



DEFENSE SECURITY COOPERATION AGENCY  
201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

DEC 03 2008

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Security Assistance Management Manual (SAMM) Administrative Changes,  
DSCA Policy 08-40 [SAMM E-Change 123]

The administrative changes documented in the attachment do not warrant their own policy memoranda as they are being done to update data and do not have significant policy implications. The majority of these changes either:

- 1) revise references to Defense Finance and Accounting Service (DFAS) Denver to reflect DFAS' move to Indianapolis;
- 2) update references to DoD Directive 5132.3, which has been replaced by DoDD 5132.03, "DoD Policy and Responsibilities Related to Security Cooperation;" or
- 3) reflect a new status for the Republic of Korea. Section 3 of PL 110-429 provides the Republic of Korea the same benefits accorded to countries in the North Atlantic Treaty Organization, Australia, Japan, and New Zealand with respect to notifications of foreign military sales. This means, for example, that 36(b) notifications for South Korea are now required only when their values reach the higher NATO+3 levels and require only a 15-day formal notification period.

As these changes are administrative in nature, they are effective immediately and will be included in the automated version of the SAMM found on the DSCA Web Page, [www.dsca.mil](http://www.dsca.mil), as SAMM E-Change 123. For questions relating to the SAMM, please contact Mr. Mike Slack, DSCA/STR-POL, at 703-601-3842 or e-mail: [michael.slack@dsca.mil](mailto:michael.slack@dsca.mil).

A handwritten signature in cursive script, reading "Freda J. Lodge".

Freda J. Lodge  
Principal Director  
Strategy

Attachment:  
As stated

DISTRIBUTION:

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SECURITY ASSISTANCE MANAGEMENT MANUAL (SAMM), E-CHANGE 123  
ADMINISTRATIVE CHANGES

1. In the Front Matter, ACRONYMS, and throughout the SAMM, the acronym HIRC, House International Relations Committee, is replaced with HFAC, House Foreign Affairs Committee.
2. In the Front Matter and throughout the SAMM, the terms Security Assistance Organization, Security Assistance Officer, and the acronym SAO are replaced, respectively, with the terms Security Cooperation Organization, Security Cooperation Officer, and the acronym SCO.
3. In the Front Matter, the following references are replaced with the revised versions below:
  - (f) DoD Directive 5132.03, “DoD Policy and Responsibilities Relating to Security Cooperation,” October 24, 2008
  - (p) DoD Instruction 5105.57, “Procedures for the U.S. Defense Representative (USDR) in Foreign Countries,” December 26, 1995 – Cancelled on December 21, 2007
  - (u) DoD Instruction 2040.02, “International Transfers of Technology, Articles, and Services,” July 10, 2008
  - (ab) DoD Directive 5230.20, “Visits, Assignments and Exchanges of Foreign Nationals,” June 22, 2005
  - (ar) DoD Directive 5120.49 “DoD International Technology Transfer Coordinating Committee,” March 14, 1990 – Cancelled on December 21, 2007, and not replaced
  - (bc) DoD Directive 1225.6, “Equipping the Reserve Forces,” April 7, 2005(cf) DoD Directive 2010.9, "Acquisition and Cross-Servicing Agreements", April 28, 2003
  - (ct) DoD Directive 2010.6, “International Co-Production Projects and Agreements Between the United States and Other Countries or International Organizations,” November 10, 2004
  - (cy) DoD Instruction 2030.08, “Trade Security Controls On DoD Excess And Surplus Personal Property,” May 23, 2006
4. In paragraphs C1.3.1.2. and C2.3.4. and in Table C8.T2., 5132.3 is revised to 5132.03.

5. Paragraphs C1.3.2.2., C1.3.2.3., C2.3.10., and C2.3.11. are replaced with the following revised versions:

C1.3.2.2. Chairman of the Joint Chiefs of Staff. “Provide implementation guidance for military plans and programs and provide the Secretary of Defense with military advice concerning security assistance programs, actions, and activities security cooperation” DoD Directive 5132.03 (reference (f)).

C1.3.2.3. Combatant Commands. “Develop campaign plans, as appropriate, to conduct security cooperation programs and activities...” See DoD Directive 5132.03 (reference (f))

C2.3.10. The Joint Chiefs of Staff. The Joint Chiefs of Staff provide implementation guidance for U.S. military plans and programs, provide the Secretary of Defense with military advice concerning security cooperation, and review, in conjunction with USD(P), combatant command campaign plans (including security cooperation aspects) and oversee deconfliction of the campaign plans as necessary. The Joint Chiefs of Staff assign force and activity designators for priorities in the allocation of defense articles, defense services, and military education and training between partner countries and organizations and among partner countries and organizations and the U.S. Armed Forces and recommend priorities for allocation of materiel and equipment for partner countries when competing needs cannot be resolved by Director, DSCA. See DoD Directive 5132.03 (reference (f)).

C2.3.11. Combatant Commanders. The Combatant Commanders develop campaign plans, as appropriate, to conduct security cooperation programs and activities; coordinate on seam issues (for combatant commands with geographic responsibility) or coordinate on their individual functional responsibilities (for combatant commands with a global focus); complete campaign plan and campaign support plan assessments, as appropriate; provide appropriate assistance as requested by the USD(P) or the Director, DSCA; and supervise the SCOs in matters related to execution of the Guidance for Employment of the Force, including the provision of necessary technical assistance and administrative support to the SCOs. See DoD Directive 5132.03 (reference (f)).

6. In the following paragraphs, tables, or figures, all instances of “Denver” are replaced with “Indianapolis”:

C6.8.4.1.	C9.10.2.	C11.3.6.
C6.8.4.2.	C9.11.1.	C11.6.4.
C6.8.4.3.	C9.11.5.2.	C11.6.6.1.
C7.19.2.	C9.11.5.3.	C11.6.6.2.
C7.19.3.3.	C9.11.5.4.	C11.7.4.
C9.4.3.4.	C9.11.6.	C11.7.5.
C9.6.1.2.6.	C9.11.7.	C11.7.6.
C9.7.2.8.5.	C9.11.7.1.	Table C11.T18. Line 10
C9.7.2.10.3.	C9.11.7.2.	C13.3.2.
C9.7.2.12.2.	C9.11.8.1.	Table C13.T3.

C9.9.1.5.1.	C9.11.8.2.	AP2.2.1.
Table C9.T10.	C9.12.2.	AP2.2.1.4.
C9.9.1.5. 4.2.	C9.12.3	AP2.2.4.
C9.9.1.5. 4.5.	C9.13.1.1.	AP3.F10.
C9.10.	C9.13.1.2.	AP3.F13.
Table C9.T13.	C11.3.4.	
C9.10.1.	C11.3.5.	

7. In Table C4.T4., the Combatant Command column for Reunion (FR), currently listed as PA, and for Saint Helena (UK), currently listed as EU, is revised to AF in both cases.
8. The portion of Table C4.T2., Country, International Organization, and Regional Codes and FMS Eligibility, dealing with International Organizations, is replaced with the following revised version which updates the column labeled “FMS AECA Eligible” to indicate whether the Organization is eligible for both FMS and non-FMS AECA transfers, for non-FMS AECA transfers only , or for neither.

Table C4.T2. Country, International Organization, and Regional Codes and FMS Eligibility

Organization	FMS Code	Combatant Command 1	Regional Grouping 2	FMS-Eligible\3 AECA-Eligible\8	Term of Sale – Dependable Undertaking Authorized	Accel. Case Closure Eligible
Central Treaty Organization (CENTO) (ceased 1979)	T3	NR	NR	No	No	N/A
DSCA\DFAS reserved						
Consolidated Appropriations Act, 2008 (Public Law 110-161) Afghanistan Security Forces Fund	E3	CE	NR	AECA Only	No	N/A
Consolidated Appropriations Act, 2008 (Public Law 110-161) Iraq Security Forces Fund	E4	CE	NR	AECA Only	No	N/A
Fiscal Year 2007 DoD Appropriations Act (Public Law 109-289) (Sep 29, 2006)) as supplemented by PL 110-28 (May 25, 2007) Afghanistan Security Forces Fund	B6	CE	NR	AECA Only	No	N/A
Fiscal Year 2007 DoD Appropriations Act (Public Law 109-289) (Sep 29, 2006)) as supplemented by PL 110-28 (May 25, 2007) Iraq Security Forces Fund	B7	CE	NR	AECA Only	No	N/A
Internal DSAMS Training	AA	NR	NR	No	No	N/A

Organization	FMS Code	Combatant Command \1	Regional Grouping \2	FMS-Eligible\3 AECA-Eligible\8	Term of Sale – Dependable Undertaking Authorized	Accel. Case Closure Eligible
Emergency Supplemental Appropriations (Public Law 109-234) (Jun 15, 2006) Afghanistan Security Forces Fund	B2	CE	NR	AECA Only	No	N/A
Emergency Supplemental Appropriations (Public Law 109-234) (Jun 15, 2006) Iraq Security Forces Fund	B3	CE	NR	AECA Only	No	N/A
Internal DSAMS Training	NN	NR	NR	No	No	N/A
Section 1107 of FY04 Supplemental (Train and Equip Authority) for the Afghanistan National Army	Y2	CE	NR	AECA Only	No	N/A
Section 1107 of FY04 Supplemental (Train and Equip Authority) for the New Iraqi Army	Y3	CE	NR	AECA Only	No	N/A
Uzbekistan - Emergency Wartime Supplemental Appropriations Act 2003 (Public Law 108-11)	Y4	CE	NR	AECA Only	No	N/A
Section 9006 of FY05 Defense Appropriations Act (Public Law 108-287) for Afghanistan	Y5	CE	NR	AECA Only	No	N/A
Section 9006 of FY05 Defense Appropriations Act (Public Law 108-287) for Iraq	Y6	CE	NR	AECA Only	No	N/A
Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108-106) for Iraq	Y7	CE	NR	AECA Only	No	N/A
Afghanistan Security Forces Fund - FY05 Emergency Supplemental Appropriations Act (Public Law 109-13)	Y8	CE	NR	AECA Only	No	N/A
Iraq Security Forces Fund - FY05 Emergency Supplemental Appropriations Act (Public Law 109-13)	Y9	CE	NR	AECA Only	No	N/A
USG Transition Support (Iraq)	IZ	CE	NR	No	No	N/A
Airborne Warning and Control System	W1	NR	NR \4	No	No	N/A
Case Closure Suspense Account (post 1995)	55	NR	NR	No	No	N/A
Dept. of Defense	00	NR	NR	No	No	N/A
European Participating Group F-16 follow on	PG	NR	NR	No	No	N/A

Organization	FMS Code	Combatant Command 1	Regional Grouping 2	FMS-Eligible\3 AECA-Eligible\8	Term of Sale – Dependable Undertaking Authorized	Accel. Case Closure Eligible
Extraordinary Expenses – IMET and Counterterrorism	22	NR	NR	No	No	N/A
General Costs - IMET and Counterterrorism	66	NR	NR	No	No	N/A
Counterterrorism Program/Contractor Support	33	NR	NR	No	No	N/A
Counterterrorism DSAMS	44	NR	NR	No	No	N/A
F-16, Belgium	F1	NR	NR	No	No	Yes
F-16, Denmark	F2	NR	NR	No	No	Yes
F-16, Netherlands	F3	NR	NR	No	No	Yes
F-16, Norway	F4	NR	NR	No	No	Yes
FAA Sec 607 Sales, Reimbursable (Delayed Payment)	S5	NR	NR	AECA Only	No	N/A
FAA Sec 607 Sales, Payment in Advance	S6	NR	NR	AECA Only	No	N/A
FAA Sec 632 Transactions	S4	NR	NR	AECA Only	No	N/A
National Defense Authorization Act (NDAA), Section 1033 Transactions	S7	NR	NR	AECA Only	No	N/A
National Defense Authorization Act for Fiscal Year 2006 (PL 109-163), Section 1206	B4	NR	NR	AECA Only	No	N/A
National Defense Authorization Act for Fiscal Year 2007 (PL 109-364), Section 1206	B5	NR	NR	AECA Only	No	N/A
National Defense Authorization Act for Fiscal Year 2007 PL 109-364, Section 1206; and National Defense Authorization Act for Fiscal Year 2008 PL 110-181, Section 1206 for the Pakistan Frontier Corps	B8	NR	NR	AECA Only	No	N/A
NDAA, Section 1004 Transactions	S8	NR	NR	AECA Only	No	N/A
Presidential Drawdowns (DSCA authorized use only)	S9	NR	NR	AECA Only	No	N/A
FMF Administration (DFAS use through FY95)	55	NR	NR	No	No	N/A
FMS Agreements (FACTS Data, DSCA)	C2	NR	NR	No	No	N/A
MAP Owned Materiel (DSCA Records)	M3	NR	NR	No	No	N/A
MAP Property Sales and Disposal (MAPSAD)	M2	NR	NR	No	No	N/A
Panama Canal Area Military Schools (PACAMS)	11	SO	AR	No	No	N/A

Organization	FMS Code	Combatant Command 1	Regional Grouping 2	FMS-Eligible3 AECA-Eligible8	Term of Sale – Dependable Undertaking Authorized	Accel. Case Closure Eligible
Seasparrow (Sec 1004, P.L. 98-525)	N3	NR	NR 4	No	No	N/A
Security Assistance Automated Resource Management Suite (SAARMS) database	E1	NR	NR	No	No	N/A
Special Defense Acquisition Fund (SDAF)	D2	NR	NR	No	No	N/A
Intl Civil Def Organization (ICDO)	T8	NR	NR	No	No	N/A
NATO						
NATO	N2	EU	EUR	Both	Yes	No
Headquarters	N6	EU	EUR	Both	Yes	No
Airborne Early Warning & Control Operations & Support (O&S) Budget	K7	EU	EUR	Both	Yes	No
Prog Mgt Ofc (NAPMO)	N1	EU	EUR	Both	Yes	No
C3 Agency (NC3A)	K4	EU	EUR	Both	Yes	Yes
NEFMA 5	M1	EU	EUR	Both	Yes	No
HAWK Prod & Log Org (NHPLO)	M6	EU	EUR	Both	Yes	Yes
Missile Firing Installation (NAMFI)	N9	EU	EUR	Both	Yes	No
EF2000 and Tornado Dev, Prod, & Log Mgt Agency (NETMA)	K3	EU	EUR	Both	Yes	No
Mutual Weapons Dev Prog (MWDP)	N8	EU	EUR	Both	Yes	No
NAMSA-F104 + C-130	K2	EU	EUR	Both	Yes	No
NAMSA General + Nike	N4	EU	EUR	Both	Yes	No
NAMSA-HAWK	N7	EU	EUR	Both	Yes	No
NAMSA-Weapons	M5	EU	EUR	Both	Yes	No
Southern Region Signal/ Communications	M7	EU	EUR	Both	Yes	No
Supreme Allied Commander, Atlantic (SACLANT)	K5	EU	EUR	Both	Yes	No
Supreme HQ, Allied Powers, Europe (SHAPE)	A2	EU	EUR	Both	Yes	No
NATO Air Command and Control Management (NACMA)	A6	EU	EUR	Both	Yes	No
NATO Airlift Management Organization (NAMO)	K8	EU	EUR	Both	Yes	No
Regions						
Africa	R6	AF	AFR	No	No	Yes
American Republic	R5	SO	AR	No	No	Yes
East Asia/Pacific	R4	PA	EAP	No	No	Yes



Organization	FMS Code	Combatant Command 1	Regional Grouping 2	FMS-Eligible\3 AECA-Eligible\8	Term of Sale – Dependable Undertaking Authorized	Accel. Case Closure Eligible
European	R2	EU	EUR	No	No	Yes
Near East/South Asia	R3	CE	NESA	No	No	Yes
Regional Security System	SS	SO	AR	Both	No	No
SE Asia Treaty Organization (ceased 24 Sep 75)	T4	NR	NR	No	No	Yes
United Nations	T9	NR	NR	Both	No	Yes
International Civil Aviation Organization (ICAO)	T7	NR	NR	Both	No	Yes
United Nations Office for the Coordination of Humanitarian Assistance to Afghanistan (UNOCHA)	A4	NR	NR	Both	No	Yes
United Nations Transitional Authority in East Timor (UNTAET)	E2	PA	EAP	Both	No	Yes
African Union (AU)	A3	AF	AFR	Both	No	Yes
Organization of American States (OAS)	A1	NR	NR	Both	No	Yes
Organization of Security and Cooperation in Europe (OSCE)	A8	EU	EUR	Both	No	Yes
Economic Community of West African States (ECOWAS)	A7	AF	AFR	Both	No	Yes
Dept of Humanitarian Affairs (UNDHA)	A5	NR	NR	Both	No	Yes

Notes

1 Combatant Command

NR Non-Regional	PA Pacific CMD
AF Africa CMD	SO Southern CMD
CE Central CMD	NO Northern CMD
EU European CMD	

2 Regional Grouping

NR Non-Regional	EUR European
AFR Africa Region	EAP East Asia/Pacific
AR American Republic	NESA Near East/South Asia

3 Purchaser's eligibility may change. See paragraph C4.2.4.

4 Affiliated with but not eligible for FMS as part of NATO.

5 Included for historical purposes.

6 Responsibility for Security Cooperation transitioned from U.S. Southern Command to the U.S. Northern Command on October 1, 2008.

7 Responsibility for Security Cooperation transitioned from U.S. Southern Command to the U.S. Northern Command on October 1, 2003.

8 Authorized under program-specific legislation.

9. In Table C8.T4., Event 12, after the statement in the Timeframe Column, the parenthetical reference “(See SAMM C8.5.)” is added.

10. Paragraph C5.6.3 is replaced with the following revised version:

C5.6.3. When is Congressional Notification Required? Table C5.T11. identifies the Congressional Notification criteria and requirements. The DoS must provide clearance to DSCA prior to DSCA forwarding to Congress the statutory 15, 30, or 45 day notification and/or the Advance Notification (20-day review period prior to the 30-calendar day statutory review period) required for countries other than NATO, any NATO member country, Australia, Japan, the Republic of Korea, and New Zealand.

11. In Table C5.T5., the mandatory standard note for Military Assistance Program (MAP) Redistributed Property is replaced with the revised version below.

**Military Assistance Program (MAP) Redistributed Property**

<i>Note Usage</i>	
	Mandatory for LOAs that include items originally purchased under MAP. Mandatory for Amendments and Modifications that add items originally purchased under MAP. See Chapter 11, Table C11.T23
<i>Note Text</i>	
	“Upon acceptance, the purchaser should return one signed copy of this LOA to Defense Financing and Accounting Service-Indianapolis, Attn: Security Assistance Accounting/JAX, 8899 East 56 <sup>th</sup> Street, Indianapolis, IN 46249-6300.”

12. Table C6.T9 is replaced with the revised version below.

**Table C6.T9. Accelerated Case Closure Eligibility**

<b>ACC Eligibility Criteria</b>	<b>Considerations</b>
Cases are supply complete for at least 1 year.	This time frame accommodates final reconciliation actions and the purchaser’s right to submit an SDR associated with the final delivery. The timeframe can be abbreviated if the purchaser confirms in writing that no additional SDRs will be submitted.
No outstanding SDRs or litigation claims are pending.	A case, for which a litigation judgment was issued, can close under ACC even if the settlement has not been paid.
The case is paid in full, i.e., collections equal the final costs.	If the case is not yet paid in full, the MILDEP/Implementing Agency is encouraged to continue processing the case for closure and to forward the closure certificate (and associated “C1” transaction) to DFAS Indianapolis. The purchaser should be notified as early as possible that a final payment is needed to close the case.
The purchaser wants the case closed.	By virtue of the purchaser participating in ACC, a general understanding exists at the Ministry of Defense (MOD) (or equivalent) level that the USG closes its cases within 2 years. Any exceptions to keeping a case open, even though it is supply complete, should be coordinated with DSCA (Business Operations Directorate). Normally, DSCA (Business Operations Directorate) requires that the purchaser’s MOD (or equivalent) organization agrees the case should remain open.

13. Table C5.T10. is replaced with the following revised version:

Table C5.T10. Congressional Notification Criteria and Requirements

Type of Equipment	Dollar Value	Document	Notification or Report Required?	Timing of Notification	Notification Period	Reference
Major Defense Equipment (MDE) for Members of NATO, Australia, Japan, the Republic of Korea, and New Zealand	Less than \$25M	LOA	None	N/A	N/A	N/A
MDE for all other purchasers and NATO organizations	Less than \$14M	LOA	None	N/A	N/A	N/A
MDE for Members of NATO, Australia, Japan, the Republic of Korea, and New Zealand	\$25M or greater	LOA	Notification	Must be completed prior to offer	15 calendar days	AECA, Section 36(b)(1)
MDE for all other purchasers and NATO organizations	\$14M or greater	LOA	Notification	Must be completed prior to offer	15 calendar days for NATO organizations ----- All other purchasers – 30 calendar days (plus 20 calendar days advance notification)	AECA, Section 36(b)(1)
MDE for Members of NATO, Australia, Japan, the Republic of Korea, and New Zealand	Changes to MDE values that bring total MDE up to \$25M threshold	Amendment	Notification	Must be completed prior to offer	15 calendar days	AECA, Section 36(b)(1)
MDE for all other purchasers and NATO organizations	Changes to MDE values that bring total MDE up to \$14M threshold	Amendment	Notification	Must be completed prior to offer	15 calendar days for NATO organizations ----- All other purchasers – 30 calendar days (plus 20 calendar days advance notification)	AECA, Section 36(b)(1)
Defense Articles (Non-MDE) or Services for Members of NATO, Australia, Japan,	Less than \$100M	LOA	None	N/A	N/A	N/A

Type of Equipment	Dollar Value	Document	Notification or Report Required?	Timing of Notification	Notification Period	Reference
the Republic of Korea, and New Zealand						
Defense Articles (Non-MDE) or Services for all other purchasers and NATO organizations	Less than \$50M	LOA	None	N/A	N/A	N/A
Defense Articles (Non-MDE) or Services for Members of NATO, Australia, Japan, the Republic of Korea, and New Zealand	\$100M or greater	LOA	Notification	Must be completed prior to offer	15 calendar days	AECA, Section 36(b)(1)
Defense Articles (Non-MDE) or Services for all other purchasers and NATO organizations	\$50M or greater	LOA	Notification	Must be completed prior to offer	15 calendar days for NATO organizations ----- All other purchasers – 30 calendar days (plus 20 calendar days advance notification)	AECA, Section 36(b)(1)
Defense Articles (Non-MDE) or Services for Members of NATO, Australia, Japan, the Republic of Korea, and New Zealand	Changes to the case value that bring the total value up to \$100M threshold	Amendment	Notification (Determined on a case-by-case basis.)	Must be completed prior to offer	15 calendar days	AECA, Section 36(b)(1)
Defense Articles (Non-MDE) or Services for all other purchasers and NATO organizations	Changes to the case value that bring the total value up to \$50M threshold	Amendment	Notification (Determined on a case-by-case basis.)	Must be completed prior to offer	15 calendar days for NATO organizations ----- All other purchasers – 30 calendar days (plus 20 calendar days advance notification)	AECA, Section 36(b)(1)
MDE, Non-MDE, Services, or Design and Construction	Any value	P&A	None	N/A	N/A	N/A
Design and Construction for Members of NATO, Australia, Japan, the Republic of	Less than \$300M	LOA	None	N/A	N/A	N/A

Type of Equipment	Dollar Value	Document	Notification or Report Required?	Timing of Notification	Notification Period	Reference
Korea, and New Zealand						
Design and Construction for all other purchasers and NATO organizations	Less than \$200M	LOA	None	N/A	N/A	N/A
Design and Construction for Members of NATO, Australia, Japan, the Republic of Korea, and New Zealand	\$300M or greater	LOA	Notification	Must be completed prior to offer	15 calendar days	AECA, Section 36(b)(1)
Design and Construction for all other purchasers and NATO organizations	\$200M or greater	LOA	Notification	Must be completed prior to offer	15 calendar days for NATO organizations ----- All other purchasers – 30 calendar days (plus 20 calendar days advance notification)	AECA, Section 36(b)(1)
Design and Construction for Members of NATO, Australia, Japan, the Republic of Korea, and New Zealand	Changes to the design and construction costs that bring the total value up to \$300M threshold	Amendment	Notification	Must be completed prior to offer	15 calendar days	AECA, Section 36(b)(1)
Design and Construction for all other purchasers and NATO organizations	Changes to the design and construction costs that bring the total value up to \$200M threshold	Amendment	Notification	Must be completed prior to offer	15 calendar days for NATO organizations ----- All other purchasers – 30 calendar days (plus 20 calendar days advance notification)	AECA, Section 36(b)(1)
Enhancements or upgrades in sensitivity of technology and/or capability	Enhancements to equipment that has been previously notified, has not yet been delivered and is BELOW the section 36(b)(1) financial thresholds	LOA or Amendment	Report	Must be completed prior to delivery of the defense articles or the furnishing of services	45 calendar days	AECA Section 36(b)(5)(A)

Type of Equipment	Dollar Value	Document	Notification or Report Required?	Timing of Notification	Notification Period	Reference
Enhancements or upgrades in sensitivity of technology and/or capability	Enhancements to equipment that has been previously notified, has not yet been delivered and EXCEEDS the section 36(b)(1) financial thresholds	LOA or Amendment	Notification	Must be completed prior to offering the LOA, or Amendment	15 calendar days for NATO, any NATO member country, Australia, Japan, the Republic of Korea, and New Zealand ----- All other purchasers – 30 calendar days	AECA Section 36(b)(5)(C)
Transfers to Greece or Turkey	NATO Member Country 36(b) thresholds	LOA or Amendment	Certification	Must be completed prior to offering the LOA, or Amendment	15 calendar days	FAA Section 620C(d)

14. Paragraph C8.8.4.1. is replaced with the following revised version:

C8.8.4.1. Congressional Notification. Third party transfers are subject to requirements for Congressional notification under AECA, section 3(d) (reference (c)), using guidelines similar to those for AECA, section 36(b) (reference (c)) notifications (see Chapter 5, section C5.6.). A 30-day prior Congressional notification is required for third-party transfer requests that involve defense articles and services with original acquisition values that fall in one of the following categories: Major Defense Equipment (MDE) with an acquisition value equal to or greater than \$14M for non-North Atlantic Treaty Organization (NATO) recipients and \$25M if the recipient is a member of NATO, Australia, Japan, the Republic of Korea, or New Zealand; or any other defense article or related training or defense service with an acquisition value of \$50M or more for non-NATO recipients and \$100M or more for NATO, Australia, Japan, the Republic of Korea, and New Zealand recipients. Approval is granted after the 30-day (including weekends) period has expired if no objections are raised.

15. In Table C9.T2. in the column headed “Applied by - for billing,” five instances of “DFAS – Denver” or “DFAS” are replaced with “DFAS – Indianapolis.”

16. Paragraph C9.6.3.1.1. is replaced with the following revised version:

C9.6.3.1.1. For sales that would significantly advance U.S. interests in NATO standardization, standardization with the armed forces of Australia, Japan, the Republic of Korea, or New Zealand, or foreign procurement in the United States under co-production arrangements.

17. In Figure C9.F6.,

Defense Finance and Accounting Service-Denver  
DFAS Denver (Credit Sales)  
6760 E. Irvington Place  
Denver, CO 80279-2000

Refunds by wire transfer should be addressed as follows:

United States Treasury  
New York, New York  
021-030-004  
DFAS Denver, Agency Code 3801

is replaced with:

Defense Finance and Accounting Service-Indianapolis  
Security Assistance Accounting (Credit Sales)  
8899East 56th Street  
Indianapolis, IN 46249-6300

Refunds by wire transfer should be addressed as follows:

United States Treasury  
New York, New York  
021-030-004  
DFAS Indianapolis, Agency Code 3801

18. Paragraph C11.1.2. is replaced with the following revised version:

C11.1.2. Temporary Authority to Use ACSA to Lend Certain Military Equipment to Foreign Forces in Iraq and Afghanistan for Personnel Protection and Survivability or Participating in Combined Operations with the United States as part of a Peacekeeping Operation under the Charter of the United Nations or Another International Agreement. Notwithstanding paragraph C11.1.1 above, special authority was enacted in Section 1202 of the National Defense Authorization Act (NDAA) for Fiscal Year 2007 (P.L. 109-364) , as amended by Section 1252 of the FY 2008 NDAA, to permit the Secretary of Defense to treat “covered military equipment” (defined in Section 1202 as SME in USML categories I, II, III, VII, XI, and XIII) as logistics support, supplies, and services under ACSA agreements for the purposes of providing such equipment to military forces of a nation while participating in combined operations with the United States in Iraq or Afghanistan, or in other approved combined operations, when the equipment is required for personnel protection or to aid in the personnel survivability of those forces. Use of this authority requires a determination by the Secretary of Defense, with concurrence of the Secretary of State that it is in the national security interest to provide the equipment. Equipment may not be provided for a period longer than one year. This authority expires on September 30, 2009.

19. The following row in Table C11.T7., EDA Legislation Summary, is replaced with the following revised version that clarifies the allowable weight limit proscribed by law.

Table C11.T7. EDA Legislation Summary

<p>FAA, Section 516(e) (reference (b))</p>	<p>EDA recipients are responsible for Packaging, Crating, Handling and Transportation (PCH&amp;T) costs, as well as refurbishment work and follow-on support. These services may be purchased from the Department of Defense through the FMS program. DoD funds may be expended for the transportation of grant EDA if it is in the U.S. national interest, the transportation is on a Space Available basis, the total weight of the transfer does not exceed 50,000 lbs., and the recipient country receives less than \$10M in International Military Education and Training (IMET) or FMF in the fiscal year the transportation is provided. MILDEPs must request Space Available authorization with the EDA request. Requests must include the total weight, proposed method and route of Space Available, and timeframes or constraints. DSCA (Programs Directorate) seeks the required national interest determination (delegated to the Director, DSCA under Executive Order) and where appropriate approve Space Available transportation in the EDA transfer authorization message.</p>
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20. Paragraph C11.10.6. is replaced with the following revised version:

C11.10.6. Congressional Notification Requirements. AECA, section 62 (reference (c)) requires written certification from the President to the Speaker of the House of Representatives, the Chairman of the Committee on Foreign Relations of the Senate, and the Chairman of the Committee on Armed Services of the Senate before entering into or renewing a lease agreement for a period of 1 year or longer. The certification must be transmitted not less than 15-calendar days before agreements with NATO, NATO member countries, Australia, Japan, the Republic of Korea, or New Zealand and not less than 30-calendar days before agreements with all other countries or organizations. The certification includes: the country or international organization to which the defense article is to be leased; the type, quantity, and value (in terms of replacement cost) of the defense article to be leased; the terms and duration of the lease; and the justification for the lease, including an explanation of why the defense article is being leased rather than sold. AECA, section 62(b) (reference (c)) authorizes waiver of the Congressional Notification for leases if the President states in his or her certification that an emergency exists that requires the lease be entered into immediately in the interest of U.S. national security. The certification must include a detailed justification with a description of the emergency circumstances and a discussion of the national security interests involved. This authority is reserved to the President for his or her exercise only. In the event of such an emergency, DSCA provides instructions to the Implementing Agency.



21. Figure AP3.F4. is replaced with the following revised version:

Figure AP3.F4. FMF Loan Agreement - Annex 2 –  
Request for Advance Funds – Sample Letter Principle Payment Schedule

**Request for Advance of Funds – Sample Letter**

Director  
Defense Finance and Accounting Service -Indianapolis  
ATTN: Security Assistance Accounting/JAX  
8899 East 56<sup>th</sup> Street  
Indianapolis, IN 46249-6300

Dear Sir:

In accordance with the provisions of Section 1.4 of our Loan Agreement with the Government of the United States of America dated \_\_\_\_\_, the Government of \_\_\_\_\_ hereby requests DFAS Indianapolis approval and disbursement of an advance of \_\_\_\_\_ from that loan.

The Government of \_\_\_\_\_ acknowledges that advances hereunder may be used to pay ocean and air freight costs only for transportation of Defense Items being carried on vessels or aircraft of United States registry, and that all materiel financed from this loan which is to be shipped by ocean surface transportation must be transported in privately-owned vessels of United States registry unless a waiver is obtained in accordance with Section 7 of the Loan Agreement. In furtherance of this requirement, the suppliers of the materiel being financed with this advance were so notified and given appropriate shipping instructions.

In connection with this request, the Government of \_\_\_\_\_ confirms that, as appropriate: the defense articles and services for which payment is requested have been satisfactorily delivered; or the advance payment requested is in accordance with requirements of the contract; or the progress payment requested is based on the contractor's satisfactory progress and is in accordance with requirements of the contract; and that payment is therefore due and unpaid under the Purchase Agreement \_\_\_\_\_ with the \_\_\_\_\_.

Sincerely,

Government of \_\_\_\_\_

By \_\_\_\_\_

(Name and Title)

22. In Figure AP3.F6.,

DFAS-JY/DE  
6760 E. Irvington Place  
Denver, Colorado 80279-2000

is replaced with:

Defense Finance and Accounting Service-IN  
  
Security Assistance Accounting/JAX  
8899 East 56<sup>th</sup> Street  
Indianapolis, IN 46249-6300

23. Figure AP3.F9., requirement 2., is replaced with the following revised text:

2. Whenever the Borrower desires a disbursement of FMS loan funds, its authorized representative(s), as designated pursuant to provisions of the Loan Agreement, shall forward the written request, prepared in accordance with Annex II of the Agreement, to the Defense Finance and Accounting Service-IN, Security Assistance Accounting/JAX, 8899 East 56<sup>th</sup> Street, Indianapolis, IN 46249-6300 not less than 15 business days before the desired disbursement date.

24. In Figure AP3.F11.,

DFAS-AYADD/DE  
6760 E. Irvington Place  
Denver, CO 80279-2000

is replaced with:

Defense Finance and Accounting Service-IN  
  
Security Assistance Accounting/JAX  
8899 East 56<sup>th</sup> Street  
Indianapolis, IN 46249-6300

25. Figure AP3.F12. is replaced with the following revised version:

Figure AP3.F12. FMF Grant Agreement - Annex 2  
Request for Advance of Funds – Sample Letter

**Request for Advance of Funds – Sample Letter**

Director  
Defense Finance and Accounting Service-IN  
Security Assistance Accounting/JAX  
8899 East 56<sup>th</sup> Street  
Indianapolis, IN 46249-6300

Dear Sir:

In accordance with the provisions of Section 1.3 of our Grant Agreement with the Government of the United States of America dated (date), the Government of \_\_\_\_\_ hereby requests DFAS Indianapolis approval and disbursement of an advance of (amount) from that grant.

The Government of \_\_\_\_\_ acknowledges that advances hereunder may be used to pay ocean and air freight costs only for transportation of Defense Items being carried on vessels or aircraft of United States registry, and that all materiel financed from this grant which is to be shipped by ocean surface transportation must be transported in privately owned vessels of United States registry unless a waiver is obtained in accordance with Section 6 of the Grant Agreement. In furtherance of this requirement, the suppliers of the materiel being financed with this advance were so notified and given appropriate shipping instructions.

In connection with this request, the Government of \_\_\_\_\_ confirms that, as appropriate: the defense articles and services for which payment is requested have been satisfactorily delivered; or the advance payment requested is in accordance with requirements of the contract; or the progress payment requested is based on the contractor's satisfactory progress and is in accordance with requirements of the contract; and that payment is therefore due and unpaid under the Purchase Agreement (insert Case Identifier) with the (insert Supplier).

Sincerely,

Government of \_\_\_\_\_

By \_\_\_\_\_

(Name and Title)

26. In Figure AP3.F15., one instance of “DFAS Denver” is replaced with “DFAS Indianapolis” and requirement 2. is replaced with the following revised text:

2. Whenever the Grant Recipient desires a disbursement of grant funds, its authorized representatives(s), as designated pursuant to provisions of the Grant Agreement, shall forward the written request, prepared in accordance with Annex II of the Agreement, to the Defense Finance and Accounting Service-IN, ATTN: Security Assistance Accounting/JAX, 8899East 56<sup>th</sup> Street, Indianapolis, IN 46249-6300, not less than 15 business days before the desired disbursement date.

27. The following lines in Table AP5.T1. are replaced with the following revised versions. In addition, all footnote references in Table AP5.T1. to the “HIRC - House International Relations Committee” are revised to “HFAC – House Foreign Affairs Committee,” and all footnote references to the “HNSC - House National Security Committee” are revised to “HASC – House Armed Services Committee.”

Table AP5.T1. Security Assistance Statutory Reports Submitted to Congress  
By the Department of Defense

	<b>Report Item</b>	<b>Authorizing Legislation</b>	<b>Recipient*</b>	<b>Trigger</b>	<b>Responsible DoD Component</b>
27	Reports of proposed FMS which are: (a) For defense articles or services valued at \$50M or more (\$100M or more for NATO members, Australia, the Republic of Korea, and Japan), or (b) For design and construction services valued at \$200M or more (\$300M or more for NATO members, Australia, the Republic of Korea, and Japan), or (c) MDE valued at \$14M or more (\$25M or more for NATO members, Australia, the Republic of Korea, and Japan)	Sec. 36(b)(1), AECA (codified as amended at 22 U.S.C.2776)	SHR, SFRC, HFAC, HAC, SAC, [HASC, SASC] 1/	15 days before issuance of an LOA to NATO, NATO members, Japan, Australia, the Republic of Korea, or New Zealand, or 30 days before issuance of an LOA to other purchasers	DSCA (Business Operations Directorate/ Administration and Management Division)
30	Report on reciprocal no-rent leases	Sec. 61(a), AECA, (codified as amended at 22 U.S.C. 2796)	SAC, HAC, SFRC, HFAC	Two-week notification before entering into or renewing any lease agreement for one year or longer; 15 days for NATO, Australia, Japan, the Republic of Korea, and New Zealand	DSCA (Programs Directorate/ Weapons Division)

<b>Report Item</b>		<b>Authorizing Legislation</b>	<b>Recipient*</b>	<b>Trigger</b>	<b>Responsible DoD Component</b>
31	Report on proposed leases of defense articles	Sec.62, AECA, (codified as amended at 22 U.S.C. 2796a.)	SHR, SFRC, SASC, [HFAC, HASC] 1/	NLT 30 days before entering into or renewing any lease agreement for one year or longer; 15 days for NATO, Australia, Japan, the Republic of Korea, and New Zealand	DSCA (Programs Directorate/ Weapons Division)