



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

DEC 1, 2016

Reply in refer to:  
USP003342-16

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY, DEFENSE  
EXPORTS AND COOPERATION, DEPARTMENT OF THE ARMY  
(ATTN: MS. JA'EL DANIELY, SAAL-NP)

SUBJECT: Establish Special Nonrecurring Cost (NC) Charge for United Arab Emirates –  
Patriot PAC-3 Missile Segment Enhancement (MSE) Missile, DSCA Policy 16-68

The attached Finding, signed by the Director, Defense Security Cooperation Agency (DSCA), approves the Special NC recoupment pro rata charges 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 found on the DSCA Web Page.

Department of Defense (DoD) NC recoupment charges are required to be reimbursed to 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. The point of contact for additional information is Ms. Susan Kidd at (703) 697-9673; email: susan.c.kidd.civ@mail.mil.

Michèle Hizon  
Principal Director  
Security Assistance and Equipping

Attachment:  
As stated





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**FINDING**

In accordance with DoD Directive 2140.02, dated May 22, 2013, and DoD Directive 5105.65, dated October 26, 2012, I hereby approve a Special nonrecurring cost recoupment pro rata charge for the sale, coproduction, or licensed production of the major defense equipment shown below:

**CATEGORY IV – LAUNCH VEHICLES, GUIDED MISSILES, BALLISTIC MISSILES, ROCKETS, TORPEDOES, BOMBS AND MINES**

ITEM DESCRIPTION	PREVIOUS NC CHARGE	NEW NC CHARGE
Patriot Advanced Capability-3 (PAC-3) Missile Segment Enhancement (MSE) Missile (Single Pack Canister) MASL: 142701PAC3MSE  Special NC Charge, United Arab Emirates	N/A	\$41,354.74
Patriot Advanced Capability-3 (PAC-3) Missile Segment Enhancement (MSE) Missile (2- Pack Canister) (Per Unit NC Charges: USG: \$595,488.81; KSA: \$12,653.00; Qatar: \$32,119.91, UAE: \$41,354.74) MASL: To Be Requested  Special NC Charge, United Arab Emirates	N/A	\$82,709.48

This Special NC recoupment charge is effective immediately. The Special NC charges listed above were previously established via DSCA Policy Memo 15-30, dated December 23, 2015, and are unchanged. The 2015 policy does not impact this additional Special NC charge. This special NC charge will expire on November 20, 2028, as approved via USP010809-12, dated April 24, 2013.

J. W. Rixey  
Vice Admiral, USN  
Director

