

DSCA 01-17

Administration of the OPM SANG Program Umbrella Case "ZAC"

28 June 2001

28 JUN 2001

In reply refer to:

I-01/007291

MEMORANDUM FOR U.S. ARMY MATERIAL COMMAND
PM SAUDI ARABIA NATIONAL GUARD (SANG)
SUBJECT: Administration of the OPM SANG Program Umbrella Case "ZAC"
(DSCA Policy Number 01-17)

As determined during a recent meeting I had with SANG in country, 1-5 June 2001, and again here on 15 June 2001, the following procedures have been established for processing FMS actions for the SANG Program.

MDE: Increases of Major Defense Equipment (MDE) will be offered by a new, stand alone, completely definitized, Letter of Offer and Acceptance (LOA). If the MDE value (plus admin) of the LOA reaches the 36(b) reportable threshold of \$14 million, it will require 36(b) Congressional notification. The LOA will be sent to State for approval, accepted by the country, and listed in the 1200 system in the year of acceptance. The LOA will cite "Financially dependant on ZAC" near the Terms of Sale. This is for financial purposes only.

Non-MDE: Increases to the program will be handled by formal amendments to "ZAC". If the increase goes over the 36(b) reportable threshold of \$50 million, the amendment will require 36(b) Congressional notification.

Definitizing Documents (DD's): "ZAC" is the official "FMS Sale" for the original umbrella of notified MDE and non-MDE requirements. DD's, that take the form of new LOA's, amendments, or modifications, are used to better define the line items being sold under the umbrella case or formal amendments to "ZAC". They are utilized to fully detail and define requirements -- complete with all applicable coding and classifications of commodities, source of supply and applicable charges. The documents will be identified as being DD's by citing "This Definitizing Document is financially dependent on ZAC." near the Terms of Sale. Since the DD's are not actual sales, they do not require coordination with, or countersignature by, the Defense Security Cooperation Agency (DSCA). This will be included in the SAMM, Sections 70103.G, 80402, and 80403, as follows:

70103.G.3. Definitizing Documents (DD's) for the SANG Modernization Program do not require countersignature by DSCA. The LOA will cite "This Definitizing Document is financially dependant on ZAC." near the Terms of Sale and should be annotated with "Not Required -- IAW SAMM 70103.G" and a date.

80402.C.6. Definitizing Documents (DD's) for the SANG Modernization Program do not require countersignature by DSCA. The amendment will cite "This Definitizing Document is financially dependant on ZAC." near the Terms of Sale and should be annotated with "Not Required -- IAW SAMM 80402.C" and a date.

80403.C.8. Definitizing Documents (DD's) for the SANG Modernization Program do not require countersignature by DSCA. The modification will cite "This Definitizing Document is financially dependant on ZAC." near the Terms of Sale and should be annotated with "Not Required -- IAW SAMM 80403.C" and a date.

The above guidance is effective immediately. If there are any questions, please contact Paula Murphy, COMPT-RM, at (703) 604-6576 (DSN 664-6576). This change will be incorporated into the next electronic change to the SAMM as e-change 26.

Signed
James A. McQuality
Comptroller

cc: AMSAC-MP
ODUSA (SAUS-IA-DSA-A)