



## DEFENSE SECURITY COOPERATION AGENCY

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WASHINGTON, D.C. 20301-2800

05 SEP 2013

MEMORANDUM FOR 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 FOR SECURITY ASSISTANCE, DEFENSE FINANCE  
AND ACCOUNTING SERVICE – INDIANAPOLIS OPERATIONS  
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY  
DIRECTOR, DEFENSE LOGISTICS AGENCY  
DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE  
DIRECTOR, DEFENSE REUTILIZATION AND MARKETING  
SERVICE  
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY  
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE  
AGENCY  
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,  
NATIONAL SECURITY AGENCY

SUBJECT: Changes to Improve the Letter of Offer and Acceptance (LOA) Review Process,  
DSCA Policy 13-22

To meet the new Anticipated Offer Date (AOD) case group targets which went into effect on August 15, 2013, the Security Cooperation community must change the way we develop and process LOA documents. The current LOA review process includes numerous steps which can be revised or eliminated. This will reduce the overall LOA processing time, which should allow the Defense Security Cooperation Agency (DSCA) to be able to offer the LOA to the customer sooner. Although it is critical that we find ways to reduce the LOA review process, we must continue to strive to provide quality LOA documents that satisfy both the customer and the U.S. Government. DSCA has identified several steps in the LOA review process that will be revised or eliminated to help expedite the overall LOA processing time.

Effective immediately DSCA has set a one work day maximum time frame for DSCA Headquarters (HQ) to review LOA documents. This one day standard applies to all LOA document reviews, whether they are initial reviews or re-reviews of previously returned or corrected documents. The Case Writing Division (CWD) will advance an LOA document to proposed status once they have received all of the required DSCA Directorate and Implementing Agency (IA) approvals. DSCA HQ currently takes on average seven days (including weekends and holidays) to review LOA documents. The reduction in time to one work day will provide

IAs and CWD a greater proportion of the overall 30 day AOD goal to prepare LOA documents. Any additional time to review LOA documents would be disproportionate to the level of effort to achieve the new AOD goals. DSCA HQ will make every attempt to meet the one work day review time goal; however, there may be circumstances that will require more than one day for a DSCA Directorate to provide approval.

Effective September 8, 2013, DSCA will revise the current LOA review process for those LOA documents that have been returned by DSCA after the initial LOA review.

Under the revised process, returned LOA documents will only be reviewed by the DSCA Directorate that returned the LOA document, Directorates which had not yet approved the LOA document at the time it was returned, and Directorates whose areas of responsibility were affected by the returned document.

Any significant changes to an LOA document, such as adding lines, increasing quantities of Major Defense Equipment, etc., after it has been returned by DSCA or the IA, will need to be reviewed again by all DSCA Directorates and the IA that previously reviewed the LOA document. In accordance with DSCA Policy 11-59, the IA is responsible for identifying all changes made to an LOA document after it has been returned by DSCA by adding case remarks into the Defense Security Assistance Management System (DSAMS) and in the comments section of the LOA checklist. The case remarks and LOA checklist will include a statement that new changes were made to the LOA document since it was returned by DSCA and a description of those changes. These remarks will notify the CWD that the LOA document needs to be re-staffed with the DSCA Directorates that initially reviewed it. To ensure compliance, DSCA will periodically conduct spot checks on LOA documents after they have been returned to see whether any significant changes have been made to an LOA document which were not identified in the DSAMS case remarks.

A Pre-Countersignature meeting includes performing a detailed review of the purchaser's requirements. This process ensures the proposed financial payment schedule correlates to the proposed program/delivery plan, reviews all line items and notes on the LOA document, verifies the transportation methods being proposed are appropriate, corrects errors, and resolves issues, etc. A Pre-Countersignature meeting is considered the "first" review of an LOA document. DSCA and the IAs invest a significant amount of time and resources before, during, and after a Pre-Countersignature meeting. Because any LOA concerns should have been addressed and agreed to during this "first" review, DSCA will eliminate the requirement to review LOA documents a second time after they have been reviewed via a Pre-Countersignature meeting as long as all issues identified have been addressed by the responsible organizations. The DSCA Operations Directorate will continue to review all LOA documents that have been reviewed via a Pre-Countersignature meeting.

Changes to an LOA document after a Pre-Countersignature meeting should be minimized. The IA is responsible for identifying any significant changes made to an LOA document that were not identified during a Pre-Countersignature meeting by adding case remarks into DSAMS and in the comments section of the LOA checklist. The case remarks and LOA checklist should include a statement that changes were made to the LOA document that were not identified during the Pre-Countersignature meeting and a description of those changes. These remarks will notify CWD that the LOA document needs to be re-staffed with the DSCA

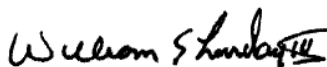
Directorates which initially reviewed it. CWD will re-staff an LOA document with all appropriate Directorates when necessary.

DSCA will develop LOA Pre-Countersignature meeting guidelines. The guidelines will identify organizations responsible for attending Pre-Countersignature meetings, organizations responsible for preparing meeting minutes, and the procedures DSCA will implement to ensure any errors or issues identified during a meeting are addressed.

All organizations involved in the development and review of LOA documents should look for ways to expedite the LOA development and review process such as maximizing concurrent reviews, initiating waiver requests upon LOR receipt, improving internal review processes and making any necessary corrections to LOA documents without returning them to its original source.

To facilitate the process changes above and other policy memos relating to the new AOD case group targets, the LOA Checklist will be updated in the near future to reflect these changes.

If you have questions concerning the attached SAMM policy, please contact Mr. Kent Bell, DSCA-STR/POL, kent.bell@dsc.mil, (703) 604-6612.



William E. Landay III  
Vice Admiral, USN  
Director

Attachments:  
As stated

cc:  
STATE/PM-RSAT  
AFRICOM  
CENTCOM  
EUCOM  
JFCOM  
NORTHCOM  
PACOM  
SOCOM  
SOUTHCOM  
TRANSCOM  
USASAC  
SATFA  
TRADOC  
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