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

04 DEC 2020

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 REUTILIZATION AND MARKETING SERVICE
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE, NATIONAL SECURITY AGENCY

SUBJECT: Pre-Case Review (PCR)* Policy --- Objectives and Requirements, DSCA Policy 20-56, SAMM E-Change 498
* Formerly known as Pre-Countersignature Meeting (PCM)

References:

a) Defense Security Cooperation Agency (DSCA), Security Assistance Management Manual (SAMM)
b) Pre-Countersignature Meetings for New Letters of Offer and Acceptance (LOAs) for Major Sales, DSCA Policy 04-16
c) Responsibilities and Procedures for Defense Security Cooperation Agency-Hosted Pre-Countersignature Meetings, DSCA Policy 13-61
d) Pre-Countersignature Meeting Requirements for Letters of Offer and Acceptance (LOAs), DSCA Policy 15-44
e) Payment Schedule Calculations and Updates, DSCA Policy 19-29

In response to concerns raised by the security cooperation community and in an effort to support continuous process improvement within the FMS process, this memorandum revises the Security Assistance Management Manual (SAMM) to establish criteria for convening Pre-Case

Review (PCR) meetings, previously called Pre-Countersignature Meetings (PCMs), for Letter of Offer and Acceptance (LOA) documents in development. The new policy also clarifies PCR stakeholder responsibilities, scheduling processes, and attendance requirements.

The policy states that the Implementing Agencies (IAs) are responsible for identifying to DSCA the LOAs that meeting the PCR criteria, and the DSCA IRT Leadership is the final approval authority for whether a PCR will be conducted or not. A DSCA IRT representative assigned by the IRT Leadership will service as the PCR Led and will coordinate and schedule the PCR, as appropriate.

The attached SAMM update, E-Change 498, is effective immediately and supersedes references (b), (c), and (d). If you have any questions concerning this guidance, please contact Ms. Vu-Tuyet Nguyen, DSCA/CPMO, at vu-tuyet.t.nguyen.civ@mail.mil or 703-697-9314.

Cara L. Abercrombie
Acting Deputy Director

Attachment:
As stated

cc:
STATE/PM-RSAT
AFRICOM
CENTCOM
EUCOM
JFCOM
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SECURITY ASSISTANCE MANAGEMENT MANUAL (SAMM), E-CHANGE 498

1) Revise C5.4.12 as follows:

Current wording:

C5.4.12. Pre-Countersignature Meetings for New LOAs for Major Sales. The DSCA Integrated Regional Team (IRT) Country Finance Director (CFD) or the IRT Country Portfolio Director (CPD) will convene a Pre-Countersignature meeting on selected "major sales" when warranted. For the purpose of this paragraph "major sales" include: sales that trigger AECA section 36(b) (22 U.S.C. 2776) ("36(b)") thresholds and proposed sales that represent an increase of more than fifteen percent to the FMS purchaser's current active program. The IA notifies the DSCA IRT CFD at least 15 days prior to submitting LOAs for countersignature that trigger 36(b) thresholds. The DSCA IRT CFD will then determine whether a proposed sale represents an increase of more than fifteen percent to the FMS purchaser's current active program. The DSCA IRT CPD and CFD will decide jointly whether a "major sale" requires a Pre-Countersignature meeting. If one is required, the DSCA IRT CFD will schedule the meeting. Attendees will include DSCA, the IA, and prime contractor representatives, as appropriate. The purpose of the meeting is to review the purchaser requirements and confirm that: proposed unique payment schedule correlates to Terms of Sale and program/delivery plan, if applicable; LOA notes and transportation methods are appropriate; MASLs are correct and that the disclosure and releasability review process was conducted as required, and identify discrepancies in the LOA before it reaches the DSCA Case Writing Division (CWD).

C5.4.12.1. Documents Required for Pre-Countersignature Meetings (PCM). The IA will provide a complete LOA package to the DSCA PCM secretary five work days prior to a Pre-Countersignature meeting. The LOA package will include the following documents, as applicable: LOR, LOA document, LOA checklist, MTCR approval by Department of State, 36(b) Congressional Notification(s), EDA approval message, MTDS, related waivers (e.g., NC, Yockey Waiver), National Security Agency approval letter, Consortium approval memo, GPS approval memo, unique notes and any other applicable offline information related to the LOA.

Revised wording:

C5.4.12. Pre-Case Reviews (PCR) for New LOAs. DSCA may conduct a Pre-Case Review (PCR) with the IAs and other stakeholders on new LOAs during case development and before the IA submits the case to CWD for review. The purpose of the Pre-Case Review (PCR) is to identify issues and discrepancies in the LOA so that the IA can address them before the case is submitted to the Case Writing Division (CWD) for review and to reduce the amount of rework during case development. A PCR is not appropriate or necessary for all LOAs, but should be considered for cases meeting the criteria in SAMM Section C.5.4.12.1. The DSCA IRT Lead or Deputy is the final decision authority for whether or not a PCR should be held. The IA may request a PCR through the DSCA Country Program Director (CPD) for cases meeting the listed criteria. If a PCR is approved, the DSCA IRT Lead or

Deputy will assign an IRT representative to serve as the PCR lead. It is the responsibility of the PCR Lead to coordinate and schedule the PCR, facilitate the meeting, assign actions, capture and disseminate meeting notes and action items, and conduct follow-up actions, as appropriate.

C5.4.12.1. Determining if a PCR is Needed. Cases that meet one of more of the following criteria may warrant a Pre-Case Review:

1) new sales that represent an increase of more than 15 percent to the FMS purchaser's current active program,
2) sales that trigger AECA Section 36(b) 22 U.S.C. 2776 ("36(b)") thresholds and represent new introduction of a capability to a Partner Nation,
3) sales that trigger 36(b) threshold and involve FMS non-program of record articles,
4) sales that are part of international weapon competitions, or
5) sales that have unique aspects that warrant a review prior to finalization.

C5.4.12.1.1. If a case meets any of this criteria, the IA notifies the DSCA IRT through the CPD upon case initialization and no later than 30 calendar days prior to submitting the LOA to CWD for review. The request should include the IA point of contact for the request, case designator, and an explanation for why the case warrants a PCR. For competitions, the DSCA Weapons (WPN) division will notify the IA and the DSCA IRT through the CPD. The CPD will confer within their IRT (CFD, IRT Lead, and IRT Deputy) to evaluate the case against the list of criteria and their knowledge of the program. The IRT leadership will make the final determination whether a PCR is required and will assign a PCR Lead for the approved meeting. IRT leadership may also mandate a PCR for cases not requested by the IA or WPN. The PCR Lead will notify the IA and WPN within 10 calendar days with a proposed date for the PCR.

C5.4.12.1.2. If IRT leadership determines that a PCR is not required, the CPD will notify the requestor and enter the justification for why a PCR is not necessary in the case remarks in the Defense Security Assistance Management System (DSAMS) within 10 calendar days. A requestor may appeal a decision to deny a PCR by providing the CPD additional justification for why a PCR is necessary. IRT leadership will review and make a final determination based on the rationale provided.

C5.4.12.2. PCR Objective. The objective of a PCR is to complete a review of the LOA and all appropriate documentation to ensure it meets the purchaser's requirements and to reduce the amount of rework needed during case development. A PCR may include additional objectives unique to each case and other relevant topics of discussion. The PCR Lead should identify all objectives in the meeting invite so that attendees are prepared to address them. Specific focus areas may include:

a) A line-by-line examination to ensure the line description and references, line item quantity, line pricing data, source code, and transportation methods are accurate.
b) A check for each MASL to ensure it is correct and all associated standard and unique notes are appropriate.
c) A review of the delivery schedule to ensure it correlates with the Period of Performance, Months of Service, and matches the quantities to be delivered in the LOA; and to ensure that cash will be collected prior to deliveries.

d) A comparison of LOA information with data provided on the accompanying Manpower and Travel Data Sheet (MTDS) and Pricing Report (RP069)
e) A review to confirm that the LOA document contains all approved purchaser requirements in the Letter of Request (LOR), that any requirements not included (e.g., not able to provide, etc.) are discussed by the group, and ensure that unfulfilled requirements have been/will be addressed with the International Partner.
f) Check that any required Technology Transfer Disclosure reviews have been conducted, and that any discrepancies in the LOA have been identified and corrected before the document is sent to the CWD.
g) Check that any necessary supporting documents required for a particular case are completed and included in the package to CWD. This includes, but is not limited to, MTCR approvals, Yockey Waivers, COMSEC Approval to Sell letters, NVD approvals, etc.
h) If a unique payment schedule is required, check that specific payment dates and dollar amounts are provided so a credible payment schedule can be constructed.

C5.4.12.3. PCR Participants. The PCR Lead will determine which offices will be required to attend the PCR. Stakeholders may include, but are not limited to: DSCA offices (CPD, CFM, WPN, CWD, FPA, SPP/SPI, AMP, RAN, and OGC), implementing agencies, and program offices. The PCR Lead will identify mandatory attendees well in advance of the meeting. Attendance is optional for all other stakeholders. Optional stakeholders should inform the PCR Lead if they would like to attend. Stakeholders who cannot attend must review the documents and provide any changes and input to the PCR Lead 48 hours prior to the scheduled meeting.

C5.4.12.3.1. Prime contractors will be included in the discussion when necessary and only for the portion that requires their participation. The LOA and other supporting documents should not be visible when the contractor is in the meeting. The PCR Lead will identify in the meeting invitation whether or not a prime contractor should attend the PCR. If there is concern about a prime contractor attending a meeting, the concerned party should respond to the invitation and provide the reasons for concern, and after discussions with the stakeholders, the PCR Lead will make the final decision whether or not to invite the prime contractor. If the decision is to include them, the PCR Lead will send a meeting invitation to the prime contractor with a designated time within the PCR meeting to discuss only topics that require their input.

C5.4.12.4. Scheduling. The PCR Lead is responsible for scheduling the meeting within 10 calendar days after the receipt of request from the IA or WPN. The meeting should occur no later than 10 work days before the LOA document is sent to CWD for action to allow the IA time to correct deficiencies identified at the PCR.

C5.4.12.4.1. The PCR Lead will send to all identified PCR stakeholders (required and optional) a meeting invitation that at minimum, will identify how the meeting will be conducted, when and where the meeting will take place, the objectives of the meeting, the mandatory and optional attendees, and any required documents that will be reviewed at the PCR.

C5.4.12.5. Required Documents. The IA will provide a complete LOA package to the PCR Lead seven work days prior to the meeting. The LOA package will include the following

documents, as applicable: LOR, LOA document, LOA checklist, MTCR approval by Department of State, 36(b) Congressional Notification(s), EDA approval message, MTDS, related waivers (e.g., NC, Yockey Waiver), COMSEC Approval to Sell letters, MIDS Consortium approval memo, GPS approval memo, Line Item Pricing (RP069) report, Case Remarks (RP084) report, unique notes and any other applicable offline information related to the LOA. Depending on the focus of the PCR, the PCR Lead may identify additional required documents. If an LOA is only waiting for long lead waivers and/or Congressional Notification (CN) and all other case development processes have been complete, the IA should notify the PCR Lead and a PCR can be conducted while waiting for those waivers and/or CN to be completed.

C5.4.12.5.1. The PCR Lead will forward the LOA package to all stakeholders upon receipt. The stakeholders must review the LOA package and document any issues or recommended changes prior to the PCR for discussion. If the IA makes any changes to any of the documents after the complete LOA package is sent to the PCR Lead, the IA must provide the updated version of the document to the PCR Lead for distribution to the group.

C5.4.12.6. Minutes/Action Items. The PCR Lead is responsible for ensuring meeting minutes capturing all action items are produced and distributing the minutes to all stakeholders within 3 work days after the meeting. All action items should be worked as expeditiously as possible to avoid delays in case development and implementation schedules. All actions must be approved/adjudicated by the supervisor of the designated office before the LOA document is sent to CWD for action. The IA is responsible for providing a copy of the PCR meeting minutes, with all action items marked as "complete", in the LOA package submitted to CWD.

C5.4.12.6.1. There may be new issues identified during final review of the LOA that may require additional edits to the LOA document. The IA should do a quality review of the LOA and the supporting documentation prior to submitting them to DSCA in support of the PCR.

C5.4.12.7. PCR Decisions. The PCR Lead is not authorized to give exceptions to policy or approve policy changes during the PCR or through the PCR minutes. Requests for exceptions to policy must follow the procedures identified at SAMM Section C6.7.4.