



DEFENSE SECURITY COOPERATION AGENCY
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19 MAR 2019

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, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY
JOINT STRIKE FIGHTER PROGRAM OFFICE

SUBJECT: Pilot Use of Foreign Military Sales (FMS) Administrative Surcharge Funds to Support Specific Requirements Generating Activities for Department of Defense (DoD)-funded Cases, DSCA Policy Memo 19-09

Reference: (a) Revision of DSCA Policy Regarding Expenditure of Foreign Military Sales (FMS) Administrative Funds for Pre-Letter of Request (LOR) and Case Development Activities, DSCA Policy Memo 12-12

(b) Security Assistance Management Manual (SAMM) Table C9.T2. Case-Related Manpower Functions and Funding Source Manpower Matrix

Effective immediately, this memorandum implements a new pilot policy which allows IAs to use FMS Administrative Surcharge funds for pre-MOR activities for BPC cases on a case-by-case basis when approved by the relevant GCC and DSCA. A Memorandum of Request (MOR) in a Building Partner Capacity (BPC) program is analogous to an FMS Letter of Request; however, Implementing Agencies (IAs) have no dedicated funding to support the Geographic Combatant Commands (GCCs) during the pre-MOR requirements generation phase, leading to inefficiencies and extended timelines in time-constrained programs.

Pre-MOR activities may not exceed the scope of pre-LOR activities contained in the Case-Related Manpower Functions and Funding Source Manpower Matrix (Reference (b)). IA spending on pre-MOR activities may not exceed 1% of an IA's total annual FMS Administrative Surcharge funds allocation. This funding limitation is separate from the 8% limit on annual pre-LOR spending established in DSCA Policy Memo 12-12 (Reference (a)). Requests for an exception to policy to exceed the 1 % limit on IA expenditure of FMS Administrative Surcharge funds on pre-MOR activities will require the approval of the Director, DSCA.

Allowable pre-MOR activities generally involve direct interaction with foreign partners and may include activities such as: generating equipment lists, review of Pricing and Availability data, site surveys, or other analytical support via Expeditionary Requirements Generation Teams. An IA should coordinate its pre-MOR activities with the relevant GCC or other key stakeholders. FMS Administrative Surcharge funds may also be used to cover related travel or meeting support costs for pre-MOR activities.

FMS Administrative Surcharge funds are not available to fund development of country campaign plans; conduct feasibility studies to determine capability gaps as required to inform DoD security cooperation planning, implementation, and oversight to achieve defense strategy objectives; or other activities that would cease if BPC funding were to be terminated. Neither are FMS administrative Surcharge funds available to augment staff at DoD components or Security Cooperation Organizations for these purposes. These activities are appropriately funded with DoD Operation and Maintenance appropriations.

If you have questions or would like additional information, please contact Ms. Jeneen Caldwell, DBO/FPA (Jeneen.k.caldwell.civ@mail.mil, (703) 697-8923) or Mr. Stephen Suh, DBO/FPA (Stephen.w.suh.civ@mail.mil, (703) 697-8899).



Charles W. Hooper
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Director

Attachment(s):
None