



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

0 1 JUN 2001

In reply refer to:  
I-01/006332

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

DIRECTOR, NAVY INTERNATIONAL PROGRAMS  
DEPARTMENT OF THE NAVY

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

DIRECTOR, DEFENSE REUTILIZATION AND  
MARKETING SERVICES,  
DEFENSE LOGISTICS AGENCY

SUBJECT: Letters of Offer and Acceptance (LOA) Associated with Excess Defense  
Articles (EDA) Transfers (DSCA Policy 01-13)

Effective immediately, LOAs for EDA sales or services associated with EDA grant transfers (e.g. packaging, crating, handling, and transportation) shall not be submitted to DSCA prior to release of the EDA authorization message by DSCA. We have been experiencing some problems with LOAs that are submitted in advance of this authorization. Rationale for this change is as follows:

- a. The approval process for EDA transfers requires the coordination of numerous agencies and departments and most EDA transfers normally require Congressional notification before the EDA offer can be authorized. When an LOA is submitted in conjunction with the EDA transfer paperwork, an assumption is being made that the US Government is going to approve the transfer of the EDA.
- b. By submitting LOAs in advance of approval of the EDA transfer, the US Government is conjecturing that the recipient country wants the services being offered via the LOA. The FMS customer should instead be submitting a Letter of Request (LOR) indicating they would like the US Government to provide these services. By allowing the recipient country to decide if it wants the equipment prior to development of the LOA, the Military Department/Defense Agency will avoid using its resources to write an LOA for EDA item that the recipient country may not accept.
- c. Finally, time associated with making corrections, if required, to LOAs after Congressional notification for the EDA transfer has expired will be minimized by

submitting the LOA after DSCA has released the authorization message that lists the EDA items that have been actually been authorized for offer.

Guidance in this memorandum will be included in the EDA section being developed for the SAMM. If you have any questions regarding this matter, please feel free to contact Mr. Steve Harris at (703) 604-6611/DSN 664-6611 or Ms. Dawn Burke at (703) 601-3864/DSN 329-3864.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tome H. Walters, Jr.", written in black ink.

**TOME H. WALTERS, JR.**  
**LIEUTENANT GENERAL, USAF**  
**DIRECTOR**

cc: AMSAC-OL-MP