



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, D. C. 20301

19 JUL 1974

In reply refer to:  
I-1401/74

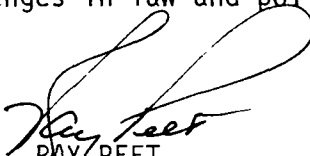
MEMORANDUM FOR RECIPIENTS OF MILITARY ASSISTANCE AND SALES MANUAL -  
PARTS I, II, AND III

SUBJECT: MASM I, II, and III Transmittal

Attached is MASM Transmittal I-2, II-2, and III-1 which updates the pro-  
cedures to 1 July 1974.

Update the portions of your current MASM in accordance with Attachment (1).

Revised pages bear the date of 1 July 1974. Specific changes are indicated  
by a broken line in the margin of the chapter. Parts of the MASM have been  
cancelled and/or replaced due to changes in law and policies/procedures.

  
RAY PEET  
Vice Admiral, USN

Attachments

- (1) List of Changes
- (2) MASM Update Material

LIST OF CHANGES

Remove and insert the following portions of your current MASM:

Remove

Table of Contents -

pages xi thru xvii

Part I -

(Glossary) pages 7 - 12

C-3

Chapter F

Part II -

Chapter A

C-3, C-4

C-15 - C-18

E-15, E-16

E-21, E-22

F-1 - F-4

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F-27 - F-29

Chapter K

L-3 - L-10

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App A-21 - App A-24

Part III -

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F-1 - F-4

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App A-1 - App A-4

App A-15 - App A-19

Insert

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pages xi thru xviii

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(Glossary) pages 7 - 12

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App A-7, App A-8, App A-8a

App A-21 - App A-24

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App A-1 - App A-4

App A-15 - App A-19

In addition to the above, post the following pen and ink changes:

Part I -

(1) DOD Directives and Instructions - Page 4 - Eliminate \*4160.20 in its entirety.

(2) Chapter E - Page E-1 - para 2.b. - second line from last - Add "(See Chapter C, Part II)" after FAA. Para 2.c. - Eliminate in its entirety.

Part II -

(1) Chapter C - Page C-8 - para 5.d.(7) - third line from top of para - change "Chapter F" to read "Chapter E". Para 5.d.(7)(a)2.a. - 15th line from top of para - change "Chapter F" to read "Chapter E". Page C-13 - para 7.b.(1)(b) - third line from top of para - change "December 31" to read "the end". Para 7.b.(1)(b) - fourth line from top of para - change "six" to read "twelve". Page C-16 - para 7.g.(1) - 6th line from end of para - cross out "legislation as set forth ... Act of 1961 as amended." and substitute "DOD policy." in lieu thereof.

(2) Chapter D - Page D-12 - para 6.c. - Eliminate in its entirety.

(3) Chapter F - Page F-6 - second column - cross out 6th and 7th line from top. Page F-7 - para b. - change "wil" to read "will". Page F-12 - first sentence - cross out "im-". Page F-26 - para f.(3) - 3rd line from bottom - cross out "no-cost".

(4) Chapter L - Page L-11 - (Figure L-1) under Cards E & F, beside number 55, change "Action Code" to read "Control Code". Page L-14 - under Generic Code - turn "2" right side up.

(5) Appendix A - Page A-15 - Add under 18.n.1. - "Q. Communications Training Overseas".

Part III -

(1) Chapter K - Page K-15 - Eliminate entire page. Page K-17 - #65 - change "Method of Shipment" to read "BLANK".

(2) Chapter L - Page L-10 - (Figure L-4) Eliminate in its entirety. Page L-15 - (Figure L-9) change title of figure to read "Status of Deliveries by Year". Page L-16 - (Figure L-10) change title of figure to read "Summary of Deliveries by Year". Page L-17 - (Figure L-11) change title of figure to read "FMS Cash Collections".

(3) Appendix A - Page A-14 - para 25 - Eliminate in its entirety.

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**66. Expenditures**

Cash disbursements.

**67. Excess Defense Articles**

Defense articles owned by the United States Government and not procured in anticipation of military assistance or sales requirements, or pursuant to a military assistance or sales order, which are in excess of the Approved Force Acquisition Objective and Approved Force Retention Stock of all Department of Defense Components at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations. (Sec. 644(g), FAA)

**68. Extended Offer**

A new FMS 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.

**69. 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 under-taking, credit).

**70. Five Year Defense Program (FYDP)**

The official program summarizing the Secretary of Defense's approved plans and programs for the Department of Defense.

**71. Foreign Military Sales (FMS)**

Include cash sales from stocks of the DOD; procurement for cash sales by the DOD; DOD credit sales, and DOD guaranties covering the private financing of credit sales of defense articles and defense services. (Sec. 21, 22, 23, and 24, respectively, FMSA)

**72. Foreign Military Sales Order No. 1 (FMSO No. 1)**

Provides for pipeline capitalization of a cooperative logistics support arrangement, which consists of stocks "on hand" and re-

plenishment 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, deliver (equity) does in effect take place when the country pays for the case.

**73. Foreign Military Sales Order No. 2 (FMSO 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.

**74. 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 cooperative logistics support arrangement. Charges are billed quarterly for actual costs incurred.

**75. General Program Costs**

Those Military Assistance Program costs which are not specifically identified to recipient country or regional programs such as administrative expenses and supply operations; formerly termed "Non-Regional Costs."

**76. Generic Code (GC)**

Machine Readable Code—See Appendix A, Part II and Part III.

**77. Grant Aid**

Military Assistance rendered under the authority of the FAA for which the United States receives no dollar reimbursement.

**78. Implementation Date**

The date when supply action on an FMS case is initiated or directed by the implementing agency—See Appendix A, Part III.

**79. Implementing Agency**

The Military Department responsible for the execution of Grant Aid and FMS Programs. See Appendix A, Parts II & III.

**80. Investment Cost**

Cost of equipment, supplies and services that improve the capability of a force, including initial unit equipment, war reserves of equipment and ammunition, concurrent spare parts, and initial spare parts stockage levels. Also includes replacement costs for obsolescent and attrited equipment, rebuild and modernization costs for newly provided equipment, costs for construction facilities equipment, projects programmed as dollar value lines to facilitate administration, and training costs associated with the introduction of new equipment or an improved capability.

**81. Joint Forces 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.

**82. 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.

**83. Lead Time (MAP)**

The estimated time which will elapse between the first of the fiscal year in which a requirement is programmed and the date on which the item will be received by the requiring activity (usually a MAP recipient country); or in the case of services, the date on which military assistance funds will be expended for the services rendered. MAP lead time for materiel end items includes the following increments:

(a) A six-month estimated lag time between 1 July and the date the current year MAP is funded.

(b) The time required to procure, or to repair and/or rehabilitate the item, includ-

ing the time required to prepare and process procurement instructions, contracts, work orders, requisitions and similar documents.

(c) The time required to prepare and package for shipment.

(d) An estimated time of two months required to ship and receive.

**84. Less Developed Country (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 Eximbank for purposes of the Exim Act of 1945, as amended.

**85. Local Currency**

The official currency of the foreign country.

**86. MAAG (Military Assistance Advisory Group)**

As used herein, the term MAAG encompasses Joint U.S. Military Advisory Groups, Military Missions, Military Advisory Groups, U.S. Military Groups, and U.S. Military Representatives exercising responsibility within a U.S. Diplomatic Mission for security assistance and other related DOD matters. Defense Attaches are included only when specifically designated.

**87. Maintenance Float**

End items or components of equipment authorized for stockage at installations or activities for replacement of unserviceable items when immediate repair of the unserviceable equipment cannot be accomplished by the field maintenance activity.

**88. Major Item (Line)**

A program line for which the requirement is expressed quantitatively as well as in dollars. These lines are identified in the MASL by a unit of issue other than dollars (XX).

**89. Military Assistance Program (MAP)**

An annual program for which the United States Government receives no dollar reimbursement, showing a detailed funding program for a given fiscal year related to specific military assistance requirements by area and country, and taking into account the lead times necessary to effect the deliveries or perform the services in that program.

**90. MAP Assets**

Materiel for which title has been transferred to MAP ownership, but not to a recipient country or organization.

**91. MAP Element**

An integrated activity, a combination of men, equipment, supplies, facilities, and other resources, which together constitute an identifiable military force, unit, activity or specific function within a Country Military Assistance Program.

**92. MASF (Military Assistance Service Funded)**

All defense articles and defense services transferred to foreign countries under the authority contained in the Department of Defense Appropriation Act.

**93. Military Articles and Services List (MASL)**

Catalogue of materiel, services, and training used in the planning and programming of Grant Aid and FMS. For Grant Aid this catalogue is used to disseminate price, supply source, lead time, duration of training, and availability of materiel and services to all concerned. A separate MASL for FMS training is provided. Otherwise, the MASL should not be used to quote price and/or availability to prospective buyers under FMS.

**94. Military Export Sales**

All sales of defense articles and defense services made from U.S. sources to foreign governments, foreign private firms and in-

ternational organizations, whether made by DOD or by U.S. industry directly to a foreign buyer. Such sales fall into two major categories, Foreign Military Sales and Commercial Sales.

**95. MILSTAMP**

Military Standard Transportation and Issue Procedure.

**96. MILSTRIP**

Military Standard Requisitioning and Issue Procedure.

**97. Obligations**

Amounts of orders placed, contracts awarded, services received, and similar transactions during a given period requiring future payment of money. Such amounts include adjustments for differences between obligations previously recorded and accrued expenditures or actual payments.

**98. Offer Date**

The date which appears on the offer portion of DD Form 1513 and which indicates the date on which an FMS offer is made to a foreign buyer.

**99. Open Sales Case**

An FMS 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.

**100. Open Sales Offer**

An FMS offer made to a foreign buyer which is pending acceptance.

**101. Operation & Maintenance Costs (O&M Costs)**

Costs associated with equipment, supplies, and services required to train, operate, and maintain forces in a recipient country, including cost of spare parts other than concurrent spares and initial stockages, ammunition and missiles used in training or replacements for such items expended in training or operations, rebuild and overhaul costs (excluding 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.

**102. Orientation Tours**

Tours arranged for key foreign personnel for the purpose of orientation and indoctrination.

**103. Paramilitary Forces**

Forces or groups which are distinct from the regular armed forces of any country, but resembling them in organization, equipment, training, or mission.

**104. 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.

**105. Pipeline**

That portion of (a) approved and funded MAP articles and services, and (b) accepted FMS orders for defense articles and services, for which delivery, either constructive or actual, has not occurred, or services have not been rendered.

**106. Planning, Programming, Budget System (PPBS)**

An integrated system for the establish-

ment, maintenance, and revision of the Five Year Defense Plan (FYDP) and the DOD budget.

**107. Program Decision Memorandum (PDM)**

A document which provides Secretary of Defense decisions on the Program Objectives Memorandum (POM) and the Joint Forces Memorandum (JFM).

**108. Program Line**

A single line of data representing a requirement for articles or services in a military assistance program.

**109. Program Objectives Memorandum (POM)**

Memorandum prepared annually by the DASD (ISA) SA which recommends total resource requirements within the fiscal guidance established by the Secretary of Defense.

**110. 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.

**111. Public Law 480 (PL 480) Funds (Sec. 104(c))**

Foreign currencies derived from sale of surplus agricultural commodities under Title I, P.L. 480, Agricultural Trade and Development Act of 1954, as amended. Sec. 104(c) authorizes these foreign currencies to be used for procuring equipment, materials, facilities, and services for the common defense including internal security.

**112. 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.

### 113. Reappropriation

MAP funds which at the end of the fiscal year are not reserved or obligated and are customarily made available by the Congress for use in the subsequent fiscal year.

### 114. Recoupments

Adjustments or cancellations of outstanding MAP orders in prior year program accounts which generate additional funds for the current year operations.

### 115. Redistributable MAP Property

All MAP personal property which has been declared, by the recipient government to the United States, as no longer needed for the purposes for which furnished and which meets the criteria for utilization screening as prescribed in Chapter K Part II.

### 116. Rehabilitation Cost

See Value.

### 117. Reimbursements

Funds realized from the sale of MAP owned property, such funds being deposited to MAP accounts and available for programming.

### 118. Routing Identifier (RI)

Machine Readable Code—See MILSTRIP Routing Identifier Code, Appendix A Part II.

### 119. Secondary Item Line

A dollar value line encompassing items of equipment (e.g., "Other Support Equipment"), as distinct from a dollar value line encompassing commodities or components, parts and accessories.

### 120. Security Assistance

For the purpose of this manual, the term Security Assistance includes all DOD activi-

ties carried out under the authority of the FMSA, or FAA, or related appropriation acts and other related statutory authorities.

### 121. Security Supporting Assistance

Funds used to finance imports of commodities, capital, or technical assistance, provided either as a grant or loan in accordance with terms of a bilateral agreement; counterpart funds thereby generated may be used as budgetary support. Most such funds are used to enable a recipient to devote more of its own resources to defense and security purposes than it otherwise could do without serious economic or political consequences. Replaces term "Economic Supporting Assistance."

### 122. Services

Services include any service, repair, training of personnel, or technical or other assistance or information used for the purpose of furnishing non-military assistance. (Sec. 644(k), FAA)

### 123. Supply Operation Costs

Refers to the categorization of those costs which are related to the procurement and issue of materiel and excess articles delivered to MAP and FMS recipients but not included in the standard prices of the materiel. These costs include packing, crating, handling and transportation expenses incurred in the issue and transfer of materiel; and logistics management expenses (exclusive of military pay and allowances) incurred by activities in the areas of procurement operations, supply management, requisition control and processing, and related services.

### 124. Third Country Training

Training provided under U.S. supervision outside the CONUS in a country other than the country of program. Training may include U.S. assistance for costs of normal student travel and living allowances.



**125. TLA**

Travel and Living Allowance.

**126. Total Obligation Authority (TOA)**

The total financial requirements of the Five Year Defense Program, or any component thereof, required to support the approved program of a given fiscal year.

**127. 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.

**128. Value**

**A. Excess Defense Articles**

(1) With respect to an excess defense

article, the actual value of the article plus the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying the article, except that for purposes of Section 632(d) such actual value shall not be taken into account:

(a) For major items the pricing guidance contained in DOD Instruction 2140.1 may be used to determine the value of EDA.

(b) For secondary items the inventory standard stock price is to be used.

(2) With respect to a non-excess defense article delivered from inventory to foreign countries or international organizations under this Act, the acquisition cost to the United States Government, adjusted as appropriate for condition and market value;

(3) With respect to a non-excess defense article delivered from new procurement to foreign countries or international organizations under this Act, the contract or production costs of such article, and;

(4) With respect to a defense service, the cost to the United States Government of such service.

current year unprogrammed requirements (i.e., fully eligible and validated grant aid requirements that are not programmed in the current year solely due to lack of resources).

## 8. Commitments

a. No discussions or written communications that make or imply future performance on the part of the U.S., or future allocations, obligations, or expenditures of U.S. funds will be made without specific prior approval of the Director, DSAA.

b. All agreements, offers, arrangements, or other communications committing the U.S.

to furnish any article or service will define precisely the terms and limits of such commitment as well as the foreign country's obligations upon which such U.S. commitment is predicated. The limits of responsibility for any additional or recurring costs for training, training material, ancillary equipment, modification, testing, improvement, repair, or follow-on materiel support also will be defined.

## 9. Riot Control Agents

Riot Control Agents will not be provided through MAP or FMS unless justified on an exceptional basis and approved by OASD/ISA/DSAA.

## CHAPTER F

## AUDITS AND INSPECTIONS

**1. Purpose**

This chapter prescribes the action to be taken by MAAG's, MILGP's, Unified Commands and other activities having responsibilities for the Military Assistance Program (MAP), Foreign Military Sales (FMS) and Military Assistance Service Funded (MASF) programs on audits, inspections and reports by the General Accounting Office (GAO); the Office of the Deputy Assistant Secretary of Defense (Audit), OASD(C); Military Department Audit Agencies; and the Inspector General of Foreign Assistance (IGA), Department of State.

**2. Types of Audits/Inspections****a. GAO Audits**

GAO audits are designed to provide a comprehensive review of U.S. Government agencies and their activities. In order to evaluate management controls, GAO examines the history, purpose, authority, organization, activities, policies and procedures of the agency, then reviews its operating results. In evaluating an agency's management control, GAO representatives perform various audit functions such as review, analysis and test of accounting and operating data, property records, supporting data for budgetary statements, and other evidence of the agencies activities. The results of comprehensive audits are set forth in reports made available to the head of the agency concerned, the Office of Management and Budget and the Congress.

**b. DOD Internal Audits**

The Military Department Audit Agencies are responsible for continuing audit coverage of activities in the United States per-

forming functions under MAP, FMS, and MASF programs. The DASD(Audit), OASD(C) is responsible for continuing audit coverage of activities overseas performing such functions. Reports of audits are addressed through channels (beginning with the audited activity) to the Secretary of Defense.

**c. IGA Inspections**

The IGA is responsible as a matter of law for conducting reviews, inspections and audits to assure that Security Assistance Programs are in consonance with the foreign policy of the United States. IGA reports are made to the Secretary of State and to the Congress. Reports dealing with Military Assistance are directed to the Secretary of Defense.

**3. Notification of Audits and Inspections**

Normally, the GAO, IGA and the DASD (Audit) notify agencies to be audited of proposed audits/inspections, their scope, and the time of audit. Upon receipt of notification of audits/inspections relating to MAP, FMS or MASF activities, DSAA will advise the Unified Command and MAAG.

**4. Policy Concerning Releasability to GAO of DOD Records Relating to MAP, MASF and FMS**

a. DOD records relating to MAP, MASF and FMS are available to the GAO, subject to the following specific limitations:

(1) Documents related to Tactical Operational Planning, Conduct of Military Operations, War Plans, Force Deployments, Force Goals, Intelligence Collection and Analysis are not releasable.

(2) Documents originated by non-DOD Agencies are released only with consent of the originating agency.

(3) Reports of Military Inspectors General and Criminal Investigations Organizations are released only on approval of appropriate departmental secretary.

(4) Budget program data for fiscal years not yet presented to the Congress (including planning documents) are not releasable.

(5) Specific authority of ASD (ISA) is required for access to:

(a) Confidential correspondence exchanged between heads of State.

(b) Presidential Memoranda

(c) Performance evaluation reports

(d) Internal Executive Branch working papers and memoranda

(e) Documents revealing sensitive information about the conduct of U.S. negotiations with foreign countries.

(f) Other DOD material which the Ambassador or major military component commanders consider may be sensitive and could, if revealed, have a serious adverse effect on the conduct of USG foreign relations or otherwise prejudice the national interests of the U.S.

b. Whenever access to certain documents is denied, efforts will be made to modify, extract or summarize the information in order to facilitate the GAO review, if this can be done with propriety and the GAO is informed that the document has been so modified, extracted or summarized.

## **5. Relationship with Audit/Inspection Agency**

Audits of MAP, FMS and MASF will be conducted in accordance with instructions of the Military Departments and Unified Commands relating to audits and inspections generally.

## **6. Exit Conference**

A letter report on the exit conference or its equivalent will be forwarded within 30 days to the Comptroller, DSAA, citing findings,

conclusions and recommendations of the auditors; concurrence or non-concurrence with each finding, conclusion and recommendation; and corrective action underway or proposed.

When appropriate, DSAA may be represented during the period of the audit or the exit conference.

## **7. Action on GAO Audit Draft Reports**

a. The GAO transmits draft reports of audits of Unified Command and MAAG security assistance activities to the Assistant Secretary of Defense (Comptroller); by informal arrangement, information copies are forwarded concurrently by GAO to the MAAG and Unified Command concerned. Based upon Unified Command comments, the DSAA with the approval of the ASD(C) responds to the GAO.

b. On receipt of a draft report, the MAAG will:

(1) Verify the accuracy and validity of each pertinent finding, conclusion and recommendation

(2) Take suitable corrective action

(3) Submit to the Unified Command within 15 days a statement with respect to each finding, conclusion and recommendation, giving

(a) additional facts

(b) acceptance or refutation

(c) corrective action taken and anticipated completion date.

c. The Unified Command will concur or comment on each MAAG statement within 25 days from the date of the report to the Comptroller, DSAA.

## **8. Action on GAO Final Reports**

a. The GAO transmits final reports of audit to the Congress and the Office of Management and Budget with information copies to the Secretary of Defense, the Unified Command and MAAG.

b. Action required on final reports is the same as that for draft reports. Comments should not be repetitive but merely update the statement on the draft report.

## 9. Action on DOD Internal Reports

a. The DASD(Audit) field auditor normally provides a draft report to the field activity reviewed. The written response is used by DASD (Audit) in preparation of the final report.

b. The DASD(Audit) transmits final reports to the Unified Command and the MAAG, with information copies to OSD, the Military Departments and the Joint Chiefs of Staff.

c. On receipt of a final audit report, the MAAG will:

- (1) verify the accuracy and validity of each finding, conclusion and recommendation
- (2) take suitable corrective action
- (3) Submit to the Unified Command a statement with respect to each finding, conclusion and recommendation, giving
  - (a) additional facts
  - (b) acceptance or refutation
  - (c) corrective action taken and anticipated completion date.

d. The Unified Command will concur or comment on each MAAG statement and submit five copies to the DASD (Audit) within 60 days of the date of the report.

e. The DASD(Audit) provides the Unified Command/MAAG comments to the appropriate DOD element for an evaluation of the adequacy of corrective actions taken.

## 10. Action on IGA Inspection Reports

a. IGA inspectors do not provide draft reports or information copies of final reports to the MAAG or Unified Command. The inspectors normally discuss their findings with DOD staff elements for the purpose of verifying the accuracy of information they plan to include in the final report.

b. The IGA transmits final reports of inspection of Security Assistance activities,

including MAAG and Unified Command activities, to the Secretary of Defense. The Comptroller, DSAA will furnish copies of the report to the Unified Command and MAAG with a request for comment.

c. On receipt of the report, the MAAG will:

- (1) verify the accuracy and validity of each finding, conclusion and recommendation
- (2) take suitable corrective action
- (3) submit to the Unified Command a statement with respect to each finding, conclusion and recommendation, giving
  - (a) additional facts
  - (b) acceptance or refutation
  - (c) corrective action taken and anticipated completion date.

d. The Unified Command will concur or comment on each MAAG statement, within the suspense date provided, to the Comptroller, DSAA.

## 11. Corrective Action Follow-up

a. MAAGs and Unified Commands should provide for positive follow-up on corrective action taken in response to findings and recommendations of audits and inspections. In some instances, special reports on status of corrective action may be required by DSAA. In all cases, the adequacy of corrective action on audits and inspections may be raised during DSAA staff visits.

b. Annually, each Unified Command will submit a report to the Director, DSAA on the status of action to correct audit/inspection deficiencies. The report is due 1 February and should reflect the status of incomplete actions as of 31 December. The report will cover GAO and internal audit reports and IGA inspections. Negative reports are required.

## CHAPTER A

## ELIGIBILITY

**1. General Authority**

No country may be provided any defense article or defense service (by loan or grant) until the President finds, in accordance with Section 503(a) of the Foreign Assistance Act of 1961 (hereinafter referred to as "the Act"), that the provision of assistance will "strengthen the security of the United States and promote world peace." When a favorable Section 503(a) finding has been made, countries qualifying under this requirement may receive Military Assistance defense services (including training) without any further Presidential action.

**2. Conditions of Eligibility**

a. Should MAP defense articles be involved, however, a further condition must be fulfilled. Under Section 505(a) of the Act, the country must agree that it will not, without the consent of the President: permit any use of such articles by anyone not an officer, employee, or agent of that country; transfer, or permit any officer, employee, or agent of that country to transfer such articles by gift, sale, or otherwise; or use or permit the use of such articles for purposes other than those for which furnished. Moreover, under this same Section, the country must further agree: that it will maintain the security of such articles, and will provide substantially the same degree of security protection afforded to such articles by the United States government; that it will permit continuous observation and review by, and furnish necessary information to, representatives of the United States government, with regard to the use of such articles; and that it will either return to the United States

government those articles no longer needed for the purposes for which furnished or dispose of them in such a manner as the President shall consider acceptable. In addition, effective 1 July 1974, under Section 505(f) of the Act the country must agree that "the net proceeds of sale" which it receives in disposing of MAP-furnished defense articles "will be paid to the U.S. Government." Thus, countries that have signed bilateral agreements which include the above-mentioned qualifications, and for which Section 620(b), 620(f)—if required—and Section 503 determinations have been made, are eligible to receive materiel assistance having a value of no more than \$3.0 million in a given fiscal year.

b. Should it be desirable to furnish MAP defense articles in excess of the \$3.0 million limitation, the President must make a further determination, under Section 505(b) of the Act, to the effect: that such country conforms to the purposes and principles of the Charter of the United Nations; that such defense articles will be utilized by such country for the maintenance of its own defensive strength, or the defensive strength of the free world; that such country is taking all reasonable measures, consistent with its political and economic stability, which may be needed to develop its defense capacities; and that the increased ability of such country to defend itself is important to the security of the United States.

c. In the event that any of the conditions set forth in Section 503(a) or 505(b) of the Act, are not complied with, and, pursuant to the purposes of the Act, the President still desires to furnish assistance to a given coun-

try, he may authorize, under Section 614(a) of the Act, the use of funds under the Act without regard to the requirements thereof upon a determination that such assistance is important to the security of the United States—waivers of 620(f) must be made under Section 614(a).

### **3. General Limitations**

a. Foreign Military Training. Section 510 of the Act restricts the number of foreign military students to be trained in the United States in any fiscal year out of funds appropriated pursuant to Part II of the Act to a number equal to the number of foreign civilians brought to the United States under the Mutual Educational and Cultural Exchange Act of 1961 in the immediately preceding fiscal year.

b. Change in Allocation of Foreign Assistance. Section 653(a) of the Act, provides that not later than thirty days after an appropriation of funds to carry out the provisions of the Act, the President must notify the Congress of each foreign country and international organization to which the U.S. Government intends to provide funds. Thereafter the amount provided may not be increased by more than 10% unless the President determines that it is in the security interests of the United States and so reports to the Congress.

### **4. Prohibitions Against Furnishing Assistance**

a. Before a country may receive any economic or military assistance, the President must make a determination under Section 620(b) of the Act that such country is not dominated or controlled by the international Communist movement. With regard to assistance to the Communist countries, aid can be provided only if the President exercises his waiver authority under Section 614(a) and concomitantly finds and reports to Congress under Section 620(f) that: such assistance is vital to the security of the United States; the recipient country is not controlled by the international Communist con-

spiracy; and, such assistance will further promote the independence of the recipient country from international Communism.

b. Section 620(a) and Section 620(n) provide that no assistance, either economic or military, shall be furnished to any country which fails to take appropriate steps to prevent ships or aircraft under its registry from transferring to or from Cuba or North Vietnam any equipment, materiel or commodities.

c. Section 620(e)(1) of the Act suspends assistance under the Foreign Assistance Act for countries that have nationalized, expropriated, or seized U.S. property, or have imposed discriminatory taxes having the same effect without having made reasonable and prompt compensation of equivalent value. It is also applicable to assistance provided under any other Acts. (The only exceptions permitted are recipients of assistance under the following Acts: the Peace Corps Act, as amended; the Mutual Educational and Cultural Exchange Act of 1961, as amended; the Export-Import Bank of 1945, as amended; or famine or disaster relief through voluntary agencies under Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended.) Assistance is also to be suspended if a country has initiated steps to repudiate or nullify existing agreements with U.S. citizens or entities without taking proper compensatory action. Provision is made for the referral of such cases to the Foreign Claims Settlement Commission of the United States, with the stipulation that assistance will be suspended twenty days after the report of the Commission is received, unless the compensation required by international law is made to the U.S. citizen or entity.

d. Additional limitations imposed under Section 620 provide that: No assistance shall be provided to any country which the President determines is engaging in or preparing for aggressive military efforts directed against the United States, an aid recipient country, or any country to which PL 480 sales are made, unless the President deter-

mines that such military efforts or preparations have ceased (this restriction may not be waived under Section 614(a) of the Act, and what constitutes engaging in, or preparing for, aggressive military efforts will be determined on a case-by-case basis by the legal offices of DOD, AID, and the Department of State). No assistance shall be furnished to Egypt unless the President determines that the furnishing of such assistance is "essential to the national interest of the United States" (it should be noted that this determination is more difficult to make than the Presidential finding under Section 503(a), which permits assistance to friendly foreign countries, "the assisting of which the President finds will strengthen the security of the United States and promote world peace"). The President can deny assistance under the Act to the government of any less developed country which has failed to enter into an agreement with the U.S. to institute an investment guaranty program providing protection against inconvertibility, expropriation or confiscation. No assistance shall be provided to any country (unless the President finds such action contrary to national security) which is indebted to any U.S. citizen for goods or services furnished where such citizen has exhausted available legal remedies or the debt is not denied or contested by such government. Finally, assistance may be excluded from any country which seizes or imposes any penalty or sanction against a U.S. fishing vessel on account of its fishing activities in international waters.

e. Section 505(d) makes any country which uses assistance provided under the Foreign Assistance Act of 1961, as amended, or any predecessor Act, ineligible for further assistance whenever the prior assistance was used in violation of provisions of applicable U.S. legislation or any agreement entered into with that government.

f. Section 505(f) of the Act specifies that: "Effective July 1, 1974, no defense article shall be furnished to any country on a grant basis unless such country shall have agreed

that the proceeds of sale received by such country in disposing of any weapon, weapons system, munition, aircraft, military boat, military vessel, or other implement of war received under this chapter will be paid to the United States Government and shall be available to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961."

g. Section 481(a) of the Act provides for the suspension of economic and military assistance furnished under this act or any other act with respect to any country when the President determines that the government of such country has failed to take adequate steps to prevent narcotic drugs and other controlled substances produced or processed in such country or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents or from entering the United States unlawfully.

h. Sec. 644(m) of Foreign Assistance Act (FAA), as amended on 17 December 1973, defines value of Excess Defense Articles (EDA) as actual value plus cost of repair and rehabilitation (R&R).

Sec. 8(a) of P.L. 91-672, as amended on 17 December 1973, requires that MAP funds equivalent to the value of EDA supplied (but exclusive of R&R costs) be returned to Treasury.

Sec. 8(b) of P.L. 91-672, as amended on 17 December 1973, exempts \$150 million from the requirement of Sec. 8(a), provided the excess is generated overseas, value IAW Sec. 644(m) FAA.

Requirements for certification by U.S. Government Agencies other than AID that Excess Defense Articles obtained from DOD will not be transferred to any foreign country or international organization require that, where such certification is not given, prior



## MILITARY ASSISTANCE AND SALES MANUAL—PART II

approval of DSAA on a case-by-case basis must be obtained.

i. Foreign excess property may be donated under Title 40, USC, Sec. 512(a). Under this authority only that property may be transferred which has no commercial value or the estimated cost of care and handling of which

would exceed the estimated proceeds of its sale. Foreign excess property of DOD which does not fall into this category must be reported under provisions of Sec. 8 of P.L. 91-672 as amended 17 December 1973, unless such property is transferred in exchange for substantial benefits or is sold at property disposal sale.

## 4. General Programming Guidelines

### a. General Principles

(1) All recipient countries are expected to allocate a reasonable share of their national resources to defense requirements. To the extent consistent with the achievement of over-all U.S. objectives, Unified Commands and MAAGs will seek to persuade countries to concentrate their resources on projects considered desirable in support of U.S. strategic concepts. Items, which are normally available for purchase in the country with local currency, whether produced locally or externally, will not be provided through grant aid. Where items can be produced locally on acceptable technical and economic bases, such production will be planned to foster self-sufficiency of the local economy.

(2) Assistance will not be provided earlier than needed to accomplish approved objectives nor before the recipient is able to provide the trained or trainable manpower, funds, facilities, materials, services and other support necessary to insure effective utilization of the assistance rendered.

(3) Articles and services will be provided directly to the foreign forces or their agents (including civilian contractors to the force) for the use of such forces.

(4) In all cost-sharing agreements and in all offers or agreements which commit the U.S. to furnish a specific weapon or weapons system as grant aid there will be language that clearly states the basis on which any additional or recurring material and training costs will be borne by the U.S. and the participating nation or nations.

(5) "Internal Security Forces" supported by the Military Assistance Program should be limited to the regular military forces plus appropriate para-military organizations which are responsible for the security of the State and which are under Ministry of Defense direction as distinguished from local police organizations.

(6) Prior to initiating any action to implement fixed communications projects, the Military Department concerned will insure that the project is fully coordinated with the

Defense Communications Agency (DCA). The purpose of such coordination is to insure that, to the extent desirable and feasible, such projects are compatible with other such systems and are consistent with overall DOD communications systems objectives.

### b. Materiel

(1) In order that maximum benefit is realized from U.S. Military Assistance, Unified Commands and MAAGs under their direction will insure that:

(a) Equipment and supplies provided as grant aid are properly distributed, maintained and used.

(b) Forces being assisted are receiving an equitable distribution of material on hand and anticipated from sources other than grant aid.

(c) Items for which attrition replacement is provided are removed from inventory by actual loss, cannibalization, scrapping or destruction.

(d) Obsolete items for which replacement is provided are disposed of promptly in the manner approved by the appropriate Unified Command in accordance with applicable regulations.

(2) Authorized allowances and Military Assistance requirements will be determined on the basis of the minimum necessary to accomplish the military task and not on the basis of U.S. allowances or standards. Full consideration will be given to local conditions and standards including such factors as whether the mission is limited or static, the terrain, probable opposing forces, proximity to sources of supply, actual and anticipated existence of civilian facilities and assets, and limitations on manpower, skills and other supporting requirements.

(3) Items that are obsolete by U.S. standards will be provided only if they meet the operational requirement and are acceptable to the recipient, and if necessary support can be assured by either the U.S. or recipient country.

(4) Wherever practicable, requirements will be met with more economical, limited standard, or commercial type items.

## MILITARY ASSISTANCE AND SALES MANUAL—PART II

(5) In calculating deficiencies to be satisfied by provision of Military Assistance, excesses on hand in a country military service will be applied to the requirements of remaining country military services prior to programming additional quantities of the item. Unified Commands will make every effort to have excesses declared by the holding country. Such excess redistributable material will be reported for screening in accordance with provisions of Chapter K.

(6) Commercial type items are not authorized for MAP programming without prior approval of DASD(SA)/DSAA as appropriate. Requests for approval will be submitted as prescribed in Paragraph 5.d.(9) of this chapter.

(7) Maintenance floats may be programmed for grant aid recipients. Such items if required must be programmed within the country authorized program level. Unified Commands will coordinate with the Military Departments to determine the quantity of an item recommended for maintenance float. Unified Commands and MAAG/MILGPs will insure through inspection that maintenance floats, if programmed, are required to maintain combat readiness and are not excessive.

(8) Provision under MAP of defense articles and services for the purpose of establishing in-country production or increasing existing production capabilities is not authorized without prior approval of the DASD (SA)/DSAA on a case by case basis. Requests for approval will contain complete details and justification, and will include comments and recommendations of the Chief of the U.S. Diplomatic Mission.

### c. Loan of Equipment

(1) Equipment may not be loaned to foreign governments under authority of the Foreign Assistance Act without prior approval of DSAA. Requests or recommendations for such loans will be favorably considered only in those exceptional cases where, for cogent reasons, it is determined that transfer of title as grant aid would not serve the best interests of the U.S. As used in this context, the term "equipment" includes am-

munition but excludes Production Plant Equipment which may not be loaned under these provisions.

(2) In addition to such other terms and conditions as the President may determine pursuant to Sec. 503(a) FAA, defense articles may be loaned thereunder only if—

(a) there is a bona fide reason, other than the shortage of funds, for providing such articles on a loan basis rather than on a grant basis;

(b) there is a reasonable expectation that such articles will be returned to the agency making the loan at the end of the loan period, unless the loan is then renewed;

(c) the loan period is of fixed duration not exceeding five years, during which such article may be recalled for any reason by the United States;

(d) the agency making the loan is reimbursed for the loan based on the amount charged to the appropriation for military assistance under Sec. 503(c); and

(e) arrangements are made with the agency making the loan to be reimbursed in the event such article is lost or destroyed while on loan, such reimbursement being made first out of any funds available to carry out this chapter and based on the depreciated value of the article at the time of loss or destruction.

(3) Under Sec. 503(c)—

(a) In the case of any loan of a defense article made under this section, there shall be a charge to the appropriation for military assistance for any fiscal year while the article is on loan in an amount based on—

1. the out-of-pocket expenses authorized to be incurred in connection with such loan during such fiscal year; and

2. the depreciation which occurs during such year while such article is on loan.

(b) The provisions of this subsection shall not apply—

1. to any particular defense article which the United States Government agreed, prior to the date of enactment (17 December 1973) to lend; and

2. to any defense article, or portion

thereof, acquired with funds appropriated for military assistance under this Act.

(4) Recommendations to loan equipment in lieu of transferring its title will be considered on a case-by-case basis and will be submitted through the appropriate Unified Command to the Defense Security Assistance Agency (DSAA) for approval. Loan agreements will (1) be of specified duration with an option for renewal on a mutually agreed basis, (2) provide for return of the equipment on short notice in event of an unanticipated U.S. need, and (3) contain a requirement that the equipment be maintained in a fully serviceable condition in accordance with U.S. standards. Loans under the authority of Section 503 FAA shall be implemented only by: (1) a Memorandum of Understanding between the Director, DSAA and an appropriate authorized official of the lending agency, setting forth the terms and conditions under which the loan is authorized to be made and all charges, including deprecia-

tion, to MAP funds during specified fiscal years; and, (2) a written loan agreement is concluded prior to the commencement of the loan on behalf of the lending agency and the borrowing government.

**d. Construction**

(1) Military Departments will curtail maintenance and repair of real property projects under Operation and Maintenance of MAP Installations (generic code L3G) to the maximum extent. Only those projects urgently required for support of the Military Assistance mission should be considered for funding.

(2) Special instructions governing the planning, programming, and execution of construction (generic code Q2) are set forth in Chapter D.

**e. Technical Assistance**

General policies governing the planning, programming and execution of grant aid

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<i>Column</i>	<i>Date</i>	<i>Footnote</i>	<i>Instruction</i>
30			Leave Blank
31-32	Country Code	1	See Appendix A
33-35			Leave Blank
36-43	Acquisition Value Delivered	2	Represents the total dollar value of excess materiel delivered at no MAP cost against dollar lines having source of supply K, L, E or R. For all major items, regardless of source of supply, and dollar lines with no excess deliveries this field will be blank.
44			Leave Blank.
45-46	Program Year	1	See Appendix A
47-57			Leave Blank
58	Progress Payment		An alpha "P" indicates a progress payment has been made to a vendor prior to delivery of the major item. Unless this field is punched delivery cards for major items may not show a MAP cost while the quantity field is blank.
59	Delivery Completed		For dollar lines, an alpha "C" indicates that all deliveries, both excess and funded items, have been completed. This field is not used for major items.
60-61			Leave Blank
62-64	Forecast Final Delivery Date		Show firm constructive delivery date in terms of fiscal year and quarter. Example: Third Quarter of Fiscal Year 74 would be 743. (See paragraph e. below).
65			Leave Blank
66-68	Reporting Period	1	Place fiscal year and quarter of reporting period. For example, fourth quarter deliveries of FY 73 would be 734. For any given delivery update, all card 8's must contain the same Reporting Period.
69	Change Originator	1	See Appendix A
70-72			Leave Blank
73-80	Dollar Value (MAP/MASF Cost) Delivered	2	Represents the total MAP/MASF value delivered to date; not the incremental plus or minus change during the reporting period. (Does not include excess deliveries against dollar lines which are reported in Col 36-43.

**Footnotes**

- 1—indicates that the field must always be filled in.
- 2—indicates that the field must be either numeric right-justified or blank.

**e. Development of Delivery Forecasts for MAP/MASF Program Lines:**

(1) Materiel and service lines requiring delivery forecasts (Card cols. 62-64 of the card 8).

(a) All major item lines (see definition in Glossary of Terms, Part I).

(b) Initial CSPs, AGE and equipment attachments (same forecast as related end items).

(2) Criteria for forecasting deliveries.

(a) A four month administrative lead time will be allowed for determining the forecast delivery date. Thus, 120 days after receipt of MAP orders by the Military Departments, delivery forecasts will be made. Additional administrative lead time can be anticipated when exceptional circumstances arise. Examples are: (1) resolution of a specific requirement with the country, (2) development of specifications for competitive procurement, and (3) review and correction of specifications prior to procurement.

(b) Forecast data will be entered into columns 62-64 of the card 8 as prescribed in paragraph d. above and included as part of the quarterly delivery updates.

(3) From time to time, DSAA, in collaboration with the Military Departments, will conduct line item reviews of undelivered balances to revalidate requirements and determine when special management action is needed to close out the program.

(4) The instructions in this paragraph are for forecasting deliveries under the usual and normal situation and are not applicable to conditions when specific delivery dates are directed by separate action.

**f. Diversions**

Materiel being procured or stocked for MAP will not normally be diverted to meet other requirements. Occasionally, however, competing demands for available materiel assets make it necessary to divert temporarily from Military Assistance programs to meet unforeseen U.S. requirements. The following guidelines apply:

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

(2) Presidentially-directed or Secretary of Defense-initiated materiel allocations will 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 may be met by diverting or withdrawing equipment from U.S. active forces, provided 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 services.

(4) Materiel being procured or stocked specifically for MAP may be diverted to meet higher priority foreign requirements or urgent needs of U.S. Forces with the prior concurrence of the Director, Defense Security Assistance Agency. MASF program materiel will be diverted only with the concurrence of the ASD (ISA).

(5) Materiel may be withdrawn/diverted from Reserve Forces by the ASD (M&RA) as provided in DOD Directive 1225.6, as amended.

(6) In those instances where, in the judgment of the military services, withdrawals/diversions would significantly impair the operational readiness of active forces, or agreement cannot be reached concerning the use of foreign program assets or Reserve Force resources the matter will be referred to the ASD (I&L), who will review available options and recommend courses of action for decision by the Secretary of Defense.

**g. Certification of Recipient's Capability**

(1) Legal Requirement

Numerous instances have been reported where sophisticated and costly equipment was incapable of use either because related and necessary component parts were not provided, requirements had changed in the interval between approval of the program and the delivery date, or the recipient country itself lacked the skill or organization to use the equipment. The FAA of 1973 (P. L. 93-189) dated 17 Dec 1973 repealed the legal requirement for certification as to country capability to utilize effectively the equipment programmed. Notwithstanding this change, however, effective management of U.S. resources and available MAP funds requires that MAAGs/MILGPs continue their fre-

quent periodic reviews of programmed requirements and initiate action where appropriate to prevent the delivery of military equipment that cannot be used effectively by the intended recipient. In this connection, certification of recipient's capability may be requested for specific equipment on an as-needed basis.

#### **h. Suspension or Cancellation of Programs**

(1) When a determination is made that programs will be suspended or cancelled, DSAA will advise the Military Departments by the most expeditious means. The following actions or combination thereof will be directed:

(a) Frustrate all shipments (air and surface) enroute to country, including shipments enroute to ports of embarkation, at the ports of embarkation, enroute to country from ports of embarkation, and shipments in country ports where offloading has not commenced and shipments offloaded for which title has not passed.

(b) The original suspension or cancellation notification provided by DSAA will indicate whether frustrated materiel is to be temporarily held (at least cost to U.S. Government while awaiting further instructions) for the country concerned or that authority is granted to take disposition action as follows:

1. Reallocate and divert such materiel that has been frustrated to fill other MAP-funded programs with initial priority being given to other countries in the same Unified Command area.

2. Return to Military Department stock and/or divert to U.S. forces requirements those common items of materiel which cannot be reallocated to meet other funded MAP requirements.

3. Place in MAPOM materiel which cannot be disposed of under 1. and 2. above, as prescribed in Chapter F.

4. Cancel all unfilled requisitions on hand in Military Department supply systems and return cancelled requisitions to the country and/or the originating CONUS agency.

5. Notify all NICP's and commercial contractors of the suspension and/or cancellation instructions to preclude further releases of materiel for shipment. Special attention should be given to frustration of the parcel post channel.

(2) DSAA will instruct MTMTS, MSC, the carriers and/or the ports of embarkation concerning the frustration of materiel and request that carriers of materiel already out-lifted CONUS (surface or air) take appropriate measures to order that such materiel will not be discharged at any ports of the country concerned. Further, the Military Departments will provide appropriate disposition instructions, alternate ports of discharge and other details as applicable.

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(3) Unified Commands/MAAGs will, upon receipt of suspension and/or cancellation directive, notify DSAA immediately concerning:

(a) Shipments of MAP grant aid cargo listed on bills of lading received by the MAAGs for ships; still in port but MAP cargo discharge completed; currently off-loading in-country; waiting to be offloaded; and enroute to country. Indicate separately for each ship:

1. Name of ship and whether U.S. or foreign flag.

2. Date of arrival, or ETA if enroute.

3. Description of cargo.

(b) Description of materiel known to be aboard military and commercial aircraft scheduled to arrive in country.

(c) Schedule of any MAP grant aid ships and all aircraft enroute to recipient country. Indicate whether manned by USG or foreign crew.

(4) Where residual suspended programs for countries are to be cancelled, Military Departments will be instructed to submit appropriate card data.

### i. Delivery and Transfer of Title

(1) DOD Instruction 2110.12 prescribes policies and procedures under which grant aid materiel is delivered to recipient countries. Guidance on grant aid materiel utilization and disposition is contained in Chapter K, Part II.

(2) Use of Premium Transportation

(a) Transportation costs for MAP materiel will be budgeted on the assumption that surface transport will be employed.

Additional costs resulting from the use of airlift will be charged to the country program involved. A separate program line will be added/established in the country program under generic code L00 for the purpose of accumulating premium transportation costs. Such costs must be accommodated within approved country dollar ceilings.

Military Departments will be responsible for calculating the difference in

cost due to use of premium transportation and will so advise the Unified Command with information copies to DSAA and the MAAG. Upon receipt of such advice, the Unified Command will submit appropriate program change data to DSAA.

Worldwide PCH&T general cost program lines will continue to support all transportation requirements.

### j. Required Availability Dates

Required Availability Date procedures are included in current MILSTRIP instructions.

### k. Logistic Support of Equipment

(1) Follow-on Spares

(a) Follow-on spare parts (FOS) will be provided to support authorized levels of supply for eligible recipient countries as prescribed in para m. below. Unified Commands are responsible for assuring that MAAGs under their respective control develop annual follow-on spare parts requirement utilizing experience factors, equipment densities, approved maintenance programs, and any other factors that may contribute to an accurate forecast of minimum country requirements. When experience factors are not available, country programs will be developed from data furnished by the implementing agency upon the request of the MAAG.

(b) MAAGs are responsible that country requisitions for FOS are submitted in accordance with MILSTRIP and other instructions of the Military Departments. MAAGs are further responsible to monitor country requisitions to assure that items requisitioned are proper and quantities are based on realistic criteria and supply factors. Military Departments are responsible for assuring that requisitions for FOS are promptly processed and deliveries do not exceed the program authority established by each individual record control number.

(2) Concurrent Spare Parts

When MAP Orders are issued for concurrent spare parts (CSP) for any specified end item, the Military Department, in coordination with the MAAG, will accomplish supply



d. Programming of dollar requirements will be accomplished by Military Departments as prescribed in paragraph 16h. Legislative restriction of \$300,000 on extraordinary expense funds requires that ceilings for representation expenses be provided to military departments by DSAA once worldwide requirements are measured against the legislative limitation.

#### 14. Other Training Support

a. Budget project N70 provides funds for costs of training exercises, U.S. military guest lecturers at foreign military schools, escort officers, supplies and materials used exclusively for MAP training (excluding training aids), and student support costs. (See paragraph 16i.)

b. Costs related to constructing, extending, refurbishing or maintaining of U.S. training facilities used for both MAP and FMS training will be shared between the MAP (Grant Aid) and FMS customer countries on a pro rata basis. Such costs should be financed initially by the appropriate military department and the course costs charged for training at these facilities will be adjusted to provide reimbursement to the military department appropriation.

#### 15. Training Aids

a. Training aids and publications may be programmed in budget project J5 to support MAP training regardless of whether the countries are authorized to receive defense articles as grant aid. The dollar value of items programmed in generic code J5 will be applied against the country's training dollar ceiling.

b. Before requesting training aids and equipment through MAP, indigenous sources for purchase or fabrication at country expense should be investigated. Purchase or fabrication of training aids from indigenous sources at MAP expense is not authorized.

c. Except for translation of publications for instruction in Spanish at U.S. military schools in the Canal Zone, translation of

English publications at MAP expense is not authorized.

#### 16. Programming

##### a. General

(1) In addition to individual courses of instruction available from Military Departments for foreign students, other categories of training assistance which may be required in developing the program are contained in the MASL in line-item detail. A summary of all categories of training N10 through N70 is shown in Table E-5. This summary provides a reference for identifying specific training contained in the MASL.

(2) Detail identification and explanation of the requirement(s) involved will be provided for each of the following line items when submitted for programming under MAP. When support is associated with type aircraft, specific support details included in these items must be identified.

- (a) Observer Training.
- (b) On-the-job training not in conjunction with formal course of instruction.
- (c) Services.
- (d) Other Training Support/Costs
- (e) MTT-Other
- (f) Field Training Services
- (g) Training Exercises

##### b. Requirements

For use in submitting requirements Table E-6 prescribes the execution agency (EXA) identifier codes to be used to identify the agency responsible for providing the service, the funded command or agency and the school or training activity at which services are expected to be performed.

##### c. Formal Training, United States (U.S.) (Generic Codes N1A-N1J)

Two elements of cost are involved in determining the Total Cost entry to be entered in columns 73-80 of cards 4 or Q for students who will train at U.S. schools and facilities. These cost elements are the Unit Price and Travel and Living Allowance (TLA). Each of these two cost elements is computed on a

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“per personnel space” basis. The Total Cost entry columns 73-80 of cards 4 or Q is obtained by multiplying the sum of Unit Price in columns 36-43 and the TLA in columns 51-56 by the quantity (number of personnel

spaces) in columns 26-29, i.e.,  $((\text{Unit Price} + \text{TLA}) \times \text{Quantity} = \text{Total Cost.})$  Following is cost factor guidance in deriving the two elements of cost involved in the Total Cost:

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### (1) Unit Price (columns 36-43).

(a) The unit price, where listed in the Military Articles and Services List (MASL), will be entered in columns 36-43.

(b) Where the MASL indicates "N/C" (no charge), no charge is made by the Military Department for the course. Leave columns 36-43 blank for these courses.

(c) Where the MASL indicates "EST" (Estimate), a unit price estimate is to be made by the program originator, and entered in columns 36-43. A number of variables normally are related to unit price determination such as the number of personnel spaces or the length of on-the-job training (OJT). The basis for estimating the unit price will be provided in supplementary guidance furnished by the Military Departments.

### (2) Travel and Living Allowance (columns 51-56)

The unit (per personnel space) TLA cost is comprised of three cost elements—travel, living allowance while in a training status and special factors. These are computed as follows:

#### (a) Travel

1. In no case will the program pay travel costs of trainees traveling within their own country.

2. Where the first training destination in United States is known at the time of programming or can be provided by the Military Department at or prior to the annual training workshop, travel costs will be calculated in accordance with para 3, a and b, below; otherwise, a composite travel cost factor provided by the Military Departments in their supplementary guidance may be used.

3. Travel includes the cost of transportation to and from United States, within United States, excess baggage and living allowances during travel. Transportation by military or commercial aircraft, (when authorized), ship, bus, rail or other conveyance will be paid when the United States provides the transportation as indicated in paragraph 9g(2). The following specific guidance is pro-

vided for calculating travel costs to and from United States and within United States.

a. To and From United States. Round trip travel between the embarkation point in the recipient country and the gateway terminus (point of debarkation) in the United States will be programmed for all trainees, unless otherwise directed. Table E-2 will be used to determine the amount to be programmed for round trip transportation, excess baggage and living allowance while in a travel status.

b. Within CONUS. Round trip travel between the gateway terminus and city nearest the training facility at which the initial training is to be conducted will be programmed for all trainees unless otherwise directed. Table E-3 will be used to determine the amount to be programmed for round trip travel, excess baggage and living allowance while in a travel status from gateway terminus to first training facility and return. When the first destination is not known, a program factor of \$130.00 per trainee will be added to cover the round trip travel, excess baggage and living allowance while in a travel status. See paragraph (c)1 below for additional cost to be programmed where cross training is involved.

SPECIAL NOTE: Tables E-2 and E-3 contain programming factors only. In all cases students are required to travel over the least cost route regardless of the routing indicated in the tables.

#### (b) Living Allowances While in a Training Status

A living allowance will be programmed for all trainees in a training status, unless otherwise directed, as indicated in paragraph 7r.

1. For programming purposes, a standard factor of \$56.00 per week for officers and \$25.00 per week for enlisted personnel will be used on the assumption that quarters are available, mess not available for officers; quarters and mess available for enlisted personnel. All of the \$25.00 per week for enlisted personnel is not paid to the trainee. Enlisted personnel are paid \$14.00 per week (\$2.00 per day) for the purchase of personal items of health and comfort; the

(d) A factor of \$320.00 is authorized for programming CONUS travel.

(e) For programming purposes, a factor of \$210.00 per man per month is authorized to support the station overseas area living allowance payment.

(f) For programming purposes, \$150.00 round trip per man is authorized for excess baggage (150 pounds total, 84 pounds excess).

**g. Training of U.S. MAP Personnel (Generic Codes N5A–N5E)**

Military Departments and Unified Commands will develop requirements on a world-wide basis for all countries.

**h. Extraordinary Expenses (Generic Code N6A)**

(1) The Military Department will compute extraordinary expenses on a world-wide basis. Extraordinary expense requirements for Military Assistance Service Funded (MASF) programs will be carried in country programs. The following cost factors are applicable to the computation of extraordinary expenses related to representation activities of MAP trainees undergoing training in the United States and overseas:

- Senior Officer—\$60.00 each
- Officers and Civilians—\$10.00 each
- Enlisted—\$5.00 each

(2) These factors are for programming purposes only and are not intended as operating guidelines as contained in paragraph 13c.

**i. Other Training Support (Generic Codes N7A–N7F)**

For the costs authorized in accordance with paragraph 14. As appropriate the following programming factors will be used:

(1) Escort Officers—A factor of \$400.00 per man week is authorized for programming (N7B) when escort officer services are

required in connection with orientation tours. Dollar value of escort officers is programmed in cols. 51–56 of cards 4 or Q as applicable.

(2) Student Support-CONUS—For the purpose of providing medical and burial expenses of foreign military trainees (grant aid) attending CONUS training, a factor of \$10.00 per student training course (exclusive of orientation) is authorized for programming purposes. This factor will be used in calculating the dollar value of student support. The dollar requirement is included in country programs by program originator under generic code N7F.

(3) Supplies and Training Materials—Costs of supplies and training materials (N7C) (excluding training aids) may be financed when authorized by DSAA. When requirements in these areas exist, supporting documentation will be provided by the appropriate Unified Command to DSAA for approval prior to programming. When third country training requirements exist for supplies and training materials (N7C), and services (N7E), MAAGs will submit a request for offshore procurement certification, in accordance with DOD Directive 2125.1, to Director, DSAA, with information copies to the appropriate Military Department and Unified Command.

(4) Guest U.S. Lecturer (CINCSO only)—Guest U.S. lecturers normally visit two Western Hemisphere countries for one week each during a single tour. The factor for TLA to be programmed by each country visited will be \$620.00 or less and programmed under generic code N7F.

(5) Guest Training Lecturer (EUCOM only)—Guest training lecturers from USEUCOM normally visit EUCOM countries for one week during a fiscal year. A dollar factor to finance TLA costs will be furnished by EUCOM when guest lecturer services are required for each country visited and programmed under generic code N7F.

## 17. Annual Training Report

To facilitate decisions as to allocation of resources under the International Military Education and Training Program (IMETP), and to evaluate effectiveness, the following information will be submitted annually direct to DSAA, with information copies to JCS, MilDeps, and ISA/SA, during the first week of December for each participating foreign country:

(1) Of the objectives delineated in paragraph 2, above, which two are the most applicable to your country (if none of these are principal objectives, specify others)?

(2) In order of priority, what does the MAAG/Country Team see as the training needs, by Service, of the host country? What is the country's assessment of same?

(3) In what training areas has the coun-

try achieved self-sufficiency during the past year?

(4) In what training areas has the country demonstrated significant progress short of self-sufficiency? (Elaborate)

(5) In what areas does it appear that the country cannot achieve self-sufficiency in the next 5 years?

(6) To what extent does the MAAG influence or dictate content of the training program?

(7) To what extent does the foreign government participate in discussions which determine what training will be requested under the U.S. Security Assistance Program?

(8) In those countries which have both FMS and MAP programs, how is it decided which requirements should be grant aid funded?

CHAPTER F

PROGRAM SUBMISSION AND MANAGEMENT

1. Purpose

The purpose of this Chapter is to provide guidance and instructions governing the preparation and submission of detailed program data, including changes thereto, and the conversion of these data into approved and funded programs authorized for implementation by the Military Departments. These instructions apply to programs for articles and services and for training; they do not apply to programs categorized as "general costs" (e.g., supply operations, administrative support).

2. Submission of Data

a. Method of Submission

Program data will be submitted by Unified Commands to DSAA by AUTODIN using EAM card portrayed in Figure F-1. Changes submitted through Military Depart-

ments to reduce or delete items from the funded program may be submitted by AUTODIN or mail. Submission of final current year program changes for materiel and services other than training must arrive in DSAA not later than June 15 in order to be considered during the end-of-year closeout of that program on June 30. The cutoff date for receipt of training increases and/or additions is May 15 (see Chapter E). Changes justified only on the basis of urgent military necessity, as determined by the Unified Commands, will be considered after these cutoff dates provided there is sufficient time to process the change and obligate the funds by the end of the fiscal year. Following are detailed preparation instructions to reach type of transaction and medium of submission.

(1) Additions.

(a) Card 3 (Materiel and Services Other Than Training)

Card Column	Data	Instruction
1	Card Code -----	Punch "3"
2-5	RCN -----	Punch Record Control Number.
6	Method of Funding Code -----	Leave blank.
7	Action Code -----	Leave blank.
8-9	Group -----	Punch data exactly as they appear in the same columns of the MASL.
10-11	Class -----	Punch data exactly as they appear in the same columns of the MASL.
12-18	Item Ident Number -----	Punch data exactly as they appear in the same columns of the MASL.
19-21	Generic Code -----	Punch data exactly as they appear in the same columns of the MASL.
22	Commitment -----	Punch appropriate Commitment Code. See Commitment Code in Appendix A.
23-24	Reason Code -----	Punch appropriate Program Change Reason Code. See Program Change Reason Code in Appendix A.
25-29	Quantity -----	Dollar Lines—Leave blank. Excess defense articles actual value card—Leave quantity field blank. Major items—Punch total quantity. Right justify (units position in Column 29, ten position in Column 28, etc.). Punch "0" in unused columns.

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Card Column	Data	Instruction
30	Program Originator -----	Punch Program Originator Code. See Program Originator Code in Appendix A.
31-32	Country/Activity Code -----	Punch Country/Activity Code. See Country/Activity Code in Appendix A.
33	Customer -----	Dollar Lines—Leave blank. Major Items—Punch Customer Within Country Code required for entry in column 33 of MILSTRIP requisitions. Refer to Customer Within Country Code in Appendix A for explanation and Military Department directive containing the codes.
34	Special Supply Procedure -----	Punch appropriate code. See Special Supply Procedure Code in Appendix A. See paragraph 5 below for Excess Defense Articles.
35	Type of Assistance -----	Punch Type of Assistance code. See Type of Assistance/Financing Code in Appendix A.
36-43	MAP Unit Price -----	Punch from the MASL. Must reflect Repair & Rehabilitation costs (as applicable) for Excess Defense Articles. Where the MASL has "EST" in the unit price column, enter an estimate. Right justify. Punch "Ø" in unused columns. Punch actual value of excess defense articles in EDA actual value card.
44	Cost Code -----	Punch Cost Code. See Cost Code in Appendix A.
45-46	Program Year -----	Punch last two digits of fiscal year in which the item is programmed or to be programmed.
47-50	MAP Element -----	Punch MAP Element Code. See MAP Element Code in Appendix A.
51	Lead Time -----	Major Items—Punch Lead Time code from the MASL. Dollar Value Line Items—Leave blank.
52	Spare Parts -----	Punch "N" for concurrent spare parts (CSP). Punch "A" for initial aerospace ground equipment (AGE). Punch "E" for concurrent equipment attachments in FSC 3810 and 3830 (item identification number 383Z ATCHMNT).
53	Condition Code/Commercial Item Code -----	Punch Condition Code for Excess Defense Articles. See Condition Code in Appendix A. Punch numeric "1" for Commercial Items.
54	Communications/Ancillary Code -----	Punch Communications/Ancillary Code. See Communications/Ancillary Item Code in Appendix A.
55	Implementing Agency -----	Leave blank. Implementing Agency Code to be assigned by DSAA.
56	Blank -----	Leave blank.
57	Status -----	Leave blank. Status Code to be entered by DSAA only.
58-59	Funding Priority -----	Applicable only to Unified Commands. Punch funding priority code on 20% of articles and services in budget year program. See Funding Priority Code in Appendix A.
60-61	Issue Priority -----	Punch Issue Priority. Issue Priority Codes are those prescribed in MILSTRIP regulations.
62-64*	Required Delivery Date -----	Punch Required Delivery Date, as appropriate. See Issue Priority/Required Delivery Date Code in Appendix A.
NOTE: Columns 60-64 may also be used to identify Military Department MIMEX offer number or DPDS listing/flyer number for Excess Defense Articles. See Excess Offer Number Code in Appendix A.		
65	Source of Supply -----	Punch applicable Source of Supply Code from the MASL or Source of Supply Code in Appendix A. Do not leave unpunched.
66-68	MILSTRIP Routing Identifier -----	Punch from MASL, except as follows:

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Card Column	Data	Instruction
		A change from the MASL entry may be necessary when a change in Source of Supply Code, as in the case of codes B, E, F, J, N, O, R, S, or T, is effected. Punch appropriate MRI Code in all cases as determined from the MASL or Appendix A.
69	Change Originator -----	MASL Footnote Code K (See Footnote Code in Appendix A) requires a determination of the appropriate MILSTRIP RI code from Appendix A. Punch appropriate Program Change Originator Code. See Change Originator Code in Appendix A. Note that this code may be different from the Program Originator Code in column 30.
70	System Identifier -----	Punch System Identifier Code if appropriate. See System Identifier Code in Appendix A.
71	End Use -----	Punch appropriate End Use Code, where applicable from End Use Code in Appendix A.
72	CRA -----	Punch appropriate CRA Code. See CRA Code in Appendix A.
73-80	Total Cost -----	Punch total cost (including cost for source codes B, F, J, S, and T) to the nearest dollar. Must include repair and rehabilitation costs as appropriate, for source of supply E or R items. Where the MAP unit price is zero, as for selected Source of Supply Code E and R items, leave unpunched. Do not punch acquisition unit price or actual value in these columns for Code E and R items. Punch actual value total in Source of Supply E (EDA) value card. Right justify. Punch dollar position in Column 80. Punch "Ø" in unused columns.

(b) Card 4 (Training)

1	Card Code -----	Punch "4"
2-5	RCN -----	Punch Record Control Number.
6	Blank -----	Leave blank.
7	Action Code -----	Leave blank.
8-9	Group -----	Punch data exactly as they appear in the same columns of the MASL.
10-11	Class -----	Punch data exactly as they appear in the same columns of the MASL.
12-18	Item Ident Number -----	Punch data exactly as they appear in the same columns of the MASL.
19-21	Generic Code -----	Punch data exactly as they appear in the same columns of the MASL.
22	Commitment -----	Punch appropriate commitment code. See Commitment Code in Appendix A.
23-24	Reason Code -----	Punch appropriate Program Change Reason Code. See Program Change Reason Code in Appendix A.
25	Student Code -----	Punch appropriate Student Code. See Student Code in Appendix A.
26-29	Quantity -----	Dollar Lines—Leave blank. Major Items—Punch the number of students, or in the case of teams, the number of personnel on the team. Right justify (units position in column 29, ten position in column 28, etc.). Punch Ø in unused columns.
30	Program Originator -----	Punch Program Originator Code. See Program Originator Code in Appendix A.



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<i>Card Column</i>	<i>Data</i>	<i>Instruction</i>
31-32	Country/Activity Code -----	Punch Country/Activity Code. See Country/Activity Code in Appendix A.
33-34	Duration -----	Punch duration from the MASL where listed. Where duration in the MASL is VA (variable), punch duration as follows: Students—weeks. Team—man weeks. Field Training Services—man months. Right justify and punch “Ø” in unused columns.
35	Type of Assistance -----	Punch Type of Assistance Code. See Type of Assistance/Financing Code in Appendix A.
36-43	MAP Unit Price -----	Dollar value lines—Leave blank. Defined Courses—Punch unit price per student from the MASL where listed. Leave blank where the MASL indicates NC (no charge). Where an entry is required by the above, right justify and punch “Ø” in unused columns.
44	Cost Code -----	Punch Cost Code. See Cost Code in Appendix A.
45-46	Program Year -----	Punch last two digits of fiscal year in which the item is programmed or to be programmed.
47-50	MAP Element -----	Punch MAP Element Code. See MAP Element Code Appendix A.
51-56	Travel and Living Allowance Cost -----	Punch travel and living allowance cost for each student or team member. See Chapter E. Where cross training is programmed, punch the travel and living cost on the A sequence line.
57	Status -----	Leave blank. Status Code to be entered by DSAA only.
58	Blank -----	Leave blank.
59	Reman Training -----	Punch “R” in column 59 to identify resources management courses.
60	TLA Command -----	Punch command receiving funding for travel and living allowance cost based on Military Department guidance.
61-65	Worksheet Control Number -----	Punch worksheet control number (WSCN) assigned to the item in the training requirements worksheet. Leave the units position blank where no cross training is programmed. Enter cross training in alphabetical sequence in the units position. Following is an example in descending order of sequence in which the training is to be conducted: 1234A 1234B 1234C
66-68	Execution Agency Identifier -----	Punch execution agency identifier from the MASL except where cross training is involved. Where cross training is involved, punch the identifier of the military department who will conduct the majority of the training. The same execution agency identifier will be used for all training lines in the cross training sequence.
69	Change Originator -----	Punch appropriate Program Change Originator Code. See Change Originator Code in Appendix A.
70	Availability/Reporting Data -----	Punch numeric 1, 2, 3, 4 or 5 to indicate quarter in which student availability/reporting date occurs.
71	End Use -----	Punch most appropriate End Use Code where applicable, from End Use Code in Appendix A.

and delivered to MAPOM, Military Departments will proceed as follows:

1. Initiate a program change card to change the source of supply code to "T" in the program line for the recipient country.
  2. Submit a program change card to delete the corresponding program line with source of supply code "T" in the activity code "00" account.
- (c) When a requirement, other than MAP, is identified for materiel which has been both programmed and delivered to MAPOM, Military Departments will:
1. Process a fiscal adjustment to transfer pertinent obligations and expenditures of MAP funds to the appropriate account (or as may be appropriate in the case of .002 MAP funds, adjust collections to their regular appropriations).
  2. Submit a program change card to delete the program line in the MAPOM (M3) account.
  3. Submit a program change card to delete the corresponding program line with source of supply "T" in the activity code "00" account.
- (2) DSAA will also analyze potential requirements, MAPOM assets, and when such requirements can be identified, will furnish for Military Departments appropriate reprogramming instructions. When no effective utilization can be accomplished, DSAA will direct programming of the MAPOM assets to the MAPSAD (M2) account, for property disposal action by the Military Department.
- (3) DSAA will furnish the Military Departments with reprogramming instructions for materiel on "hold order". Such instructions may in-

clude disposition through the MAPSAD account.

- (4) The Military Departments and Defense Supply Agency are authorized to acquire materiel in the MAPSAD account, on a non-reimbursable basis, to fill deficiencies in the approved forces acquisition objective or to meet foreseeable requirements within their retention limits.
- (5) Materiel in the MAPSAD account, which is excess to the needs of the Military Department having custody thereof and which meets the reporting criteria set forth in Defense Disposal Manual (DOD 4160.21M) and related instructions, will be reported for utilization screening in accordance with Defense policy governing the utilization screening of excess personal property.

**f. Maintenance of Records**

- (1) The establishment of program lines in activity code "00", with source of supply "T", is for the purpose of keeping all concerned aware of the assets not being utilized. Military Departments will submit program cards to identify all such assets which:
  - (a) Have been programmed to MAPOM since June 30, 1963, or which were part of MAP undelivered balances programmed for MAPOM on June 30, 1963, and which have not been subsequently applied to MAP requirements as set forth in the foregoing.
  - (b) Were delivered to MAPOM and held in the MAPOM inventory as of June 30, 1963, and which have not subsequently been applied to a MAP or other requirement.
- (2) For purposes of simplicity, the above description of procedures and EAM card submissions has been restricted to circumstances wherein

the total amount of a program line is being cancelled, or the total MAPOM is applied to a new MAP or Military Department requirement. However, when only a partial quantity or amount of a program line is effected, a combination of program add, change or delete cards may be necessary to achieve the desired record status.

**g. Custody of MAPOM Assets**

Military Departments are responsible to retain MAP-owned property in their custody pending shipment to MAP recipients or until other disposition is effected. MAP-owned property will be plainly identified so that it can be readily distinguished. Annual physical inventories will be conducted by implementing agencies to verify on-hand balances. Costs incident to storage and maintenance of MAP-owned property will be borne by the MAP appropriation.

**5. Programming of Transferrable Assets**

**a. Authority**

DOD Directive 4100.37 provides for non-reimbursable delivery to MAP recipients of materiel in long supply or excess to DOD requirements. All quantities of items over and above Approved Forces Acquisition Objectives in the stratification of Military Department inventories are termed "transferable assets" and are available to the Military Assistance Program at no cost; that is, no reimbursement for the procurement costs of the items themselves. However, current legislation requires reimbursement of MAP funds to the U.S. Treasury if:

- (1) U.S. domestic EDA is generated, MAP funds for actual value (but less R&R) must be returned to Treasury. R&R costs will be a MAP reimbursement to the Military Department.
- (2) EDA is generated overseas, up to \$150 million can be provided without cost to MAP except for R&R. Over \$150 million, the charge is the

same as for U.S. domestic-generated excess.

- (3) EDA delivered from either U.S. domestic or overseas sources under orders which, when issued, called for nonexcess defense articles to be delivered, then the actual value of those articles should neither be counted against the \$150 million overseas ceiling nor be paid from MAP funds to the Treasury. The savings from EDA non-reimbursable issues will revert to the MAP or MASF account.

The MAP appropriation or MAP recipient country budget must finance packing, crating, handling and transportation costs, as in the case of reimburseable items, and must finance any major item reconditioning or rebuild prior to delivery.

**b. Types of Procedures**

- (1) The procedure for programming major items to be supplied from inventories of transferable assets is described in paragraph 5d and has been given the short title "MIMEX" to facilitate identification in messages and correspondence. The procedure for programming items that become excess to MAP recipients (redistributable) is the same as for "MIMEX" (see paragraph 5d(3) below). The procedure for programming items that become excess for Southeast Asia is described in paragraph 5f below, which has been assigned the short title "MAPEX".
- (2) Following procedures apply equally to MAP and MASF countries and programs. However, the acronym "MASFEX" should be used instead of "MAPEX" in release to MASF countries.

**c. Statement of Requirements**

- (1) In order to establish an ADP record of defined unprogrammed MAP requirements for use in planning, programming and allocating trans-

ferable assets, Unified Commands will submit to DSAA, by April 1 each fiscal year, validated requirements for major items that will be unprogrammed at the end of the budget year program. For example, submission on 1 April 1973 will contain major items that could not be accommodated within the FY 1975 MAP country levels. Item content will be based on documented requirements for MAP supported forces as authorized by POM guid-

ance. Requests for including requirements not authorized by POM guidance will be submitted to DASD(SA) for approval on a case-by-case basis. Submission will be in MASL detail and will be limited to major items required to meet the following objectives:

- (a) Defense articles needed to complete unit equipping of MAP supported forces in being or scheduled for activation during the two-year period following the

budget year. In this case, the term "scheduled for activation" means that the foreign country has definite approved plans, including the allocation of manpower and budgetary resources, to activate the unit.

- (b) Ammunition needed to establish war reserves at the agreed level.
  - (c) Replacement of equipment on hand in units eligible for MAP grant aid support that is obsolete, obsolescent or uneconomically repairable by the foreign country's standards. Inherent to including items for this requirement is the understanding that:
    - 1. Replaced items of MAP origin will be offered for recovery by the U.S. in accordance with the provisions of Chapter K.
    - 2. Replacement of each item, regardless of origin, will not result in the uneconomical retention of replaced assets in the foreign country's inventory.
  - (d) Other requirements approved by DSAA on a case-by-case basis.
- (2) Card 3 format will be used with the budget program year shown in columns 45-46. Thus, the submission on 1 April 1973 will be entered in the FY 1975 budget year program data file. Applicable program originator, MAP element, cost and end use codes will be entered in the identical fashion used for regular program submissions. Source of supply code "K" and MASL prices will be used so that the dollar value of these requirements can be maintained in master program file records. These major items are hereinafter referred to as "unprogrammed requirements"
- (3) Unified Commands will assign record control numbers (RCN) to these line items so as not to duplicate RCN's in the regular budget

year program data submitted on April 1. Alpha character "A" will be punched in column 34 special supply procedure code to identify these major items as unprogrammed requirements. DSAA will carry these unprogrammed requirements in the budget year master file with status code "U". Transactions effecting the status of these line items will be included in feedback data to the Unified Commands, so that the agencies concerned will have identical information in ADP files at all times.

(4) Distribution and Use.

- (a) DSAA will furnish Military Departments a consolidated statement of unfunded current year, budget year and unprogrammed requirements, with total quantities for each FSN. DSAA will also furnish, upon request, listings of all FSN's of undelivered balances in prior year programs.
- (b) Military Departments will use these statements of requirements as the basis for identifying transferable assets which can be made available to MAP countries on a non-reimbursable (no cost) basis. Transferable assets will be applied in the following priority:
  - 1. Current program year and prior year undelivered balances.
  - 2. Budget program year requirements.
  - 3. Unprogrammed requirements (code "A" in column 34, carried in the budget program year data file).
- (c) Military Departments will annotate the requirements statement to reflect source of supply code "E", quantity, unit acquisition price and, in the case of substitutions, the FSN of the major items projected to become available on a non-reimbursable basis during the program year indi-

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- cated in the listing, and return one copy of the annotated statement to DSAA.
- (d) DASD(SA), in conjunction with DSAA, Unified Commands and Military Departments, will review the annotated statements and apportion the transferable assets projected for the budget year among the various country budget year programs. The results of this action will be considered during subsequent interagency review in establishing excess defense articles (EDA) and new obligational authority (NOA) levels for the budget year program.
- (e) Unified Commands, in conjunction with MAAGs/Missions under their cognizance, will revise budget year requirements, including unprogrammed requirements with code "A" in column 34, by submission of program change data to DSAA to reflect the transferable assets apportioned to the various countries in paragraph (d) above. Source of supply code "E" will be punched in column 65. Normally, the MAP unit price and total cost will be left blank in the case of card 3, or deleted in the case of card P. If repair/rehabilitation is desired at MAP expense, punch the unit repair/rehab price provided by the Military Department in columns 36-43 and total cost in columns 73-80; this amount will be charged to the country's NOA level. DSAA will assign status code "A" to these excess program lines since they will be incorporated into the program data used to support the MAP budget request.
- (f) Residual unprogrammed requirements with code "A" in column 34 will be retained in the budget year master file under status code "U" through the implementation (current year) phase of that program. Unified Commands may change or update these line items in the same manner used for updating basic MAP data files. A change/decrease is called for when a transferable asset is applied to a status code "U" unprogrammed requirement.

### d. MIMEX Procedures

- (1) Reporting of Transferable Assets.
- (a) When Military Departments determine that transferable assets are available for application against funded current year and prior year undelivered balances, program change data (card P) will be submitted to DSAA changing the source of supply code to "E" and adjusting the MAP costs as appropriate. DSAA will issue MAP Order amendments to document these program changes.
- (b) Military Departments will report transferable assets applicable against unfunded current year and budget year requirements to the Unified Commands and DSAA by message or memorandum. These reports will be titled "MIMEX Offers", will be serially numbered by the Military Departments and will contain item identification, quantity, supportability, condition code, rebuild or reconditioning cost, if any, and lead time required for rebuild or reconditioning. Military Departments will also propose substitutions when considered adequate to meet the purposes of MAP requirements.
- (2) Acceptance, Allocation and Order.
- (a) Unified Commands will advise DSAA by message, with information copy to appropriate Military

(f) DSAA will issue MAP Orders without funds to document the transaction.

(3) Delivery

(a) Military Departments will record delivery and maintain delivery records in customary method for MAP transactions.

(b) Materiel furnished at no cost to MAP will be reported in terms of acquisition value.

(c) DSAA will furnish delivery data to CINCPAC in the same fashion now used for reporting deliveries against funded lines.

**6. Excess Defense Articles (EDA) General Programming Instructions**

**a. Major Items**

(1) Major items will be programmed with the R&R cost, where applicable, in the line. If there is no R&R cost, program at zero MAP cost:

(a) If the item comes from overseas and is within the \$150 million exception, code M will be placed in Column 53. If the overseas item is not within the \$150 million exception, enter a P in Column 53.

(b) If the item comes from domestic sources, enter R in Column 53.

(2) For each major item programmed there must be a second line. The second line will be an actual value dollar line which contains the FSN and Generic Code of the major item but no quantity.

(a) These dollar lines corresponding to overseas EDA items covered by the \$150 million exception will contain code M in Column 53 and Type of Assistance "T". Actual value funds will not be provided to the Military Departments for lines containing TA "T". When the \$150 million is totally expended we will discontinue use of TA "T" and enter P in Column 53.

(b) For domestic-generated items enter R in Column 53. Normal MAP Type of Assistance will be used.

(c) The actual value of the item(s)

will be entered, both in the unit cost and total value fields.

(d) Where several items of varying value are programmed in the line the average value may be used.

(3) Where possible, major item lines and actual value lines will be assigned consecutive RCNs.

(4) Reporting of Deliveries.

(a) Major items: When major items are delivered, 8 cards must be submitted showing the delivery against both RCNs. The actual value line should reflect a delivery of dollars equal to the actual value. The major item line should reflect the quantity delivered, acquisition value (CC 36-43) and R&R cost (CC 73-80) (this is no change from present practice). If delivery of an overseas-source item within \$150 million ceiling is made against a domestic source program, actual value funds shall be refunded to DSAA by the Military Department concerned.

(b) Secondary items:

1. If permission has been given to program a SS "E" dollar line, deliveries will be reported at standard stock price (CC 36-43) and at actual value (CC 73-80).

**7. MAP Orders**

**a. Purpose**

(1) The term "Map Orders", is used to describe the document issued by DSAA which authorizes and directs the delivery of defense articles or the furnishing of defense services to designated MAP recipients. The term "Section 108 Reservation" is used to describe the portion of the MAP Order or amendment thereto, financed with limitation .002 funds, issued pursuant to the provisions of Section 108 Public Law 208, 84th Congress, as amended.

(2) MAP Order amendments are the documents used to delete, change or add new program lines to a MAP Order previously issued. Program (fiscal) year identification will be

maintained throughout all phases of MAP execution. MAP Order amendments will be identified by program year with the original MAP Order being changed, and separate amendments will be issued for each program year involved. As used throughout this manual, the term "MAP Order" also refers to MAP Order amendments.

- (3) MAP Orders will be issued for all items in the approved and funded MAP (i.e., materiel, training, construction, supply operations, administrative expense, etc.). All MAP Orders will be produced from the ADPS master program file maintained by DSAA.
- (4) Advice to a Unified Command or MAAG indicating that MAP Orders of MASF program directives have been issued and funded constitutes specific approval of the Director, DSAA, in accordance with Para 8, Chapter C, Part I, (Commitments) unless instructions to the contrary are contained in the advice or in other instructions issued by the Department of Defense or the Department of State. Such advice must not be construed, however, as a commitment to deliver the articles or services at the times indicated in the advice unless the advice specifically indicates that there is a U.S. commitment as to the delivery date.

**b. MAP Order Procedure**

- (1) A separate MAP Order will be issued for each country or activity, and the MAP Order number will include the appropriate country/activity code (see Appendix A).
- (2) The number assigned to MAP Orders and amendments thereto will be composed of:
  - (a) Program Year.
  - (b) Implementing Agency.
  - (c) County/Activity Code.
  - (d) Two-digit sequential numbers.

- (3) The initial MAP Order issued for each country or activity for a given program (fiscal) year will be identified by sequential number 00. Subsequent MAP Orders for the program year will be issued as amendments to the initial MAP Order and will be number 01 through 99, followed by alpha-numeric numbers as necessary.
- (4) EAM cards 5 or 6 for each program line will be furnished with MAP Orders issued to Military Departments and with copies distributed to Unified Commands. (EAM card R will be furnished also for program lines deleted by a MAP Order amendment). The format of cards 5 and 6 will be the same as that of cards 3 and 4 with the following modifications:

<i>Card Column</i>	<i>Modification</i>
1	Card Codes 5 and 6 will be substituted for Card Codes 3 and 4, respectively.
2-5	Record Control Number (RCN) will be shown.
6	Method of Funding Code will be shown in this column.
23-24	Unit of Issue.
55	Implementing Agency Code will be shown in this column on card 5 only.
58-59	MAP Order or MAP Order Amendment Number (MO) will be substituted for Unified Command Deferral Priority/Reman Training.

**c. MAP Order Recipients**

The recipient of a MAP Order and associated fund allocations is responsible for implementation of the Order, including accounting and fiscal reporting as prescribed by DOD Instruction 7290.1. The implementing agency will be identified in the MAP Order number. The implementing agency for each program line will be determined as follows:

- (1) Material.
  - (a) Major Items.
    - 1. MAP Orders for major items will be issued to the implementing



- agency designated by DSAA in coordination with OASD(I&L).
2. Subject to case-by-case exceptions to avoid jeopardizing necessary control over program execution, DSAA will apply the following criteria in designating the implementing agency:
    - a. For all Investment (cost code I) items which are an integral part of a major weapons, electronics, or other selected system, the MAP Order will be issued to the Military Department which has been assigned DOD logistical management responsibility for the system as a whole. Unified Commands will identify investment cost items programmed as integral parts of such systems by entering the appropriate systems identifier code in column 70 of cards 3 and P.
    - b. If the OSD has assigned wholesale inventory management responsibility for an item to a Military Department, the Order normally will be issued to that Department.
    - c. If the OSD has not assigned wholesale inventory management responsibility for an item to a Military Department the MAP Order normally will be issued to the U.S. counterpart of the recipient country using service.
- (b) Dollar Value Lines.
1. Orders for dollar value lines with an assigned MILSTRIP routing identifier in the MASL will be issued in the same manner as a major item.
  2. Orders for dollar value lines without an assigned MRI (i.e., footnote coded K) in the MASL will be issued to the Military Department represented by the first digit of the MILSTRIP routing

identifier entered by the Unified Command in accordance with the instructions for footnote code K.

- (c) Concurrent (Initial) Spare Parts (CSP).
  1. MAP Orders for CSP program lines assigned the item identification number of the related major item will be issued to the same Military Department as the major item.
  2. Orders for CSP program lines assigned a spare part item identification number will be issued in the same manner as other dollar value lines.
- (d) Source of Supply Codes J, S, and T. Program lines identified with source of supply codes J (Logistical Center Japan), S (F104G Spares Depot), and T (Transfer) are excepted from the procedures described in paragraphs (a) and (b) above. MAP Orders will be issued as follows:

*Source of Supply*

*Implementing Agency*

J	Department of the Army.
S	Department of the Air Force.
T	Military Department holding the specified items in MAP-owned stockpiles (MAPOM account).

- (2) Administration and Operational Support. MAP Orders for administration and operational support program lines will be issued to the Military Department assigned administrative agency responsibility for the area, country, or activity.
- (3) Training. MAP Orders for training program lines will be issued to the Military Department providing the training except in the case of cross-service training. MAP Orders for entire cross-service training sequences will be issued to the Military Department providing the majority of the training.
- (4) Construction. MAP Orders for con-

struction program lines will be issued to the Military Department which has been designated as the construction agency for the country concerned. However, the construction agency will be responsible for coordinating country construction with the Military Department counterpart of the recipient country using service to assure that the facilities meet the operational requirements of the recipient country forces.

- (5) Excess Defense Articles (EDA). When DSAA issues MAP Orders with actual value funds for Source of Supply "E" to Military Departments (either in case of domestic EDA, or in the case of overseas EDA beyond the \$150 million ceiling), the Military Departments shall be responsible for implement-

ing the second and third sentences of Sec. 8(a) of P. L. 91-672, as amended. The Military Department receiving such funds shall (1) transfer the funds to a treasury suspense account; (2) transfer the funds to the general fund of the treasury upon delivery of the EDA; (3) transfer such funds from the suspense account to appropriate account of the Military Department if at time of delivery the stock status of the item is determined by the Military Department to be non-excess within the meaning of Sec. 644(G) FAA; and (4) return such funds to DSAA for credit to the MAP appropriation if the order is cancelled prior to delivery or if the order is executed with overseas EDA within the \$150 million ceiling.

## CHAPTER K

## UTILIZATION, REDISTRIBUTION AND DISPOSAL OF MAP MATERIEL

**1. Utilization of MAP Materiel**

a. Section 502 of the Foreign Assistance Act, as amended, stipulates that defense articles and services will be provided as grant aid solely for internal security, for legitimate self-defense, or to permit the recipient country to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations. This section also permits the recipient country to participate in collective measures requested by the United Nations for the purpose of assisting foreign military forces in less developed friendly countries (or the voluntary efforts of personnel of the Armed Forces of the United States in such countries) to construct public works and to engage in other activities helpful to the economic and social development of such friendly countries.

**2. Supervision of End-Item Use**

a. Section 623(a)(3) of the Act assigns primary responsibility for the supervision of end-item use by the recipient countries to the Secretary of Defense. Within their areas of responsibility, this function is assigned to Unified Commands and, where appropriate, assigned further to MAAGs or other DOD elements responsible for MAP activities in foreign countries.

b. DOD Directive 5132.3, para. IV.J.(5), specifies further that in carrying out the above responsibility the Chief of MAAG, under the direction of the appropriate Unified Command, is responsible for supervising utilization by the foreign government of all defense articles and services furnished by the U.S. as grant aid. This responsibility includes proper utilization of personnel trained

by the U.S. The Chief of MAAG, therefore, should not be relieved of responsibility for supervising utilization of other than end-items; a function that is particularly important in the case of countries receiving substantial MAP support for operations and maintenance of its armed forces.

c. Except where specified otherwise by DSAA, periodic submission by the recipient country of reports, as may be prescribed as to form and frequency by the Unified Command, satisfies the intent and purpose of the law. It is incumbent upon all DOD elements, however, to supplement and verify such reports by physical inspection, observation, and such other means as may be practicable.

**d. Reports Submitted by Foreign Country**

(1) As a minimum, the reports submitted by the foreign country will consist of an annual inventory of major items on hand of MAP origin as of 30 June each year. The report will include:

- (a) Item identification.
- (b) Quantity on hand.
- (c) Current utilization.
- (d) Condition of material.

(2) Wherever practical, the report will be expanded to include secondary items, acquisition values, and projections of when material will become excess to the foreign country's requirements.

(3) Requirements for this report may be modified or waived by the appropriate Unified Command in order that administration of this requirement is consistent with the situation in the country and with the availability of U.S. resources. Delegation of this authority includes selection and designa-

tion by the Unified Command of specific defense articles and services to be reported.

e. The extent and nature of supplemental supervision and verification will vary by country dependent upon such factors as availability of personnel, the extent to which physical inspection is practical, and the degree to which the recipient country can be relied upon to manage its resources effectively and render timely and accurate reports. Consistent with these factors, full use should be made of temporary duty personnel and teams, including those engaged in other primary missions, in carrying out end-use supervision responsibilities.

### **3. Disposition of Materiel Declared Excess**

#### **a. Action by Chief of MAAG**

(1) When MAP materiel is declared excess to the needs of its armed forces by the holding foreign country, the MAAG or other DOD element responsible for MAP administration in the country will determine its condition. To the extent practicable, the determination will be based on physical inspection by qualified U.S. personnel. In appropriate cases authorized by the Unified Command, however, classification by the foreign government authorities may be accepted.

(a) Economic reparability will be determined in accordance with DOD Instruction 7220.21.

(b) Standard condition codes as set forth in the Defense Disposal Manual (DOD 4160.21M) will be used.

(2) If materiel declared excess by the foreign country is determined to be unserviceable and not economically repairable by overseas standards, it will be treated as disposable MAP property and processed in accordance with paragraph 3e below.

(3) If not redistributed within the holding foreign country the Chief of MAAG will take the following actions:

(a) Major items (programmed as "each" items) will be reported to the appropriate Military Department for screening against worldwide approved and funded MAP. The Unified Command will be informed

of this action.

(b) Secondary items (other than major items as defined above), will be reported by the Chief of MAAG to the Unified Command giving, if appropriate, recommendations for disposition.

#### **b. Action by Unified Commander**

(1) Secondary items reported by the Chief of MAAG may be redistributed within the Unified Commander's area of responsibility to meet established requirements currently eligible for programming under MAP.

(2) Annually as of 30 June the Unified Command will report to DSAA-TM the value, by recipient country, of secondary items redistributed as in (1) above. RCS DSAA (A)1017 is assigned. Reports are due in DSAA by 15 July. Unified Commands will be prepared to provide data as to the identity of items so redistributed upon request.

(3) If not redistributed within the Unified Command secondary items will be reported to the appropriate Military Department.

#### **c. Action by Military Departments**

(1) Redistributable MAP property reported to the Military Departments will be utilized to meet programmed MAP requirements. Should such requirements not exist, however, the following actions will be taken:

(a) Major Items will be offered under the MIMEX system.

(b) Major items not allocated under MIMEX and all secondary items not required for MAP will be utilized by the Military Departments to meet other than MAP requirements. Any materiel not so utilized will be reported to DPDS.

#### **d. Accessorial Charges and Rehabilitation Costs**

(1) MAP property, other than ships and aircraft, released to the U.S. Government for redistribution or other disposition, will be delivered by the releasing country to the MAAG free:

(a) along side vessel if ocean shipment is required, or

(b) on board inland carrier at a shipping point designated by the MAAG for other than ocean shipment. Ships and aircraft will be delivered in accordance with arrangements made between the MAAG and the releasing country.

(2) Packing, crating, handling, and transportation costs incurred from the point where the property is accepted by the MAAG and necessary rehabilitation costs applicable to MAP property being redistributed to another country will be borne by:

- (a) the receiving country if the MAAG can make such arrangements, or
- (b) the MAP appropriation, or
- (c) by the Military Department or other U.S. Government agency if property is released to meet such requirements, or
- (d) by the purchaser in the event the property is sold.

(3) Accessorial charges will be applied in accordance with DOD Instruction 7510.4.

**e. General**

(1) The fact that an item of MAP redistributable property survives utilization screening, including screening against Mil Depts needs and is declared eligible for disposal ("disposable MAP property") does not make the item EDA in the sense of Section 644(g) of FAA of 1961, as amended by P.L. 93-189, 17 Dec 1973, the "FAA of 1973", since the term "EDA" applies only to DOD assets, and not to MAP assets. Section 644 (g), as thus amended, provides. "'Excess Defense Articles' means the quantity of defense articles owned by the United States government, and not procured in anticipation of military assistance or sales requirements or pursuant to a military assistance or sales order, which is in excess of the Approved Force Acquisition Objective and Approved Force Retention Stock of all Department of Defense Components at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations under this Act."

(2) Assuming an item has survived screening for further utilization and has been determined to be disposable MAP prop-

erty, it may be disposed of in one of two ways:

(a) In accordance with the provisions of the Defense Disposal Manual (DOD 4160.21M) through the DPDO's, in which case net funds generated thereby are deposited in the parent MAP account. Section 605(d) of the FAA of 1961 provides: "Funds realized by the United States Government from the sale, transfer, or disposal of defense articles returned to the United States Government by a recipient country or international organization as no longer needed for the purpose for which furnished shall be credited to the respective appropriation, fund or account used to procure such defense articles or to the appropriation, fund, or account currently available for the same general purposes."

(b) In accordance with the provisions of special country-to-country disposal arrangements under which the MAP recipient country disposes of disposable MAP property.

(3) As regards para (2)(b) method of disposal, the 1973 legislation adds to the FAA of 1961 a new Section 505(f), which provides: "Effective July 1, 1974, no defense article shall be furnished to any country on a grant basis unless such country shall have agreed that the net proceeds of sale received by such country in disposing of any weapon, weapons system, munition, aircraft, military boat, military vessel, or other implement of war received under this chapter will be paid to the United States Government and shall be available to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961."

(4) New Section 505(f) FAA does not legally affect para (2)(a) method of disposal or alter the requirements of section 605(d) FAA with regard to disposition of sale proceeds exclusively to the parent MAP account.

(5) Section 505(f) FAA extends to disposals by the recipient countries of MAP-origin defense articles if such countries are the recipient of grant aid materiel after 1 July 1974 whenever the articles were originally granted to any such country, even if granted prior to date of agreement required under Section 505(f). "Net proceeds of sale" means the balance of the gross proceeds of sale to be paid to the USG after reasonable administrative costs of the sale of MAP-origin equipment are deducted by the foreign government.

(6) It is preferable from the DOD standpoint to use the DPDS for disposal of disposable MAP property. However, in many cases it is not practical to exercise this option either because there is no DPDO in country or for practical reasons it may be more desirable to have the country dispose of the item. In some cases, agreements with the country require disposal by the country if no USG utilization is found.

(7) New Section 505(f) FAA constitutes a new condition of eligibility for recipients of grant defense articles programmed in FY 1975 and subsequently. A mandatory agreement pursuant to Section 505(f) FAA must be concluded with the countries which are programmed to receive grant aid defense articles after 30 June 1974, even though disposals may be made by DPDS in most, if not all, instances.

(8) For countries other than those in (7) above no agreement pursuant to Section 505(f) FAA is legally required so long as no grant defense articles are programmed for them after 30 June 1974. Nevertheless, defense policy with regards to such other countries is to require (unless an agreement with a particular country in force on 30 June 1974 provides to the contrary) a recipient country commitment to return to USG (for deposit in treasury miscellaneous receipts, along with funds received by USG under Section 505(f) FAA) the net proceeds of sale whenever such country requests release of disposable MAP property to it.

**f. Uneconomically Recoverable MAP Property**

(1) Where munitions list materiel is involved, regardless of its economical recoverability, if the MAAG is unable to ensure by physical inspection that appropriate demilitarization has been accomplished in accordance with the criteria specified in DOD Directive 4160.21, the materiel will be recovered by the U.S. and disposed of through the U.S. property disposal system.

**g. Waivers**

The foregoing procedures and provisions may be considered for waiver by the Director, DSAA, on a case-by-case basis when such action is legally permissible and is determined to be in the best overall interests of the United States. Requests for waiver should be directed to DSAA/TM giving full details as to the identification and quantities of materials involved, their acquisition and disposal values, the specific provision to be waived, and full justification.

**4. Recording Redistributable and Disposable MAP Property Transactions**

a. Each Unified Command is responsible that adequate records are kept on each country under its jurisdiction to reflect accurately the MAP property redistribution and disposal actions that occur each year. These records will be made available to DSAA upon request and on a case-by-case basis to answer congressional inquiries, GAO reports, etc. At minimum, the detail maintained should be as shown below:

(1) Record should be maintained on a U.S. fiscal year basis.

(2) Value should be maintained in thousands of dollars. Materiel should be priced from the current MASL regardless of the original source or cost when initially delivered to the country.

(3) These records should reflect the following:

- (a) Total value declared
- (b) Total accepted by U.S.
  - 1. For redistribution
  - 2. For disposal

- (c) Total released to country
  - 1. *For country use*
  - 2. *For disposal by country*
- (d) Receipts from country disposal
  - 1. *To the U.S.*
  - 2. *To the country*

**5. Applicability**

The foregoing provisions and procedures apply to all materiel furnished to foreign countries by the U.S. as grant aid, regardless

of whether the transfer was made under the Foreign Assistance Act of 1961, as amended, predecessor or successor legislation, or other statutory authority. MASF-origin property declared excess by the recipient country after date of reversion to MAP funding (Thailand, 30 June 1972; Laos, 30 June 1974) is also subject to MAP policy and guidance.

DSAA rather than The Military Departments.

(3) Current Year Training MASL. The current year training MASL contains line item data for training which is currently available for programming.

(4) Budget Year Training MASL. The budget year training MASL contains line item data for training which is planned to be available for programming in the budget year and later MA Programs.

(5) Prior Year Training MASL. The prior year training MASL contains line item data for training which has been programmed in those program years preceding the current year. This MASL is retained for historical purposes only as training for each FY is rolled up to seven dollar lines (N10-N70) per country/per service six months after it becomes a prior year program.

b. The materiel MASL is updated on a continuing basis as the result of changes and additions submitted by the Military Departments.

c. The current year training MASL is updated during the applicable fiscal year to add new courses which become available for programming and to incorporate significant changes in course costs and duration. During the second quarter of each fiscal year the new budget year training MASL is developed by DSAA based upon Military Department input. During the fourth quarter this new budget year MASL is updated to insure the currency of item content. On 1 July the budget year MASL becomes the new current year MASL.

## 5. Assignment of Footnote Codes

### a. General

Military departments are responsible for the assignment of footnote codes where applicable to all lines under their cognizance. Appendix A defines these codes.

### b. Footnote Code "NN"

This code as defined in Appendix A is assigned to valid and correctly identified items which are not available for supply,

under normal circumstances, to meet MAP requirements. When footnote code "NN" is assigned, the acquisition unit price must be filled in (make LT, S/S and MUP blank). If a replacement item is known, a conversion card may be submitted. Dollar value lines will not be assigned this code.

## 6. MASL Relationship to DSAA Program Data Files

a. All program data cards which constitute the addition of items or services (card formats 3 and 4) to the Military Assistance Program, regardless of program year, and those program change cards (card format P and Q) which contain data punches in card columns 8 through 21 are matched against one of the DSAA MASLs during the master file update process. This MASL match accomplishes the following:

(1) Determines that the program requirement is a valid line in the MASL.

(2) Provides a description and unit of issue for the items being added to the program file, verifies MILSTRIP routing identifier and execution agency identifier codes, unit prices and supply sources as being consistent with MASL data and assigns implementing agency code consistent with the MRI and EXA. Where a materiel program data card reflects a source of supply of E, R or T the MASL match is limited to providing description and unit of issue data.

(3) Provides a feedback error list for data cards which failed to match the MASL.

(4) Assures the issuance of MAP orders to the correct implementing or execution agency at the current MASL unit price, supply source and training course duration.

b. An additional step accomplished during the program data/MASL match is the application of MASL conversion card data, which has been provided by the Military Department when submitting MASL change data. The conversion card is used to provide programming data to be used in lieu of a MASL item which is no longer available or which has been deleted from the MASL. DSAA requires conversion card data in the following instances:



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(1) When footnote code "NN" is assigned to an item no longer available for normal military assistance programming and a replacement or substitute item is known.

(2) When a line is deleted from the MASL and a replacement or substitute item is known.

### 7. Maintenance of the MASL

#### a. Changes

Changes to MASL data should be submitted to DSAA as they develop, as follows:

(1) Materiel and Services (other than Training)

(a) Major Items—Changes to major items of materiel will be submitted by the Military Department having single-service wholesale inventory management responsibility. When the change being submitted is to transfer the wholesale inventory management responsibility to another Military Department, such changes will be initiated by the Military Department acquiring the responsibility and will be coordinated with the Military Department relinquishing responsibility, prior to submission to DSAA.

(b) Dollar Lines—Additions of and changes to dollar lines of materiel items will be initiated only by DSAA. Recommendations concerning dollar line item changes may be made by the Military Departments and Unified Commands when deemed appropriate.

(2) Training. Changes to items in the training MASL, major item and dollar lines, will be submitted by the Military Department offering the training.

#### b. Inquiries

Inquiries regarding MASL data should be directed as follows:

(1) Materiel and Services (other than Training). Requests for information in clarification of data in the DSAA MASL should be forwarded to DSAA, with the following exceptions:

(a) Requests for special availability for items assigned footnote code "NN"

should be forwarded to the Military Department indicated by the MRI code of the item as having inventory management responsibility.

(b) Requests for addition of major items to the MASL will be forwarded to the Military Department to which single-service wholesale inventory management responsibility has been assigned. When the assignment is not known, request should be directed to the Military Department indicated in the MASL as having responsibility for similar type equipment.

(2) Training. All inquiries regarding training MASL data should be directed to the appropriate Military Department.

### 8. Submission of MASL Data

Military Departments will submit additions and changes to and deletions from the MASL on one of the appropriate card formats illustrated in Figure L-1 (Materiel, Training and MASL Conversion). Instructions for preparation of MASL data follow:

#### a. General

(1) MASL data in card 1 (materiel), card 2 (training) and card E and F (conversion) format may be transmitted to DSAA via AUTODIN using routing indicator RUEWEDA. Submit as changes occur.

(2) Worksheets (Printed legibly in pencil) may be submitted in single copy to Comptroller, DSAA, Washington, D. C. 20301, Attention: Data Systems and Reports Division.

(3) Machine listings for mark-up will be provided by DSAA upon request, where the volume of changes warrants.

#### b. Additions

For new items recommended for addition to the MASL, complete all appropriate card columns in accordance with the following instructions.

(1) Card 1—*Materiel and Services other than Training (all generic codes except generic code N).*

Card Column	Data	Explanation
19-21	Generic Code	Enter the appropriate generic code prescribed in Appendix A.
22	Classification	Enter the appropriate classification code prescribed in Appendix A. Classified training requires security clearance prior to execution.
23-24	Unit of Issue	Enter "EA" (each) for student training (formal training, mobile training teams—detachments and field training services). Enter "XX" (dollars) for training support, MAP personnel training and extraordinary expenses.
25-50	Description	Enter the description in 26 spaces, or less. Insure that descriptions are as uniform as possible.
51	Footnote (Control) Code	The footnote (control) code is used to designate the program year to which the MASL entry applies. DSAA will specify this code annually.
52-58	Prerequisite English Comprehension Level (ECL)	Assigned by the Military Department based on pertinent regulations. Leave blank if prerequisite ECL is not required.
59-72	Services Identification Number	Assigned by the Military Department to identify the item for its own internal processing.
73-80	MAP Unit Price	An amount entered in this field represents the unit or contract cost for an individual course to be charged by the Military Department. "N/C" entered in this column signifies that no charge is made by the Military Department. "EST" entered in this field signifies that MAP unit price must be estimated. The basis for estimating the MAP unit price is contained in Military Department publications.

**c. Changes**

(1) To submit changes to existing MASL lines, the following fields must be completed:

*Column*

- 1 Card Code
- 7 Action Code "S"
- 8-18 Item Identification
- 19-21 Generic Code
- 51 Control Code (Training only)
- 53 Control Code (Materiel only)

Entries in data fields other than the above are required only where a change in data is intended, e.g. MAP unit price, duration, etc. Where a change is made, enter the new data.

(2) When changing a MASL line you may desire to blank certain fields. (For example, if change is to assign footnote code NN, data applicable to the item for lead time, source of supply, date and MAP Unit Price should be blanked). The fields listed below may be blanked by entering an asterisk (\*) in the right most column of the field.

**(a) Materiel MASL Lines**

*Column*

- 2-3 Footnote Code
- 51 Source of Supply
- 61 Lead Time
- 62-64 Date
- 63-72 Acquisition Unit Price (may be blanked only if there is a MAP unit price)
- 73-80 MAP Unit Price (may be blanked only if the footnote code is NN and there is an acquisition price).

**(b) Training MASL Lines**

*Column*

- 2-3 Duration
- 52-58 Prerequisite course number
- 59-72 Service Identification Number

**d. Deletions**

To delete an existing line from the MASL, the following fields must be completed:

*Column*

- 1 Card Code
- 7 Action Code "D"

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- 8-18 Item Identification Number
- 19-21 Generic Code
- 51 Control Code (Training only)

Leave all other columns blank. Submit a conversion card where a substitute or replacement item is known.

**e. MASL Conversion (Cards E and F)**

Paragraph 6.b. explains the use of MASL conversion data in the DSAA program/MASL Match procedures. Following is an explanation of card layout and instructions for submitting conversion data:

Card Column	Data	Explanation
1	Card Code	An "E" is used to indicate a conversion card for materiel and services (other than training) and "F" is used for training.
2-3	Blank	Leave blank.
4-6	MRI or EXA	Punch the MILSTRIP routing identifier of the <i>old</i> materiel line or the execution agency identifier code of the <i>old</i> training line, as it appears in the MASL.
7	Blank	Leave blank.
8-10	Generic Code	Punch the generic code of the <i>old</i> program line as it appears in the MASL.
11	Blank	Leave blank.
12-23	GP CL Item Number (Col 16 blank)	Punch the group, class and item identification number of the <i>old</i> program line being converted, as it appears in the MASL.
24-26	Blank	Leave blank.
27-29	MRI or EXA	Punch the MILSTRIP routing identifier of the <i>new</i> materiel line or the execution agency identifier of the <i>new</i> training line as it appears in the MASL.
30	Blank	Leave blank.
31-33	Generic Code	Punch the generic code of the <i>new</i> line as it appears in the MASL.
34	Blank	Leave blank.
35-46	GP CL Item Number (Col 39 blank)	Punch the group, class and item identification number of the <i>new</i> program line as it appears in the MASL.
47-49	Blank	Leave blank.
50-51	Reason for Change	Punch M2 or M3 as appropriate (see Appendix A).
52	Blank	Leave blank.
53	Change Originator	Punch the change originator code of the Military Department submitting the card (see Appendix A).
54	Blank	Leave blank.
55	Control Code	Identifies the MASL file of the program line being converted (reference paragraph 4).
56-80	Blank	Leave blank.

**CARD FORMATS**  
**MILITARY ARTICLES AND SERVICES (MASL)**

<b>CARD 1</b>		
CARD CODE		1
FOOTNOTE		2
MILSTRIP ROUTING IDENTIFIER		3 4
ACTION CODE		6
GROUP	ITEM IDENTIFICATION	7
CLASS		8
CLASS		9 10 11 12
ITEM IDENT. NUMBER		18 19
GENERIC CODE		21
CLASSIFICATION		22
UNIT OF ISSUE		23 24 25
DESCRIPTION		
LEAD TIME		50
BLANK		51
CONTROL CODE		52
SELECTED ITEM CODE		53 54 55
BLANK		
SOURCE OF SUPPLY		60 61 62
DATE		64 65
ACQUISITION UNIT PRICE		
MAP UNIT PRICE		72 73
		80

**MATERIEL AND SERVICES**  
**(Other than training)**

<b>CARD 2</b>		
CARD CODE		1
DURATION (WEEKS)		2 3 4
EXECUTION AGENCY IDENTIFIER		6
ACTION CODE		7
GROUP	ITEM IDENTIFICATION	8
CLASS		9 10 11 12
CLASS		
ITEM IDENT. NUMBER		18 19
GENERIC CODE		21
CLASSIFICATION		22
UNIT OF ISSUE		23 24 25
DESCRIPTION		
CONTROL CODE		50 51 52
PREREQUISITE COURSE NUMBER (ITEM IDENT. NUMBER)		58 59
SERVICE IDENTIFICATION NUMBER		
MAP UNIT PRICE		72 73
		80

**TRAINING**

<i>Card Code</i>	<i>Explanation</i>
6	Approval Card (Training).
8	Performances Card (Delivery/Expenditure-Materiel and Services Other Than Training).
Ø	Performance Card (Obligations/Expenditure-Training).
E	Conversion Card (Materiel and Services Other Than Training).
F	Conversion Card (Training).
G-O	MASL Trailer Card (Materiel and Services Other Than Training).
P	Increase/Decrease/Other Data Element Change Card (Materiel and Services Other Than Training).
Q	Increase/Decrease/Other Data Element Change Card (Training).
R	Program Deletion (All Articles and Services).

**4. Change Originator Code**

The change originator code identifies the organization originating a change (add, change, or delete card) to the DSAA master program file. When changes originated by a MAAG or Unified Command are required to be submitted through a Military Department, the MAAG or Unified Command will enter its own change originator code. The Military Department will alter the change originator code. The Military Department will alter the change originator code to A, N or F as appropriate prior to forwarding the card to DSAA.

<i>Code</i>	<i>Program Change Originator</i>
B	MAAG (Army).
P	MAAG (Navy).
D	MAAG (Air Force).
K	MAAG (Marine Corps).
A	Department of the Army
N	Department of the Navy.
F	Department of the Air Force (AFLC).
S	DSAA.
U	Unified Command.
J	Department of the Air Force (Hqs).

**5. Classification Code**

The classification code used in MASL cards indicates the security classification of articles and services for guidance in complying with

national disclosure policy and military department security regulations:

<i>Code</i>	<i>Classification</i>
T	Top Secret.
S	Secret.
C	Confidential.
U	Unclassified.

**5.1 Commercial Item**  
(See paragraph 8, below).

**6. Commitment Code**

The following numeric codes describe the U.S. commitment, by type (see definition) for each article and service programmed:

<i>Code</i>	<i>Commitment</i>
Ø	No U.S. commitment involved.
2	The U.S. commitment involves the furnishing of this specific article or service but is such that price, source, and required delivery date adjustment can be made in the normal manner should they occur.
3	The U.S. commitment involves the furnishing of this specific article or service and requires that no adjustment be made in price, source, or required delivery date.
4	No U.S. commitment involved. Specific DOD or Military Department instructions involve the initial programming of this specific article or service at a MAP unit price other than that stated in the MASL. This unit price may be adjusted at a later date pursuant to supply execution action.
5	The U.S. commitment requires that this article of service must be furnished on or before the required delivery date. Price and source adjustments can be made in the normal manner.
6	No U.S. commitment involved. This article or service is not to be delivered prior to the required delivery date.

**7. Communications/Ancillary Item/CSP Code**

This code is used in column 54 of Program Data Cards to alert supplying agencies that specific items of communications or other ancillary equipment are not to be shipped directly to the recipient country/activity, but are to be mounted on or installed in a major piece of equipment also programmed for the recipient. In addition, the code identifies the major items of equipment which are to have separately programmed CSP, and/or com-

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munications or ancillary equipment installed prior to delivery. Codes are as follows:

Code	Explanation
A	Communications or other ancillary equipment to be mounted on or installed in a major piece of equipment prior to shipment of the latter.
M	This piece of equipment should have separately programmed communications or other ancillary equipment installed prior to shipment.
N	This piece of equipment should have CSP separately programmed.
P	This piece of equipment should have separately programmed CSP, and communications or other ancillary equipment installed prior to shipment.

### 8. Condition Code

a. Column 53 is utilized as a dual purpose field for commercial items and condition codes. Condition codes are used when items are available as excess defense articles. Codes reflect the degree of serviceability, condition, and completeness in terms of readiness for issue and use. When commercial items are programmed in dollar lines or as "each items" a numeric "1" will be punched in card column 53.

Code	Title	Explanation
A	Serviceable (issuable without qualification).	New, used, repaired, or reconditioned materiel which is serviceable and issuable to all customers without limitation or restriction.
B	Serviceable (issuable with qualification).	New, used, repaired, or reconditioned materiel which is serviceable and issuable for its intended purpose but which is restricted from issue to specific units, activities, or geographical areas by reason of its limited usefulness or short service life expectancy.
C	Serviceable (Priority Issue).	Items which are serviceable and issuable to selected customers, but which must be issued before condition A and B materiel to avoid loss as a usable asset.
D	Serviceable (test modification).	Serviceable materiel which requires test, alteration, modification, conversion or disassembly.

E	Unserviceable (limited restoration).	Materiel which involves only limited expense or effort to restore to serviceable condition and which is accomplished in the storage activity.
F	Unserviceable (reparable).	Economically reparable materiel which requires repair, reconditioning or overhaul.
G	Unserviceable (incomplete).	Materiel requiring additional parts or components to complete the end item prior to issue.
H	Unserviceable (condemned).	Materiel classified by inspection, teardown analysis or engineering decision to be uneconomically reparable and of no value to the Government, except for value of material content.
J	Suspended (in stock).	Materiel in stock which has been suspended from issue pending condition classification or analysis, where the true condition is not known.
1		A numeric 1 will be used to identify all commercial items programmed.

b. Column 53 is also utilized for excess defense articles (EDA) located overseas or CONUS.

M	EDA located overseas not to be charged to MAP funds.
P	EDA located overseas, the Congressional limitation has been exceeded; therefore, MAP funds are to be returned to U.S. Treasury.
R	EDA located in CONUS, MAP funds are to be returned to U.S. Treasury.

### 9. Cost Code

The following codes identify the program cost categories used to provide a general indication as to what part of each annual program is necessary to operate and maintain the force capability and what part will increase the force capability:

Code	Cost Category
I	Investment Cost—The term "Investment Cost" (Code I) is used to identify equipment, supplies, and services that will improve the forces' capabilities and includes such items as initial unit equipment, reserves of equipment and ammunition, con-

current spares and initial stockages of spare parts, replacement of obsolescent equipment to include that lost through attrition, overhaul and rebuild of equipment prior to initial issue, construction, equipment installed in facilities, projects such as communications systems, programmed as dollar value lines to facilitate implementation, and training associated with the introduction of new equipment or an improved capability.

O ----- Operating Cost—The term "Operating Cost" (Code O) is used to identify equipment,

supplies, and services needed to train, operate, and maintain forces in being and includes such items as spare parts other than initial stockages, ammunition and missiles used in training or to replace such items consumed in training and operations, rebuild and overhaul (excludes 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 administration.

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II. COUNTRIES IN ALPHABETICAL ORDER (CONT)

Country	Code	Unified Command Cognizance	Congressional Grouping	Country	Code	Unified Command Cognizance	Congressional Grouping
				Panama	PN	SO	AR
				Paraguay	PA	SO	AR
Guyana	BG	SO	AR	Peru	PE	SO	AR
Haiti	HA	SO	AR	Philippines	PI	PA	EAP
Honduras	HO	SO	AR	Portugal	PT	EU	EUR
Iceland	IL	EU	EUR				
India	IN	PA	NESA	Rwanda	RW	EU	AFR
				San Marino	SM	EU	EUR
Indochina	IC	PA	EAP	Saudi Arabia	SR	EU	NESA
Indonesia	ID	PA	EAP	Senegal	SK	EU	AFR
Iran	IR	EU	NESA	Sierra Leone	SL	EU	AFR
Iraq	IQ	EU	NESA				
Ireland	EI	EU	EUR	Singapore	SN	PA	EAP
				Somalia	SO	EU	AFR
Israel	IS	EU	NESA	South Africa	UA	EU	AFR
Italy	IT	EU	EUR	Southern Yemen	YS	EU	NESA
Ivory Coast	IV	EU	AFR	Spain	SP	EU	EUR
Jamaica	JM	SO	AR	Sri Lanka (Ceylon)	CE	PA	NESA
Japan	JA	PA	EAP	Sudan	SU	EU	AFR
				Swaziland	WZ	EU	AFR
Jordan	JO	EU	NESA	Sweden	SW	EU	EUR
Kenya	KE	EU	AFR	Switzerland	SZ	EU	EUR
Korea (Seoul)	KS	PA	EAP	Syria	SY	EU	NESA
Kuwait	KU	EU	NESA				
Laos	LA	PA	EAP	Tanzania	TZ	EU	AFR
				Thailand	TH	PA	EAP
Lebanon	LE	EU	NESA	Togo	TO	EU	AFR
Lesotho	LT	EU	AFR	Tonga	TN	PA	EAP
Liberia	LI	EU	AFR	Trinidad & Tobago	TD	SO	AR
Libya	LY	EU	AFR				
Lichtenstein	LS	EU	EUR	Tunisia	TU	EU	AFR
				Turkey	TK	EU	NESA
Luxembourg	LX	EU	EUR	Uganda	UG	EU	AFR
Malagasy Rep.	MA	EU	AFR	United Kingdom	UK	EU	EUR
Malawi	MI	EU	AFR	Upper Volta	UV	EU	AFR
Malaysia	MF	PA	EAP				
Maldivo Islands	MV	EU	NESA	Uruguay	UY	SO	AR
				Venezuela	VE	SO	AR
Mali	RM	EU	AFR	Vietnam (Saigon)	VS	PA	EAP
Malta	MT	EU	EUR	Western Samoa	WS	PA	EAP
Mauritania	MR	EU	AFR	Yemen	YE	EU	NESA
Mauritius	MP	EU	AFR				
Mexico	MX	SO	AR	Yugoslavia	YU	EU	EUR
				Zambia	ZA	EU	AFR
Monaco	MN	EU	EUR	Zaire (formerly Congo-Kinshasa)	CX	EU	AFR
Morocco	MO	EU	AFR				
Nepal	NP	PA	NESA				
Netherlands	NE	EU	EUR				
New Zealand	NZ	PA	EAP				
Nicaragua	NU	SO	AR				
Niger	NK	EU	AFR				
Nigeria	NI	EU	AFR				
Norway	NO	EU	EUR				
Pakistan	PK	PA	NESA				

Note:

- EU —European Command
- PA —Pacific Command
- SO —Southern Command
- AFR —Africa Region
- AR —American Republics Region
- EAP —East Asia & Pacific Region
- EUR —European Region
- NESA—Near East & South Asia Region



**11. CRA Code**

All program lines must contain a CRA code. The CRA codes listed below indicate that amount of "Continuing Resolution" funds required to preclude disruption of essential activities of a continuing nature. These codes are used in conjunction with Funding Priority Codes to determine: (a) the Program lines to be funded, and (b) the percentage of each line to be funded. Materiel lines will not be divided by the Unified Commands for the purpose of expressing incremental CRA requirements. Training "each" lines must contain the code Ø.

Code	Amount Required
Ø	None
1	10%
2	20%
3	30%
4	40%
5	50%
6	60%
7	70%
8	80%
9	90%
T	Total

**12. Customer Within Country Code**

A one-digit alphabetic or numeric MILSTRIP code that identifies the final recipient and port of discharge within the country. The current listing contained in the following Military Department implementations of MILSTRIP will be used:

Department	Directive
Army	Army Regulation No. 725-50
Navy	NAVSUP Publication 437 "MILSTRIP/MILSTRAP"
Air Force	DOD 4140.17-M

This code is not required in program data for those program lines for which requisitions will be submitted by the recipient country/MAAG. It is essential that it be entered for all other materiel line items to ensure shipment to the proper in-country destination.

**13. Funding Priority Code**

The Funding Priority code identifies the order in which items and services (or groups

of interrelated items and services) are to be funded in the event limited funds are available. All program lines other than training and supply operations must contain this code. The code consists of two alphabets indicating the sequence of funding, for example:

Funding Priority	Code
1	AA
2	AB
3	AC
26	AZ
27	BA

**14. End Use Code**

The following codes identify (where applicable) end uses for which the articles and services are programmed:

Code	Description
A	Naval Defense Forces (CINCSO only)
B	Civil Action
C	Internal Security
E	Western Hemisphere Defense

**15. Excess Offer Number Code**

This code is used to identify MIMEX transactions in the MAP Order-Program directive documents and other EDP listings provided by DSAA. The code is punched in Card Columns 60-64 by Unified Commands to identify the military department MIMEX offer number or Defense Property Disposal Service (DPDS) listing or flyer number when submitting program card formats 3 and 5. Codes are as follows:

Card Col	Codes
Card Col 60	Punch "A" for Army "N" for Navy "F" for Air Force "D" for DLSC Flyer "L" for DLSC Listing
Card Col 61-64	Punch serial number of offer by military department or flyer/listing number assigned by DPDS. Right Justify; zero fill the card field.

Examples:

- Army MIMEX offer 194—Key Punch AØ194
- DPDS Listing 71/D-11—Key Punch LØØ11
- DPDS Flyer IDF-Ø398—Key Punch DØ398

This card field is used in the EDA money value card to cross reference the RCN number of the quantity EDA card.

Columns 60-64 may also be used to identify Issue/Priority/Required Delivery Date. (See para 20).

**16. Execution Agency Identifier Code**

A three digit code used with training program lines to identify the military depart-

ment (unless OSD, AID, or State) providing the training, the funding command or agency, and the school or training activity at which training is expected to be performed, as follows:

Program Originator codes determine the content of, and page breaks in, information copies of MAP Orders mailed to MAAGs and Unified Commands. Therefore, the use of P.O. Code S in country programs will be limited to lines showing distributed Supply Operations Costs (LOO) and Credit Sales Financing (Budget Activity S). P.O. Code S will be used as indicated above and for program lines originated by DSAA in activity accounts.

**27. Program Year Code**

The Program Year is a two-digit numeric code appearing in all data cards. It reflects the fiscal year in which the item is programmed or to be programmed (i.e., planning years).

**28. Record Control Number (RCN)**

A four position alpha/numeric code assigned each program line. The RCN, combined with Country/Activity Code and Program Year, constitutes a unique identification number which is perpetuated on MAP transactions including MILSTRIP documentation. This number is assigned by the Unified Command for all data entries which are their programming responsibility. The first and second digits must be alpha characters and third and fourth must be numeric except where lines are split for partial funding under CRA. When this occurs, the unfunded portion is given the same RCN as the original line except for change of fourth digit to a slash or alpha character, i.e., zero becomes alpha X, one becomes alpha A, two becomes an alpha B, etc. DSAA does not fund these lines with alpha characters, but recombine them with the funded portion having the original RCN.

**29. Selected Item Code**

A one position alpha/numeric character assigned by DSAA and appearing in Column 54 of MASL cards. This code does not appear in program listings and cards produced by DSAA but is contained in the master file record to provide a means for identification

and roll-up of selected items into standard groups or categories for the preparation of summary documents and Congressional data. The selected item code provides the means to perform recode operations in connection with roll-up of program records in the current MASL level of detail to the summary level shown in the Planning Year MASL (Footnote Code P). (See Chapter L.)

**30. Source of Supply Code**

The following codes identify the source from which the supply of the article or service is anticipated:

<i>Code</i>	<i>Explanation</i>
B	Barter: From MAP-owned assets transferred to the U.S. as repayment in accordance with the provisions of Section 509 of the Foreign Assistance Act of 1961, as amended.
E	Excess: From stocks excess to Military Department/Defense Supply Agency requirements, supplied with MAP reimbursement to U.S. Treasury, except for \$150 million of excesses located overseas. Cost of repair and rehabilitation will be a reimbursement to the Military Department.
F	Foreign: For Grant Aid, from procurement offshore financed with foreign currencies made available under Sections 402 and 502 of PL 665, 83rd Congress, and Section 104 (c) of PL 480, 83rd Congress. For Sales, from procurement offshore financed by direct citation of MAP-owned foreign currency received as repayment in accordance with the provisions of Section 508 of the Foreign Assistance Act of 1961, as amended.
I	Special: From special procurement solely for MAP, financed by direct citation of MAP funds. Also used to identify services to be financed by direct citation of MAP funds.
J	Army Depot, Japan: From MAP-owned assets at the U.S. Army Depot Command, Japan.
K	Procurement or Replacement: Items will be assigned this code: <ol style="list-style-type: none"> <li>(1) When they are to be provided from Military Department procurement financed initially by Military Department appropriations.</li> <li>(2) When they are to be furnished from Military Department or DSA inventories, and procurement is required to replace such items. MAP items will be included in this category despite the fact that the items planned for procurement to replace the MAP delivery will be in terms of the latest model (preferred item). Thus ("Replacement in Kind" covers replacement of an</li> </ol>

## MILITARY ASSISTANCE AND SALES MANUAL—PART II

<i>Code</i>	<i>Explanation</i>
	item with the same model item, or a replacement of an acceptable substitute with a preferred item.
	Resources obtained from the sale of this material will be available to finance the Military Department or DSA reimbursable budget plan as it is classified for the budget document.
L	Replacement Not in Kind: This category will include those items which are to be provided to MAP on a reimbursable basis but when delivered to MAP are not planned to be replaced in inventories of the Military Department or DSA by the same model item or modern version. Funds received from the sale of such items will be available to finance the Military Department or DSA direct budget plan as it is classified for the budget document.
N	NAMSO/NHPLO: From the NATO Maintenance and Supply Organization or NATO Hawk Production and Logistics Organization. (Financed by direct citation of MAP funds).
O	Offshore Procurement: From special procurement offshore (outside the United States, its possessions, and Puerto Rico) for the MAP. Accompany program change cards with narrative justifications required by DOD Directive 2125.1.
R	Redistribution: From redistribution of MAP-supplied assets excess to holding country requirements.
S	F104G MAP Spares Depot: From MAP-owned assets of spares and spare parts peculiar to F104G aircraft located at Sacramento Air Materiel Area.
T	Transfer: From MAP-owned assets (other than those coded "B", "J" or "S") transferred from a MAP ownership account.
Z	Assigned by DSAA only. Used to reflect negative dollar adjustments to country programs to: <ol style="list-style-type: none"> <li>(1) Identify the value of the country payment (share) of a combination grant/sales package when the package is programmed and managed under grant aid procedures without identification of any specific items in the package as "sales" items (e.g., Japan); or</li> <li>(2) Reflect the portion of the total program represented by progress payments made prior to 1 July 1963 for programmed items included in the 30 June 1963 undelivered balance.</li> </ol>

### 31. Spare Parts, AGE, and Equipment Attachment Codes

The following codes are used when programming concurrent spare parts (CSP)

packages, aerospace ground equipment (AGE) packages, or equipment attachments for certain engineer equipment:

<i>Code</i>	<i>Description</i>
A	Aerospace Ground Equipment (AGE)
E	Equipment Attachment
N	Concurrent (Initial Issue) Spare Parts (CSP)

Chapter F gives complete instructions for entry of these codes in program cards.

### 32. Special Supply Procedure Code

A one character alpha code used in column 34 of program cards for MAP materiel which signifies application of a special supply procedure and/or a different and unusual reporting procedure.

<i>Code</i>	<i>Definition</i>
A	A MIMEX transaction. Indicates item is on refined shortfall list.
C	This line is included in a government-to-government commitment.
D	Items programmed with Source of Supply "T" (from MAPOM which were part of the MAPOM inventory on 30 June 1963.
J	Item was located in Philippines prior to delivery.
K	Equipment transferred to the Republic of Korea under PL 91-652 at no cost to MAP.
P	A PAMEX (PURA) transaction.
R	Item was located in Thailand prior to delivery.
S	A SIMEX transaction.
T	A MIMEX transaction. Indicates item is on the country gross shortfall but is not included on the refined shortfall list.
V	Item was located in South Vietnam prior to delivery.
X	A MAPEX transaction

### 33. Status Code

Codes used by DSAA to indicate the following approval, funding, or deferral action:

<i>Code</i>	<i>Description</i>
A	Approved requirement. Implementation is not authorized until a MAP order is issued and financed.
B	Deferred by Office of Management and Budget.
C	Deferred by Unified Command.
D	Deferred by OSD.

<i>Code</i>	<i>Description</i>
F .....	Funded requirement which has been released via MAP Order for supply implementation.
S .....	Deferred by Department of State/AID.
U .....	Item posted to master program file indicating a requirement over and above the ceiling of the program currently approved by the Secretary of Defense.

**34. Student Availability Code**

Indicates the quarter in which a student is to begin his initial course. Codes used are 1-5, representing the 5 quarters used in the MAP training year. This code is located in the System Identifier field.

**35. Student Code**

A single alphabetic code designating the civilian or military category of students, as follows:

<i>Code</i>	<i>Student</i>
S .....	Senior Officer
O .....	Officer
E .....	Enlisted
C .....	Civilian
I .....	Interpreter—Officer
J .....	Interpreter—Enlisted
D .....	DOD Engineering and Technical Training Services. This code is used in Field Training Services (Budget Project N3) program lines to indicate that the service will be provided by military or direct hire civilian personnel of the Department of Defense. It distinguishes such services from those provided by Contractor Technical Services Personnel.

**36. System Identifier Code**

A single digit alphabetic or numeric code used in column 70 of program change cards. Use of the system identifier code is optional; it is used normally by Unified Commands and MAAGs for special purpose identification of a "package" of items which are in some special way related to one another. Any one of the full range of alphabetic or numeric digits may be used to identify a given "package."

Training lines may reflect student availability.

**37. Training Course Duration Code**

The duration code is a two-position alphanumeric code, which appears in MASL card 2, Program cards 4 and Q, and indicates where applicable, the course length for formal training, expressed in weeks in the case of students and teams and man months in the case of Contractor Technical Service Personnel (CTSP). Courses in excess of 99 weeks are coded as follows:

A <del>A</del> -A9 .....	100-109
B <del>B</del> -B9 .....	100-119
C <del>C</del> -C9 .....	120-129

When the duration in the MASL card 2 is code "VA" (variable), it signifies that the training line item has a non-specific variable duration which should be determined separately.

**38. Type of Assistance Codes**

This code is used in the MILSTRIP system to distinguish between various types of U.S. Military Assistance transactions. The code is used to distinguish the various types of Military Assistance, as well as to identify certain Military Assistance requirements programmed under special financing (e.g., Code "C" and "H") or supply (e.g., Codes "K," "L," and "N") arrangements. Codes used to identify the various types of Military Assistance are as follows:

<i>Code</i>	<i>Type of Assistance</i>
1 .....	Grant Aid rendered under the authority of the Foreign Assistance Act of 1961, as amended for which the United States receives no reimbursement.
2 .....	Grant Aid rendered under special Presidential Determination.
9 .....	Grant Aid Military Assistance Exchange Programs (Public Law 87-195, as amended (For use in Weapons Production Programs, etc.) (Army only).
C .....	Presidential determination to order defense articles from stock and performance of defense services to satisfy Grant Aid requirements with reimbursement from subse-

## MILITARY ASSISTANCE AND SALES MANUAL—PART II

<i>Code</i>	<i>Type of Assistance</i>
	quent military assistance appropriations. (Section 506 FAA of 1961, as amended).
H .....	Grant Aid share of cost sharing agreements.
K .....	Grant Aid of MAP owned assets obtained through barter arrangements with Federal Republic of Germany (used in conjunction with Source of Supply Code "B" only).
L .....	Grant Aid provided through the NATO Hawk Production and Logistics Organization (NHPLO) for maintenance support of Hawk Missile system (used in conjunction with Source of Supply Code "N" only).
N .....	Grant Aid of articles or services available as a result of liquidation of MAP's investment in the spare parts stock of the NATO Maintenance Supply Organization (NAMSO).
P .....	Grant Aid programs which have been transferred to the Department of Defense budget, but which are controlled and implemented through the MAP documentation and ADP systems.
R .....	Grant Aid of U.S. recovered materiel resulting from liquidation of NAMSA excess stockage.
S .....	Used to identify service funded Free World Military Assistance Forces training (not used in materiel lines nor transposed to MILSTRIP documents, since this code has a different meaning in the MILSTRIP system).
T .....	Used to identify EDA located overseas in the EDA actual value card.

### *Type of Assistance Codes used in other than Military Assistance transactions:*

A .....	Foreign Civilian Aid—Civilian information and education (SEE) (Army only).
B .....	Funds to be provided by Agency for International Development (AID). (Army only).
F .....	Training provided as a part of an FMS case. This data is maintained in the DSAA Grant Aid data base purely as a service to assist the

Military Departments in accounting for students/spaces provided under FMS. Not used in MILSTRIP.

### 39. Unified Command Code

Unified Command codes are not contained in MAP EAM cards but are assigned as supplemental data in DSAA records for use in selecting and sorting program data by Unified Command. This code identifies the Unified Command having program responsibility for each MAP recipient, except non-regional, and is the key for segregating ADP listings and feedback card data 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

### 40. Unit of Issue Codes

The following unit of issue abbreviations in the Federal Supply catalog are applicable to Military Assistance:

<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

### 41. Worksheet Control Number (WSCN)

The worksheet control number is a 5 position alpha numeric code in columns 61–65 of program cards 4, Q and R which designates a single item or sequence of training for the Military Departments. The unit position is used to identify cross training which is entered in alphabetical sequence, i.e., 1234Z 1234A, etc. Where no cross training is programmed, the units position is blank.

## CHAPTER A

## 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 and not to use or permit the use of such article for purposes other than those for which furnished unless the consent of the President has first been obtained;

(3) the country or international organization shall have agreed that it will maintain the security of such article and will provide substantially the same degree of security protection afforded to such article by the United States Government; and

(4) the country or international organization is otherwise eligible to purchase defense articles or defense services (see para 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. A summary of the major restraints on FMS and FMS Credits is included under MASM III, Chapter B, Foreign Military Sales Policies, Guidelines and Restrictions, para 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 A-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 A-2. The procedures for the implementation of FMS requests are covered in Chapter D.

b. Except as authorized in Table A-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 para a, immediately above, will be processed as outlined in Chapter D.

Table A-1

FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS ELIGIBLE  
TO PURCHASE DEFENSE ARTICLES AND DEFENSE SERVICES  
UNDER THE AUTHORITY OF THE FOREIGN MILITARY SALES ACT<sup>1</sup>

COUNTRIES

*Africa*

Cameroon	Mali
Dahomey	Morocco
Ethiopia	Niger
Gabon	Nigeria
Ghana	Senegal
Guinea	Tunisia
Ivory Coast	Upper Volta
Liberia	Zaire
Libya	

*Near East and South Asia*

Afghanistan	Nepal
Bahrain	Oman
Greece	Pakistan
India	Qatar
Iran	Saudi Arabia
Israel	Sri Lanka (Ceylon)
Jordan	The United Arab Emirates
Kuwait	Turkey
Lebanon	Yemen Arab Republic

*Europe*

(Less Greece & Turkey)

Austria	Malta
Belgium	Netherlands
Denmark	Norway
Finland	Portugal
France	Spain
Germany	Sweden
(Fed Rep of)	Switzerland
Iceland	United Kingdom
Ireland	(Incl Crown Agents)
Italy	Yugoslavia
Luxembourg	

*Western Hemisphere*

Argentina	Haiti
Bahamas	Honduras
Bolivia	Jamaica
Brazil	Mexico
Canada	Nicaragua
Chile	Panama
Colombia	Paraguay
Costa Rica	Peru
Dominican Republic	Trinidad and Tobago
Ecuador	Uruguay
El Salvador	Venezuela
Guatemala	

*Far East*

Australia	Laos
Brunei	Malaysia
Burma	New Zealand
Cambodia	Philippines
China, Rep. of	Singapore
Indonesia	Thailand
Japan	Vietnam, Rep of
Korea, Rep of	

*International Organizations*

North Atlantic Treaty Organization (NATO)  
and its agencies

Organization of American States (OAS)

United Nations (UN) and its agencies to in-  
clude International Civil Aviation Organiza-  
tion (ICAO)

1. As of 13 December 1973



Change 1,  
1 July 1974

Table A-2<sup>1</sup>

APPROVAL REQUIREMENTS FOR THE PURCHASE OF  
DEFENSE ARTICLES AND DEFENSE SERVICES

Eligible Country	Category <sup>2</sup>		Authorized <sup>3</sup> 120-day payment	Authorized <sup>4</sup> direct arrangements for dependable undertakings	Authorized <sup>5</sup> receipt DSA excess property listings	Emergency Pro- cedures or Special Instructions
	Maintenance support items for materiel of US origin	Major or capital end items				Unique to Par- ticular Country, Countries, or Region also apply
<i>African Countries<sup>2</sup>:</i>						
Cameroon	A	B	—	—	—	—
Dahomey	A	B	—	—	—	—
Ethiopia	A	B	—	—	X	—
Gabon	A	B	—	—	—	—
Ghana	A	B	—	—	—	—
Guinea	A	B	—	—	—	X
Ivory Coast	A	B	—	—	—	—
Liberia	A	B	—	—	X	—
Libya	B	B	—	—	—	X
Mali	A	B	—	—	—	—
Morocco	A	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 Countries<sup>2</sup>:</i>						
Argentina	A	B	X	X	X	—
Bahamas	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	—

MILITARY ASSISTANCE AND SALES MANUAL—PART III

Table A-2<sup>1</sup>

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

<i>Eligible Country</i>	<i>Category<sup>2</sup></i>			<i>Authorized<sup>3</sup> 120-day payment</i>	<i>Authorized<sup>4</sup> direct arrangements for dependable undertakings</i>	<i>Authorized<sup>5</sup> 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	X
El Salvador	A	B	X	X	X	X	X
Guatemala	A	B	X	X	X	X	—
Haiti	A	B	X	X	X	X	—
Honduras	A	B	X	X	X	X	X
Jamaica	A	B	—	—	—	—	—
Mexico	A	B	X	X	X	X	—
Nicaragua	A	B	X	X	X	X	—
Panama	A	B	X	X	X	X	—
Paraguay	A	B	X	X	X	X	—
Peru	A	B	X	X	X	X	—
Trinidad and Tobago	A	B	—	—	—	—	—
Uruguay	A	B	X	X	X	X	—
Venezuela	A	B	X	X	X	X	—
<i>International Organizations:</i>							
NATO (North Atlantic Treaty Organization and its agencies)	A	A	X	X	X	X	—
Organization of American States (OAS)	A	B	—	—	—	—	—
United Nations and its agencies to include International Civil Aviation Organization (ICAO)	B	B	—	—	—	—	—

Table A-2<sup>1</sup>

**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 Sale 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).

FOOTNOTES

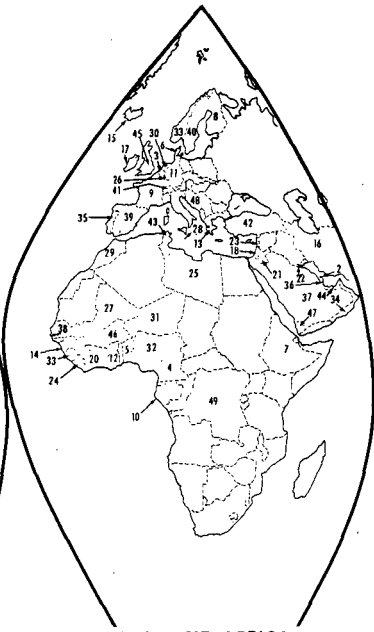
1. As of 13 December 1973.
2. Category A—Country purchase programs and/or requests authorized for submission directly to Military Departments for action.  
Category B—Country purchase programs and/or requests require submission to, and approval of, the Department of State and Department of Defense prior to action within the Military Departments or DSA.  
The "X" denotes authorized; dashes 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 purchase 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.

## COUNTRIES ELIGIBLE FOR FOREIGN MILITARY SALES



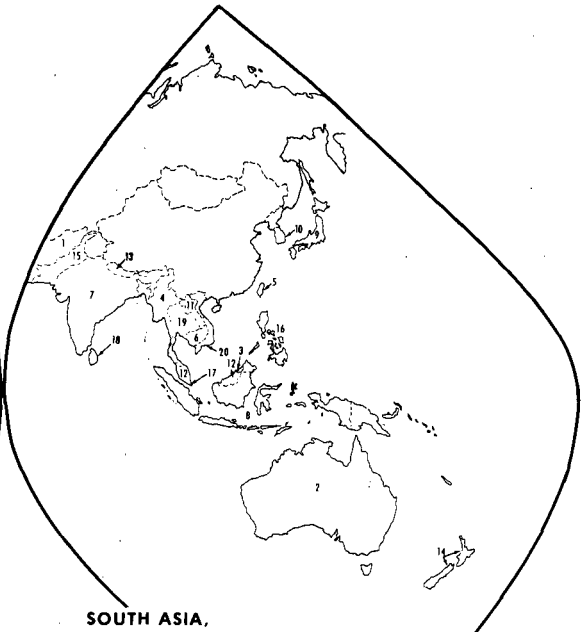
**NORTH & SOUTH AMERICA**

1 Argentina	13 Haiti
2 Bahamas	14 Honduras
3 Bolivia	15 Jamaica
4 Brazil	16 Mexico
5 Canada	17 Nicaragua
6 Chile	18 Paraguay
7 Colombia	19 Panama
8 Costa Rica	20 Peru
9 Dominican Republic	21 Trinidad and Tobago
10 Ecuador	22 Uruguay
11 El Salvador	23 Venezuela
12 Guatemala	



**EUROPE, NEAR EAST AND AFRICA**

1 Austria	18 Israel	35 Portugal
2 Bahrain	19 Italy	36 Qatar
3 Belgium	20 Ivory Coast	37 Saudi Arabia
4 Cameroon	21 Jordan	38 Senegal
5 Dahomey	22 Kuwait	39 Spain
6 Denmark	23 Lebanon	40 Sweden
7 Ethiopia	24 Liberia	41 Switzerland
8 Finland	25 Libya	42 Turkey
9 France	26 Luxembourg	43 Tunisia
10 Gabon	27 Mali	44 United Arab Emirates
11 Germany (Bonn)	28 Malta	45 United Kingdom
12 Ghana	29 Morocco	46 Upper Volta
13 Greece	30 Netherlands	47 Yemen (Sana)
14 Guinea	31 Niger	48 Yugoslavia
15 Iceland	32 Nigeria	49 Zaire
16 Iran	33 Norway	
17 Ireland	34 Oman	



**SOUTH ASIA,  
EAST ASIA AND PACIFIC**

1 Afghanistan	11 Laos
2 Australia	12 Malaysia
3 Brunei	13 Nepal
4 Burma	14 New Zealand
5 China (Taipei)	15 Pakistan
6 Cambodia	16 Philippines
7 India	17 Singapore
8 Indonesia	18 Sri Lanka
9 Japan	19 Thailand
10 Korea (Seoul)	20 Vietnam (Saigon)

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 100 per cent of the principal amount of the loan and 100 per cent of the interest thereon.

**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

## CHAPTER F

### IMPLEMENTATION OF FMS

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#### 1. Purpose

This chapter of the FMS guidance deals with implementation. Policies and procedures herein are operative subsequent to the establishment of an FMS case. Once an FMS case has been established by completion of a DD Form 1513, Offer and Acceptance, the sale of military materiel and services will be accomplished or implemented according to policies and procedures contained in this chapter and pertinent DOD Directives and Instructions as supplemented by the Military Department concerned.

#### 2. Policies

##### a. FMS Delivery Commitments

The availability data set forth in FMS cases which have been properly accepted and funded by the purchasing country or international organization constitute commitments upon the U.S. Government. Fulfillment of these commitments is an important measure of the good faith of the USG in dealing with its allies in matters of mutual defense. Accordingly, all DOD components shall assure that FMS delivery commitments have been fully coordinated, materiel conforms to the standards set forth in the DD Form 1513, Offer and Acceptance, and can be delivered in the agreed time period. Cases where proposed sales involve the delivery of major equipment which is in relatively short supply or in less than procurement lead time and which the Military Departments determine to be in conflict with U.S. requirements shall be referred promptly to DSAA.

In this manner early awareness of foreign requirements which generate production/delivery conflicts will enable the DOD to

establish the most favorable attainable delivery schedule.

##### b. Use of US Military Logistics System

Implementation of FMS accepted cases will be accomplished by the Military Departments and DOD components as nearly as possible within the existing organizational and procedural structure of the U.S. military logistics system. Use of the DOD transportation system will be only for special cases, i.e., ammunition or by special arrangement on the DD Form 1513.

##### c. Follow-On Logistic Support

Normally, foreign military sales of materiel are made to eligible foreign countries only when the DOD has made or has approved plans to assure logistic support for the expected service life of the equipment. This includes follow-on spares support for equipment sold through FMS under Supply Support Arrangements which will be afforded the same priority as that being provided equivalent U.S. forces performing a comparable mission in the same geographical area. For other follow-on FMS spare parts cases the normal lead time from procurement will apply.

#### 3. Types of Foreign Military Sales

##### a. Standard Foreign Military Sales Cases

Eligible foreign governments may purchase major weapons systems, other major end items, and support from the U.S. Government.

Using this purchasing method, a country normally cannot expect delivery sooner than

permitted by the normal production procurement lead time. This sales procedure is also used to provide training or any service. These sales may include open-end repair parts cases, direct requisitioning, publications, quality assurance, maintenance cases, etc. The country should be made fully aware of the normally longer lead time and higher procurement costs of non-SSA sales as compared to Supply Support Arrangements.

**b. Supply Support Arrangement Sales Cases**

(1) Supply Support Arrangements (SSA). DOD Instruction 2000.8 prescribes the policies and criteria for establishing such arrangements, which are peacetime military logistics support systems designed to provide responsive and continuous supply support for U.S.-made military materiel possessed by foreign countries. Concurrence of DSAA should be obtained prior to offering a foreign country a Supply Support Arrangement or adding new systems or items to be supported to an existing one.

(2) SSA is normally the most effective medium for providing common repair parts and secondary items support for equipment of U.S. origin which is in allied country inventories. The SSA permits support of the foreign nation from U.S. stocks on an equal basis with comparable U.S. forces having the same mission. This is possible following mutual agreement on the additional on-hand stock required, the funding of this portion of the pipeline by the foreign nation establishing such, and the acceptance of liability for certain accessorial/administrative charges which are incident to the support and the acquisition of the additional on-hand stock required.

(3) The SSA provides for the execution of Foreign Military Sales Orders (FMSO's) covering stockage, consumption, and storage requirements as follows:

(a) FMSO I—Consists of:

1. An Offer and Acceptance (DD Form 1513) covering the estimated dollar value and total initial agreed list of items and quantities to be stocked and maintained on

order from procurement for support of the country's U.S.-furnished equipment. The Offer and Acceptance also covers the estimated annual storage costs for the materiel held in U.S. stocks for the participating country.

(b) FMSO II—A consumption FMSO which encompasses an Offer and Acceptance (DD Form 1513) covering the participating country's estimated withdrawals of materiel from the supply system for an agreed period (normally one year). This is an SSA requisition case, undefined as to items and quantities, reflecting in a dollar amount the estimated consumption for the agreed period and funded quarterly.

(4) Special Instructions—Supply Support Arrangements.

(a) Stock Levels. One of the essentials for effective SSA support is the purchasing country's maintenance of reasonable in-country stock levels as determined by each military department considering experienced order and shipping time. Replenishment of such inventory levels should be based on a demand pattern of nonpriority wholesale-type requisitions.

(b) Support Priority. Requisitions placed by the customer country with the U.S. supply system before U.S. stock levels have been increased, or for items not included in FMSO I, will be filled from existing stocks to the extent that inventory levels are adequate to permit supply without detrimental effect on support of U.S. Forces (i.e. when such issue will not reduce levels below the reorder point). Upon attainment of the increase of U.S. stock levels, support for FMSO I items will be provided with the same responsiveness as for equivalent U.S. forces with the same priority.

(c) Revisions of FMSOs.

1. After the development of sufficient demand history, and at least annually, FMSO I will be revised to include those items required, based upon customer usage experience, to be in the U.S. pipeline. SSAs will include a proviso for the automatic updating of FMSO I to assure stockage of all items essential to the proper maintenance of major equipment. Such additions will be



made by the service responsible for logistic support, based on policies and procedures for the stockage of repair parts and assemblies to support service equipment. To assist in the periodic revision of FMSO I, the supporting service will provide to the customer country a priced listing of the automatic item additions (or proposed additions if the automatic update clause does not appear in the SSA), as well as possible deletions.

2. In the event the country does not agree to additions to FMSO I, future requests for such items will not be handled as an SSA requisition, but will await delivery from new procurement unless, in the opinion of the Inventory Control Point (ICP), stock levels are sufficiently above the reorder point to permit supply without detracting from the support of U.S. forces and the other SSA countries. If the number of items in the category is significant, the Military Department should terminate action and offer the country as a substitute an open-end FMS case.

3. The FMSO I will also be revised at the beginning of each year to fund storage.

4. The FMSO II will be closed at the end of each year, at which time a new consumption Sales Order will be established, based on demand history or planned operations.

(d) Administrative Charges and Billing Procedures

1. DOD Directives/Instructions 2110.29, 2140.1, 2140.3 and 7510.4 delineate policies and procedures for funding, accounting and costing of FMS. The purpose of this paragraph is to highlight certain existing guidance in the costing and billing of SSA sales.

2. As significant overhead costs are incurred by U.S. forces in providing services under SSAs, the following administrative

charges in addition to accessorial costs shall be included in the billing of SSA sales:

a. FMSO I. Customer countries will be billed for the actual value of the quantities of materiel on hand. The 5% administrative charge will be added to this billing. Materiel continuously on order will be handled as a dependable undertaking. Neither materiel nor administrative charges are assessed against the latter increment until ultimate delivery to the U.S. supply system in a terminal transaction. Charges for storage will be based on a 1.5% annual assessment against the estimated average inventory value. Assessment charges may be billed quarterly or annually at the option of the billing service.

b. FMSO II. Charges for anticipated inventory replacement based on expected usage will be levied quarterly or as mutually agreed for FMSO II orders, and will be collected in advance. Such collections will include the 5% administrative charge.

(5) Obsolete and Excess Stocks

(a) If an item becomes obsolete or excess to the customer country but not to U.S. requirements, the country may request cancellation of the FMSO I item, applying its equity to subsequent orders for other items. If the U.S. does not agree to the cancellation, the country will, upon request, withdraw the quantity, or arrange for the U.S. to dispose of such materiel, with the net proceeds to be credited to the country account.

(b) If an item becomes obsolete or excess to U.S. but not customer country requirements, the U.S. may request the country to withdraw its materiel equity from U.S. stocks. The country may purchase additional quantities of such items from existing U.S. stocks at a fair value computed in accordance with DOD Instruction 2140.1 plus

applicable accessorial and administrative charges. The country may, with the approval of the U.S., place a final order for spares in sufficient range and quantity to support the equipment for its probable remaining useful life. Military Departments will alert countries to anticipated U.S. equipment phase-outs to permit a timely and orderly final procurement of spares.

(c) If an item becomes obsolete or excess to the requirements of both the customer country and the U.S., the country will, upon request, withdraw its materiel from U.S. facilities. Alternatively, at the request of the country, the U.S. will dispose of such materiel and credit the country with its proportionate share of the net proceeds.

(6) Repurchases. Upon request of the U.S., the customer country will, to the extent compatible with its supply requirements, sell to the U.S. items which have been previously delivered under the SSA. Such repurchases will be made at a fair price (based on DOD Directive 2140.1) mutually agreed upon, which will not in any case exceed the price at which the item was sold to the country, plus the cost of any modification costs and accessorial charges. Transportation in such cases will be furnished by the U.S.

#### **4. Requisition Procedures**

##### **a. Use of MILSTRIP**

(1) Standard Items. Once an FMS case has been established and funded, MILSTRIP requisitions may be initiated either by the customer country or by a designated military component. For standard materiel items, requisitions will be prepared in MILSTRIP format by the military service, or will be converted to MILSTRIP format by the Military Service Requisition Control Office (RSO). Service designated RCOs are:

Army—International Logistics Center,  
New Cumberland, Pa.

Navy—Navy International Logistics  
Control Office (NAVILCO), Bayonne,  
New Jersey.

Air Force—Air Force Logistics Com-  
mand, Wright-Patterson AFB, Ohio.

RCOs will verify MILSTRIP requisitions prepared by countries prior to introduction into the U.S. logistics system. Supply and shipment status will be provided in accordance with MILSTRIP procedures.

(2) Non-standard Items. Although customer countries are encouraged to procure materiel which is standard to the U.S. Armed Forces, non-standard equipment may be requisitioned after mutual agreement with the military department concerned. Such requisitions, as well as requisitions for services (e.g., training, etc.), will be in a letter format rather than under MILSTRIP procedures.

##### **b. UMMIPS**

(1) The Uniform Military Priority System (UMMIPS), as delineated by DOD Instruction 4410.6, is applicable to all requisitions. Force Activity Designators (FADS) are established by the JCS for all customer countries. Component activities will take the necessary steps to assure that participating foreign countries are properly instructed in the establishment of the Issue Priority Designator. RCOs, and MAAGs, if they process FMS requisitions, will verify country established Issue Priority Designators to assure accuracy.

(2) Erroneous designators will be corrected by the reviewing activity. Doubtful cases will be referred to the appropriate U.S. or customer country representative for clarification or correction.

##### **c. Delivery Commitment Date (DCD)**

(1) The DOD is the date negotiated in the DD Form 1513 for complete delivery of the total quantity of the line item. In application within the FMS reporting system, the DCD is identified as a delivery commitment through use of a three digit numeric code, the first two representing the fiscal year, and the third representing the quarter of the fiscal year.

(2) Proper application of the DCD throughout the supply system clearly establishes the FMS delivery commitment and,

## CHAPTER H

## 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 H-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-

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

### b. Underdeveloped Nation

All nations authorized to procure defense articles and services through FMS procedures not listed in Figure H-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-Exclusiye 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 for reasons other than price. In such cases the foreign government will be advised to negotiate its own price directly with the designated sole-source producer. In those instances where it is impracticable for the foreign government to conduct direct negotiations, the Military Departments will obtain guidance from the Director of the DSAA before negotiating an FMS contract with the designated sole-source producer. The foreign government will not be quoted an option price except in the circumstances set forth in paragraph 4.d. below.

(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. In such case, in addition to the recommendations of the Military Department, a letter from the Minister of Defense or the Deputy Minister of Defense or their equivalents of the purchasing government outlining reasons for not desiring to purchase from the exclusive license shall be obtained and submitted to Director, DSAA.

(2) Any defense item or service on 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, DSAA setting forth their reasons for such a recommendation and a determination for a waiver in the national interest. For items other than

those covered by para. 4.b., the Services are authorized without DSAA waiver to consolidate procurements, both their own and FMS customer requirements, in cases where:

(1) FMS requirements as well as Service requirements are needed to permit an economic order quantity.

(2) The U.S. Government can achieve an economic and/or improved delivery schedule of orders, either in the basic contract or in the exercise of options.

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 H-1.

LIST OF ECONOMICALLY DEVELOPED NATIONS

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ABU DHABI*	KUWAIT-SAUDI ARABIA
AUSTRALIA	NEUTRAL ZONE*
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

## 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. The FMS master file contains delivery and collection status for the current quarter, current fiscal year and cumulative data. These data are entered by the responsible military department by quarterly submission of C (collection) and D (delivery) cards.

c. Quarterly delivery and collection fields will be reset to zero in preparation for the next quarter's deliveries on the dates indicated below:

<i>Fields</i>	<i>New Data</i>	
<i>Blanked</i>	<i>to be Entered</i>	<i>Date Due</i>
1 October	1st Fiscal Quarter	30 October
1 January	2nd Fiscal Quarter	30 January
1 April	3rd Fiscal Quarter	30 April
1 July	4th Fiscal Quarter	30 July

d. Current Fiscal Year delivery for collection fields will be reset to zero in preparation for the next Fiscal Year's data on 1 October each year.

**5.1 Military Articles and Services List (MASL)**

**a. General**

The MASL is maintained by DSAA as a portion of the FMS data base. It contains the FSN and generic code (see Appendix A) of materiel and services available through FMS. As each FMS case is negotiated individually, no price, availability, lead time or source of supply data is established to the MASL. The MASL is used by DSAA during the weekly FMS update as indicated below:

(1) To screen incoming detail (4 and D) cards to ensure correct FSN and generic codes. Detail cards which do not match are rejected and the appropriate Military Department is so notified.

(2) To provide a description of the item for use in subsequent reporting.

(3) To assign a selected item code (see Appendix A) to facilitate subsequent preparation of summary reports.

**b. Maintenance of the MASL**

DSAA utilizes the current MAP (Grant Aid) MASL and any additional line designed uniquely for FMS as the basis for the FMS, MASL. Each Military Department is responsible for the addition of new MASL lines required to validate incoming FMS detail data (see paragraph 5.1 a(1) above). If the line in question is also to be used for MAP programming, data should be submitted in accordance with Chapter L, MASM Part II. New MASL lines designed for FMS use only should be forwarded to the DSAA Comptroller, Attn: Data Systems Branch. DSAA will prepare the necessary card input. Required data elements are: FSN, generic code, description (no more than 26 characters), and unit of issue (see Appendix A).

**6. Preparation of FMS Data Cards**

a. There are ten card formats used in the FMS reporting systems. 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 A 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 "1".	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	10-12	(3)		Must be blank.	
A C	Action Code	13	(1)	Alpha	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
S T	Status Code	17	(1)	Alpha	Must be filled.	Para 34
OFFER YR DAY	Offer Date	18-22	(5)	Numeric	Must be filled. Punch offer date based on DD Form 1513.	Para 27
ACCPT YR DAY	Acceptance Date	23-27	(5)	Numeric	May be blank.	Para 1
IMPLT YR DAY	Implementation Date	28-32	(5)	Numeric	May be blank.	Para 22
ITM CNT	Item Count	33-35	(3)	Numeric	May be blank. If filled, right justify, zero fill to left.	Para 24
DESCRIP- TION	Case Description	36-80	(45)	Alpha/ Numeric/ Special Char- acters	15 characters must be entered. Left justify.	Para 8

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(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 A Reference</i>
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 "A".	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
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. 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

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

Abbreviation Title of Field	Field Name	Column Card	Number Columns in Field	Type of Character	Instruction	Appendix A 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 "C".	Para 7
D						
CC	Country/Activity Code	3-4	(2)	Alpha/ Numeric	Must be filled.	Para 15
I	Implementing					
A	Agency Code	5	(1)	Alpha	Must be filled.	Para 23
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. Enter BØ.	Para 29
CH	Change Code					
	Blank	17-23	(7)		Leave blank.	
CASH	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.	
AMOUNT						
	Blank	33-35	(3)		Must be blank.	
CDT	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.	
AMOUNT						
	Blank	45-47	(3)		Must be blank.	
CDT	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.	
AMOUNT						
	Blank	57-59	(3)		Must be blank.	
CDT	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.	
AMOUNT						
	Blank	69-71	(3)		Must be blank.	
CDT	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.	
AMOUNT						

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**(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 A Reference</i>
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 "4".	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
RSN	Record Serial Number	10-12	(3)	Alpha/ Numeric	Must be filled.	Para 30
A C	Action Code	13	(1)	Alpha	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
GEN CDE	Generic Code	17-19	(3)	Alpha/ Numeric	Must be filled. 1st character always alpha, 2nd always numeric, and 3rd always alpha	Para 21
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. (0 & 1 numerics will be used in lieu thereof.)	Para 20
S P	Spare Parts Code	31	(1)	Alpha	May be blank. Punch only if line item is CSP or AGE.	Para 33
QTY PUR	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.	
TOTAL PRICE	Total Sales Price	38-46	(9)	Numeric	Must be filled. Right justify, zero fill to left.	
DEL COM	Delivery Commitment Code	47-49	(3)	Numeric	May be blank. If filled, enter date based on DD Form 1513.	Para 17
DEL FOR	Delivery Forecast Code	50-52	(3)	Numeric	May be blank.	Para 18
C	Blank	53-62	(10)		Leave blank.	
C L	Completed Line Item Code	63	(1)	Alpha	May be blank. If filled punch "C".	Para 13
P P	Progress Payment Code	64	(1)	Alpha	May be blank. If filled punch "P".	Para 28
	Blank	65	(1)		Must be blank.	
QTY DEL	Quantity Delivered	66-71	(6)	Numeric	May be blank. If filled, right justify, zero fill to left.	
VALUE DEL	Value Delivered	72-80	(9)	Numeric	May be blank. If filled, right justify, zero fill to left.	

(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 A 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						
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, A3 for Purchases, BØ for deliveries.	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

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

<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 A Reference</i>
DEL FOR	Delivery Forecast Code	50-52	(3)	Numeric or *	May be blank. For definitized lines, submit data when forecast is available from supply planning. To void previous entry, punch * in units position.	Para 18
	Blank	53-62	(10)		Leave blank.	
C L	Completed Line Item Code	63	(1)	Alpha or *	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
	Blank	65	(1)		Must be blank.	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)**

<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 A Reference</i>
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
	Blank	10-12	(3)		Must be blank.	
A C	Action Code	13	(1)	Alpha	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. Enter A3.	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 A 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 "6".	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)	Alpha/ Numeric	May be blank if suffix not needed.	Para 11
RSN	Record Serial Number	10-12	(3)	Alpha/ Numeric	Must be filled.	Para 30
A C	Action Code	13	(1)	Alpha	Leave blank.	Para 3
C O	Change Originator Code	14	(1)	Alpha	Must be filled.	Para 12
RE CH	Reason for Change Code Blank	15-16 17-80	(2) (64)	Alpha/ Numeric	Must be filled. Enter A3. Leave blank.	Para 29

(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 A 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 "Ø".	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
CDT ARR	Credit Arrange- ment Number Blank	6-8 9-12	(3) (4)	Numeric	Must be filled. Leave blank.	Para 16
A C	Action Code	13	(1)	Alpha	Must be filled. Enter A for Add; C for Change; or D for Delete.	
CDT AMT	Blank Credit Amount	14-71 72-80	(58) (9)	Numeric	Leave blank. Must be filled, when Action Code is A or C. Leave blank for Action Code D. Zero fill to left.	

**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
	Credit Amount	72-80
D	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 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, or C, the implementation date 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 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

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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. 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.

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 D card submissions are allowed provided they have different (A3 and B0) reason for change codes.

### 12. Special Characters

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

CHAR- ACTERS	NAME	PUNCHING INSTRUCTIONS
-	Minus (Dash) -----	11
+	Plus -----	12
.	Period -----	12, 3, 8
,	Comma -----	0, 3, 8
/	Slash (Diagonal) -----	0, 1
\$	Dollar -----	11, 3, 8
*	Asterisk -----	11, 4, 8
(	Parenthesis (Left) -----	0, 4, 8
)	Parenthesis (Right) -----	12, 4, 8
=	Equal -----	3, 8

## 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 0 (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 E—Item Delivery Status

Report F—Item Deliveries by Period

**b. Item detail data summarized into categories**

Report G—Status of Purchases

Report H—Status of Deliveries

Report I—Status of Deliveries by Year

Report J—Summary Status of Deliveries by Year

**c. Case Level**

Report C—Case Listing Foreign Military Sales

Report K—FMS Cash 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. MAAG (See definition, PART 1) requests should be directed to the appropriate Unified Command. Subordinate elements of the Military Departments should submit requests through appropriate departmental channels.

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

## 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 A. 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) For credit arrangements pertaining to cases containing types of assistance other than Z:

1. 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;
2. The value of cases financed under each allocation;
3. Credit still available (unused).

(b) For credit arrangements pertaining to cases containing type of assistance Z:

1. The value of each credit arrangement (TOTAL), and cumulative value of outstanding DD 1513s, either accepted or still pending (Army, Navy, Air Force, commercial), are shown on the credit program line in their respective columns.

2. The difference between the total value of DD 1513s outstanding for all services and the value of the credit arrangement is reflected in the "undistributed" column. This represents the value of additional DD 1513s which can be processed against this credit arrangement.

3. The value of accepted cases recorded as financed under each allocation is shown for each Military Department on the line "accepted cases".

4. The "unused" line represents outstanding DD 1513s for which an accepted case has not been entered into the 1100 system.

#### *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)

This report summarizes (by country and FY) cash and credit values contained in the case records. The data are added to a FY based on the acceptance date of the case in question. 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 FOR- EIGN 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*<sup>1</sup>

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

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

Change 1,  
 1 July 1974

*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 E—Item Delivery Status (Figure L-5)
- Report F—Item Deliveries By Period (Figure L-6)
- Report G—Status of Purchases (Figure L-7)
- Report H—Status of Deliveries (Figure L-8)
- Report I—Status of Deliveries By Year (Figure L-8)
- Report J—Summary Status of Deliveries By Year (Figure L-9)

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*<sup>1</sup>

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)

<sup>1</sup> 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

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 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.

### (b) 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.

### (c) Report G—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.

### (d) Report H—STATUS OF DELIV- ERIES (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.

### (e) Report I—STATUS OF DELIV- ERIES BY YEAR (Figure L-8)

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.

(f) Report J—SUMMARY STATUS OF DELIVERIES BY YEAR (Figure L-9)

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—FMS CASH 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*<sup>1</sup>

Area, Country<sup>2</sup>  
 Unified Command, Country<sup>2</sup>  
 Area, Country, Implementing Agency  
 Unified Command, Country, Implementing Agency  
 Area, Country, FY, Implementing Agency  
 Country<sup>2</sup>  
 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

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

<sup>2</sup> Report M may be obtained only in these 3 sequences.

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(a) Report K—FMS CASH  
COLLECTIONS  
(Figure L-11)

This report consists of a listing containing cash 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 cumulative 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 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	

<i>Abbreviation</i>	<i>Meaning</i>
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	
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



## MACHINE READABLE CODES

## APPENDIX A

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 an

item which is not a dollar line (unit of issue XX) in the MASL.

C ----- D card contains both purchase and delivery data.

D ----- 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.

E ----- Used in any of the following situations:  
(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).

F ----- Used in any of the following situations with a 2 or B card:

(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.

G ----- Used when an A card containing status code C is processed, and collections and deliveries are not equal. Cases cannot be closed until this imbalance is corrected.

H ----- Used when an A card containing status Code C is processed and: (1) the case is not in status I or R, or (2) no deliveries and collections have been posted.

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- I ----- Used in any of the following situations:
- (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 closed (Status C).
  - (2) B, C, D, or 6 card entered for a case which is closed (status C).
  - (3) "A" card attempting to change something other than case status or description for a case which is closed (status C).
  - (4) D card submitted for a closed case (status C).
- 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.

- 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:

Code	Purpose
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.

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Code	Purpose
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 is submitted quarterly if there has been a change in collections since the previous quarter. Cumulative collections are always reported.
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 (use reason for change A3). It is also used for reporting delivery forecast date and delivery status (use reason for change B0). Deliveries are reported quarterly if there has been a change in deliveries since the last quarter. Cumulative deliveries are always reported.

Code	Purpose
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 characters. 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 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

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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>Purpose</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

An optional alpha code C entered in 4 or D card to indicate that all deliveries against

the line item have been completed. 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. 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.

**25. 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.

**26. 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.

**27. 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 -- Cumulative delivery or collection data as of the end of the fiscal quarter being reported.
- 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.

**28. 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.

**29. 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:

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<i>Code</i>	<i>Recode Instruction</i>	<i>Code</i>	<i>Recode Instruction</i>
A	Retain basic generic code, FSN, description and Unit of Issue		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.
B	Change FSN to 0000 0000000 (11 zeros).	2	(This is petroleum, gases and fuels). Change third digit of generic code to Y and FSN to 11 zeros. Drop quantity.
C	Change third position of the generic code to X and FSN to 11 zeros.	3	(This is requisitioned materiel). Change second and third digit of the generic code to 00 and FSN to 11 zeros. Drop quantity.
D	Change third position of the generic code to H and FSN to 11 zeros.	4	(This is a secondary item). Change second and third digit of the generic code to 00 and FSN to 11 zeros. Drop quantity.
E	Change third position of the generic code to S and FSN to 11 zeros.	5	(This is clothing and textiles). Change second and third digit of the generic code to 00 and FSN to 11 zeros. Drop quantity.
F	Change second position of the generic code to 1 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.
G	Change second position of the generic code to 2 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.
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.	8	(This is technical assistance). Change the generic code to M1X and FSN to 11 zeros. Drop quantity.
J	Change third position of the generic code to C and FSN to 11 zeros.	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.
K	Change third position of the generic code to F and FSN to 11 zeros.	0	(This is a service). Change second and third digit of the generic code to 00 and FSN to 11 zeros. Drop quantity.
L	Change third position of the generic code to Z and FSN to 11 zeros. Pick up description and U/I from MASL.		
M	Change FSN to 11 zeros. Drop quantity.		
N	Change third position of the generic code to O 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		

**30. 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.

**31. 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 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 complications. Status codes are as follows:

<i>Code</i>	<i>Meaning</i>
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

<i>Code</i>	<i>Meaning</i>
	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 with status code I may be changed to status code R since changes in terms of the offer at the time of acceptance are not considered renegotiations.
C	Completed Case. A closed case for which (1) delivery of all items and performance of all services specified in the sales agreement have been completed by the implementing agency, (2) collections (or equivalent transaction) have been completed and (3) a final accounting statement has been furnished the purchaser. This code is assigned by the Military Department concerned.
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.

**32. Sub-Area Code**

The sub-area code is not contained in FMS report cards but is assigned as supple-

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mental data in DSAA records for use in selecting and sorting FMS data by geographical 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.

### 33. 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.

### 34. 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 materials. (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).

Code	Type of Financing
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).
E	Private sales with U.S. Government guarantees 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)

### 35. 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



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Command. This code identifies the United Command having cognizance over each FMS recipient, except non-regional, and is the 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.

### 36. 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

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Card Column	Data	Explanation										
1	Card Code	The card code is used to signify the type of card being processed. A "1" in this column signifies that the card is a MASL card (materiel and services other than training). Codes G through O in this column identify "trailer cards" used to amplify the description of the item. (Trailer cards contain only Group, Class, Item Ident., and a continuation of the description.)										
2-3	Footnote Code	This column provides footnote code used in the MASL to provide significant information on availability of military articles and services. See Appendix A for explanation of footnote codes.										
4-6	MILSTRIP Routing Identifier	MILSTRIP routing identifier is the abbreviation for military standard requisitioning and issue procedures routing identifier, commonly referred to as the "MRI". The MRI identifies the headquarters within the Military Departments which has provided the MASL data. A complete listing of MRI's (except FAØ which is used for U.S. Air Force MASL lines and identifies Headquarters U.S. Air Force) is contained in the Military Department implementation of Defense Manual, Military Standard Requisitioning and Issue Procedures (MILSTRIP) as follows: Army—Army Regulation AR 725-50 Navy—NAVSANDA Publication 437 Air Force—AFM 67-1, Vol. 1 For most dollar value lines, the MRI entry is blank and the MASL line has a "K" in the footnote code column. See footnote code K, Appendix A for explanation of how to determine the correct MRI.										
7	Action Code	Leave blank.										
8-18	GP CL Item Number	"GP, CL, Item NBR" is the abbreviation for federal stock group (FSG), class (FSC) and item identification number (FIIN). Where cards are submitted insure that all 0's are punched as numeric zeroes and that all 1's are punched as numeric ones.										
19-21	Generic Code	A description of each generic code is contained in Appendix A.										
22	Classification	The code appearing in this column indicates the security classification of the item for guidance in complying with national disclosure policy and Military Department security regulations. <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Code</th> <th>Classification</th> </tr> </thead> <tbody> <tr> <td>T</td> <td>Top Secret</td> </tr> <tr> <td>S</td> <td>Secret</td> </tr> <tr> <td>C</td> <td>Confidential</td> </tr> <tr> <td>U</td> <td>Unclassified</td> </tr> </tbody> </table>	Code	Classification	T	Top Secret	S	Secret	C	Confidential	U	Unclassified
Code	Classification											
T	Top Secret											
S	Secret											
C	Confidential											
U	Unclassified											
23-24	Unit of Issue	The abbreviation in this column represents the standard unit of issue to be used for programming the related MASL item. Appendix A contains the abbreviations appearing in the unit of issue column of the MASL.										
25-50	Description	The entry in this column is the description of the item. It is necessary for mechanical reasons, that the description be 26 characters or less. For this reason, numerous abbreviations and mnemonic words have been used. Where an item in the MASL is described by a federal stock number (FSN), reference to the appropriate catalog will provide a more detailed description. Where more than 26 characters are required trailer cards may be submitted (see entry in column 1).										
51	Lead Time	This column contains the lead time code of major items in the MASL. These codes indicate the estimated time which will elapse between the first of the fiscal year in which a requirement is programmed and the date on which the item will be received by the requiring activity (usually a recipient country) or in the case of services, the date on which military assistance funds will be expended for the services rendered. Appendix A defines lead time codes.										

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Card Column	Data	Explanation
53	Control Code -----	Enter K.
54	Selected Item Code -----	Leave blank. The codes in this column will be entered by DSAA to provide a means for roll-up of selected items into standard groups or categories for the preparation of summary documents and Congressional data. Appendix A contains SI codes.
55-60	Blank -----	Leave Blank.
61	Source of Supply -----	Indicate proper source of supply (see Appendix A for definitions).
62-64	Date -----	The date has the following significance when used in conjunction with following footnotes:
	<i>Code</i>	<i>Explanation</i>
	A	The latest date by which military assistance funds must be provided the Military Department to continue current production capability (reorder date).
	B	The earliest date the articles will be available for delivery to MAP.
		The month of the year appears in the first two digits, and the calendar year appears in the third digit, e.g., May 1973—053.
65-72	Acquisition Unit Price -----	Enter the acquisition value (see definition Appendix A) to the nearest dollar on items with source of supply code E, footnote code NN, or if the acquisition value is different from MAP unit price.
73-80	MAP Unit Price -----	Enter the MAP unit price (Appendix A) to the nearest dollar or major items. For items with a source of supply "E", the MAP unit price should be the equivalent of the cost of repair and rehabilitation of the item. Leave blank on dollar value lines.

## (2) Card 2—Training (Generic Code N)

Card Column	Data	Explanation
1	Card Code -----	The Card Code is used to signify the type of card being processed. A "2" in this column signifies that the card is a MASL card (training).
2-3	Duration -----	Enter duration of course, expressed in number of weeks. Leave blank for all categories of training except individual courses. Precede significant digits with a zero, e.g., 09. For courses in excess of 99 weeks, see Appendix A. Where duration is variable because the training line has a non-specific variable duration which should be determined separately, enter the code VA.
4-6	Execution Agency Identifier -----	Enter the execution agency identifier code as described in Appendix A, and Chapter E.
7	Action Code -----	Leave blank.
8-18	Group, Class, Item Identification Number.	The item identification is composed of the following: (a) Group (columns 8-9)—Enter 04 in all cases to identify as training. (b) Class (columns 10-11)—A two-digit number identifying a major functional area of training, e.g.—01—flying training—CONUS and 15—administrative training, overseas. Enter the appropriate two-digit class number from Chapter E, table E-5. (c) Item Identification Number (columns 12-18)—A seven-digit number is used to identify each specific training item available for military assistance. The first four digits are prescribed by DSAA and are listed in Chapter E, table E-5. These four digits will be used as a "root" by the Military Department who adds the last three digits to complete the seven digit identification number.