



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

JAN 09 2003

In reply refer to:
I-03/000273-FM

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

DIRECTOR FOR SECURITY ASSISTANCE
DEFENSE FINANCE AND ACCOUNTING SERVICE
DENVER CENTER

SUBJECT: Military Articles and Services Listing (MASL) Guidance relative to
Logistics Support Charge (LSC) (DSCA 03-02)

The Department of Defense Financial Management Regulation, Volume 15, (DoDFMR, 7000.14-R), Chapter 7, Section 072204 provides a list of Generic Codes with some MASL identification that allows the DoD to recoup an appropriate share of DoD costs incurred in the logistics support area. The LSC is applied to sales that incur DoD logistics support efforts. The surcharge of 3.1 percent is based on the type of articles sold, not the source from which the articles are sold. Since the release of the DoDFMR, additional MASL codes have been added at the request of the Military Departments and approved by DSCA. Some of those requested MASL codes that are currently not reflected in the DoDFMR were inappropriately approved to exclude the LSC. DSCA policy memo (02-45) dated 11 December 2002 corrected the LSC exclusion error on approximately 75 MASL generic codes.

Recently, MASL codings for Contractor Logistics Support (CLS) and contractor provided materiel, and their related LSC application, have become an issue. CLS should primarily be used to identify contractor services, mostly technical in nature. CLS MASLs shall not be used to identify the acquisition and movement of materiel. Acquisition and delivery of materiel requires materiel accountability including delivery. MASL coding should accurately identify the type of materiel being sold; application of LSC should not be criteria for determining the correct MASL coding. We recommend the use of generic codes A7E or B9D as examples. To further standardize MASL coding relative to LSC application, request SAF/IA rescind policy statement IAPX 02023 dated 8 May 2002.

In the future, requests for assessorial reversals to include LSC in the amount of \$50,000 or greater must receive approval from this office. DSCA will advise DFAS-DE and the requester of the final decision or approval. DFAS is hereby instructed to reverse all LSC credits processed in the Dec 2002 performance cycle, and to discontinue further processing of any LSC credits previously planned for the Jan 2003 cycle.

Request widest dissemination of this policy.

The DSCA points of contact are Ms. Vanessa Glascoe, DSCA-Compt/FM at 703/601-3744 and Mr. David Rude at DSCA-Compt/FM at 703/604-6569, email: David.Rude@osd.pentagon.mil.



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Comptroller

for