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

SUBJECT: Security Assistance Management Manual (SAMM), Administrative Changes,
Defense Security Cooperation Agency (DSCA) Policy 15-13, [SAMM E-Change
273]

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.samm.dscamil>.

The SAMM changes identified in this memorandum are effective immediately. For questions, please contact Todd Hughes, todd.hughes@dscamil, (703) 604-6598.

A handwritten signature in black ink, appearing to read "Karen L. P. Garvey".

Karen L. P. Garvey
Principal Director
Strategy

Attachment:

As stated.

cc:

STATE/PM-RSAT

AFRICOM

CENTCOM

EUCOM

NORTHCOM

PACOM

SOCOM

SOUTHCOM

TRANSCOM

USASAC

USASAC-NC

SATFA

TRADOC

NAVSUP WSS

NAVICP

NETSAFA

AFSAC

AFSAT

DISAM

MARCOR IP

SCETC

USCG International Affairs (G-CI)

Security Assistance Management Manual (SAMM), E-Change 273
Administrative Changes

1. Table C11.T6. summarizes legislation associated with Excess Defense Articles (EDA). [10 U.S.C. 2562](#) is a limitation, rather than an exception, to EDA. To clarify the limitation, Table C11.T6., row [10 U.S.C. 2562](#), should be revised to read as follows:

“Construction and fire equipment (tractors, scrapers, loaders, graders, bulldozers, dump trucks, generators, pumpers, fuel and water tankers, crash trucks, utility vans, rescue trucks, ambulances, hook and ladder units, compressors, and miscellaneous firefighting equipment) can be transferred only if the President declares an emergency for which the equipment is especially suited or if no other Federal Agency, State Government, person or entity eligible to receive the items submits a request for these items to the Defense Logistics Agency (DLA) Disposition Services and DLA Disposition Services performs the appropriate screening. [Section 2562](#) is not an exception to [FAA 516](#) and EDA as defined in [FAA 644\(g\)](#). Transfer of construction or firefighting equipment to a foreign country or international organization should be under authority other than [FAA 516](#), such as humanitarian assistance authority.”

2. Delete the Security Cooperation Customer Code (SCCC) “AA (internal DSAMS training)” in Table C4.T2B. SCCC “AA” is used in DSAMS only to denote Aruba.
3. Chapter 10 and Chapter 15 of the SAMM contain contradictions for Travel Living Allowances. To eliminate the contradictions:

- a. After Section C10.7.5.1. insert the following subparagraph to reinforce the guidance in Chapter 15.

"C10.7.5.2. Travel Living Allowance (TLA) on BPC cases. Per Section C15.3.3.10., the IA may include appropriate TLA charges on the pseudo LOA in accordance with the authorized living allowance rates in Table C10.T12. Approval from DSCA (Building Partnership Capacity Directorate) to include TLA charges on the pseudo LOA is not required."

- b. Delete the current reference to Section C10.7.5.1. within Section C15.3.3.10. The revised C15.3.3.10. should now read:

"C15.3.3.10. Travel and Living Allowances (TLA) for Training. The IA will coordinate with the DSCA CPD to ensure CONUS or OCONUS training is appropriate before including such training in the pseudo LOA. The IA may include appropriate TLA charges on BPC cases in accordance with the authorized living allowance rates in Table C10.T12. Approval from DSCA (Building Partnership Capacity Directorate) to include TLA charges on the pseudo LOA is not required. Refer to Section C15.3.4. to ensure that projected training schedules comply with period of performance restrictions applicable to the BPC program."

4. DSCA and the Department of State ceased some time ago the practice of providing a 20-day Advance Notification of a certification pursuant to [Section 36\(b\)\(1\)](#) of the Arms Export Control Act. The Advance Notification was not required by statute, and there is no intent to return to it. SAMM Section C5.5. is therefore revised as follows:
 - a. In Section C5.5.3., end the second sentence with a period after the words “45 day notification”, and delete “, 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, Israel, Japan, the Republic of Korea, and New Zealand.”
 - b. In Section C5.5.4.4. and in both occurrences of the title for Figure C5.F7., delete the words “Advance or.”
 - c. In Table C5.T13, delete all eight occurrences of the words “(plus 20 calendar days advance notification).”
5. Table C9.T4. of the SAMM provides the Table of Charges. In the table, the FMS Administrative Surcharge “does not apply to Program Management Lines (PMLs) or to non-contractor provided training lines for NATO countries if the training is provided in the continental U.S. (CONUS).” The table should refer to "countries with reciprocal pricing agreements" because not all NATO countries are signatories to the Standardization Agreement and there are non-NATO countries who also have reciprocal pricing agreements.

Table C9.T4. should be revised as follows:

"The FMS Administrative Surcharge does not apply to Program Management Lines (PMLs). Per the [AECA Section 21\(g\)](#), the FMS Administrative Surcharge may be excluded from non-dedicated training lines applicable to reciprocal pricing agreement countries (refer to Section C10.T13. and Section C10.T14.). However, if excluded, the MILDEP is responsible for the cost."

6. U.S. Transportation Command has consolidated the World Wide Express (WWX) and Domestic Express contracts into a single program, “Total Delivery Services (TDS)”.

Section C7.15.4.2.1.1. is therefore revised to read as follows:

“C7.15.4.2.1.1. Total Delivery Services (TDS). TDS may be used by the USG to move Controlled Cryptographic Items for OCONUS FMS customers. TDS provides international commercial express package (Letter to 300 lbs) time-definite, door-to-door pick-up and delivery, with accurate in-transit visibility service for DOD and USG Civil agencies. USG shippers must establish an account and arrange individual shipments. If CCI is shipped by TDS, external markings on the packaging must not identify the contents as CCI. For additional guidance on the use of TDS, see [Chapter 202](#) of the DTR. AMC’s Commercial Services provides details about establishing a TDS account and procedures at: <http://www.amc.af.mil>.”

7. Delete the following notes from Appendix 6:

- Global Positioning System (GPS)/Precise Positioning System (PPS) - Hardware Security Group 1 and 2
- Global Positioning System (GPS)/Precise Positioning System (PPS) - Hardware Security Group 3 - BPC
- Global Positioning System (GPS)/Precise Positioning System (PPS) - Hardware Security Group 3 - FMS
- Global Positioning System (GPS)/Precise Positioning System (PPS) Security Devices Sold FMS for Integration Into Host Application Equipment

8. Add the following note to Appendix 6:

Global Positioning System (GPS)/Precise Positioning System (PPS) Security

Note Usage
Mandatory for all FMS and BPC LOAs and LOA Amendments that include GPS/PPS equipment, as applicable and identified in the DoD Global Positioning System (GPS) Security Policy, Interim International Supplement.
References
Note Input Responsibility
CWD
Note Text
“CWD will apply the appropriate note as applicable and identified in the Department of Defense Global Positioning System (GPS) Security Policy, Interim International Supplement, current version, and consistent with guidance provided by Space Missile Command (SMC)/Electronic Navigation and Positioning (ENP) as part of the supporting documentation provided to the CWD with each case involving GPS/PPS devices.”

CWD will apply the appropriate note as applicable and identified in the DoD Global Positioning System (GPS) Security Policy, Interim International Supplement.

9. [10 U.S.C. 2350d](#) updates statutory references to NATO support organizations and related NATO agreements by striking all references to "NATO Maintenance and Supply Organization (NAMSO)" and each time it appears replacing with "NATO Support Organization (NSPO) and its executive agencies." Section C9.6.1.2. is revised to read as follows:

“C9.6.1.2. Waiver of Administrative Surcharges for NATO Support Organization and its executive agencies (NSPO) FMS Programs. [AECA, section 21\(e\)\(3\)](#) (22 U.S.C. 2761(e)(3)), allows the waiver of FMS Administrative Surcharges for NSPO programs under very specific circumstances. Waiver of FMS Administrative Surcharges on these cases is not retroactive; only LOAs implemented after October 1, 1988, are eligible for consideration. The waiver value includes the calculated FMS Administrative Surcharge amount and any SCML value included on the LOA. Only NSPO LOAs in support of support partnership agreements or NATO Supreme Headquarters Allied Powers, Europe (SHAPE) projects (i.e., common-funded projects supported by allocated credits from NATO bodies or by host nations with NATO infrastructure funds) qualify for FMS Administrative Surcharge waivers. FMS Administrative Surcharges waived under this program must be reimbursed to the FMS Administrative Surcharge Account from Major Force Program (MFP) 10 funds controlled by the U.S. Mission to NATO. The following procedures apply.

C9.6.1.2.1. NSPO includes a statement in its Letter of Request (LOR) indicating the LOA qualifies for an FMS Administrative Surcharge waiver under AECA, [section 21\(e\)\(3\)](#) (22 U.S.C. 2761(e)(3)). NSPO identifies the specific NATO/SHAPE project supported by the request and includes the following statement:

“This is a joint coordinated request with the U.S. Mission to NATO. The U.S. Mission to NATO certifies intent to reserve and obligate MFP 10 funds for FMS Administrative Surcharges waived over the life of the LOA. It further certifies that MFP 10 funds have been obligated in the amount of one-half of the FMS Administrative Surcharges computed based on the dollar value of items or services estimated to be reported as delivered in the first year for all LOAs.”

C9.6.1.2.2. NSPO provides an information copy of the LOR to the U.S. Mission to NATO when an FMS Administrative Surcharge waiver is requested. For budgeting purposes, NSPO provides a yearly estimate of the amount of FMS Administrative Surcharge waivers to the U.S. Mission to NATO.

C9.6.1.2.3. The IA reviews the waiver request to ensure it supports projects cited in [AECA section 21\(e\)\(3\)](#) (22 U.S.C. 2761(e)(3)). The IA provides a copy of the request to the DSCA (Operations Directorate) and ensures that the U.S. Mission to NATO has agreed to reimburse DoD. The IA includes a statement in the LOA notes indicating the FMS Administrative Surcharge, to include any SCML value, has been waived. See Appendix 6 for the specific wording of this note. The IA includes relevant correspondence when the LOA document is sent to DSCA for countersignature.

C9.6.1.2.4. DSCA determines applicability to specific requests and approves waivers during final staffing of the LOA document prior to countersignature.

C9.6.1.2.5. The U.S. Mission to NATO budgets for waived FMS Administrative Surcharges, advises DSCA of agreements to reimburse DoD for waived FMS Administrative Surcharges before the LOA is issued to NSPO, and develops an understanding with NSPO concerning programs for which waivers are supported. The

U.S. Mission reserves and obligates MFP 10 funds for waived FMS Administrative Surcharges under this legislation for the life of the FMS case. For cases where the calculated FMS Administrative Surcharge value is greater than \$30,000, one half of the FMS Administrative Surcharge is recouped as part of the initial deposit. The remaining half is recouped based on the dollar value of items.”

10. The Administrative Surcharge Waiver – NAMSA case note in Appendix 6 is revised to read as follows:

Administrative Surcharge Waiver - NSPO

Note Usage
Mandatory for NSPO FMS LOAs that have waived administrative surcharges. Mandatory for Amendments and Modifications even if the administrative surcharges are not affected by the changes being made.
References
See Section C9.6.1.2.
Note Input Responsibility
CWD
Note Text
"This LOA is in support of [insert title of the weapon system partnership agreement or NATO/SHAPE project]. Administrative charges, to include any Small Case Management Line (SCML) value, waived on this LOA will be reimbursed to the FMS Admin Account from Major Force Program 10 funds controlled by the U.S. Mission to NATO, [insert reference describing U.S. Mission to NATO documentation]. Administrative charges are waived by the Director, DSCA, under the provisions of Section 21(e)(3)(A) of the AECA."