



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

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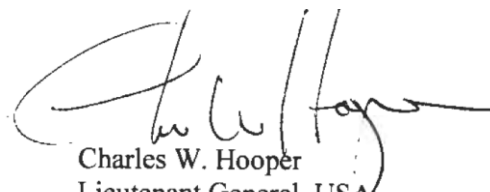
MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR
INTERNATIONAL AFFAIRS
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
DEFENSE EXPORTS AND COOPERATION
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR
INTERNATIONAL PROGRAMS
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
DIRECTOR FOR SECURITY ASSISTANCE,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

SUBJECT: Prior Coordination before Advising Foreign Military Sales Customers of Negative Impacts, DSCA Policy 18-18 [SAMM E-Change 379]

The attached guidance identifies situations that require Case Managers to provide prior written notice to the Defense Security Cooperation Agency (DSCA) (Integrated Regional Team Country Portfolio Director/Country Financial Manager) of any communication, verbal or written, to inform a foreign partner of the U.S. Government's inability to meet its commitments under the terms of a Letter of Offer and Acceptance.

Price increases, schedule slippages, or other adverse impacts in Foreign Military Sales cases complicate the bilateral relationship and can quickly be elevated to senior levels. Case Managers must inform DSCA of communications with foreign partners on these issues to ensure that the U.S. Government is presenting a coordinated response.

This policy is effective immediately. For questions relating to this policy or to the Security Assistance Management Manual, please contact Mr. Mike Slack, Strategic Planning and Integration Division, at (703) 697-9058 or e-mail: micheal.d.slack.civ@mail.mil. Implementing Agencies should disseminate this policy to supporting agencies.


Charles W. Hooper
Lieutenant General, USA
Director

Attachment:
As stated

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)

**Update of Security Assistance Management Manual (SAMM) Chapters 2 and 6 Regarding
Prior Coordination before Advising Foreign Military Sales Customers of Negative Impacts,
SAMM E-Change 379**

1. Add the following as the new paragraph C6.2.3.:

C6.2.3. Informing FMS Customers of Negative Impacts. If any situation arises that puts at risk the USG's ability to meet a commitment made to a foreign partner, it is essential that the broader Security Cooperation enterprise be informed in advance so that the USG may provide a unified response. Any written or verbal communication to inform a foreign partner of the USG's inability to deliver defense articles or services in the following situations must be coordinated in advance with DSCA (Integrated Regional Team Country Portfolio Director/Country Financial Manager):

- For any case that met the Congressional Notification thresholds of Table C5.T13.:
 - an increase in price of 10% of case value or \$25M; or
 - a delay in delivery of more than 6 months of a defense article or service critical to the operational requirement.
- For any case, regardless of value, any delay of delivery of defense articles or services that may:
 - reasonably be expected to create political repercussions damaging to the bilateral relationship;
 - negatively affect the timing of planned operations; or
 - cause significant additional expense to the foreign customer, such as by accrual of unplanned storage charges.
- For any case, regardless of value, identification of serious concerns about the reliability, availability or serviceability of a major component (any assembled element that forms a portion of an end-item without which the end-item is inoperable).

DSCA will coordinate a response with State PM, OUSD(P), and other offices in DoD if required, in the course of which it will be determined which office should communicate the response. If there is any doubt about whether the situation fits within these parameters, Case Managers are encouraged to act on the assumption that it does.

2. Renumber current paragraphs C6.2.3. through C6.2.5.

3. Insert the following as the new C2.2.5.:

C2.2.5. If any situation arises that puts at risk the USG's ability to meet a commitment made to a foreign partner, it is the Case Manager's responsibility to alert the DSCA CPD/CFM in writing so that the broader Security Cooperation enterprise can be informed in advance and a unified response can be provided. See Section C6.2.3.

4. Renumber the current paragraph C2.2.6. as C2.2.7.