



DEFENSE SECURITY COOPERATION AGENCY

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WASHINGTON, D.C. 20301-2800

27 MAR 2012

MEMORANDUM FOR THE DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR
INTERNATIONAL AFFAIRS
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
DEFENSE EXPORTS AND COOPERATION
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR
INTERNATIONAL PROGRAMS
DIRECTOR, DEFENSE CONTRACT MANAGEMENT
AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Repair Costs on Invoice/Shipping Documentation for Repaired Foreign Military
Sales (FMS) Materiel, DSCA Policy 12-17


REFERENCE: 22 CFR Part 123.4 Section (a)(5) and (d)(2), International Traffic in Arms
Regulations (ITAR)

Customs and Border Protection (CBP) has informed DSCA that repair and return invoice/shipping documentation, provided by the DoD repair facility, often reflects the materiel original acquisition value and not the repair value. This erroneous data cited on the documentation is exhausting the exportable value on the DSP-94 for the FMS case which if not corrected will lead to CBP prohibiting further exports.

In addition to the invoice/shipping document citing the repair cost, electronic filing using the Automated Export System (AES) is required to comply with ITAR section 123.4. This ITAR section covers the export of FMS-origin materiel returned to the U.S. for repair. The AES filing must be completed by the DoD shipping activity or the purchaser's freight forwarder. In order to correctly file the transaction in AES, an accurate repair cost from the DoD is needed.

DSCA requests that the Military Departments and the Defense Logistics Agency adjust the appropriate Service and/or DLA-managed processes to ensure that the repair cost is cited on the documentation issued by each repair facility for repaired FMS materiel. Please ensure you communicate this requirement to your subordinate agencies/commands and update any internal policies and procedures that are not consistent with this process to cite the repair value on the appropriate forms. We request that you keep DSCA, Strategy Directorate informed of your efforts on a quarterly basis so we can provide the appropriate assurances to CBP.

If you have any questions concerning this guidance, please contact Mr. Brion Midland, DSCA-STR/POL, brion.midland@dscamil, (703) 601-3672.


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For Strategy