



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

16 JUL 2013

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
DEFENSE EXPORTS AND COOPERATION
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR
INTERNATIONAL PROGRAMS
DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR
INTERNATIONAL AFFAIRS
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE
DIRECTOR, DEFENSE LOGISTICS AGENCY DISPOSITION
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY

SUBJECT: Security Assistance Management Manual (SAMM) Administrative Changes, DSCA
Policy 13-33, [SAMM E-Change 229]

This memorandum updates the SAMM with administrative changes. Substantive changes were not made as part of this memorandum. Any substantive changes to the SAMM will be issued under a separate policy memo/SAMM E-change. These changes will be included in the online version of the SAMM at <http://www.dsca.mil/samm/>.

The SAMM changes identified in this memorandum are effective immediately. For questions, please contact Kathy Ton, kathy.ton@dsca.mil, (703) 604-6611.

A handwritten signature in cursive script that reads "Scott Schless".

Scott Schless
Principal Director
Strategy

cc:

AFRICOM

CENTCOM

EUCOM

NORTHCOM

SOUTHCOM

PACOM

TRANSCOM

SOCOM

STATE/PM-RSAT

USASAC

SATFA

USACE

NAVSUP WSS

NETSAFA

TRADOC

AFSAC

AFSAT

DISAM

MARCOR IP

SCETC

USCG International Affairs (G-CI)

Security Assistance Management Manual (SAMM) Administrative Changes, E-Change 229

1) Section C2.1.7.2.4.:

| | |
|----------------|---|
| Replace | “Handbook Chapter 5” with “Handbook Chapter 10, Section 10.4”, as follows: |
| From: | C2.1.7.2.4. SCOs with IAC responsibilities should maintain and review the <u>OSD (AT&L) International Armaments Cooperation Handbook</u> . Chapter 5 of the handbook addresses the role of the SCO in IAC.” |
| To: | “C2.1.7.2.4. SCOs with IAC responsibilities should maintain and review the <u>OSD (AT&L) International Armaments Cooperation Handbook</u> . Chapter 10, Section 10.4 of the handbook addresses the role of the SCO in IAC.” |
| Reason: | To reflect the change in IAC Handbook 7 th Edition. |

2) C3.2.8. U.S. Contracts with Foreign Firms:

| | |
|-----------------|--|
| Replace: | “DISCO” with “DSS Headquarters International Division”, as follows: |
| From: | “Prior to any activity that may result in the disclosure of classified information to a foreign contractor, the IA will request that DISCO seek a Facility Security Clearance Assurance (FSCA) from the security authorities of the foreign contractor.” |
| To: | “Prior to any activity that may result in the disclosure of classified information to a foreign contractor, the IA will request that DSS Headquarters International Division seek a Facility Security Clearance Assurance (FSCA) from the security authorities of the foreign contractor.” |
| Reason: | As of April 1, 2013, the international responsibilities of DSS were transferred from DISCO to DSS Headquarters International Division. |

3) Table C4.T2A. Security Cooperation (SC) Customer and Regional Codes and FMS Eligibility:

Add to the end of Table C4.T2A the following: “SC Customer Codes in parentheses are codes that were used in the past and retained in this Table for historical data”.

a. Column “Country/Territory (Country)”:

| | |
|-----------------|---|
| Replace: | “Government of Southern Sudan” |
| To: | “Republic of South Sudan” |
| Reason: | The Government of Southern Sudan became independent from Sudan in 2011. The current Customer Code “SX” in C4.T2A. was assigned for the same government, the change is to reflect the official name. |

b. Column “FMS AECA Eligible”:

| | |
|-----------------|---|
| Replace: | Republic of South Sudan FMS AECA Eligible from “No” |
|-----------------|---|

| | |
|----------------|---|
| To: | “Yes” |
| Reason: | Republic of South Sudan is FMS AECA eligible. |

c. Column “Accel. Case Closure Eligible”:

| | |
|-----------------|---|
| Replace: | For Iraq, Kosovo, Republic of Montenegro, and Republic of Serbia, change “No” |
| To: | “Yes” |
| Reason: | These countries are FMF recipients which require them to participate in Accelerated Case Closure Procedures (ACCP). |

4) Table C4.T2B., Security Cooperation (SC) Customer and Regional Codes and FMS Eligibility (DSCA/DFAS Reserved):

a. Customer Code 77:

| | |
|-----------------|---|
| Replace: | Update title from “IMET infrastructure cost” |
| To: | “IMET/CTFP infrastructure cost” |
| Reason: | CTFP program has infrastructure cost and title needs to correctly reflect CTFP. |

b. Air Force Non-Country-Specific IMET Funds

| | |
|-----------------|---|
| Replace: | Delete “Air Force Non-Country-Specific IMET Funds, 83, N/A, N/A Both, No” |
| Reason: | The Air Force no longer requires this Customer Code, and DSCA removes it from Table C4.T2B. |

5) Section C5.4.3.1.2. Items Not Provided on Defined Order Cases or Lines.

| | |
|-----------------|--|
| Replace: | Replace the last two sentences of the paragraph, as follows: |
| From: | “C5.4.3.1.2. Items Not Provided on Defined Order Cases or Lines. Relatively minor, non-SME items that do not require intensive item-by-item control are not normally provided on Defined Order cases or lines except as part of an initial support package for a system or major end item. An assembled article ready for its intended use. Only ammunition, fuel or another energy source is required to place it in an operating state.” |
| To: | “C5.4.3.1.2. Items Not Provided on Defined Order Cases or Lines. Relatively minor, non-SME items that do not require intensive item-by-item control are not normally provided on Defined Order cases or lines except as part of an initial support package for a system or major end item (an end item is an assembled article ready for its intended use. Only ammunition, fuel or another energy source is required to place it in an operating state).” |
| Reason: | The last two sentences are not worded clearly to explain for items not provided on a Defined Order case. |

6) Figure C5.F6., Paragraph 3, Term(s) of Sale:

| | |
|----------------|-----------------------------|
| From: | “Table C9.T8.” |
| To: | “Table C9.T11.” |
| Reason: | Correct incorrect reference |

7) Figure C5.F6., Paragraphs 9, 10, and 11:

| | |
|----------------|------------------------------|
| From: | “C5.F4.” |
| To: | “C5.F5.” |
| Reason: | Correct incorrect reference. |

8) Figure C5.F6. Paragraph 14:

| | |
|----------------|------------------------------|
| From: | “C5.F2.” |
| To: | “C5.F3.” |
| Reason: | Correct incorrect reference. |

9) Section C6.2.1. General FMS Case File:

| | |
|-----------------|--|
| Replace: | “(DoD)7000-I4.R” with “(DoD)7000-14.R”, as follows: |
| From: | “C6.2.1. General FMS Case Files. General FMS Case Files are maintained in accordance with the Department of Defense (DoD) 7000-I4.R, Volume 15, Chapter 6. |
| To: | “C6.2.1. General FMS Case Files. General FMS Case Files are maintained in accordance with the Department of Defense (DoD) 7000-14.R, Volume 15, Chapter 6. |
| Reason: | Correct typographical error. |

| | |
|-----------------|--|
| Replace: | The 4 th sentence of the paragraph: |
| From: | “Per Chapter 8, delivery and inventory records for Enhanced EUM articles must be maintained by the IA and Security Cooperation Organizations (SCOs) indefinitely, or until the USG has verifiable information that the recipient country has properly disposed of the Enhanced EUM items(s).” |
| To: | “Per Chapter 8 of this Manual, delivery and inventory records for Enhanced EUM articles must be maintained by the IA and Security Cooperation Organizations (SCOs) indefinitely, or until the USG has verifiable information that the recipient country has properly disposed of the Enhanced EUM items(s).” |

| | |
|----------------|---|
| Reason: | To avoid confusion with FMR DoD 700014.R reference. |
|----------------|---|

10) Section C6.8.1. Accelerated Case Closure (ACC):

| | |
|-----------------|--|
| Replace: | “DoD 7000.14-R, Volume 15, Chapter 2” with “DoD 7000.14-R, Volume 15, Chapter 3” |
| From: | “C6.8.1. Accelerated Case Closure (ACC). ACC allows a case to be closed after supply or services completion even if there are outstanding un-liquidated obligations (ULOs) on the case. Under ACC, purchaser funds are placed in a case closure suspense account pending final resolution of the ULOs. This program is voluntary, except for those countries that have FMF-funded programs <u>(See DoD 7000.14-R, Volume 15, Chapter 2 for details.)</u> ” |
| To: | “C6.8.1. Accelerated Case Closure (ACC). ACC allows a case to be closed after supply or services completion even if there are outstanding un-liquidated obligations (ULOs) on the case. Under ACC, purchaser funds are placed in a case closure suspense account pending final resolution of the ULOs. This program is voluntary, except for those countries that have FMF-funded programs <u>(See DoD 7000.14-R, Volume 15, Chapter 3 for details.)</u> ” |
| Reason: | Update to reflect the change in DoD 7000.14-R. |

11) Section C6.8.2. Non-Accelerated Case Closure (Non-ACC):

| | |
|-----------------|---|
| Replace: | “DoD 7000.14-R, Volume 15, Chapter 2” with “DoD 7000.14-R, Volume 15, Chapter 3”, as follows: |
| From: | “C6.8.2. Non-Accelerated Case Closure (Non-ACC). ...IAs begin non-ACC procedures after the following actions are complete (See DoD 7000.14-R, Volume 15, Chapter 2 for details.)” |
| To: | “C6.8.2. Non-Accelerated Case Closure (Non-ACC). ...IAs begin non-ACC procedures after the following actions are complete (See DoD 7000.14-R, Volume 15, Chapter 3 for details.)” |
| Reason: | To reflect the change in DoD 7000.14-R. |

12) Section C6.8.4.4. Case Closure - DSCA 1238(Q) Report:

| | |
|-----------------|---|
| Replace: | “DSCA 1238(Q)” in two places, as follows |
| From: | “C6.8.4.4.Case Closure - DSCA 1238(Q) Report. The DSCA 1238(Q) report tracks closure objectives, actual closure progress during a given fiscal year...” |
| To: | “C6.8.4.4.Case Closure – Case Closure Status Report. The Case Closure Status Report tracks closure objectives, actual closure progress during a given fiscal year...” |
| Reason: | DSCA 1238(Q) designation was terminated as part of the former SECDEF’s initiative on reducing reporting requirement. |

13) Table C9.T4. Table of Charges:

| | |
|-----------------|---|
| Replace: | Column “How Priced” for row “FMS Administrative Surcharge”: |
| From: | N/A |
| To: | Add “Does not apply to EDA Grant Lines” |
| Reason: | To clarify that FMS Administrative Surcharge does not apply to EDA grant. |

14) Table C15.T5. Instructions for Preparing Pseudo LOAs:

| | |
|-----------------|--|
| Replace: | Row #2, Purchaser’s Reference: ...[insert date of MOR, and tracking number, if available].”, as follows: |
| From: | “For DoD-funded programs: After “Based on” enter “funds provided and the Memorandum of Request from [enter Requesting Authority] to the Defense Security Cooperation Agency, [insert date of MOR and tracking number].” For non-DoD funded BPC Programs: Enter “the MOA between the Funding Authority and DSCA, dated [insert date of FAA Section 632(b) MOA] and the Memorandum of Request from [enter Requesting Authority] to the Defense Security Cooperation Agency, [insert date of MOR and tracking number].” |
| To: | “For DoD-funded programs: After “Based on” enter “funds provided and the Memorandum of Request from [enter Requesting Authority] to the Defense Security Cooperation Agency, [insert date of MOR, and tracking number, if available].” For non-DoD funded BPC Programs: “The MOA between the Funding Authority and DSCA, dated [insert date of FAA Section 632(b) MOA] and the Memorandum of Request from [enter Requesting Authority] to the Defense Security Cooperation Agency, [insert date of MOR, and tracking number, if available].” |
| Reason: | Not Stated. |

15) Appendix 6 Note, Administrative Surcharge Waiver-Reciprocal Training Agreements, References:

| | |
|-----------------|---|
| Replace: | “C10.T2.” with “C10.T13 and C10.T14”, as follows: |
| From: | “See Table C10.T12. for applicable agreements.” |
| To: | “See Table C10.T13. and C10.T14 for applicable agreements.” |
| Reason: | Correct wrong references. |

16) Appendix 6 Note, Air Intercept Missile-9X (AIM-9X), Note Usage , second paragraph:

| | |
|-----------------|---|
| Replace: | “NATM” to “SATM” in two places, as follows: |
| From: | <p>“Mandatory for FMS LOAs that include AIM-9X missiles, Guidance Units (GU), Captive Air Training Missiles (CATM), and Special Air Training Missiles (SATM).</p> <p>Mandatory for Amendments that add AIM-9X missiles, GUs, CATMs, and NATMs. Mandatory for Amendments that add no additional AIM-9X missiles, GUs, CATMS, or NATMS if the note on the current implemented version of the case varies from this text.”</p> |
| To: | <p>“Mandatory for FMS LOAs that include AIM-9X missiles, Guidance Units (GU), Captive Air Training Missiles (CATM), and Special Air Training Missiles (SATM).</p> <p>Mandatory for Amendments that add AIM-9X missiles, GUs, CATMs, and SATMs. Mandatory for Amendments that add no additional AIM-9X missiles, GUs, CATMS, or SATMs if the note on the current implemented version of the case varies from this text.”</p> |
| Reason: | Correct typographical errors |

17) Appendix 6 Note, Cargo Preference Act:

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|-----------------|--|
| Replace: | Note Usage, and Note Text: “FMS Credit (Non-Repayable)” and “FMF Credit (Non-Repayable)” with “FMS Credit (Non-Repayable) or FMS Credit (Repayable)”, as follows: |
| From: | <p>“ Note Usage:</p> <p>Mandatory for FMS LOAs when the term of sale is FMS Credit (Non-Repayable) on materiel and services lines and/or for LOAs that transfer Grant EDA.</p> <p>Mandatory for Amendments and Modifications when the term of sale is FMF Credit (Non-Repayable) and/or for Amendments or Modifications that transfer Grant EDA.”</p> <p>Note Text:</p> <p>All items transferred under Section 516 of the FAA or purchased with Foreign Military Financing (FMF) Credit (Non-Repayable) that are transported by ocean carriers must comply with the U.S. Cargo Preference Act. Recipient countries must use U.S. flag vessels for the shipment of all FAA Section 516 materiel or materiel purchased with FMF Credit (Non-Repayable) unless the Maritime Administration (MARAD) grants a non-availability waiver or DSCA grants a general or security waiver. MARAD will assist in working with the recipient country to determine availability of U.S. vessels from the port of shipment to the delivery port in the recipient country. Shipment options, utilizing U.S. flag exclusively, or in conjunction with a foreign flag carrier for a portion of the route, may be proposed by MARAD. In addition, MARAD will assist in monitoring compliance with the U.S. Cargo Preference Act.”</p> |
| To: | <p>“Note Usage:</p> <p>Mandatory for FMS LOAs when the term of sale is FMS Credit (Non-Repayable) or FMS Credit (Repayable) on materiel and services lines and/or for LOAs that transfer Grant EDA.</p> <p>Mandatory for Amendments and Modifications when the term of sale is FMS Credit (Non-Repayable) or FMS Credit (Repayable), and/or for Amendments or Modifications that transfer Grant EDA.</p> <p>Note Text:</p> |

| | |
|----------------|--|
| | All items transferred under Section 516 of the FAA or purchased with Foreign Military Sale (FMS) Credit (Non-Repayable) or FMS Credit (Repayable) that are transported by ocean carriers must comply with the U.S. Cargo Preference Act. Recipient countries must use U.S. flag vessels for the shipment of all FAA Section 516 materiel or materiel purchased with FMS Credit (Non-Repayable) or FMS Credit (Repayable) unless the Maritime Administration (MARAD) grants a non-availability waiver or DSCA grants a general or security waiver. MARAD will assist in working with the recipient country to determine availability of U.S. vessels from the port of shipment to the delivery port in the recipient country. Shipment options, utilizing U.S. flag exclusively, or in conjunction with a foreign flag carrier for a portion of the route, may be proposed by MARAD. In addition, MARAD will assist in monitoring compliance with the U.S. Cargo Preference Act." |
| Reason: | For clarification that the note is used for FMS Credit Non-Repayable and FMS Credit Repayable, and consistent use of terminology. |

18) Appendix 6 Note, Personnel Protection and Related Costs:

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|-----------------|---|
| Replace: | Paragraph 4: Add “,and/or the clause entitled "Taxes-Cost-Reimbursement Contracts (March 1990)" set forth in FAR Subsection 52.229-8, depending on acquisition plans”, as follows: |
| From: | “4. Taxes, Duties, and Charges for Doing Business. U.S. Government and/or U.S. Government contractor contracts(s) implementing this LOA will include the clause entitled "Taxes Foreign Fixed-Price Contracts (June 2003)" set forth in Federal Acquisition Regulation Subsection 52.229-6; therefore, price and delivery estimates within this LOA anticipate the following:” |
| To: | “4. Taxes, Duties, and Charges for Doing Business. U.S. Government and/or U.S. Government contractor contracts(s) implementing this LOA will include the clause entitled "Taxes-Foreign Fixed-Price Contracts (June 2003)" set forth in Federal Acquisition Regulation (FAR) Subsection 52.229-6, and/or the clause entitled "Taxes-Cost-Reimbursement Contracts (March 1990)" set forth in FAR Subsection 52.229-8, depending on acquisition plans; therefore, price and delivery estimates within this LOA anticipate the following:" |
| Reason: | To clarify that the contract types is not limited to fixed-price contracts as they could be cost-reimbursement contracts. |

19) Throughout the entire Security Assistance Management Manual (SAMM)

| | |
|-----------------|--|
| Replace: | Replace all references to “E.O. 11958” |
| From: | “E.O. 11958” |
| To: | “E.O. 13637” |
| Reason: | E.O. 13637 was signed March 08, 2013 replacing E.O. 11958. |