | C | 002 | 002 | 456,947 | 456,947 | | 456,947 | | 456,947 |
| GY | B | UGK0 | 64 | C | 002 | 002 | 12,270 | 12,270 | | 12,270 | | 12,270 |
| GY | B | UGL0 | 64 | C | 001 | 001 | 442 | 442 | | 442 | | 442 |
| GY | B | UGM0 | 64 | C | 002 | 002 | 201,925 | 201,925 | | 201,925 | | 201,925 |
| GY | B | UGN0 | 64 | C | 001 | 001 | 53,720 | 53,720 | | 53,720 | | 53,720 |
| GY | B | UGO0 | 64 | C | 004 | 004 | 405,334 | 405,334 | | 405,334 | | 405,334 |
| GY | B | UGT0 | 64 | C | 001 | 001 | 14,750 | 14,750 | | 14,750 | | 14,750 |
| GY | B | UHC0 | 64 | C | 002 | 002 | 14,725 | 14,725 | | 14,725 | | 14,725 |
| GY | B | UHD0 | 64 | C | 001 | 001 | 248 | 248 | | 248 | | 248 |
| GY | B | UHH0 | 64 | C | 002 | 002 | 158 | 158 | | 158 | | 158 |
| GY | B | UHK0 | 64 | C | 002 | 002 | 229,090 | 229,090 | | 229,090 | | 229,090 |
| GY | B | UHM0 | 64 | C | 002 | 002 | 5,943 | 5,943 | | 5,943 | | 5,943 |
| GY | B | UIB0 | 64 | C | 002 | 002 | 3,804 | 3,804 | | 3,804 | | 3,804 |
| GY | B | ZZZ0 | 64 | C | 003 | 003 | 78,355,734 | 78,355,734 | | 78,355,734 | | 78,355,734 |
| COUNTRY TOTAL | | | | | | | 347,509,951 | 344,869,300 | 2,640,651 | 337,513,750 | 7,355,550 | 344,869,300 |
| UNIF CMD TOTAL | | | | | | | 647,509,951 | 644,869,300 | 2,640,651 | 637,513,750 | 10,355,550 | 644,869,300 |
| WORLDWIDE TOTAL | | | | | | | 1347,509,951 | 1344,869,300 | 12,640,651 | 1337,513,750 | 17,355,550 | 1344,869,300 |
| RCS LG | | | | | | | | | | | | |

U N C L A S S I F I E D

PAGE

DATE 31 MAY 7

L-18

30 September 1972

MILITARY ASSISTANCE AND SALES MANUAL—PART III

30 September 1972

Figure L-13

| UNCLASSIFIED | | | |
|-----------------------------------|----------------------|---------------------------|------------------------|
| FMS FISCAL YEAR SUMMARY | | | |
| COUNTRY: ISRAEL | SEQUENCE: UC,CC | IMPLEMENTING AGENCY: NAVY | |
| UNIFIED COMMAND: EUROPEAN COMMAND | DOLLARS IN THOUSANDS | | AREA: |
| COUNTRY/ PROGRAM YEAR | TOTAL CASE VALUE | TOTAL PURCHASES | UNDEFINED PURCHASES |
| ISRAEL | | | |
| 63+PRIOR | 6,750 | 6,758 | 8- |
| 64 | 371 | 371 | |
| 65 | 60,009 | 59,844 | 166 |
| TOTAL | 67,130 | 66,973 | 157 |
| INTERMEDIATE TOTAL | | | |
| 63+PRIOR | 6,750 | 6,758 | 8- |
| 64 | 371 | 371 | |
| 65 | 60,009 | 59,844 | 166 |
| TOTAL | 67,130 | 66,973 | 157 |
| VENEZUELA | | | |
| 63+PRIOR | 62,361 | 62,339 | 22 |
| 64 | 8,752 | 9,680 | 928- |
| 65 | 10,551 | 11,259 | 708- |
| TOTAL | 81,665 | 83,279 | 1,614- |
| INTERMEDIATE TOTAL | | | |
| 63+PRIOR | 62,361 | 62,339 | 22 |
| 64 | 8,752 | 9,680 | 928- |
| 65 | 10,551 | 11,259 | 708- |
| TOTAL | 81,665 | 83,279 | 1,614- |
| WORLDWIDE TOTAL | | | |
| 63+PRIOR | 69,111 | 69,098 | 14 |
| 64 | 9,123 | 10,051 | 928- |
| 65 | 70,561 | 71,103 | 542- |
| TOTAL | 148,795 | 150,251 | 1,457- |

** LESS THAN 500 DOLLARS

RCS MI

UNCLASSIFIED

PAGE

DATE 31 MAY 7

MILITARY ASSISTANCE AND SALES MANUAL—PART III

L-19

CHAPTER M

FOREIGN MILITARY SALES—COMMERCIAL AVAILABILITY

1. Purpose

The purpose of this Chapter is to provide guidance on objectives and constraints which govern DOD Foreign Military Sales (FMS) activities vis-a-vis the direct industry-to-foreign-government sales of "commercially available" items. It sets forth the criteria governing the evaluation of purchase requests to the Department of Defense from foreign governments and international organizations, and the legislative, policy and administrative provisions impacting on the evaluation process. FMS of defense articles and services shall be accomplished in accordance with the policies and procedures outlined herein as well as in the pertinent DOD Directives and Instructions as implemented by Military Departmental directives and regulations.

2. Legislative Provisions

a. Section 22 of the Foreign Military Sales Act (FMSA) prescribes that: "No sale of unclassified defense articles shall be made to the government of any economically developed nation . . . unless such articles are not generally available for purchase by such nations from commercial sources in the United States." The FMSA provides that the President may waive such provision when he determines that the waiver is in the national interest. The authority to waive was delegated by the President to the Secretary of Defense and redelegated by the Secretary of Defense to the Director of the Defense Security Assistance Agency. Implementation of

the provisions of Section 22 has been delegated to the Military Departments by a Secretary of Defense Memorandum dated 6 August 1970, (see Figure M-2) which makes it incumbent upon the Departments and Agencies concerned to make the determination as to whether the sale of a defense article or service may be made through FMS procedures within the context of his Memorandum.

b. A corollary provision in the FMSA is found in Section 42, which provides that in evaluating any proposed sale under the FMSA, consideration shall be given to the extent of which the proposed sale changes or infringes upon existing licensing arrangements between U.S. firms and foreign firms. Since FMS of defense articles or services to a foreign government or international organization could impinge upon existing licensing arrangements (all of which would have been previously approved by the U.S. Government through the State and Defense Departments), the Military Departments must also consider this provision before making any determination within the context of the Secretary's Memorandum of 6 August 1970.

3. Definitions

It is not intended to repeat herein those definitions associated with FMS procedures available elsewhere. However, for the purpose of clarification, several terms and phrases used in this Chapter are defined as follows:

a. Economically Developed Nation

A nation so categorized by the Execu-

MILITARY ASSISTANCE AND SALES MANUAL—PART III

tive Order covering the Interest Equalization Tax. These nations are listed in Figure M-1.

b. Underdeveloped Nation

All nations authorized to procure defense articles and services through FMS procedures not listed in Figure M-1.

c. Exclusive License

A license covering a patent(s), technical or other proprietary data, technical assistance, know-how, or any combination of these, granted by a U.S. firm to a foreign firm or government to produce, coproduce or sell a defense article or service within a given sales territory without competition from any other licensee or from the licensor.

d. Non-Exclusive License

A license as described above, except that competition may be permitted with other licensees and/or the licensor.

4. Department of Defense Policy Guidance

The Secretary of Defense Memorandum of 6 August 1970 establishes a policy which extends the scope of Section 22 of the FMSA to all eligible governments irrespective of economic classification, to all defense articles and services irrespective of security classification, and to those defense items normally available from service stocks (as distinguished from new procurement). This chapter codifies, and provides guidance for implementing that Memorandum.

a. The following types of defense items or services are deemed outside the scope of the Memorandum and therefore not commercially available.

(1) All ammunition rounds above 20mm in caliber

(2) All aircraft flares which are not procured in complete form from commercial sources.

(3) All defense items which contain

components as Government-furnished equipment (GFE).

(4) Any defense item normally procured by the Military Departments which a defense contractor requests be sold through FMS channels for whatever reason, provided that such FMS does not infringe an exclusive licensing arrangement covering the territory in which the customer government is located.

(5) Any defense item not normally procured or type-classified by the Military Departments, when the FMS is requested by a foreign government and the U.S. producer agrees, provided that such FMS does not impinge upon an exclusive licensing arrangement covering the territory in which the customer government is located.

(6) Any defense item or service which a foreign government insists on procuring through FMS procedures by designating a sole-source producer.

(7) Any defense item or service for the Federal Republic of Germany.

b. Conversely, the following types of defense items and services are deemed commercially available. With respect to such items and services the Military Departments shall, if they consider overriding reasons exist for FMS, forward their recommendations to the Director of the DSAA for a determination under Section 22 or Section 42 of the FMSA, as the case may be.

(1) Any defense item or service covered by an exclusive licensing arrangement in the territory where the purchasing government is located.

(2) Any defense item or service as to which the purchasing government obtained previous price and availability quotations from U.S. firms and the latter have given the Military Departments timely notification of such action.

(3) Any defense item involving foreign patent infringement.

c. In implementing the Memorandum's provisions for FMS of defense items or services other than those described above, the Military Departments must first apply the criteria listed in paragraph 3 of the Secretary's Memorandum. If they then find that the defense item or service thus screened is "commercially available" because all three of the listed criteria are met, it will then be screened against the list of exceptions in paragraph 7 of the Memorandum. If the defense item or service does not conform to any of the exceptions and is thus not eligible for FMS under the authority delegated to the Military Departments, the Military Departments must then refer any case which they deem worthy of a special exception to the Director of the DSAA setting forth their reasons for such a recom-

mendation and a determination for a waiver in the national interest.

d. Whenever the Military Departments must contract for new procurement of defense items or services to be sold under FMS procedures and the items or services are commercially available within the scope of the Memorandum, existing option prices may not be quoted in the DD Form 1513 unless: (1) the option clause of the contract with the defense contractor specifically includes add-ons for FMS; (2) the original contract included consolidated quantities for FMS, or (3) the defense contractor, after being informed of an add-on for FMS, agrees to its inclusion at the option price, thereby waiving any claims for reimbursement of promotional expenses, fees and additional profit.

Figure M-1

LIST OF ECONOMICALLY DEVELOPED NATIONS

| | |
|-----------------------------|---|
| ABU DHABI* | KUWAIT-SAUDI ARABIA NEUTRAL ZONE* |
| AUSTRALIA | |
| AUSTRIA | LIBYA |
| BAHAMAS* | LICHTENSTEIN* |
| BAHREIN | LUXEMBOURG |
| BELGIUM | MONACO* |
| BERMUDA* | NETHERLANDS |
| CANADA | NEW ZEALAND |
| DENMARK | NORWAY |
| FEDERAL REPUBLIC OF GERMANY | PORTUGAL |
| FRANCE | QATAR |
| HONG KONG* | SAN MARINO* |
| IRAN | SAUDI ARABIA |
| IRAQ* | SPAIN |
| IRELAND | SWEDEN |
| ITALY | SWITZERLAND |
| JAPAN | UNION OF SOUTH AFRICA* |
| KUWAIT | UNITED KINGDOM |
| | ANY FOREIGN COUNTRY IN THE SINO-SOVIET BLOC* |

*NOT ELIGIBLE FOR FMS

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

6 AUG 1970

MEMORANDUM FOR THE SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN, JOINT CHIEFS OF STAFF
DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Sale of Commercially Available Items by the Department of
Defense

1. This memorandum establishes guidelines for sale by the Department of Defense of defense articles and services which are commercially available. Commercially available items are defined as those which are generally available for purchase by foreign governments directly from commercial sources in the U.S. Provisions of this memorandum apply to all elements of the Department of Defense.

2. Although the prohibition contained in Section 22 of the Foreign Military Sales Act applies only to "dependable undertaking" sales by DOD to developed countries of unclassified articles from new procurement, Department of Defense policy is to encourage the use of commercial channels (U.S. industry direct to foreign government), wherever practicable, in the sale of defense articles and services to foreign countries. This policy applies regardless of the foreign country's classification as to economic development, whether the item is an article or a service, whether the item is unclassified, or whether it is available from service stocks.

3. An item normally will be considered generally available directly from commercial sources in the U.S. when, as a practical matter, such sources are fully capable of meeting the foreign country's requirements and the following criteria are met:

a. The foreign country is considered capable of making a prudent purchase of the item directly from commercial sources in the U.S.

b. Procurement directly from U.S. commercial sources imposes no undue financial, economic, or logistical hardship on the purchaser which would not accrue if the sale is made by DOD.

c. Sale through commercial channels conforms to the objectives of the Foreign Military Sales Act and there are no overriding reasons which dictate sale by DOD.

4. Responsibility for determining whether, within the context of this directive, an item is to be offered for sale by DOD rests with the U.S. Military Department processing the foreign country's purchase request.

5. Each DOD element or agency involved in processing purchase requests will:

a. Encourage and, to the extent practicable, assist foreign countries in developing and utilizing U.S. commercial sources for purchase of valid needs.

b. Assist U.S. industry representatives in arranging direct commercial sales to meet valid military requirements.

c. In forwarding, endorsing, or processing purchase requests, indicate items which appear to be commercially available.

d. To the extent such activities are known, keep the ASD/ISA, the Military Departments, and MAAGs or other appropriate in-country DOD representatives informed of significant commercial sales activities.

6. All elements and agencies of DOD engaged in FMS activities will encourage representatives of U.S. industry to keep appropriate elements of DOD informed as to their planned and actual activities relating to commercial sales.

7. Special provisions:

a. Nothing in this memorandum supersedes in any way current DOD policies set forth in memorandum I-12,902/69 dated 13 November 1969, subject: Foreign Military Sales of Commercial-Type Items, imposing specific restrictions on the sale of commercial type items (formerly referred to as "commercial consumables").

b. Provided the restrictions set forth in the memorandum cited in paragraph 7.a. above are met, nothing in this directive will be construed as precluding DOD from making any sale in any of the following categories:

(1) Sale of classified articles and services.

(2) Sales made under Supply Support Arrangements and similar follow-on support sales arrangements.

(3) Surplus personal property sales, including MAP disposable property.

(4) Sale from Department of Defense long supply stocks when, in the judgment of the Military Department concerned, reduction of such stocks is desirable.

(5) Sale of repair parts normally carried in DOD stocks, and support services when, in the judgment of the Military Department concerned, such parts or services are required for follow-on support of end items of U.S. origin.

(6) Sale of any item in the absence of specific and positive information indicating that the sale can and should be made through commercial channels.

(7) Sales made pursuant to specific government-to-government agreements approved by the Deputy Assistant Secretary of Defense, ISA (MA&S) or higher authority.

c. Nothing in this memorandum will be construed as precluding DOD from making any sale, regardless of the defense articles and services involved, that is approved on a case-by-case basis by the ASD/ISA or his designee as being in the best interests of the United States.

Signed
MELVIN R. LAIRD

CHAPTER N

PROJECTIONS OF FOREIGN MILITARY SALES

1. Purpose

This chapter prescribes the operating procedures for preparing FMS projections in compliance with the FMS Act, Section 36(b).

The FMS Act prescribes that there be included in the presentation material submitted to the Congress during its consideration of amendments to the Act, or of any Act appropriating funds pursuant to authorization contained in the FMS Act, the following data: annual tables on the dollar value of cash and credit FMS orders, commitments to order, and estimated future orders under the Act, as well as estimates of commercial sales orders and commitments to orders received directly from any country or international organization by any individual, corporation, partnership, or other association doing business in the U.S. The data reported shall be set forth on a country-by-country basis and shall be summarized on an economically developed country/economically less developed country basis.

2. Reporting Procedures and Submission Requirements

Projections of FMS individual potential items will be prepared in accordance with the format shown at Figure N-1. Potential FMS information should be prepared and maintained by the MAAG on a continuing basis throughout the year. Items of particular significance should be reported through normal channels to Washington headquarters levels and finally to the Defense Security Assistance Agency on a recurring basis at the earliest opportunity. Annually, during

the normal budget (PPBS) submission, the FMS projections and estimates shall be summarized, reviewed, and submitted through normal channels to the Defense Security Assistance Agency.

3. Details of the Projections

The three major areas where individual lists of FMS defense articles and services are required to be reported, as illustrated in Figure N-1, are the following:

a. FMS Projected Orders

Major end items, major weapons systems, and other major procurement anticipated or projected by the buying government from U.S. sources will be listed in this section of the report. FMS orders includes all types that require U.S. Government sales actions, such as letters of offer and acceptance (DOD Form 1513) other sales contracts and/or government-to-government agreements or arrangements.

b. FMS Commitments to Order

These are similar defense articles and services defined in the FMS projected orders except these items should be based upon firm commitments already agreed upon between the purchasing government and the U.S. Government. In some cases, these items will be contingent upon or subject to future availability of parliamentary authorizations and appropriations of the purchasing government.

c. Commercial Sales Orders and Commitments to Order, Projected

In this section, a listing of anticipated commercial sales transactions will be re-

ported. This will include major defense articles and services, major weapons systems and other major procurement estimated by commercial sources to be procured from the United States. Where there may be a mix of U.S. government supply, such as GFAE or GFE, anticipated with commercial sales orders and commitments, only the commercial portion will be reported in this section. It may be difficult in the projection to differentiate between U.S. Government anticipated supply and the estimated commercial sales orders and commitments. In these instances, the most likely type of supply channel will be reported. The MAAG will project its best estimate of the projected sales channel. Reviewing authorities will also assess the projection according to their best judgment in the final submission to DSAA.

d. Dollar Value, Cash or Credit

The projected magnitude of the FMS or commercial sales will be reported in dollar values. To the extent possible, dollar estimates will be shown for individual items or categories of items where the composite value is more meaningful. The total purchases anticipated for the country will be reported. Where individual items may be relatively small in value, for example: spares and spare parts, communications and electronics equipment, armament equipment, etc., report the composite value. Where question exists as to the country's intentions or decision on defense items to be procured, explain such a situation, or potential priority when several items are in question, in the remarks section of the report, or in footnotes, as appropriate.

e. Quantity of Defense Items

To the extent that projected quantities are known, or are meaningful in evaluating the projections reports such figures by major

items or categories of equipment. In particular, show such data that may relate to force structure, military or unit goals, and operational requirements.

f. Remarks

To assist in the evaluation of the projection, the justification for the procurement from the United States, or to explain the basis for the estimated data, report the specific information by individual items in the remarks section. If space on the report is inadequate for this purpose, add attachments or footnotes to the reported items. Explain how the projection may relate to U.S. force goals, JCS objectives, NATO or country goals and other pertinent relationships, including priorities of requirements or projections. Where delivery timing may be significant to the projection, report such data including estimated procurement schedules or projected payment data.

g. Notes

Comments on specific line items may be shown as necessary to explain the significance of the projected defense articles and services. This may include such data as: source of the projection, details on the basis for the estimates, status of negotiations or discussions underway for the item, and possible third country competition for the specific sale. If credit financing is a vital factor, show the projected needs for credit, the terms and conditions anticipated or desired, and other pertinent financial data.

Finally, show special conditions that may be required for the projected sale, such as: need for coproduction or joint venture by the country, status of license arrangement if involved, and other offsetting terms and conditions that may be associated with the transaction.

**FIGURE N-1
PROJECTIONS OF FOREIGN MILITARY SALES**

Fiscal Year
(\$ Millions)

Country _____

| <i>List of Defense Items or Categories of Equipment</i> | <i>Estimated Quantity</i> | <i>Est. & Value Cash Credit</i> | <i>REMARKS (Basis for Estimates)</i> |
|---|-------------------------------|---|--|
| <i>Section 1—Projected FMS Orders</i> | | | |
| XXXXXXXXXX XXXX XXXXXX | | | |
| XXXXX XXXXXX XXXX XX | | | |
| XX XX XXXX XXXXXXXXXXXX XXXX | | | |
| XXXXXXXXXX XXXXXX XXXXXX | | | |
| Total | | | |
| <i>Section 2—FMS Commitments to Order</i> | | | |
| XXXXXXXXXXXX XXXXX XXXXXX | | | |
| XXXX XXX XXXXXXXXXXX XXXXXXXX | | | |
| XX XXXX XXX XXXXXXXXXXX XXXX | | | |
| XXXXXXXXXXXX XXXXXXXXXXXX XXXX | | | |
| Total | | | |
| <i>Section 3—Projected Commercial Sales Orders and Commitments to Order</i> | | | |
| XXXX XXXXXXXX XXXXXX XXXXXXXX | | | |
| XXXXXXXXXXXX XX XXX XXX XXXXXXXX | | | |
| XXXXXXXX XXXXXXXXXXX XXXXXXXXXXXX | | | |
| Total | | | |

GRAND TOTAL

NOTES (Special data on projections, justifications for needs, third-country competition)
(Continue to additional pages if required)

CHAPTER U

PHASE-IN OF FMS REPORTING SYSTEM

1. Purpose

The purpose of this chapter is to provide instructions of a temporary nature scheduling the phase-in of the new, revised FMS reporting system.

2. Scheduling

The reconstruction of FMS records for transactions prior to June 30, 1970, and the reporting of new transactions after that date, will of necessity be performed simultaneously during the initial stages of system implementation. The heavy one-time work-

load and the requirement for actions in a fixed sequence dictate that system implementation be phased over the twelve months of FY 1971. The scheduling of the various steps in this phase-in operation is described in five separate segments as follows:

a. The first report submissions under the new system will be in connection with new FMS cases. There follows a schedule for reporting the status of all FMS offers which are open as of June 30, 1970 (have not been accepted by that date, but have not expired, and are still binding on the U.S. Government if accepted during FY 1971).

| <i>Card</i> | <i>Type Transaction</i> | <i>Initial Report Period</i> | <i>Initial Submission</i> | <i>Subsequent Report Periods</i> | <i>Recurring Submissions</i> |
|-------------|-------------------------------|--------------------------------------|---------------------------|----------------------------------|--|
| 1-2 | Establish Case Record | All through June 30, 1970 | July 7, 1970 | As generated | 5 working days after offer date |
| 5-A-B | Change or Update Case Record | N/A | (Not before July 7, 1970) | As generated | 5 working days after change |
| C | Post Collections | All through Sep 30, 1970 | Nov 15, 1970 | Quarterly | 30 calendar days after each quarter |
| 4 | Establish Item Detail Records | All implemented through Dec 31, 1970 | Jan 30, 1971 | As generated | 5 working days after implementation date |
| 6-D | Change Item Detail Record | N/A | (Not before Feb 15, 1971) | As generated | 5 working days after change |
| D | Post Deliveries | All through Dec 31, 1970 | Feb 15, 1971 | Quarterly | 30 calendar days after each quarter |

N/A Not Applicable

MILITARY ASSISTANCE AND SALES MANUAL—PART III

b. The second scheduled action is a reconstruction of FMS data, reflecting the status on June 30, 1970 for cases which were accepted prior to that date, but which are not

completed as of June 30, 1970 (see definition in Appendix A of "Completed Case," a new FMS status categorization). This table shows the schedule for this key phase.

| Card | Type Transaction | Initial Report Period | Initial Submission | Subsequent Report Periods | Recurring Submissions |
|------|-------------------------------|---------------------------|--------------------|---------------------------|-----------------------|
| 1-2 | Establish Case Record | All through June 30, 1970 | Oct 1, 1970 | N/A | N/A |
| C | Post Collections | All through June 30, 1970 | Nov 15, 1970 | N/A | N/A |
| 4 | Establish Item Detail Records | All through Dec 31, 1970 | Jan 30, 1971 | N/A | N/A |
| 4* | Post Deliveries | All through Dec 31, 1970 | Jan 30, 1971 | N/A | N/A |
| D* | Post Deliveries | All through Dec 31, 1970 | Feb 15, 1971 | N/A | N/A |

* Military departments have the option of including delivery data on Card 4, or using Card D for submission of these data.
N/A Not Applicable

c. The third step is the posting of changes or adjustments to case and item detail records established in the second step, and the posting of delivery and collection records for the first quarter FY 1971 to cases in this

category. This table shows the schedule for the first updating and posting against cases having status codes A, I or R on June 30, 1970.

| Card * | Type Transaction | Initial Report Period | Initial Submission | Subsequent Report Periods | Recurring Submissions * |
|--------|------------------------------|-----------------------------------|--------------------|---------------------------|-------------------------------------|
| 5-A-B | Change or Update Case Record | Jul 1, 1970 through Nov 25, 1970 | Dec 1, 1970 | As generated | 5 working days after change |
| C | Post Collections | Jul 1, 1970 through Sep 30, 1970 | Dec 15, 1970 | Quarterly | 30 calendar days after each quarter |
| 6-D | Change Item Detail Record | Jul 1, 1970 through Feb 10, 1971 | Feb 15, 1971 | As generated | 5 working days after change |
| D | Post Deliveries | Dec 31, 1970 through Mar 31, 1971 | Apr 30, 1971 | Quarterly | 30 calendar days after each quarter |

* Cards 1, 2 and 4 used only in correcting errors in control fields of case and item detail records, or in adding item detail records to definitize data initially reported in rolled-up form.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

d. The fourth step is the reconstruction of records of cases completed but not closed on June 30, 1970, and the posting of initial FY 1971 changes and collections against this case category (status code D). This table shows the schedule for this step.

| <i>Card</i> | <i>Type Transaction</i> | <i>Initial Report Period</i> | <i>Initial Submission</i> | <i>Subsequent Report Periods</i> | <i>Recurring Submissions</i> |
|-------------|---|------------------------------------|---------------------------|----------------------------------|-------------------------------------|
| 1-2 | Establish Case Record | All through June 30, 1970 | Dec 15, 1970 | N/A | N/A |
| 5-A-B | Change or Update Case Record | June 30, 1970 through Dec 25, 1970 | Jan 1, 1971 | As generated | 5 working days after change |
| C | Post Collections | All through June 30, 1970 | Jan 1, 1971 | Quarterly* | 30 calendar days after each quarter |
| 4 | Establish Item Detail Records | All through Dec 31, 1970 | Mar 31, 1971 | N/A | N/A |
| 4** | Post Deliveries | All through Dec 31, 1970*** | Mar 31, 1971 | N/A | N/A |
| D** | Post Deliveries | All through Dec 31, 1970 | Apr 15, 1971 | N/A | N/A |
| 6-D | Correct Item Detail or Delivery Records | N/A | (Not before Apr 15, 1971) | As generated | 5 working days after change |

* First report will be for two quarters—the period between July 1, 1970 and Dec 31, 1970.
 ** Military departments have the option of including delivery data on Card 4, or using Card D for submission of these data.
 N/A Not Applicable
 *** By definition, deliveries for cases in this category were completed on June 30, 1970. The delivery as-of date shown (Dec 31, 1970) means that the initial submission will include all delivery corrections through Dec 31, 1970.

e. The final step of system implementation will be the reconstruction of case and item detail records for cases in closed status on June 30, 1970 (status code C). This table shows the schedule for this final step.

| <i>Card</i> | <i>Type Transaction</i> | <i>Initial Report Period</i> | <i>Initial Submission</i> | <i>Subsequent Report Periods</i> | <i>Recurring Submissions</i> |
|-------------|---|------------------------------|---------------------------|----------------------------------|------------------------------|
| 1-2 | Establish Case Records | All through June 30, 1970 | May 15, 1971 | N/A | N/A** |
| 5-A-B | Correct Case Records | N/A | N/A | As generated | 5 working days after change |
| C | Post Collections | All through June 30, 1970 | May 15, 1971 | N/A | N/A |
| 4 | Establish Item Detail Records | All through June 30, 1970 | June 1, 1971 | N/A | N/A** |
| 4* | Post Deliveries | All through June 30, 1970 | June 1, 1971 | N/A | N/A |
| D* | Post Deliveries | All through June 30, 1970 | June 15, 1971 | N/A | N/A |
| 6-D | Correct Item Detail or Delivery Records | N/A | N/A | As generated | 5 working days after change |

* Military departments have the option of including delivery data on Card 4, or using Card D for submission of these data.
 ** Submission only in connection with the correction of data in control fields of case or item detail records, or for adding item detail records to definitize rolled-up data.
 N/A Not Applicable.

3. Schedule Changes

The military department having the capability may desire to proceed with implementation of the new FMS reporting system at a faster rate than scheduled herein. Earlier submission of data will be acceptable provided DASD/MA&S limitations and certain logical sequences are followed. These are:

a. Initial card or transcript sheet submissions for establishment of case records (Cards 1, 2, A, B) must be on or after July 7, 1970.

b. Card or transcript sheet submission for establishment of item detail records (Card 4), or for posting of deliveries or collections (Cards C and D) must be on or after November 1, 1970.

c. Case records must be established before, or data submitted simultaneously with, sub-

d. Establishment of item detail records may be performed simultaneously with establishment of case records; however, it is preferable that posting of Cards 1 and 2 be confirmed prior to submission of item detail by Card 4.

e. Changes to case records or item detail records may be submitted only after the basic case and item detail records have been posted.

f. Delivery data may be submitted simultaneously with, or after, the establishment of item detail records. However, submission of delivery data may not precede establishment of item detail records.

g. The technique available for correcting delivery and collection records at end of last quarter, or end of last fiscal year, would theoretically permit posting of delivery and collection status as of June 30, 1970 simultaneously with new delivery and collection transactions for FY 1971. However, this is a complicated procedure and it is not recommended. The schedules for successive submissions are set forth in this chapter; the first establishes June 30, 1970 status; and

the second provides FY 1971 transactions. It is recommended that this two-step operation be followed.

4. Data Source

The new FMS reporting system has been designed with the express purpose of minimizing changes to current military department FMS operating procedures. If status of FMS offers prior to implementation are not now maintained on ADP records, there is no need to add this feature because of the DASD/MA&S requirement for reporting. This part of the reporting system can be conducted manually, utilizing transcript sheets for input documents. Similarly, military departments will not find it necessary to reconstruct closed cases (as of June 30, 1970) on the new FMS structure in their internal ADP systems. Reconstruction of this historical data may be performed manually from tape records or hardcopy files in the military department, and submitted by transcript-sheet or punch cards to DASD/MA&S. If this option is exercised, DASD/MA&S will provide reports, on the new FMS structure, to the military departments for any purposes required.

5. Consolidation of Closed Cases

Military department records of closed cases which date from the early years of FMS activity may not be available in sufficient detail to permit reconstruction on a case-by-case basis. These circumstances may require, or military departments may choose to roll up case data in these old accounts. Cases which were closed as of June 30, 1970, and which have acceptance dates prior to July 1, 1963 may be consolidated by country and type of assistance. These consolidated records must be assigned tri-alpha case designators which do not duplicate the case designators used for cases accepted after July 1, 1963.

APPENDIX A

GLOSSARY OF TERMS AND ABBREVIATIONS

Definition contained in this Appendix are designed to assist in reaching a common understanding of terms applicable to Foreign Military Sales activities. They are not intended to be used to establish policy, doctrine, or to reflect techniques or technical procedures. Finally, where the source of a definition is a legislative document, the specific Act and Section is also cited.*

1. Acceptance, Letter of Offer

U.S. Department of Defense (DD) Form 1513 Offer and Acceptance by which the U.S. Government offers to sell to a foreign government or international organization defense articles and defense services pursuant to the Foreign Military Sales Act, as amended. The DD Form 1513 lists the items and/or services, estimated costs, the terms and conditions of sale, and provides for the foreign government's signature to indicate acceptance.

2. Acceptance Date

The date which appears on the acceptance portion of DD Form 1513 and indicates the calendar date on which a foreign buyer agrees to accept the items and conditions contained in the offer portion.

3. Accepted Case

An offer and acceptance for definitized requirements signed by the designated representative of the eligible recipient.

4. Accessorial Charges

A separate charge for each sales case for packing, crating, port handling and loading, and transportation (PCH&T) associated with preparation and delivery of materiel.

*Foreign Assistance Act of 1961, as Amended, as FAA, Foreign Military Sales Act, as Amended, as FMSA. Mutual Security Act of 1954, as amended, as MSA 1954.

5. Accessories and Attachments

Elements of any components, systems, or products not necessary for the operation of an end-item, but which enhance the usefulness or effectiveness of the end-item, e.g., riflescopes, special paints, etc.

6. Administrative Charges

Charges for expenses associated with the administration of the defense logistic system.

7. Arms Transfers

Defense articles and defense services such as arms, ammunition, and implements of war, including components thereof and the training, manufacturing licenses, technical assistance and technical data related thereto, provided by the government under the Foreign Assistance Act of 1961, as amended; the Foreign Military Sales Act, as amended; other statutory authority; or directly by commercial firms to foreign countries; foreign private firms, or to international organizations (Sec. 414, MSA 1954, and Executive Order No. 10973, as amended, "Administration of Foreign Assistance and Related Functions").

8. Blanket Order Case

An open-end requisitioning case covering spare parts for a specific weapons system. The case is of specific function, normally 12 months.

9. Budget Year

The fiscal year following the current fiscal year.

10. Cancelled Case

A case which was not accepted or funded within prescribed time limitations or was cancelled by the requesting country or the U.S. government. In the latter case, the U.S. government or purchaser electing to cancel all (or part) of case prior to delivery of defense article or performance of services shall be responsible for all (or associated) termination costs.

11. Case

A contractual sales agreement between the U.S. and an eligible foreign country or international organization documented by DD Form 1513. One case designator is assigned for the purpose of identification, accounting, and data processing for each accepted offer (DD Form 1513).

12. Case Description

A short title specifically prepared for each case.

13. Case Designator

A unique designator assigned by the implementing agency to each Foreign Military Sales case. The designator originates with the offer of a sale and identifies the case through all subsequent transactions and is generally a three letter designation.

14. Case Suffix Code

Machine readable code—See Appendix B.

15. Cash in Advance

U.S. dollar currency, check, or other negotiable instrument submitted by the customer concurrent with acceptance of a sales offer.

16. Cash Sales (DOD)

Involves either "cash in advance", payment within a reasonable period not to exceed 120

days after delivery of the article or the rendering of the service, or payments as funds are required to meet progress payments to suppliers under a "Dependable Undertaking" (Secs. 21 and 22, FMSA).

17. Closed Case

a. For material cases

A case on which all materials have been delivered, all financial transactions, including all collections, have been completed, and the customer has received a final statement of account.

b. For material/service cases

A case on which all materials have been delivered and all services have been performed, all financial transactions, including all collections, have been completed, and the customer has received a final statement of account.

c. For service cases

A case on which all services have been performed, all financial transactions, including all collections, have been completed, and the customer has received a final statement of account.

18. Collection

Receipt of U.S. dollar currencies, checks, or other negotiable instruments from a customer country to pay for defense articles or services, based on accepted FMS cases.

19. Commercial Item

Article of supply available from established commercial distribution sources.

20. Commercial Sale

Sale made by U.S. industry directly to a foreign buyer not administered by the DOD and not involving credit under the provisions of the Foreign Military Sales Act. U.S. Munitions List articles must be licensed for export by the Office of Munitions Control, Department of State, in accordance with Title 22, Code of Federal Regulations 121-128.

21. Commitment

Any communication between a responsible U.S. official and a responsible foreign official (including officials of any international organization or supra-national authority) which reasonably could be interpreted as being a promise that the U.S. will provide a foreign government (including international organizations or supra-national authorities) with funds (including long term credit assignments), goods, services or information.

22. Commodity Group

A grouping or range of items which possess similar characteristics, have similar applications, or are susceptible to similar supply management methods.

23. Completed Case

A case for which all deliveries of supplies and services have been completed but for which collections have not been completed and/or a final statement of account has not been rendered.

24. Components

Items which are useful only when used in conjunction with an end-item. They are defined as either major or minor: a. Major components include any assembled elements which form a portion of an end-item without which the end-item is inoperable; and, b. minor components include any assembled elements of a major component.

25. Concurrent Spare Parts (CSP)

Spare parts programmed for package shipment at the same time as or prior to delivery of the related major items.

26. Congressional Presentation Document (CPD)

The document presented to the Congress annually describing the proposed military Security Assistance Programs for Congressional authorization and appropriations.

27. Constructive Delivery (FMS)

Delivery of materiel to a carrier for transportation to the consignee or delivery to a U.S. post office for shipment to the consignee. Delivery is evidenced by completed shipping documents or listings of delivery at the U.S. post office. The delivery of materiel to the customer or the customer's designated freight forwarder at point of production, testing or storage at dockside, at staging areas, or at airports constitutes actual delivery. When delivery outside the United States is not accomplished by the implementing DOD component, the customer or the customer's designated freight forwarder must obtain an export license.

28. Cooperative Logistics Sales

Sales pursuant to arrangements wherein continuing support is provided a foreign government through its participation in the U.S. Department of Defense logistics system, with reimbursement to the U.S. for support performed.

29. Cooperative Logistics Support Arrangement

The arrangement under which logistic support is provided to a foreign government through its participation in the U.S. Department of Defense logistic system with reimbursement to the U.S. for support performed.

30. Credit

Transactions, approved on a case-by-case basis by the Departments of State and Defense, which allow repayment on an FMS case for periods beyond 120 days after delivery of materiel or performance of service.

31. Credit Agreement

An agreement with a foreign government that the U.S. will advance a stipulated amount of credit for financing of a foreign military sales to that government.

32. Credit Guaranty

A guaranty to any individual, corporation, partnership or other judicial entity doing business in the United States (excluding U.S. Government agencies) against political and credit risks of nonpayment arising out of their financing of credit sales of defense articles and defense services to eligible countries and international organizations (Sec. 24, FMSA).

33. Current Fiscal Year

The fiscal year in progress but not yet completed; e.g., between and including 1 July past and 30 June.

34. Defense Article

Includes any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war; any property, installation, commodity, material, equipment, supply, or goods used for the purposes of furnishing military assistance; any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any other defense article or any component or part of any articles listed above, but shall not include merchant vessels, major combatant vessels (10 U.S.C. 7307), or as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011), source material, by-product material, special nuclear material, production facilities, utilization facilities, or atomic weapons or articles involving restricted data (See 644(d) (3), FAA).

35. Defense Information

Any document, writing, sketch, photograph, plan, model, specification, design, prototype, or other recorded or oral information relating to any defense article or defense service but shall not include Restricted Data as defined by the Atomic Energy Act of 1954, as amended, and data removed from the Restricted Data category under section 142d of that Act (Sec 644(e), FAA).

36. Defense Service

Includes any service, test, inspection, repair, training, publication, or technical or other assistance, or defense information used for the purpose of furnishing military assistance. "Training" includes formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aid orientation, training exercise, and military advice to foreign military units and forces (Sec. 644(f), FAA).

37. Delivered Case

A case on which all material has been delivered and all services have been performed. The case is not closed until final billing action and funds are received.

38. Delivery

(a) Constructive delivery (as defined above); (b) the performance of services for the customer or requisitioner; (c) accessorial services, when they are normally recorded in the billing and collection cycle immediately following performance.

39. Delivery Commitment Date

The date negotiated in the DD Form 1513 for complete delivery of the total quantity of the line item.

40. Delivery Forecast

Estimated date of delivery of the total quantity of the line item—See Appendix B.

41. Dependable Undertaking

A firm commitment by the foreign government or international organization to pay the full amount of a contract for new production or for the performance of defense services which will assure the U.S. against any loss on such contract and to make funds available

in such amounts and at such times as may be required by the contract, or for any damages and costs that may accrue from the cancellation of such contract (Sec. 22, FMSA).

42. Designated Country Representative

A person or persons duly authorized by a foreign government to act on behalf of that government, to negotiate, commit, sign contractual agreements, and/or accept delivery of materiel.

43. Developed Country

A country so designated by the U.S. Treasury Department in applying the Interest Equalization Tax and listed in Section 1 of Executive Order 11285 dated June 10, 1966. All countries not listed are less developed.

44. Diversion

Any deliberate action that causes materiel ordered to meet a foreign commitment to be delivered to other than the original intended recipient.

45. DOD Direct Credit

Long-term credit which is directly financed from the appropriation or account available for that purpose. Authority is Section 23 of the Foreign Military Sales Act, as amended, or pertinent earlier legislation.

46. Down Payment

Money transferred to the credit of the Treasurer of the United States or other authorized officer at the time of acceptance of DOD Form 1513 as partial payment for defense articles or services contracted for by an eligible foreign country.

47. DSAA-Defense Security Assistance Agency

See DOD Directive 5105.38

48. Eligible Recipient (FMS)

Any friendly foreign country or international organization determined by the Presi-

dent to be eligible to purchase defense articles and defense services unless otherwise ineligible due to statutory restrictions (Sec 3, FMSA).

49. End Item

Assembled whole system or equipment, ready for its intended use, (1) for which only ammunition, fuel or other energy sources are required to place them in an operating state, and (2) consisting of components and parts with or without accessories or attachments, e.g., rifles, tanks, aircraft, ships, etc.

50. Excess Personal Property

Personal property which has been determined to be unnecessary for the discharge of DOD responsibilities after completion of utilization screening among DOD activities in accordance with policies prescribed by DOD Directive 4160.21, "DOD Personal Property Disposal Program", and Defense Disposal Manual (DOD 4160.21-M).

51. Exclusive (Non-Exclusive) License

A license covering a patent(s), technical or proprietary data, technical assistance, know-how, or any combination of these, granted by a U.S. firm to a foreign firm or government to produce, co-produce or sell a defense article or service within a given sales territory without competition from any other licenses or from the licensor. A non-exclusive license is a license as described above, except that competition may be permitted with other licensees and/or the licensor.

52. Exim Bank Military Credit Sale

Sale of defense items or services financed by credit supplied by the Export-Import Bank. The sale may be made by DOD or by U.S. industry directly to the foreign buyer. U.S. industry sales are subject to DOD approval.

53. Expenditures

Cash disbursements.

54. Extended Offer

A new offer for which a reply from the buyer has not been received within the time limit specified on the letter of offer which is still in effect pending clarification of its status.

55. Financing, Type of

The method by which the U.S. Government is authorized to sell defense articles and services under the Foreign Military Sales Act (e.g., cash in advance, dependable undertaking, credit).

56. Five Year Defense Program (FYDP)

The official program summarizing the Secretary of Defense's approval plans and programs for the Department of Defense.

57. Foreign Military Sales (FMS)

Include cash sales from stocks of the DOD; procurement for cash sales by the DOD; DOD credit sales, and U.S. Government guaranties covering the private financing of credit sales of defense articles and defense services (Sec 21, 22, 23, and 24, respectively, FMSA).

58. Foreign Military Sales Credit

Sales which are either directly financed by the DOD, or for which the credit repayments due a private lender are guaranteed by the DOD (Secs. 23 and 24, FMSA).

59. Foreign Military Sales Order No. 1 (FMSO No. 1)

Provides for pipeline capitalization of a supply support arrangement, which consists of stocks "on hand" and replenishment of stocks "on order" in which the participating country buys equity in the U.S. supply system for support of a specific weapons system. Even though stocks are not moved to a foreign country, delivery (equity) does in effect take place when the country pays for the case.

60. Foreign Military Sales Order No. 2 (FSMO No. 2)

Provides for replenishment of withdrawals of consumption-type items (repair parts, primarily) from the DOD supply system to include charges for accessorial costs and a systems service charge. Advance quarterly payments are made for the estimated consumption and adjusted as necessary.

61. Foreign Military Sales Order No. 3 (FMSO No. 3)

Provides for storage costs and the modification of materiel within the U.S. pipeline under a supply support arrangement. Charges are billed quarterly for actual costs incurred.

62. Generic Code

Machine readable code—See Appendix B

63. Implementation Date

The date when supply action on an FMS case is initiated or directed by the implementing agency—See Appendix B.

64. Implementing Agency

The Military Department responsible for the execution of a foreign military sales case—See Appendix B.

65. Investment Cost

Equipment, supplies, and services that improve the capability of a force and including such items as initial unit equipment; war reserves of equipment and ammunition; concurrent spares and initial stockage level of spare parts; replacement of obsolescent equipment to include that lost through attrition, overhaul, and the rebuild of equipment prior to initial issue, construction, facilities equipment; projects such as communications system programmed as dollar value lines to facilitate implementation; and training associated with the introduction of new equipment, or an improved capability.

66. Joint Force Memorandum (JFM)

An annual document prepared by the JCS and submitted to the Secretary of Defense recommending a joint force program which takes into account U.S. forces and security assistance to other nations.

67. Joint Strategic Objectives Plan (JSOP)

An annual document prepared by the JCS which provides advice to the President and the Secretary of Defense on the military strategy and force objectives deemed necessary to attain U.S. national security objectives.

68. Less Developed Countries (LDC)

Excluded from the list of developed countries designated by Executive Order 11285 of June 10, 1966, for purposes of the interest equalization tax or which are considered LDC by the Exim Bank for purposes of the Exim Bank Act of 1945, as amended.

69. Local Currency

The official currency of the foreign currency.

70. MAAG (Military Assistance Advisory Group)

The term MAAG also encompasses joint U.S. Military Advisory Groups, Military Missions, Military Advisory Groups, U.S. Military Groups, and U.S. Military Representatives exercising responsibilities at the government level for Security Assistance and other related DOD matters with the host nations to which they are accredited. Defense attaches will be included when specifically designated.

71. Military Articles and Services List (MASL)

DOD publication listing source, availability, and price of items and services for use by the Unified Commands and Military Departments in preparing Military Assistance

plans and programs. The MASL should not be used to quote price and/or availability to prospective buyers under FMS.

72. Military Export Sales

All sales of defense articles and defense services made from U.S. sources to foreign governments, foreign private firms and international organizations, whether made by the U.S. Government or by U.S. industry directly to a foreign buyer. Such sales fall into two major categories, Foreign Military Sales and Commercial Sales.

73. Offer Date

The date which appears on the offer portion of DD Form 1513 and which indicates the date on which an offer is made to a foreign buyer.

74. Open Sales Case

A case is designated open as long as any portion of the transaction is incomplete, i.e., delivery of materiel, performance of services, financial transactions or rendering of the final statement of accounts.

75. Open Sales Offer

An offer made to a foreign buyer which is pending acceptance.

76. Operation and Maintenance (O&M)

General term used to describe equipment, supplies, and services required to train, operate, and maintain forces in being in a recipient country.

77. Operating Cost

The cost associated with equipment, supplies, and services needed to train, operate and maintain forces in being, including such items as: spare parts other than concurrent spares and initial stockages; ammunition and missiles used in training or to replace such items consumed in training and operations; rebuild and overhaul (excluding overhaul/modernization) of equipment subsequent to

initial issue; training and other services that do not constitute investment costs; and administrative costs associated with overall program management and administration.

78. Parts

Any single unassembled element of major and minor components, accessories and attachments which are not normally subject to disassembly without destruction or impairment of design use, e.g., rivets, wire, bolts, etc.

79. Personal Property

Property of any kind or any interest therein, except real property, records of the U.S. Federal Government, and Naval vessels of the following categories: battleships, cruisers, aircraft carriers, destroyers and submarines.

80. Pipeline

That portion of accepted FMS orders for defense articles and defense services for which constructive or actual delivery (delivery of goods for transportation to the consignee) has not taken place or services have not been rendered.

81. Planning, Programming, Budget System (PPBS)

An integrated system for the establishment, maintenance, and revision of the Five Year Defense Plan (FYDP) and the DOD budget.

82. Program Decision Memorandum (PDM)

A document which provides Secretary of Defense decisions on the Program Objectives Memorandum (POM) and the Joint Forces Memorandum (JFM).

83. Program Objectives Memorandum (POM)

Memorandum prepared annually by the DASD (ISA) SA which recommends security assistance total resource requirements with-

in the fiscal guidance established by the Secretary of Defense.

84. Progress Payments

Those payments made to contractors or DOD industrial fund activities as work progresses under a contract on the basis of cost incurred or percentage of completion, or of a particular stage of completion, accomplished prior to actual delivery and acceptance of contract items.

85. Purchase Approval

Approval issued by DSAA for DOD which permits the country to utilize the credits extended under the Credit Agreement to finance the purchase of agreed to defense articles and defense services.

86. Security Assistance

For the purpose of the MASM, the term Security Assistance includes all DOD activities carried out under the authority of the FMISA of FAA, or related appropriation acts and other related statutory authorities.

87. Training

Formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aid, orientation, training exercise, and military advice to foreign military units and forces.

88. Value

a. With respect to excess personal property, (1) not less than the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying such articles plus the scrap value, or (2) the market value, if ascertainable, whichever is greater. If market value is not ascertainable, "fair

value" rates prescribed in DOD instructions—if not less than the scrap value—shall apply.

b. With respect to non-excess defense articles delivered from inventory to countries or international organizations, the standard price in effect at the time such articles are dropped from inventory by the supplying agency, or when the DD Form 1513 is issued.

Such standard price shall be the same price (including authorized reduced prices) used for transfers or sales of such articles in or between the Armed Forces of the United States Government.

c. With respect to non-excess defense articles delivered from new procurement to countries or international organizations, the contract or production costs of such articles.

MACHINE READABLE CODES

APPENDIX B

The codes contained in this Appendix are prescribed for use in preparation and submission of foreign military sales cards which establish and update information in the FMS master file.

1. Acceptance Date

The date which appears on the "acceptance" portion of the Letter of Offer, DD Form 1513 and indicates the calendar date on which a foreign buyer agreed to accept the items and conditions contained in the offer portion. In the FMS reporting system, the date is expressed by a five digit numeric code. The first two digits are the calendar year and the third through the fifth digits express the nominal date.

2. Acceptance Fiscal Year/Quarter

Acceptance fiscal year/quarter, a three digit numeric code (e.g., 714 for the fourth quarter of fiscal year 71) which is mechanically generated in the FMS master file from the calendar year and nominal date initially reported by the implementing agency.

3. Action Code

A single digit alpha code which is entered in column 13 of FMS cards when they are processed by DSAA during the weekly update of the FMS master file. The action code contained in a card returned to the implementing agency indicates whether the card was posted to the master file, or whether the card was rejected and must be corrected and resubmitted. Cards may reject during edit, during MASL match, or during the update process. The action code applied will indicate only the first error encountered in this sequence of machine processing, and does not mean that another error condition would not be revealed in a subsequent processing step. Action codes are as follows:

| <i>Code</i> | <i>Meaning</i> |
|-------------|--|
| A | The card has satisfied all edit, MASL-match and update criteria, and has been posted to the FMS master file. |
| B | Quantity purchased field is blank for |

| | |
|---------|---|
| C | an item which is not a dollar line (unit of issue XX) in the MASL. |
| D | D card contains both purchase and delivery data. |
| E | An add (1, 2, or 4) card which contains the same data in control fields as an entry already in the FMS master file. Control fields are: Country Code, Implementing Agency, Case Number and Record Serial Number. |
| F | Used in any of the following situations: <ol style="list-style-type: none"> (1) Four or D card containing a completed line code (C in Col. 63) when no deliveries are posted to the RSN being addressed. (2) D card attempting to change Generic Code, FSN, Quantity or Value Purchased in a detail line which has already been coded as completed (C in Col 63). (3) D Card attempting to reduce quantity or value delivered to zero line which has already been coded as completed (C in Col 63). |
| G | Used in any of the following situations with a 2 or B card: <ol style="list-style-type: none"> (1) Cash or credit financing shown in the card located in fields which are not consistent with the method of funding code. (2) Credit financing entries omit (or include an invalid) credit arrangement number. (3) Entries are made in the cash or credit financing fields and there is no method of funding code entered. (4) A method of funding code is entered and there are no entries in the cash or credit financing fields. |
| H | Used in any of the following situations: <ol style="list-style-type: none"> (1) Four (item detail add) or 6 (item detail delete) card entered for a case which is not implemented (status X, O, E or A) or already delivered or completed (status D, C, or F). (2) B C, D, or 6 card entered for a case which is closed (status D, C, or F). |

MILITARY ASSISTANCE AND SALES MANUAL—PART III

- (3) "A" card attempting to change the item count in a completely delivered case (status D).
- (4) "A" card attempting to change something other than case status or description for a case which is closed (status C or F).
- (5) D card attempting to: (a) change purchase date or quantity delivered or (b) delete a completed line code pertaining to a completely delivered case (status D).
- L ----- Duplicate cards (other than Card D) with the same control data in the same submission. The other card which duplicated this one will be processed if it otherwise passes the edit.
- M ----- Generic Code and Federal Stock Number do not match the MASL.
- N ----- Used in any of the following situations:
- (1) A collection (C), change (A, B or D) or delete (5 or 6) card which does not match the control fields of a case or item detail record in the FMS master file.
 - (2) An item detail add card (Card 4) which does not match the control fields of a case record.
- P ----- Value reported delivered, with no quantity delivered, when unit of issue is not XX and progress payment code is not punched in Card 4 or D reporting the delivery.
- Q ----- Quantity reported as delivered exceeds the quantity purchased figure in the FMS master file record.
- R ----- Used in any of the following situations:
- (1) 2 or B card has an invalid Credit arrangement number. A 999 credit arrangement number will be assigned automatically to the case and the case will be added to the file.
 - (2) Collection data (C card) entered without corresponding case data in the file. For example, a dollar amount is entered in columns 42-56 on case card 2. Subsequently a card is submitted to process a collection against that case using columns 36-44. Any valid data contained in the C card is processed.
- S ----- This detail record is for a service rather than for materiel; therefore, method of shipment code must be F.
- Used with add (4) or change (D) card.
- T ----- Used in either of the following conditions:
- (1) Card 1 submitted without Card 2, or Card 2 was rejected.
 - (2) Card 2 submitted without Card 1, or Card 1 was rejected.
- V ----- Value reported as delivered is more than twice the purchase price, or exceeds the purchase price by \$1,000,000 or more.
- W ----- C or D card rejected for the following reason: If the transaction had been processed, the collection or deliveries (quantity or value) for the current quarter would have been negative.
- X ----- Card rejected erroneously. Resubmit with no change.
- Y ----- Input card contains an invalid code, or is blank or incomplete in a required field.

4. Age Code

See spare parts code.

5. Area Code

The area code is assigned as supplemental data in the FMS master file for use in selecting and sorting FMS data by geographical area. The area code is a single digit numeric code, and is assigned as follows:

- 1 ----- East Asia and Pacific.
2 ----- Near East and South Asia (NESAs).
3 ----- Europe.
4 ----- Africa.
5 ----- American Republics.
6 ----- Canada.
7 ----- Non Regional.

6. Calendar Dates

Calendar year and nominal dates are mechanically converted to seven digit calendar dates for printing in output products of the FMS master file. Offer date, acceptance date and implementing date are converted for output printing. For example, converted date is Feb 12, 71.

7. Card Code

A series of single digit alpha and numeric codes used to identify the nine different cards used in the FMS reporting system. The

numeric codes identify cards used to add or delete case records and item detail lines. The alpha codes identify cards used to make changes to existing case or item detail lines and to post delivery or collection data. Card codes are as follows:

| <i>Code</i> | <i>Purpose</i> |
|-------------|---|
| 1 | Card 1 is the first of a card pair used to add a new case to the FMS master file. Submission must be in conjunction with Card 2. The 1-2 card submission is normally made immediately upon forwarding a formal offer on DOD Form 1513 to the representative of a foreign government or international agency. |
| A | Card A is used to report changes of status in an FMS case and provide the dates of acceptance and implementation. It may also be used to change the case description or item count. |
| 2 | Card 2 is the second in the card pair used to add a new case record to the FMS master file. It contains information as to the type or types of assistance, the method of funding, the amounts of cash or credit financing, and the credit arrangements which apply to credit financing. Card 2 must contain dollar amount entries for cash or credit financing which add up to the total value of the case. Dollar entries must be in field or fields which correspond to method of funding code. |
| B | Card B is used to report changes to any of the financial data initially established by the Card 2 submission. When method of funding code is changed or when any dollar amount of cash or credit financing is changed, <i>all</i> amounts must be restated so that addition of dollar amounts submitted on Card B will equal the total case value. |
| C | Card C is used to report collections to the case. The card may be used to report current (end of quarter) collection status, a correction to collection status at the end of the last quarter, a correction to the collection status at the end of the last fiscal year, or all of these combined. The reason for change code provides the direction as to where collection data should be posted. Multiple collection codes can be posted to the same case in the same update cycle provided that the first digit of the reason for change code is different. |
| 4 | Card 4 is used to add item detail information for an FMS case when the case is implemented (Status Code I is reported.) The item detail card provides the generic code and federal stock number or pseudo-FSN) of the materiel item or service sold. These codes must match the portion of the Military Articles and Services List (MASL) designated for FMS use. In addition, the card indicates quantities and total price of the item; and, when the sales agreement so specifies, the date by which the U.S. is committed to deliver the last item of the total quantities ordered. The Card 4 also contains fields for reporting delivery status. In the normal circumstance, when item detail for a new case is being reported, the fields for delivery data are left blank. |
| D | Card D is used to effect changes to identification (generic code, FSN), quantity, value, or commitment date for item detail previously posted to the master file. It is also used for reporting delivery forecast date and delivery status. Delivery status may be provided to correct erroneous data reported for the end of the last quarter, to correct erroneous data reported for the end of the last fiscal year, to establish or correct cumulative delivery data for the current period, or for all of the above. The reason for change code provides direction as to where delivery data is posted. For all shipments after June 30, 1970, delivery must be reported separately for shipments made via freight forwarder and shipments made via DOD or foreign government military transportation. Consequently, multiple Card D submissions may be submitted for the same case during the same update period, provided reason for change codes or method of shipment codes are different. |
| 5 | Card 5 is used to delete an entire case record. Processing of this card removes from the FMS master file all data previously posted for case record, case collections, item detail and delivery status. This code is used principally to correct an error in the control fields (implementing agency, country code, and case number), since these fields cannot be corrected by submission of alpha coded change cards. |
| 6 | Card 6 is used to delete a single line of item detail previously posted for an implemented case. Control fields for an item detail record are those stated above for a case record, with the addition of the Record Serial Number (RSN) field. |

8. Case Description

A short title specifically prepared for each case and containing from 15 to 45 charac-

MILITARY ASSISTANCE AND SALES MANUAL—PART III

ters. In the case of ships, combat vehicles and aircraft the description will contain in parentheses the quantity. Example, Aircraft, Fighter F5A (2) with AGE and CSP. For missile systems the number of battalion or battery sets will be shown in parentheses where applicable, otherwise the number of missiles will be shown. Data entered in this field is restricted only by the 15-45 character limitation, and by a limitation of special characters which may be used (reference Chapter K).

9. Case Designator

A unique designation within a single country assigned by the implementing agency to each Foreign Military Sales (FMS) case, consisting of a three digit code to identify a specific offer to a country. The first digit is always an alpha code and the 2nd and 3rd digits may be alpha or numeric. This designator stays with and identifies the sale or offer of a sale.

10. Case Number

The name given to the combination of case designator and the case suffix code.

11. Case Suffix Code

A single digit numeric code employed by implementing agencies to distinguish between two cases for the same recipient country bearing the same case designator, when such duplicating case designator assignments were made in error.

12. Change Originator Code

The change originator code is a single digit alpha code which identifies the organization submitting the transaction report (add, change or delete card) to the DSAA master FMS file. Codes are:

| <i>Code</i> | <i>Change Originator</i> |
|-------------|-----------------------------------|
| A | Department of the Army |
| C | CNO |
| F | Department of the Air Force |
| J | Department of the Air Force (Hqs) |
| M | Chief of Naval Materiel |
| N | NAVILCO |
| S | DSAA |

13. Completed Line Item Code

A single digit alpha code C which is punched in Card 4 or D to indicate that all deliveries against the line item have been completed. Cumulative quantity delivered must match quantity purchased for the line item before this code can be accepted for other than dollar lines. When this code is posted to the FMS master file, the total sales price for the item will be changed automatically to equal the dollar value of deliveries.

14. Completed Record Code

This code is not contained in FMS report cards. It is machine assigned in the FMS master file for case records by comparing the number of posted line items (Card 4 submissions) with the item count figure reported by case Card 1 or A. Codes are as follows:

| <i>Code</i> | <i>Meaning</i> |
|-------------|--|
| 1 | The number of item detail lines equals the item count entered in the case record. |
| 2 | Item detail records submitted exceed the item count for that case. |
| Ø | Case has not advanced to implemented (I) status, or required number of valid item detail cards have not been submitted by the implementing agency. |

15. Country/Activity Code

The country and activity codes listed below are used throughout the Foreign Military Sales systems to identify the country, international organization or account which is the recipient of material or services sold, leased, loaned, transferred, exchanged or furnished. Inclusion of a country in this list does not, of itself, indicate that the country is now, ever has been, or will be a recipient of FMS. For ease of reference, the countries/activities are listed in alphabetic sequence. The applicable area (A), Sub-area (S), Unified Command (U) and Economic (E) codes are shown for each country/activity.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

MAP AND FMS COUNTRY/ACTIVITY CODES
Countries in Alphabetical Order

| NAME | CC | ASUE | NAME | CC | ASUE |
|---------------------|----|------|--------------------|----|------|
| | | | Ivory Coast | IV | 41EL |
| | | | Jamaica | JM | 51SL |
| | | | Japan | JA | 11PD |
| | | | Jordan | JO | 21EL |
| | | | Kenya | KE | 41EL |
| | | | Korea (Seoul) | KS | 11PL |
| | | | Kuwait | KU | 21ED |
| | | | Laos | LA | 11PL |
| | | | Lebanon | LE | 21EL |
| | | | Lesotho | LT | 41EL |
| | | | Liberia | LI | 41EL |
| | | | Libya | LY | 41ED |
| | | | Lichtenstein | LS | 31ED |
| | | | Luxembourg | LX | 31ED |
| | | | Malagasy Rep | MA | 41EL |
| | | | Malawi | MI | 41EL |
| | | | Malaysia | MF | 11PL |
| | | | Maldives | MV | 21EL |
| | | | Mali | RM | 41EL |
| | | | Malta | MT | 31EL |
| | | | Mauritania | MR | 41EL |
| | | | Mauritius | MP | 41EL |
| | | | Mexico | MX | 51SL |
| | | | Monaco | MN | 31ED |
| | | | Morocco | MO | 41EL |
| | | | Nepal | NP | 21PL |
| | | | Netherlands | NE | 31ED |
| | | | New Zealand | NZ | 11PD |
| | | | Nicaragua | NU | 51SL |
| | | | Niger | NK | 41EL |
| | | | Nigeria | NI | 41EL |
| | | | Norway | NO | 31ED |
| | | | Pakistan | PK | 21PL |
| | | | Panama | PN | 51SL |
| | | | Paraguay | PA | 51SL |
| | | | Peru | PE | 51SL |
| | | | Philippines | PI | 11PL |
| | | | Portugal | PT | 31ED |
| | | | Rwanda | RW | 41EL |
| | | | San Marino | SM | 31ED |
| | | | Saudi Arabia | SR | 21ED |
| | | | Senegal | SK | 41EL |
| | | | Sierra Leone | SL | 41EL |
| | | | Singapore | SN | 11PL |
| | | | Somalia | SO | 41EL |
| | | | South Africa | UA | 41ED |
| | | | Southern Yemen | YS | 21EL |
| | | | Spain | SP | 31ED |
| | | | Sri Lanka (Ceylon) | CE | 21PL |
| | | | Sudan | SU | 41EL |
| | | | Swaziland | WZ | 41EL |
| | | | Sweden | SW | 31ED |
| | | | Switzerland | SZ | 31ED |
| | | | Syria | SY | 21EL |
| | | | Tanzania | TZ | 41EL |
| | | | Thailand | TH | 11PL |
| | | | Togo | TO | 41EL |
| | | | Tonga | TN | 11PL |
| Afghanisten | AF | 21EL | | | |
| Algeria | AG | 41EL | | | |
| Andorra | AN | 31EL | | | |
| Argentina | AR | 51SL | | | |
| Australia | AT | 11PD | | | |
| Austria | AU | 31ED | | | |
| Barbados | BB | 51SL | | | |
| Belgium | BE | 31ED | | | |
| Bhutan | BT | 21EL | | | |
| Bolivia | BL | 51SL | | | |
| Botswana | BC | 41EL | | | |
| Brazil | BR | 51SL | | | |
| Burma | BM | 11PL | | | |
| Burundi | BY | 41EL | | | |
| Cambodia | CB | 11PL | | | |
| Cameroon | CM | 41EL | | | |
| Canada | CN | 61ND | | | |
| Central African Rep | CT | 41EL | | | |
| Chad | CD | 41EL | | | |
| Chile | CI | 51SL | | | |
| China (Taipei) | TW | 11PL | | | |
| Colombia | CO | 51SL | | | |
| Congo (Brazzaville) | CF | 41EL | | | |
| Costa Rica | CS | 51SL | | | |
| Cuba | CU | 51SL | | | |
| Cyprus | CY | 21EL | | | |
| Dahomey | DA | 41EL | | | |
| Denmark | DE | 31ED | | | |
| Dominican Republic | DR | 51SL | | | |
| Ecuador | EC | 51SL | | | |
| Egypt | EG | 41EL | | | |
| El Salvador | ES | 51SL | | | |
| Equatorial Guinea | EK | 41EL | | | |
| Ethiopia | ET | 41EL | | | |
| Finland | FI | 31EL | | | |
| France | FR | 31ED | | | |
| Gabon | GB | 41EL | | | |
| Gambia | GA | 41EL | | | |
| Germany (Bonn) | GY | 31ED | | | |
| Ghana | GH | 41EL | | | |
| Greece | GR | 21EL | | | |
| Guatemala | GT | 51SL | | | |
| Guinea | GV | 41EL | | | |
| Guyana | BG | 51SL | | | |
| Haiti | HA | 51SL | | | |
| Honduras | HO | 51SL | | | |
| Iceland | IL | 31EL | | | |
| India | IN | 21LP | | | |
| Indochina | IC | 11PL | | | |
| Indonesia | ID | 11PL | | | |
| Iran | IR | 21ED | | | |
| Iraq | IQ | 21ED | | | |
| Ireland | EI | 31ED | | | |
| Israel | IS | 21EL | | | |
| Italy | IT | 31ED | | | |

MILITARY ASSISTANCE AND SALES MANUAL—PART III

| NAME | CC | ASUE | CC | ASUE | NAME |
|--------------------------------------|----|------|----|------|---------------------------------|
| Trinidad - Tobago | TD | 51SL | AU | 31ED | Austria |
| Tunisia | TU | 41EL | A1 | 52NA | OAS Hq |
| Turkey | TK | 21EL | A2 | 72EA | SHAPE |
| Uganda | UG | 41EL | BB | 51SL | Barbados |
| United Kingdom | UK | 31ED | BC | 41EL | Botswana |
| Upper Volta | UV | 41EL | BE | 31ED | Belgium |
| Uruguay | UY | 51SL | BG | 51SL | Guyana |
| Venezuela | VE | 51SL | BL | 51SL | Bolivia |
| Vietnam (Saigon) | VS | 11PL | BM | 11PL | Burma |
| Western Samoa | WS | 11PL | BR | 51SL | Brazil |
| Yemen | YE | 21EL | BT | 21EL | Bhutan |
| Yugoslavia | YU | 31EL | BY | 41EL | Burundi |
| Zambia | ZA | 41TL | CB | 11PL | Cambodia |
| Zaire (formerly Congo - Kinshasa) | CX | 41EL | CD | 41EL | Chad |
| | | | CE | 21PL | Sri Lanka (Ceylon) |
| | | | CF | 41EL | Congo (Brazzaville) |
| | | | CI | 51SL | Chile |
| | | | CM | 41EL | Cameroon |
| | | | CN | 61ND | Canada |
| | | | CO | 51SL | Colombia |
| | | | CS | 51SL | Costa Rica |
| | | | CT | 41EL | Central African Rep |
| | | | CU | 51SL | Cuba |
| | | | CX | 41EL | Zaire (formerly Congo Kinshasa) |
| | | | CY | 21EL | Cyprus |
| | | | C1 | 72NA | ICC (Laos) |
| | | | DA | 41EL | Dahomey |
| | | | DE | 31ED | Denmark |
| | | | DR | 51SL | Dominican Rep |
| | | | D4 | 72PA | MAP ICP (USALDJ) |
| | | | EC | 51SL | Ecuador |
| | | | EG | 41EL | Egypt |
| | | | EI | 31ED | Ireland |
| | | | EK | 41EL | Equatorial Guinea |
| | | | ES | 51SL | El Salvador |
| | | | ET | 41EL | Ethiopia |
| | | | FI | 31EL | Finland |
| | | | FR | 31ED | France |
| | | | GA | 41EL | Gambia |
| | | | GB | 41EL | Gabon |
| | | | GH | 41EL | Ghana |
| | | | GR | 21EL | Greece |
| | | | GT | 51SL | Guatemala |
| | | | GV | 41EL | Guinea |
| | | | GY | 31ED | Germany (Bonn) |
| | | | HA | 51SL | Haiti |
| | | | HO | 51SL | Honduras |
| | | | IC | 11PL | Indochina |
| | | | ID | 11PL | Indonesia |
| | | | IL | 31EL | Iceland |
| | | | IN | 21PL | India |
| | | | IQ | 21ED | Iraq |
| | | | IR | 21ED | Iran |
| | | | IS | 21EL | Israel |
| | | | IT | 31ED | Italy |
| | | | IV | 41EL | Ivory Coast |
| | | | JA | 11PD | Japan |

ACTIVITIES IN ALPHABETICAL ORDER

| NAME | CC | ASUE |
|--------------------------|----|------|
| Africa Region | R6 | 42EA |
| American Rep Reg | R5 | 52SA |
| CENTO Hq | T3 | 72NA |
| DOD | 00 | 72NA |
| East Asia/Pacific Reg | R4 | 12PA |
| Europe Region | R2 | 32EA |
| F104G Depot | M4 | 72NA |
| ICAO Hq | T7 | 72NA |
| ICC (Laos) | C1 | 72NA |
| ICDO Hq | T8 | 72NA |
| MAP ICP (USALDJ) | D4 | 72PA |
| MAPOM | M3 | 72NA |
| MAPSAD | M2 | 72NA |
| NAMFI | N9 | 72EA |
| NF104 Proc C | K2 | 72EA |
| NATO Hq | N6 | 72NA |
| NATO Infra | N5 | 72NA |
| NATO Projects | N2 | 72EA |
| NATO MWDP | N8 | 72EA |
| NATO WPP | N7 | 72EA |
| Near East/South Asia Reg | R3 | 22EA |
| NAMSO | N4 | 72EA |
| OAS Hq | A1 | 52NA |
| SEATO Hq | T4 | 72NA |
| SHAPE | A2 | 72EA |
| United Nations | T9 | 72NA |
| UNTSO (Palestine) | U1 | 72NA |

COUNTRY/ACTIVITY CODES IN ALPHABETICAL ORDER

| CC | ASUE | NAME |
|----|------|-------------|
| AF | 21PL | Afghanistan |
| AG | 41EL | Algeria |
| AN | 31EL | Andorra |
| AR | 51SL | Argentina |
| AT | 11PD | Australia |

MILITARY ASSISTANCE AND SALES MANUAL--PART III

| CC | ASUE | Name |
|----|------|---------------------------|
| JM | 51SL | Jamaica |
| JO | 21EL | Jordan |
| KE | 41EL | Kenya |
| KS | 11PL | Korea (Seoul) |
| KU | 21ED | Kuwait |
| K2 | 72EA | NF104 Proc C |
| LA | 11PL | Laos |
| LE | 21EL | Lebanon |
| LI | 41EL | Liberia |
| LS | 31ED | Lichtenstein |
| LT | 41EL | Lesotho |
| LX | 31ED | Luxembourg |
| LY | 41ED | Libya |
| MA | 41EL | Malagasy Rep |
| MF | 11PL | Malaysia |
| MI | 41EL | Malawi |
| MN | 31ED | Monaco |
| MO | 41EL | Morocco |
| MP | 41EL | Mauritius |
| MR | 41EL | Mauritania |
| MT | 31EL | Malta |
| MV | 21EL | Maldives |
| MX | 51SL | Mexico |
| M2 | 72NA | MAPSAD |
| M3 | 72NA | MAPOM |
| M4 | 72NA | F104G Depot |
| NE | 31ED | Netherlands |
| NI | 41EL | Nigeria |
| NK | 41EL | Niger |
| NO | 31ED | Norway |
| NP | 21PL | Nepal |
| NU | 51SL | Nicaragua |
| NZ | 11PD | New Zealand |
| N2 | 72EA | NATO Projects |
| N4 | 72EA | NMSSA |
| N5 | 72NA | NATO Infrastructure |
| N6 | 72NA | NATO Hq |
| N7 | 72EA | NATO WPP |
| N8 | 72EA | NATO MWDP |
| N9 | 72EA | NAMFI |
| PA | 51SL | Paraguay |
| PE | 51SL | Peru |
| PI | 11PL | Philippines |
| PK | 21PL | Pakistan |
| PN | 51SL | Panama |
| PT | 31ED | Portugal |
| RM | 41EL | Mali |
| RW | 41EL | Rwanda |
| R2 | 32EA | Europe Region |
| R3 | 22EA | Near East/South Asia Reg |
| R4 | 12PA | East Asia/Pacific Region |
| R5 | 52SA | American Republics Region |
| R6 | 42EA | Africa Region |
| SK | 41EL | Senegal |
| SL | 41EL | Sierra Leone |
| SM | 31ED | San Marino |
| SN | 11PL | Singapore |
| SO | 41EL | Somalia |

| CC | ASUE | Name |
|----|------|-------------------|
| SP | 31ED | Spain |
| SR | 21ED | Saudi Arabia |
| SU | 41EL | Sudan |
| SW | 31ED | Sweden |
| SY | 21EL | Syria |
| SZ | 31ED | Switzerland |
| TD | 51SL | Trinidad - Tobago |
| TH | 11PL | Thailand |
| TK | 21EL | Turkey |
| TO | 41EL | Togo |
| TN | 11PL | Tonga |
| TU | 41EL | Tunisia |
| TW | 11PL | China (Taipei) |
| TZ | 41EL | Tanzania |
| T3 | 72NA | CENTO Hq |
| T4 | 72NA | SEATO Hq |
| T7 | 72NA | ICAO Hq |
| T8 | 72NA | ICDO Hq |
| T9 | 72NA | United Nations |
| UA | 41ED | South Africa |
| UG | 41EL | Uganda |
| UK | 31ED | United Kingdom |
| UV | 41EL | Upper Volta |
| UY | 51SL | Uruguay |
| U1 | 72NA | UNTSO (Palestine) |
| VE | 51SL | Venezuela |
| VS | 11PL | Vietnam (Saigon) |
| WS | 11PL | Western Samoa |
| WZ | 41EL | Swaziland |
| YE | 21EL | Yemen |
| YS | 21EL | Southern Yemen |
| YU | 21EL | Yugoslavia |
| ZA | 41EL | Zambia |
| 00 | 72NA | DOD |

16. Credit Arrangement Number

A number assigned by DSAA to each agreement with, or commitment to, a foreign government that the U.S. will advance a stipulated amount of credit for the financing of Foreign Military Sales to that government. In combination with the country code, it provides a unique identification number. The credit arrangement number contains three numeric digits; the first two represent the fiscal year of the agreement, and the third digit is a consecutive serial number for credit agreements made with the country for the indicated fiscal year.

17. Delivery Commitment Code

The date negotiated and reflected in the DD Form 1513 for complete delivery of the

MILITARY ASSISTANCE AND SALES MANUAL—PART III

total quantity of the line item. In the FMS reporting system, the delivery commitment is expressed by a three digit numeric code. The first two represent the fiscal year and the third represents the quarter of the fiscal year.

18. Delivery Forecast Code

Estimated date of delivery of a line item. In the FMS reporting system the delivery forecast is expressed by a three digit numeric code. The first two represent the fiscal year and the third represents the quarter in which delivery of the total quantity will be completed.

19. Economic Code

A single digit alpha code used to distinguish between developed countries, less developed countries, and international organizations of other non-country FMS recipients. Codes are as follows:

| <i>Code</i> | <i>Economic Classification</i> |
|-------------|--|
| D | Developed country. |
| L | Less developed country. |
| A | International organizations or other activity (non-country). |

20. Federal Stock Number

The eleven digit Federal Catalog Number (Group, Class and FIIN) of a major item, or the pseudo-FSN used in the Military Articles and Services List (MASL) for groups of secondary items, services and some aircraft, ships and ammunition. Pseudo-FSNs may be alpha or alpha/numeric, however the alpha codes O and I are never used (Ø and 1 are used in lieu thereof).

21. Generic Code

A three digit alpha/numeric code, assigned in the MASL, which represents the type of materiel or services according to budget activity/project account classification. The first digit is alphabetic and identifies the budget activity. The second is numeric and represents the budget project. The third digit is alphabetic and is assigned to each

generic grouping of articles and services with similar characteristics. A complete listing of generic codes and their titles, cross referenced to the federal supply classification, follows:

A. AIRCRAFT

- 00. A/C Mods, AGE and Other:
Includes all costs except complete aircraft and aircraft spare parts.
- 1. Combat Aircraft:
 - A. Attack—FSC 1510
 - B. Bomber—FSC 1510
 - F. Fighter—FSC 1510
 - S. Anti-submarine—FSC 1510
 - V. VTOL and STOL—FSC 1510
- 2. Airlift Aircraft:
 - C. Cargo/Transport—FSC 1510
- 3. Trainer Aircraft:
 - T. Trainer—FSC 1510
- 4. Helicopters:
 - C. Cargo/Transport—FSC 1520
 - H. General Purpose—FSC 1520
 - L. Observation—FSC 1520
 - Q. Drone—FSC 1520
 - S. Anti-submarine—FSC 1520
 - T. Trainer—FSC 1520
 - U. Utility—FSC 1520
- 5. Other Aircraft:
 - E. Special electronic installation — FSC 1510
 - G. Glider—FSC 1540
 - K. Tanker—FSC 1510
 - L. Observation—FSC 1510
 - P. Patrol—FSC 1510
 - Q. Drone—FSC 1550
 - U. Utility—FSC 1510
- 7. Aircraft Support Equipment:
 - A. Ground handling equipment.
- 9. Aircraft Spares and Spare Parts:
 - C. Aircraft spare parts (CSP)
 - X. Aircraft spare parts (FOS)

B. MISSILES

- 00. MSL Mods, Test Eqp and Services:
Excludes missile spare parts and specific missile systems furnished as a complete package.
- 1. Ballistic Missiles:
 - A. NIKE missile—FSC 1336, 1337, 1338, 1410, 1420
 - B. REDEYE missile—FSC 1336, 1337, 1338, 1410, 1420
 - C. HAWK missile—FSC 1336, 1337, 1338, 1410, 1420
 - D. MAULER missile—FSC 1336, 1337, 1338, 1410, 1420
 - E. JUPITER missile—FSC 1336, 1337, 1338, 1410, 1420

- F. SERGEANT missile—FSC 1336, 1337, 1338, 1410, 1420
- G. PERSHING missile—FSC 1336, 1337, 1338, 1410, 1420
- H. ENTAC missile—FSC 1336, 1337, 1338, 1410, 1420
- J. ANTI-TANK missiles—FSC 1336, 1337, 1338, 1410, 1420
- K. POLARIS missile—FSC 1336, 1337, 1338, 1410, 1420
- M. THOR missile—FSC 1336, 1337, 1338, 1410, 1420
- 2. Other Missiles:
 - C. LANCE missile—FSC 1115, 1136, 1420, 1430, 1440, 1450, 5180, 6920
 - N. FALCON missile—FSC 1410
 - P. TERRIER missile—FSC 1336, 1337, 1338, 1410, 1420
 - Q. TARTAR missile—FSC 1336, 1337, 1338, 1410, 1420
 - R. SIDEWINDER missile — FSC 1336, 1337, 1338, 1410, 1420
 - S. BULLPUP missile—FSC 1336, 1337, 1338, 1410, 1420
 - T. HONEST JOHN missile—FSC 1340
 - U. SHILLELAGH missile — FSC 1336, 1337, 1338, 1410, 1420
 - V. CORPORAL missile—FSC 1336, 1337, 1338, 1410, 1420
 - W. SPARROW missile—FSC 1336, 1337, 1338, 1410, 1420
 - Y. MATADOR missile—FSC 1336, 1337, 1338, 1410, 1420
 - Z. TARGET missile—FSC 1336, 1337, 1338, 1340, 1410, 1420
- 9. Missile Spares and Spare Parts:
 - C. Missile spare parts (CSP)
 - X. Missile spare parts (FOS)
- C. SHIPS
 - 1. Warships:
 - A. Destroyer (DD)—FSC 1905
 - B. Submarine (SS)—FSC 1905
 - C. Ocean Escort (DE)—FSC 1905
 - D. Light aircraft carrier (CVL) (—FSC) 1905
 - E. Cruiser (CL)—FSC 1905
 - 2. Amphibious Ships:
 - A. Tank landing ship (LST)—FSC 1905
 - B. Medium landing ship (LSM/LSSL)—FSC 1905
 - C. Medium landing ship, rocket (LSMR)—FSC 1905
 - D. Utility landing craft (LCU)—FSC 1905
 - E. Transport (AKA/AP/APA/APC/APD)—FSC 1910
 - 3. Mine Welfare Ships:
 - A. Coastal minelayer (MMC)—FSC 1905
 - B. Ocean minesweeper (MSO)—FSC 1905
 - 4. Patrol Ships:
 - A. Patrol frigate (PF)—FSC 1905
 - B. Patrol craft/boat (PC/85'COML)—FSC 1905
 - C. Patrol craft escort (PCE)—FSC 1905
 - D. Patrol gunboat (PGM)—FSC 1905
 - E. Seaward defense craft (SDC) — FSC 1905
 - F. Fast patrol boat (FPB)—FSC 1905
 - G. Patrol torpedo boat (PT)—FSC 1905
 - 5. Auxiliaries and Craft:
 - A. Net laying ship (AN)—FSC 1925
 - B. Oiler (AO)—FSC 1915
 - C. Gasoline tanker (AOG)—FSC 1915
 - D. Fuel oil barge (YO/YSR)—FSC 1915
 - E. Gasoline barge (YOG)—FSC 1915
 - F. Water barge (YW)—FSC 1915, 1935
 - G. Light cargo ship (AKL)—FSC 1925
 - H. Auxiliary ocean tug (ATA/ATR)—FSC 1925
 - K. Submarine rescue ship (ASR)—FSC 1915
 - L. Seaplane tender (AVP)—FSC 1925
 - M. Small harbor tug (YTL)—FSC 1925
 - N. Rescue boat (AVR)—FSC 1940
 - P. Mechanized landing craft (LCM-6)—FSC 1905
 - Q. Vehicle/personnel landing craft (LCVP)—FSC 1905
 - R. Surveying ship (AGS)—FSC 1925
 - S. Land craft repair ship (ARL)—FSC 1925
 - T. Large harbor tug (YTB)—FSC 1925
 - V. Repair ship (ARB)—FSC 1925
 - W. Submarine tender (AS)—FSC 1925
 - X. Floating drydock (AFDL/ARD)—FSC 1950
 - Z. Miscellaneous boats and craft—FSC 19
 - 9. Ships Spares and Spare Parts:
 - A. Ship spare parts (CSP)
 - X. Ship spare parts (FOS)
- D. COMBAT VEHICLES
 - 1. Armored Carriers:
 - A. Personnel Carrier, full track—FSC 2350
 - B. Personnel Carrier, half track—FSC 2350
 - C. Armored Car—FSC 2320
 - D. Cargo Carrier—FSC 2320, 2350
 - E. Weapons Carrier—FSC 2320, 2350
 - 2. Self-Propelled Artillery:
 - A. Anti-aircraft—FSC 2350

MILITARY ASSISTANCE AND SALES MANUAL—PART III

- B. Anti-tank—FSC 2350
 - C. 105 mm howitzer—FSC 2350
 - D. 155 mm howitzer—FSC 2350
 - E. 4.2 inch mortar—FSC 2350
 - F. 8 inch howitzer—FSC 2350
 - G. 175 mm gun—FSC 2350
 - Z. Other self propelled artillery—FSC 2350
3. Tanks:
- A. Light tank—FSC 2350
 - B. Medium tank—FSC 2350
4. Tank recovery vehicles:
- A. Tank recovery vehicles—FSC 2350
5. Other Combat Vehicles:
- A. High speed tractors—FSC 2430
 - B. Amphibious landing vehicles—FSC 2320
 - C. Tank mounted bulldozers—FSC 2590
- E. TACTICAL AND SUPPORT VEHICLES
1. Semi-trailers:
- A. Tank—FSC 2330
 - B. Stake—FSC 2330
 - C. Van—FSC 2330
 - D. Low bed—FSC 2330
 - E. Transporter—FSC 2330
 - Z. Other semi-trailers—FSC 2330
2. Trailers:
- A. Cargo—FSC 2330
 - B. Tank—FSC 2330
 - C. Ammunition—FSC 2330
 - D. Fuel service—FSC 2330
 - E. Low bed—FSC 2330
 - F. Flat bed—FSC 2330
 - G. Bolster—FSC 2330
 - H. Dolly—FSC 2330
 - Z. Other trailers—FSC 2330
3. Trucks:
- A. ¼ ton cargo—FSC 2320
 - B. ¼ ton ambulance—FSC 2310
 - D. ¾ ton cargo—FSC 2320
 - E. ¾ ton ambulance—FSC 2310
 - G. 1 ton cargo—FSC 2320
 - K. 2½ ton cargo—FSC 2320
 - L. 2½ ton dump—FSC 2320
 - M. 2½ ton special purpose—FSC 2320
 - N. 2½ ton tank—FSC 2320
 - Q. 2½ ton truck-tractor—FSC 2320
 - R. 2½ ton wrecker—FSC 2320
 - T. 5 ton cargo—FSC 2320
 - U. 5 ton dump—FSC 2320
 - W. 5 ton truck-tractor—FSC 2320
 - X. 5 ton wrecker—FSC 2320
 - Z. Other trucks—FSC 2320
4. Support Vehicles:
- A. Station wagon—FSC 2310
 - B. Sedans—FSC 2310
 - C. Buses—FSC 2310
 - D. Motorcycles/motor scooters—FSC 2340
 - E. Ambulances—FSC 2310
 - F. Commercial trucks—FSC 2320
 - Z. Other trucks—FSC 2310, 2320

F. WEAPONS

00. Other Wpns and Ordnance Eqp:
Includes mounts, tripods, periscopes, telescopes and other weapons ancillary equipment. Excludes complete weapons and weapons spares.
1. Guns up to 75 mm:
- A. Pistols—FSC 1005
 - B. Carbines—FSC 1005
 - C. Rifles—FSC 1005
 - E. Sub-machine guns—FSC 1005
 - F. Machine guns—F1005
 - H. Shotguns—FSC 1005
 - J. Sub-caliber weapons—FSC 1005, 1010
 - K. Anti-aircraft guns—FSC 1005, 1010
 - M. Mortars—FSC 1010
 - Z. Other weapons up to 75 mm—FSC 1005, 1010, 1090
2. Guns, 75mm and over:
- A. 75 mm guns—FSC 1015
 - B. 76 mm guns—FSC 1015
 - C. 90 mm guns—FSC 1015
 - D. 105 mm guns—FSC 1015
 - E. 155 mm guns—FSC 1025
 - F. 175 mm guns—FSC 1025
 - G. 75 mm howitzer—FSC 1015
 - H. 105 mm howitzer—FSC 1015
 - J. 155 mm howitzer—FSC 1025
 - K. 8 inch howitzer—FSC 1030
 - L. 75 mm recoilless rifles—FSC 1015
 - M. 90 mm recoilless rifles—FSC 1015
 - N. 105 mm recoilless rifles—FSC 1015
 - P. 106 mm recoilless rifles—FSC 1015
 - Q. 120 mm recoilless rifles—FSC 1015
 - R. 155 mm recoilless rifles—FSC 1025
 - S. 81 mm mortars—FSC 1015
 - T. 107 mm/4.2 inch mortars—FSC 1015
 - U. 120 mm mortars—FSC 1015
 - Z. Other weapons 75 mm and over—FSC 1015, 1025, 1030, 1035
3. Naval Ordnance Weapons:
- A. 20 mm mounts—FSC 1005
 - B. 40 mm mounts—FSC 1010
 - C. 3 inch/50 mounts—FSC 1015
 - D. 5 inch/25 mounts—FSC 1020
 - E. 5 inch/38 mounts—FSC 1020
 - F. 5 inch/54 mounts—FSC 1020
 - G. Loading machines, all calibers—FSC 1010, 1015, 1020
 - H. Torpedo launchers—FSC 1045
 - J. Depth charge launchers—FSC 1045
 - K. ASW rocket launchers—FSC 1055
 - N. Naval fire control directors—FSC 1210
 - P. Naval fire control computing sights—FSC 1220
 - Q. ASW fire control systems—FSC 1230
 - R. Gunfire control systems—FSC 1230
 - S. Torpedo fire control systems—FSC 1230

- T. Submarine fire control systems—FSC 1230
- 9. Weapon Spare Parts, Components and Accessories:
 - A. Weapons spares (CSP)
 - X. Weapons spares (FOS)

G. AMMUNITION

- 00. Other Ammo and Components:

Includes ammunition components and raw materials, demolition charges and devices, fuzes, primers, pyrotechnics, flares and chemical agents and devices.
- 1. Ammunition up to 75 mm and Grenades:
 - A. 22 caliber—FSC 1305
 - B. 30 caliber—FSC 1305
 - C. 7.62 mm—FSC 1305
 - D. 38 caliber—FSC 1305
 - E. 45 caliber—FSC 1305
 - F. 50 caliber—FSC 1305
 - H. 20 mm—FSC 1305
 - K. 40 mm—FSC 1310
 - L. 57 mm—FSC 1310
 - M. 60 mm mortar—FSC 1310
 - N. Shotguns—FSC 1305
 - P. Grenades—FSC 1330
- 2. Ammunition, 75 mm and over:
 - A. 75 mm—FSC 1315
 - B. 76 mm—FSC 1315
 - C. 81 mm mortar—FSC 1315
 - D. 90 mm—FSC 1315
 - E. 105 mm—FSC 1315
 - F. 106 mm—FSC 1315
 - G. 4.2 inch mortar—FSC 1315
 - H. 3 inch/50—FSC 1315
 - J. 5 inch/25—FSC 1320
 - K. 5 inch/38—FSC 1320
 - L. 5 inch/54—FSC 1320
 - M. 155 mm—FSC 1320
 - N. 8 inch—FSC 1320
 - P. 175 mm—FSC 1320
- 3. Land Mines and Explosives:
 - A. Anti-personnel mines—FSC 1345
 - B. Anti-tank mines—FSC 1345
 - X. Mines
- 4. Naval Ordnance Ammunition:
 - B. Drill mines, complete—FSC 1350, 1351
 - D. Torpedo exercise heads—FSC 1335
 - E. Anti-surface torpedoes—FSC 1356
 - F. ASW torpedoes—FSC 1356
 - H. Depth Charges—FSC 1361
- 5. Bombs and Rockets:
 - A. Practice bombs and shapes—FSC 1325
 - C. Depth bombs—FSC 1325
 - D. Fire and incendiary bombs—FSC 1325
 - E. Fragmentation bombs—FSC 1325
 - F. General purpose bombs—1325
 - P. 2.25 inch rockets—FSC 1340

- R. 2.75 inch rockets—FSC 1340
- S. 3.5 inch rockets—FSC 1340
- T. 5 inch rockets—FSC 1340
- U. 7.2 inch rockets—FSC 1340

H. COMMUNICATIONS EQUIPMENT

Ø0 Other Communications Eqp:

Includes communication components and accessories, modification sets, installation units and meteorological devices. Excludes complete major items and systems and communications spare parts.

- 1. Telephone and Telegraph Equipment—FSC 5805 (see note for assignment of generic code).
- 2. Radio and Television Communication Equipment—FSC 5820, 5821 (see note for assignment of generic code).
- 3. Radio Navigation Equipment—FSC 5825, 5826 (see note for assignment of generic code).
- 4. Radar Equipment—FSC 5840, 5841 (see note for assignment of generic code).
- 5. Underwater Sound Equipment—FSC 5845 (see note for assignment of generic code).
- 6. Other Communications Equipment—FSC 5810, 5815, 5830, 5831, 5835, 5850, 5895 (see note for assignment of generic code).

NOTE: The following alphabets have been used by the military departments as the third character of the generic code to identify the type of installation:

- A. Airborne
- B. Underwater mobile, submarine
- D. Pilotless carrier
- F. Fixed
- G. Ground, general use
- M. Ground, mobile
- P. Pack or portable
- S. Water surface craft
- T. Ground, transportable
- U. General utility
- V. Ground, vehicular
- W. Water, surface and underwater
- Z. Other communication equipment (dollar value line)

- 9. Communications Equipment Spare Parts and Electronic Supplies:
 - A. Communication equipment spares (CSP)
 - X. Communication equipment spares (FOS)

J. OTHER SUPPORT EQUIPMENT

Ø0. Misc Other Support Equipment:

Includes all support equipment except complete items and sets listed under J2D thru J6R and K7A, K7E and K7F. Excludes automotive and support equipment spares.

- 2. Construction Equipment:
 - A. Full track tractors—FSC 2410

MILITARY ASSISTANCE AND SALES MANUAL—PART III

- B. Wheeled tractors—FSC 2420
- C. Earthmoving and excavating equipment—FSC 3805
- D. Cranes and crane-shovels—FSC 3810
- E. Road clearing equipment—FSC 3825
- F. Military bridging—FSC 5420
- Z. Miscellaneous construction equipment—FSG 38
- 3. Materials Handling Equipment:
 - Z. Other materials handling equipment—FSG 39
- 5. Training Aids and Devices:
 - X. Training aids and publications
- 6. Other Equipment:
 - Q. Maintenance and repair shop equipment—FSC 4910, 4925, 4930, 4931, 4933, 4940
 - R. Power and distribution equipment—FSG 61, 62

K. SUPPLIES

- 00. Other Supplies:

Includes industrial and construction supplies, tools and test equipment, raw materials other than ammo, office supplies, clothing and textiles, medical supplies, machinery and shop equipment. Excludes repair parts.
- 6. Fuels, Oils and Chemicals:
 - Y. POL, gases and fuels
- 7. Construction Supplies:
 - A. Pumps and compressors — FSC 4310, 4320
 - E. Firefighting equipment—FSC 4210
 - F. Prefabricated and portable structures—FSC 5410, 5430, 5445, 5450
 - Z. Other equipment and construction supplies
- 8. Automotive Supplies:
 - A. Automotive supplies and equipment parts
- 9. Automotive Supplies and Equipment Spares:
 - X. Automotive supplies and equipment spares

L. SUPPLY OPERATIONS

- 00. Supply Operations:

Includes inland, ocean and air transportation, parcel post, packing, crating, handling, port loading and unloading costs and logistic management expenses.
- 4. Storage and Maintenance of FMS Stock-piles:
 - A. Storage and maintenance, FMS Materiel:

Includes storage charges for maintaining logistics pipelines.

M. MAINTENANCE OF EQUIPMENT

- 00. Repair and Rehabilitation
 - 1. Contract Technicians and Contract Services:
 - X. Technical assistance
 - 2. Repair and Rehabilitation of MAP Equipment:
 - A. Repair and rehabilitation of aircraft and aircraft engine overhauls (includes aircraft IRAN)
 - C. Repair and rehabilitation, other
 - X. Overhaul of ships

N. TRAINING

- 00. Training

P. RESEARCH AND DEVELOPMENT

- 00. Research and Development

Q. CONSTRUCTION

- 00. Construction

R. SPECIAL ACTIVITIES

- 00. Other Services
- 4. Studies and Surveys
 - A. Studies and surveys
- 9. Other Special Activities:
 - A. Special activities or industrial facilities
 - B. Non-specific requirements
 - C. Open end FMS case
 - D. Royalty payments

S. FOREIGN MILITARY SALES

- 00. Credit Sales
- 4. Commercial Sales
 - A. Commercial sales

22. Implementation Date

The date when supply action on the FMS case is initiated. This date is most often concurrent with the acceptance date but could occur subsequent to that date if the DD Form 1513 does not contain, at the time of signing, sufficient authority for procurement of items therein. Example, a required down payment does not accompany the DD Form 1513. In the FMS reporting system, the date is expressed by a five digit numeric code. The first two digits are the calendar year and the third through the fifth digits express the nominal date.

23. Implementing Agency Code

The implementing agency code is a single digit alpha code identifying the military department which has made the sales on behalf of the U.S. Government. In addition, a

code is provided for the Office Secretary of Defense to be used for documenting certain financial transactions which are performed at that level. Codes are as follows:

| <i>Code</i> | <i>Implementing Agency</i> |
|-------------|-----------------------------|
| B | Department of the Army |
| D | Department of the Air Force |
| P | Department of the Navy |
| S | DSAA |

24. Item Count

The number of line items shown in DD 1513 which make up a single case. One detail record is established in the FMS master file for each line item. A three digit numeric code is used in the FMS reporting system for this count (e.g., 008).

25. Method of Funding Code

A single numeric digit used to identify the types of financing of Foreign Military Sales cases in a more precise fashion than is possible with type of assistance code alone.

| <i>Code</i> | <i>Method of Funding</i> |
|-------------|---|
| 1..... | Cash Sale. Used when the entire case is financed from cash made available directly by the sales recipient, either on the basis of cash-in-advance, dependable undertaking, 120-day payment, and 3-year payment. (This code is used in combination with type of assistance codes 3, 4, 5, 6, F, U, V and W.) |
| 2..... | Credit Sale. Used when the entire case is financed directly from the Foreign Military Sales appropriation or the Military Sales Revolving fund, or financed by credit from a private bank or other commercial source under U.S. guarantee, and is within the limitations of a single credit arrangement between the United States Government and the foreign government concerned. (Used in combination with type of assistance codes 8, C, G, J, Q, X, Y and Z.) |
| 3..... | Credit Sale. Used when the entire case is financed by two separate credit arrangements between the United States Government and the foreign government concerned. |
| 4..... | Credit Sale. Used when the entire case is financed by three separate credit arrangements between the United States Government and the foreign government concerned. |

| | |
|--------|--|
| 5..... | Credit Sale. Used when the entire case is financed by four separate credit arrangements between the United States Government and the foreign government concerned. |
| 6..... | Split Funding Sale. Used when financing is from both cash and one credit arrangement. |
| 7..... | Split Funding Sale. Used when financing is from both cash and two credit arrangements. |
| 8..... | Split Funding Sale. Used when financing is from both cash and three credit arrangements. |
| 9..... | Split Funding Sale. Used when financing is from both cash and four credit arrangements. |

26. Method of Shipment Code

A single digit alpha code used to distinguish between shipment made by delivery in the United States to a freight forwarder, and those shipments made by DOD transportation or military transportation of the foreign government. The purpose of this code is to permit separate reporting of deliveries made requiring an export declaration and those made without export declarations. Separate identification of shipments began on July 1, 1970. All shipments prior to that date were coded as though shipped by freight forwarders. Codes are:

| <i>Code</i> | <i>Method of Shipment</i> |
|-------------|---|
| M | Shipment from the U.S. made by means of DOD transportation or item accepted in the U.S. by the foreign government and exported via military transportation. Shipment made without export declaration. |
| F | Delivery made in the U.S. to a freight forwarder acting as the agent of the recipient foreign government. |

27. Offer Date

The offer date is the date on which defense articles or services are formally offered by DD Form 1513 to an eligible buyer. Under normal circumstances the offer lapses 90 days after such date. In the FMS reporting system the date is expressed by a five digit numeric code. The first two digits are the calendar year and the third through the fifth digits express the nominal date.

MILITARY ASSISTANCE AND SALES MANUAL—PART III

28. Progress Payment Code

The single digit alpha code P used in reporting a progress payment against an FMS line item. This code permits posting of a delivery for a definitized line value while quantity delivered remains at zero.

29. Reason for Change Code

A two-digit code used to signify the purpose of the change submitted and to control the posting of delivery and collection data.

A 1..... Add submission for the purpose of entering a new case record, or item detail record in the FMS master file. Always used with Cards 1, 2 and 4 (when no delivery data is included).

A 2..... Change submission for the purpose of recording a change in case status and/or a change in method of funding and dollar amounts. Also used to enter or change a forecast date or change a purchase price or quantity of items purchased. This code is used in Cards A, B, and D when applicable.

A 3..... Purpose of change is to correct errors or omissions in data, other than deliveries or collections, which were previously recorded. This code is used in Cards A, B, and D when applicable. It is always used in Cards 5 and 6.

A 4..... This code is used only in changes made by DSAA based upon mechanical computation from other data submissions. It indicates that a change has been made in case status or in purchase price. It is used in Cards A, or D.

B 0..... Delivery or collection data should be posted for the current period and also for the end of the last fiscal quarter and the end of the last fiscal year. This code was used mainly in the initial construction of the FMS master file to show the status of all FMS cases as of June 30, 1970. May be used in Cards C, and D.

B 1..... Add submission for the purpose of entering a new item detail record in the FMS master file—when the 4 card also contains delivery data.

C 0..... Delivery or collection data should be posted for the current period only. This is the code which will normally be used when change card submissions are for the purpose of posting new deliveries or collections. May be used in Cards C and D.

D 0..... Delivery or collection data is to be posted for the end of the last fiscal quarter only. This code will be used rarely, and only to correct an omission or error in the FMS master file. Use only in Cards C or D.

E 0..... Delivery or collection data is to be posted for the end of the last fiscal year only. This code will be used rarely, and only to correct an omission or error in the FMS master file. Use only in Cards C or D.

30. Record Serial Number

A code which identifies an item record within a case. The RSN is expressed by any three digit alpha or numeric code.

31. Selected Item Code

A single digit alpha or numeric code contained in Military Articles and Services List (MASL) which is used as a key to mechanical roll-up of data to a summary reporting level. Codes are as follows:

| Code | Recode Instruction |
|------|---|
| A | Retain basic generic code, FSN, description and Unit of Issue |
| B | Change FSN to 0000 0000000 (11 zeros). |
| C | Change third position of the generic code to X and FSN to 11 zeros. |
| D | Change third position of the generic code to H and FSN to 11 zeros. |
| E | Change third position of the generic code to S and FSN to 11 zeros. |
| F | Change second position of the generic code to 1 and FSN to 11 zeros. Drop quantity. |
| G | Change second position of the generic code to 2 and FSN to 11 zeros. Drop quantity. |
| H | Change second position of the generic code to 2 and third position of the generic code to Z. Change FSN to 11 zeros. Drop quantity. |
| J | Change third position of the generic code to C and FSN to 11 zeros. |
| K | Change third position of the generic code to F and FSN to 11 zeros. |
| L | Change third position of the generic code to Z and FSN to 11 zeros. Pick up description and U/I from MASL. |

| <i>Code</i> | <i>Recode Instruction</i> |
|-------------|--|
| M | Change FSN to 11 zeros. Drop quantity. |
| N | Change third position of the generic code to 0 and FSN to 11 zeros. |
| P | (Code not used) |
| Q | Change second position of the generic code to 2 and third position of the generic code to B. Change FSN to 11 zeros. |
| R | Change second position of the generic code to 2 and third position of the generic code to N. Change FSN to 11 zeros. |
| S | Change second position of the generic code to 2 and third position of the generic code to R. Change FSN to 11 zeros. |
| T | Change second position of the generic code to 2 and third position of the generic code to E. Change FSN to 11 zeros. |
| U | Change second position of the generic code to 1 and third position of the generic code to Y. Change FSN to 11 zeros. |
| V | Change second position of the generic code to 4 and third position to X. Change FSN to 11 zeros. |
| W | Change second position of the generic code to 6 and third position of the generic code to E. Change FSN to 11 zeros. |
| X | Change second position of the generic code to 6 and third position of the generic code to Y. Change FSN to 11 zeros. |
| Y | Change second position of the generic code to 4 and third position of the generic code to N. Change FSN to 11 zeros. |
| Z | Change second position of the generic code to 4 and third position of the generic code to R. Change FSN to 11 zeros. |
| 1 | (This is a repair part). Change second and third digit of the generic code to 9X. If the generic code is K9..., change to H9X; if the generic code is J9..., change to K9X. Change FSN to 11 zeros. Drop quantity. |
| 2 | (This is petroleum, gases and fuels). Change third digit of generic code to Y and FSN to 11 zeros. Drop quantity. |
| 3 | (This is requisitioned materiel). Change second and third digit of the generic code to 00 and FSN to 11 zeros. Drop quantity. |
| 4 | (This is a secondary item). Change second and third digit of the generic code to 00 and FSN to 11 zeros. Drop quantity. |
| 5 | (This is clothing and textiles). Change second and third digit of the generic code to 00 and FSN to 11 zeros. Drop quantity. |
| 6 | (This is ship overhaul). Change the generic code to M2X, and FSN to 11 zeros. Drop quantity. |
| 7 | (This is training aids and publications). Change the generic code to J5X and FSN to 11 zeros. Drop quantity. |
| 8 | (This is technical assistance). Change the |

generic code to M1X and FSN to 11 zeros. Drop quantity.

9(This is a service—Infrastructure, Intl. Hqs., WPP, OIG, L0, L3 and L4). Change third digit of the generic code to 0 and FSN to 11 zeros. Drop quantity.

0(This is a service). Change second and third digit of the generic code to 00 and FSN to 11 zeros. Drop quantity.

32. Shipment Control Code

The shipment control code is not used in FMS report cards. It is a single digit alpha code mechanically applied to item detail records in the FMS master file, based on MASL identification. It is used to distinguish lines for tangible property (materiel which is susceptible to either military or commercial shipment) from services. Edit of delivery reports and retrieval selection are facilitated by assignment of the shipment control code.

| <i>Code</i> | <i>Meaning</i> |
|-------------|--|
| M | The line item is tangible property which must be physically shipped. Method of shipment code M or F may be used in reporting deliveries. |
| S | The line item is a service, and method of shipment code F must be used in reporting deliveries. |

33. Spare Parts Code

A single digit alpha code used to construct an item detail record for concurrent spare parts (CSP) or air/ground equipment (AGE). Codes are as follows:

| <i>Code</i> | <i>Meaning</i> |
|-------------|--|
| N | Concurrent spare parts. Always use in combination with the FSN of the major item to which the concurrent spares apply and the generic code of the appropriate repair parts category. These generic codes are A9C, B9C, C9A, F9A, H9A, K7Z and K8A. |
| A | Air/ground equipment. Always use in combination with the FSN of the major item to which the AGE applies and generic code A7A. |

34. Status Code

A single digit alpha code used to denote the status of a Foreign Military Sales case from its inception as an offer to a foreign

MILITARY ASSISTANCE AND SALES MANUAL—PART III

government until all deliveries and financial transactions have been completed. Status codes are assigned by implementing agencies and all changes in status code, except two, are posted on the basis of changes reported by the implementing agency. The two exceptions are changes in status codes posted by DSAA as a result of pre-programming computations. Status codes are as follows:

| Code | Meaning |
|------|--|
| O | Open offer. A formal offer has been transmitted to the foreign government by DD Form 1513 and acceptance or refusal by the foreign government is awaited. |
| E | Extended offer. An offer which has been in open status for more than ninety days without report from the implementing agency as to any change in status. Application of this code means either a reporting lapse by the implementing agency, or that the foreign government has not acted during the normal ninety day period in which offers are considered binding on the U.S. government. The code is assigned by DSAA for cases with status code O after ninety days have elapsed between the offer date shown in the case record and the date of the current weekly update. |
| A | Accepted offer. The foreign government has accepted the case by signature of DD Form 1513. Status code A is assigned even though the foreign government may not have made the initial downpayment of cash advance required under terms of the sales agreement. |
| I | Implemented case. A case for which the foreign government has accepted the offer and fulfilled all financial obligations necessary prior to commencement of supply action; or if financing is by DOD credit when necessary funds have been allocated by DSAA to the implementing agency. This code signifies that all conditions prerequisite to beginning supply action have been fulfilled and that supply agencies of the military departments have been directed to begin execution of the sales agreement. In many instances it will be possible to move directly from status "O" to status "I" because implementation occurs simultaneously with acceptance of the case by the foreign government. |
| R | Renegotiated case. The items, prices, financing or other terms of the original sales agreement have been modified by formal renegotiations between the U.S. and the foreign government. Normally only cases |

| Code | Meaning |
|------|---|
| D | Delivered case. Delivery of all items and performance of all services specified in the sales agreement have been completed by the implementing agency. This code is assigned by DSAA by when delivery reports for all item detail records for the case have been reported as completed by FMS Card 4 or D. |
| C | Completed Case. A delivered case for which all collections have been completed but for which final accounting statement has not been furnished the purchaser. This code is assigned by DSAA when dollar value of collections is equal to the dollar value of financing. Case records are considered closed to all further posting of changes, deliveries or collections; i.e., any further transactions to be posted would consist only of transactions signifying correction of errors or billing adjustments. |
| F | Final Status. A completed case for which all collections or other financial transactions have been completed and for which a final accounting statement has been furnished the purchaser. This code is assigned by the Military Department after the case has reached Status Code C. |
| X | Cancelled case. An offer which has not been accepted by the foreign government during the time period allowed; an offer withdrawn by the U.S. government; an offer declined by the foreign government; or an accepted case which is cancelled by either the foreign government or the U.S. government. Cancelled cases are not deleted from the DSAA master file, but are retained as an inactive record; however, all line item detail records or collection records, are automatically deleted by DSAA when a change card from the implementing agency containing a status code X is posted to the FMS master file. |

35. Sub-Area Code

The sub-area code is not contained in FMS report cards but is assigned as supplemental data in DAA records for use in selecting and sorting FMS data by geographi-

cal areas. The sub-area code is a single digit numeric code used in sorting so that countries precede international agencies or other activities. The numeric code 1 is assigned to countries and the numeric code 2 is assigned to international agencies and other activities.

36. System Code

The single digit alpha code S is punched in column 1 of all cards used in the FMS reporting system. The purpose of this code is to distinguish cards used in the FMS system from other card or tape data used in Security Assistance operations.

37. Type of Assistance Code

This code is used in the MILSTRIP system to distinguish between various types of Foreign Military Sales (FMS) transactions. In Foreign Military Sales, the code is used to identify the types of financing applied to cover each sales case. Codes used to identify various types of FMS financing are as follows:

| Code | Type of Financing |
|------|---|
| 3 | Cash Sales from Stock. Country cash received in advance. (Sec. 21, FMSA of 1968) |
| 4 | Procurement for Cash Sales. U.S. is provided with a dependable undertaking to pay for material in full amount and to make funds available as required to meet contract payments. Sales from stock is authorized. (Section 22, FMSA of 1968) |
| 5 | Cash Sales from Stock. Payment due within a reasonable period not to exceed 120 days after constructive delivery of material. Procurements not authorized (Section 21, FMSA of 1968) |
| 6 | Sales from stock, credit up to three years (Section 522 FAA of 1961 as Amended) |
| 7 | Foreign Military Sales—Direct Trust Fund Citation. |
| 8 | Long Term Credit sales authorized for items which are available from stock or from procurement. Repayment is allowed for periods beyond 120 days after constructive, delivery of material or performance of service (under Section 524, FAA of 1961, as amended). |
| C | Sales—MAP financed long term (under Section 103(c) first sentence, MSA of 1954, as amended—used for collection only, not used in any MILSTRIP transactions). |

| Code | Type of Financing |
|------|---|
| E | Private sales with US Government guarantee of private credit (Section 24, FMSA of 1968). |
| F | Procurement for Cash Sales. U.S. is provided with a dependable undertaking to make full payment within 120 days after delivery of material or performance of services. Procurement will be initially financed by military appropriations which will be reimbursed from funds subsequently received from the country. (Section 22, FMSA of 1968) |
| G | Sales from stock or procurement Section 21 or 22, FMSA of 1968 with U.S. Government guarantee to private entities against credit risks of non-payment arising out of their financing of credit sales to countries and international organizations (Sec. 24, FMSA of 1968). |
| J | Sales other than long term credit (Section 524, FAA of 1961, as amended) |
| M | Long term Credit Sales under separate legislation, applicable for one country only). |
| Q | Credit sales authorized for items which are available from stock or from procurement. Terms of repayment within a period not to exceed ten years after delivery of material or performance of services (Sec. 23, FMSA of 1968) |
| U | International Cooperative Logistics Program—FMSO No. 1 stock level cases;(Section 21, FMSA of 1968). |
| V | International Cooperative Logistics Program—FMSO No. 2 requisition cases; Sales from stock, (Section 21, FMSA of 1968). |
| W | International Cooperative Logistics Program—FMSO No. 3 storage, and maintenance cases;(Section 21, FMSA of 1968). |
| X | Private Sales from U.S. contractors—credit financed (Section 524, FAA of 1961, as amended) |
| Y | Private Sales from U.S. contractors—credit financed (Section 23, FMSA of 1968) |
| Z | Long term credit. Section 23 and 24 FMSA credit financed by DOD direct and/or credit guarantee which is billed under the dependable undertaking concept (Section 23 and 24 FMSA of 1968) |

38. Unified Command Codes

Unified Command codes are not contained in FMS cards but are assigned as supplemental data in DSAA records for use in selecting and sorting sales data by Unified Command. This code identifies the Unified Command having cognizance over each FMS recipient, except non-regional, and is the

MILITARY ASSISTANCE AND SALES MANUAL—PART III

key for segregating ADP listings for transmittal to unified commands. Unified Command codes are:

| <i>Code</i> | <i>Unified Command</i> |
|-------------|------------------------|
| E | European Command. |
| P | Pacific Command. |
| S | Southern Command. |
| N | Non-Regional. |

39. Unit of Issue Codes

The following unit of issue abbreviations in the Federal Supply Catalogs are applicable to Military Assistance and FMS systems:

| <i>Abbreviation</i> | <i>Description</i> |
|---------------------|--------------------|
| BT | Bottle |
| DR | Drum |
| CN | Can |
| EA | Each |
| PR | Pair |
| CY | Cubic Yard |
| FT | Foot |
| RE | Reel |
| DM | Dram |
| LB | Pound |
| SE | Set |

In addition, the following exceptional codes are used:

| <i>Abbreviation</i> | <i>Description</i> |
|---------------------|-------------------------------------|
| MX | Thousands of rounds (ammunition) |
| XX | Dollars |