



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

SEP 23 2005

In reply refer to  
I-05/011236-OPS

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Importance of FMS Case Delivery Reporting (DSCA 05-29)

DSCA (DBO/ADM) receives frequent and increasing requests for delivery data from the Congress, FMS customers, Security Assistance Offices, the Government Accountability Office and the DoD Inspector General (DoDIG). DSCA must rely on the integrity of the delivery data provided by the Implementing Agency (IA). Recently however, DSCA received data showing deliveries to suspended countries, deliveries just reported for shipments that actually occurred several years prior and deliveries reported with significantly erroneous values. To help minimize recurrence of these problems and to promote awareness on the importance of FMS case delivery reporting, the following applies:

- Within 30 days of FMS physical (constructive) delivery, the IA must submit delivery transactions for all major end items that have a unit of issue of "EA" and with the generic codes listed in Table 1 at Attachment A. The IA must report all constructive deliveries to DFAS Denver by the 20<sup>th</sup> of each month in the C1 delivery transaction format (see Table 2 at Attachment A). DFAS Denver, in turn, submits this data to DSCA (DBO/ADM) for inclusion in the DSCA 1200 System. This data is used to prepare reports required by Arms Export Control Act (AECA) and are not a part of the formal FMS billing system.
- Delivery data transmitted to the DSCA 1200 System is provided quarterly to the Department of Commerce which, in turn, uses the information for its reports to Congress and publishes the data as part of our Nation's trade figures. FMS sales represent a significant share of International Export data which is closely scrutinized by policy makers, the press, academia, and financial markets. DSCA also provides FMS delivery information to Commerce's Bureau of the Census, various intelligence agencies and Combatant Commands.
- Additionally, the AT&L/DS/Treaty Compliance Office uses FMS delivery data to meet reporting requirements for the Organization for Security and Cooperation in Europe (OSCE) Small Arms & Light Weapon Document, the Wassenaar Arrangement and the United Nations Register. The United States is responsible for annually exchanging information on small arms exports to, and imports from, other OSCE Participating States. The U.S. provides information to other Wassenaar participants on exports to non-Wassenaar countries up to and including the CONFIDENTIAL level of military equipment in eight arms categories (battle tanks; armored combat vehicles; large caliber artillery systems; military

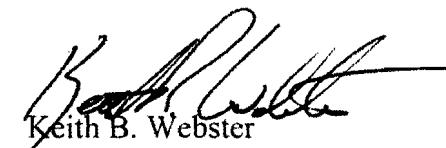
aircraft/unmanned aerial vehicles; military and attack helicopters; warships; missiles and missile systems; and small arms and light weapons and man-portable weapons). The U.S. provides information on conventional arms imports, exports, military holdings and procurement through national production and relevant to United Nations Transparency in Armaments.

- In addition, DSCA is often requested by a wide variety of stakeholders to provide sales and deliveries data for item(s) sold to a region or country under the FMS program.
- Attachment B is a flowchart illustrating these key concepts. Attachment C provides detailed FMS procedures on how the physical delivery reporting is processed in the DSCA 1200 system for major end items. This guidance will be incorporated into the DoD 5105.65-M, "FMS Case Reconciliation and Closure Manual (RCM).

In summary, timely and accurate delivery reporting improves the integrity of the data that DSCA provides to the FMS purchasers and other stakeholders. Improved delivery reporting promotes better data integrity, increases our responsiveness to the purchaser's informational needs, enables a more efficient use of DoD resources, and facilitates case reconciliation and case closure. It is imperative that we all work together in order to provide accurate and timely delivery reporting. To that end, and as an outcome of the 25 – 27 May 2005 FMS Case Delivery Reporting Conference, DSCA is working to implement further improvements in the delivery reporting process.

I encourage you to share this with your staff, particularly FMS case managers and others involved in the delivery reporting process.

If you have any questions or need additional information concerning FMS case delivery reporting, please contact Alberta LaBelle, Administration and Management DSCA (DBO/ADM), telephone (703) 601-3738, DSN 329-3738, e-mail: [alberta.labelle@dscamil](mailto:alberta.labelle@dscamil).

  
Keith B. Webster  
Principal Director  
Business Operations

Attachments

a/s

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ATTACHMENT A

**Table 1**

**Constructive Delivery Report Generic Codes**

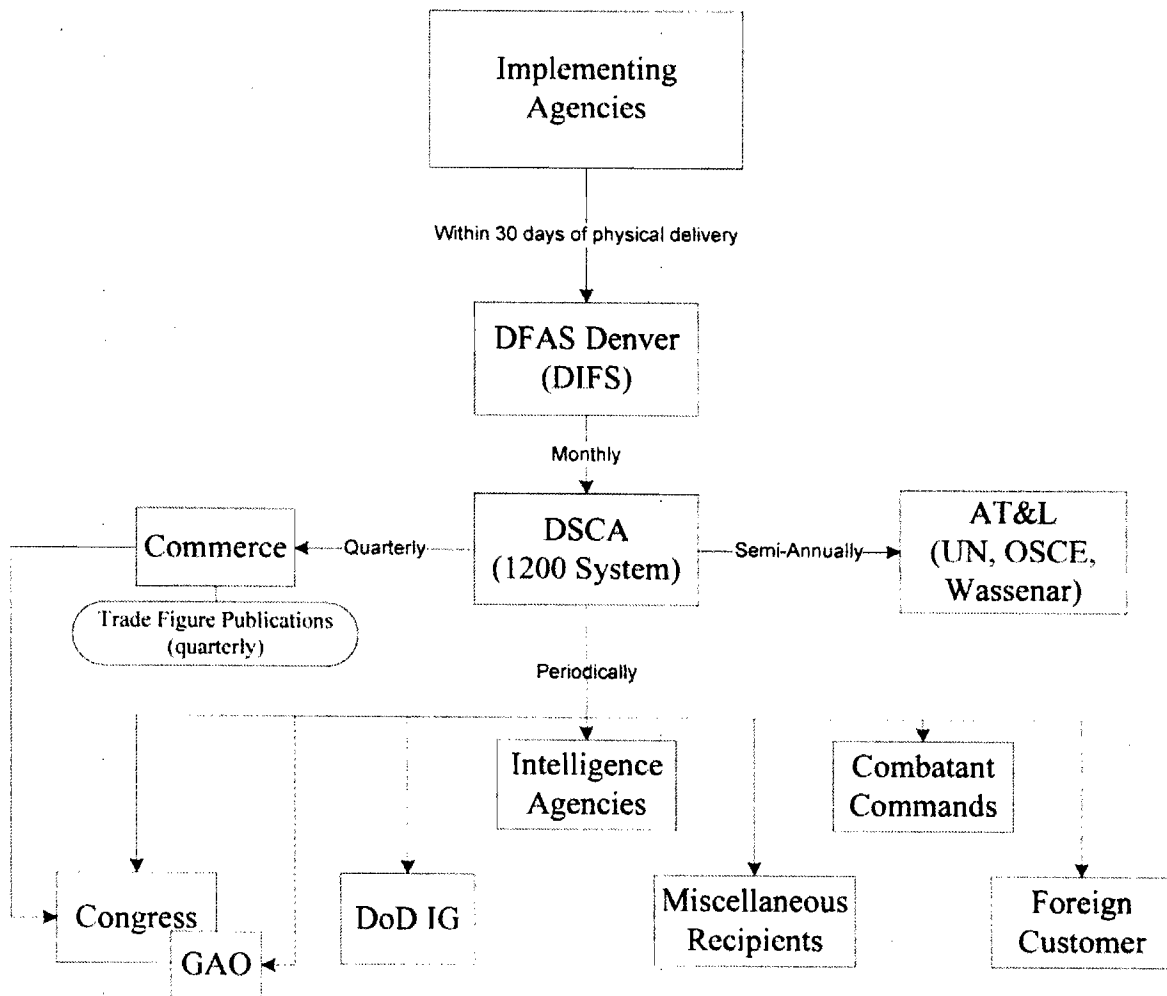
Generic Code	Description
A1 - A5 , A9B	Aircraft
B1 - B4 (Complete Missiles Lines Only)	Missiles
C	Ships
D	Combat Vehicles
E3	Tactical and Support Vehicles
F2 , F3 , F4	Weapons
G2 , G4 , G5 (Less M & Y), G6A	Ammunition
H4	Communication Equipment

**Table 2**

**'C1' Transaction Format**

Delivery Transaction Format Column	Date Element
1-2	C1
3-4	Country Code (CC)
5	Implementing Agency
6-8	Case Designator
9-11	Record Serial Number (RSN)
12-15	Blank
16-21	Cumulative Quantity Delivered to Date
22-72	Blank
73-78	Report Date (YYMMDD)
79	Blank
80	Originator (must always be "A")

# FMS Case Delivery Reporting Information Network



**FOREIGN MILITARY SALES (FMS) DELIVERIES  
REPORTING IN DSCA 1200 SYSTEM**

**FMS Physical (Constructive) Delivery Reporting**

The Implementing Agency submits FMS physical (constructive) delivery data for all major end items that have a unit of issue of "EA" for the generic codes provided in the Table below. Items are considered delivered when title passes to the purchaser. The title to FMS materiel normally transfers from the USG to the purchaser immediately upon its release from a DoD supply activity (point of origin). A supply activity can be either a DoD storage depot or a commercial vendor that furnishes materiel under a DoD-administered contract. Implementing Agencies report, within 30 days (after title passes to the purchaser?), all constructive deliveries for applicable material lines to DFAS Denver's Defense Integrated Financial System (DIFS) by the 20<sup>th</sup> of each month in the C1 delivery transaction format (see Table below). DIFS, in turn, submits the data to the DSCA 1200 System. This information is used to prepare AECA required reports, respond to inquiries, and maintain a currently inventory of deliveries.

**Constructive Delivery Report Generic Codes**

Generic Code	Description
A1 - A5 , A9B	Aircraft
B1 - B4 (Complete Missiles Lines Only)	Missiles
C	Ships
D	Combat Vehicles
E3	Tactical and Support Vehicles
F2 , F3 , F4	Weapons
G2 , G4 , G5 (Less M & Y), G6A	Ammunition
H4	Communication Equipment

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## Delivery Reporting Timelines

Timely reporting of delivery information to the FMS purchaser is critical. Estimated price codes may be used to report deliveries of major end items if an actual price is not available within 30 days of the shipment date. Estimated price codes must be used to report deliveries of major end items if an actual price is not available within 90 days of the shipment date. All estimated billing must be converted to actual billings prior to closure.

DIFS sends a monthly transaction file to DSCA that interfaces with DSCA 1200 Systems. This transaction file is named the SM File because the file has 'SM' in the first two characters of each record. Each record is one line on a case. DSCA keeps a static file of data here that is known as the SY File, which is identical to the SM File, with the exception that 'SY' is in the first two characters of each record. The SY File is line item data that was archived in DIFS many years ago. These two files are combined to form the data that is used to rebuild the Item Database each month. The following is the format of the two files:

### **SM and SY Transaction**

<b>Column</b>	<b>Length</b>	<b>Name</b>	<b>Description</b>
01-02	2	TT	Transaction Type (SM or SY)
03-04	2	CC	Country Code
05	1	IA	Implementing Agency
06-08	3	CSEDSGN	Case Designator
09-10	3	CSEAMNR	Case Amendment Number
11-13	3	RSN	Record Serial Number
14	1	Stat	Status Code
15-17	3	Generic	Generic Code
18-30	13	NSN	National Stock Number
31-33	3	DELCMT	Delivery Commitment
34-36	3	DELFOR	Delivery Forecast
37	1	CLASS	Classification Code
38-44	7	PURCHQTY	Purchase Quantity
45-56	12	PURCHVAL	Purchase Value
57-63	7	DELQTY	Delivered Quantity
64-75	12	DELVAL	Delivered Value
76	1	ICS	In-Country Service Code
77-80	4		Blank

#### Notes:

1. PURCHVAL and DELVAL are dollar values have an assumed decimal place between positions 10 and 11.
2. The transaction type (TT) field contains SY on a static file we have here that contains old data that has been archived in DIFS. TT contains SM in the file of data sent from DIFS each month. These two files (SM and SY) are used each month to rebuild the Item table.

The SM and SY Files contain the Purchase Quantity, Purchase Value, Delivered Quantity, and the Delivered Value. The fiscal year and quarter in which the delivery occurs in the Item Database is taken from the case record in the Case Database. As a part of the monthly Item Database rebuild the total Delivered Value is accumulated by case and moved into the TDELVAL field in the Case Database.

At the end of each quarter the Item Database is used to update the 1200 System's FMS Delivery Subsystem. The Item data is rolled up by country code, implementing agency, case status (S-Signed, A-Accepted, I-Implemented, D-Delivered, C-Closed), and Selected Item Description Number (SIDN), and summary records created that have '00 in the FY and '0' in the quarter. This summary data is used to replace the existing summary data in the 1200 System's FY Delivery Database. The existing detail data in that database is summarized and the Quantity Delivered and the Delivered Value are compared to the new summary record values. If the Summary Quantity Delivered and/or Delivered Value are greater than the summarized detail data, a new detail record is created containing the difference between the Summary record Quantity Delivered and Delivered Value and the summarized detail Quantity Delivered and Delivered Value. If the Summary Quantity Delivered and/or Delivered Value are less than the summarized detail Quantity Delivered and Delivered Value, the difference is subtracted from the latest FY and QTR record Quantity Delivered and/or Delivered Value. If the difference is greater than the values in the latest detail record, the next to latest record is also subtracted from and so on until the entire difference is gone. If data for a SIDN, CC, and IA was deleted from the 1200 System Item Database, all data for that SIDN, CC, and IA is deleted from the FY Delivery Database. This is the data used for the Quarterly Delivery reporting which reflects the delivery data provided by the MilDeps systems to DIFS.