



DEFENSE SECURITY COOPERATION AGENCY
2800 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2800

24 AUG 2009

In reply refer to:
USP002713-09

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY (BUDGET
MANAGEMENT & EXECUTION) ATTN: SAF/FMBMS,
(MS. VALERIE KIMBALL)
DEPARTMENT OF THE AIR FORCE

SUBJECT: Nonrecurring Cost (NC) Recoupment Charge – AMRAAM Missile
AIM-120C7, DSCA Policy Memo 09-38

The attached Finding, signed by the Director, Defense Security Cooperation Agency (DSCA), approves a nonrecurring cost (NC) recoupment pro rata charge for the sale, coproduction, or licensed production of the items shown on the Finding table.

The NC charges listed in the Finding will be included in the next update of Appendix 1 of the automated version of the Security Assistance Management Manual (SAMM) found on the DSCA Web Page.

Department of Defense (DoD) NC recoupment charges are required to be reimbursed to the DoD within 30 days following delivery or purchaser acceptance (whichever comes first) of each item sold or produced; and all recoupments will be recorded under DSCA(Q) 1112 Report. In accordance with the Arms Export Control Act, any country requesting a waiver of NC charges must request the waiver in writing prior to finalization of the purchase, if it is to be approved.

IAW DoD Financial Management Regulation 7000.14-R, Volume 15, Chapter 7, para 070305, L(1) the NC for the common pool (previous) models was recalculated as follows:

Model	Established NC Charge	New NC Charge	Percentage Change
AIM-120A/B	\$114,182.00	\$99,219.87	13% change
AIM-120C (C3/C4/C5/C6 models)	\$104,183.00	\$107,224.96	-3% change

The recalculations do not meet the thirty percent threshold of a significant change; therefore, the NCs will not be updated at this time.

The AMRAAM AIM-120C7 missile is 90 percent common with all previous models of the AIM-120 missile. The Air Force provided data that shows a common pool non-recurring investment to the AIM-120 and its sub-assemblies totaling \$2,644,830,000; and additional investments unique to the AIM-120C7 and its sub-assemblies of \$545,900,000. Based on the commonality with other models, the quantity of USG procured units and FMS procured units (NC waived and/or collected), no more than \$1,602,851,303 may be additionally recouped. Regardless of model, once investment and recoupment totals are equal, the Air Force must submit a request to remove the pro-rata charge from all common pool models.

The point of contact for additional information is Ms. Susan Kidd at (703) 604-6625, e-mail: susan.kidd.ctr@dscamil, or Ms. June Squire at (703) 601-3833, e-mail: june.squire.ctr@dscamil.



Jeanne L. Farmer
Principal Director
Programs

Attachment:
As stated



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FINDING

In accordance with DoD Directive 2140.2, dated January 13, 1993, I hereby approve a nonrecurring cost (NC) recoupment pro rata charge for the sale, coproduction, or licensed production of the item shown below:

CATEGORY IV - Launch Vehicles, Guided Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs and Mines

ITEM DESCRIPTION	NC CHARGE
Missile, AIM-120C7 (with Guidance Section) (MDE) MASL: 14100A1M120C7	\$198,922

This NC recoupment charge is effective immediately.

UNCLASSIFIED