



DEFENSE SECURITY COOPERATION AGENCY

2800 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2800

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

SUBJECT: Revision to Drawdowns, DSCA Policy 21-04 [E-Change 521]

REFERENCES:

- a) [GAO 17-26 "Guidance Needed for Completing Required Impact Assessments Prior to Presidential Drawdowns"](#)

Effective immediately, section C11.2. "Drawdowns" of the Security Assistance Management Manual (SAMM) provides amplifying guidance for required operational readiness impact assessments within the planning process and other administrative updates. This change is in direct response to a recommendation within the Government Accountability Office report completed in October 2016 (reference a).

If you have any questions concerning this guidance, please contact Ms. Caroline Chin, DSCA SPP/EPA, caroline.s.chin.civ@mail.mil, (703) 697-9073.

A handwritten signature in black ink, appearing to read "Alan Gorowitz", is positioned above the printed name.

Alan Gorowitz
Assistant Director for Strategy, Plans and Policy

Attachment:

- E-Change 521

cc:

STATE/PM-RSAT

SOCOM

TRANSCOM

USASAC

SATFA TRADOC

NAVICP

NETSAFA

AFSAC

AFSAT

MDA

DSCU

Security Assistance Management Manual (SAMM), E-Change 521

1) Revise Chapter 11.2 “Drawdowns” to read as follows:

C11.2. Drawdowns

C11.2.1. Definition and Purpose. The Foreign Assistance Act (FAA) authorizes the President to direct transfers of articles and services from the inventory and resources of any agency of the USG to support foreign countries and international organizations in response to unforeseen military emergencies or for other legislatively authorized purposes. The different types of “drawdowns” are summarized in [Table C11.T4](#). These drawdowns may include the transfer of Department of Defense (DoD) stocked defense articles, services, and military education and training. Except for transportation and related services where new contracts would cost less than providing such services with DoD assets, new procurement is not authorized for drawdowns and no new funds may be placed on existing contracts.

Table C11.T4. Drawdown Legislation Summary

Legislation	Subject	Notification to Congress
FAA, Section 506(a)(1) [22 U.S.C. 2318(a)(1)]	DoD Drawdown for unforeseen emergencies: <ul style="list-style-type: none">• Authorizes the President to direct DoD drawdowns for unforeseen emergencies requiring immediate military assistance that cannot be addressed under the Arms Export Control Act (AECA) or any other law.• Defense articles already on hand in DoD stocks, DoD services, and military education and training may be provided.• May include the supply of commercial transportation and related services if the cost of commercial transportation is less than the cost of U.S. Government provided transportation.• Section 506 requires President to report to Congress that an unforeseen emergency required immediate military assistance.• The aggregate value of all drawdowns directed in any fiscal year under this authority may not exceed \$100M.	Prior Notice required by FAA, Section 652 [22 U.S.C. 2411]
FAA, Section 506(a)(2) [22 U.S.C. 2318(a)(2)]	DoD Drawdown for international narcotics control or antiterrorism assistance.	15-day Notice Required by Section 506. Prior Notice also required by FAA,

Legislation	Subject	Notification to Congress
		Section 652 [22 U.S.C. 2411]
	<p>DoD Drawdown for international disaster assistance, nonproliferation assistance, migration and refugee assistance, or cooperative efforts in Cambodia, Laos and Vietnam to repatriate unaccounted US personnel (POW/MIA) from the Vietnam war:</p> <ul style="list-style-type: none"> No more than \$15M may be used for POW/MIA drawdowns in a given fiscal year. 	Prior Notice Required by Section 506 and also FAA, Section 652 [22 U.S.C. 2411]
	<p>For all Section 506(a)(2) drawdowns:</p> <ul style="list-style-type: none"> Inventory and resources of any USG agency may be provided. May include the supply of commercial transportation and related services if the cost of commercial transportation is less than the cost of U.S. Government provided transportation. The aggregate value of all drawdowns directed in any fiscal year under this authority may not exceed \$200M of which: <ul style="list-style-type: none"> No more than \$75M may come from the Department of Defense. No more than \$75M may be used for international narcotics control. 	
FAA, Section 552(c)(2) [22 U.S.C. 2348a(c)(2)]	<p>DoD Drawdown for Peacekeeping Operations:</p> <ul style="list-style-type: none"> Authorizes drawdown if the President determines that an unforeseen emergency requires the immediate provision of commodities and services of any USG agency to countries and international organizations to support peacekeeping operations. The aggregate value of drawdowns directed under this authority may not exceed \$25M per fiscal year. Congress may appropriate funds to reimburse the value of provided drawdown support. 	15-day Notice required by Section 552. Prior Notice also required by FAA, Section 652 [22 U.S.C. 2411]

C11.2.2. Partner Nation Eligibility. Defense articles and services may be drawn down and transferred to a friendly foreign country or international organization only if the President issues a Presidential Determination (PD) in accordance with the FAA. An FAA, section 503 [[22 U.S.C. 2311](#)] eligibility determination must be completed by the Department of State (DoS) and the required FAA, section 505 [[22 U.S.C. 2314](#)] assurances must be signed by the proposed foreign country recipient before the drawdown can be executed.

C11.2.3. Types of Drawdowns.

C11.2.3.1. Emergency Drawdowns. Drawdowns are usually precipitated by an emergency in a foreign country or region. The National Security Council (NSC), DoS, and DoD, hereafter referred to as the interagency, coordinate the USG response. This interagency process determines which existing statutory authority applies and identifies which articles and services should be provided. Potential contributing USG agencies and the military services furnish valuation and availability (V&A) data to the DoS indicating the estimated value of the articles and services proposed for the drawdown. The MILDEPs provide the DSCA Country Portfolio Director (CPD) with the V&A data and an operational readiness impact assessment for all available articles and services that may be drawn from DoD stock. The DSCA CPD provides the interagency with DoD's V&A data and the operational readiness impact assessment for articles and services under consideration to inform planning discussions. The interagency recommends which articles and services should be provided taking into consideration current availability and potential operational impact to US forces. The President accomplishes a Presidential Determination (PD) to define the scope and the maximum dollar value authorized for the approved drawdown. Typically, approximately 24-48 hours after an emergency drawdown is authorized, a drawdown execution message is issued. The drawdown execution message, prepared and issued by DSCA CPD, identifies the articles and services that may be provided under the drawdown, and the organizations authorized to provide the articles and services. Emergency drawdowns end when the value of the PD authority is exhausted or the U.S. response to the emergency ends. To document the end of the drawdown, pursuant to interagency direction, the DSCA CPD sends out a termination message.

C11.2.3.2. Non-Emergency Drawdowns. Drawdowns may be authorized in non-emergency situations to support mid- to long-term foreign policy initiatives. Non-emergency drawdown procedures are similar to emergency drawdown procedures. For a non-emergency drawdown, the PD will provide the total value of the drawdown which cannot be exceeded but the articles and services authorized for transfer will be determined by an iterative process that may take up to six months to complete. After articles and services authorized for transfer are determined, a drawdown execution message is issued. Delivery of articles and services may take place over an extended period of time. Non-emergency drawdowns end when the value of the PD authority is exhausted and/or the interagency instructs DSCA CPD to issue a termination message.

C11.2.4. Types of Articles, Services (to include transportation), and Training Provided Under Drawdowns.

C11.2.4.1. Articles and Services. Transferred equipment must have been in DoD stocks or on order at the time the PD was approved. DoD employees normally perform services under drawdowns, but contractors may also provide services on a case-by-case basis as approved by DSCA. Supplies or services under existing DoD contracts when the PD was accomplished may be used for drawdown purposes if the use is within the scope of the PD and the MILDEPs' Operation & Maintenance (O&M) funds were obligated prior to the PD. Where possible, complete support packages are provided for major end items to include training for operation and maintenance of the major end item. Spare parts requisitions are processed on a "Fill or Kill" basis. Unless otherwise authorized, materiel must be provided in condition code "B," or Full Mission Capable (FMC) condition, or -10/-20 standards or better. MILDEPs cannot place a hold, reserve, or fence equipment or spares prior to the release of the DSCA CPD's drawdown execution message.

C11.2.4.2. Transportation. New commercial contracts for transportation and related services may be used if the cost is less than the cost to use USG assets. All transportation costs must be included as part of the total drawdown authority amount. Transportation costs are calculated and tracked separately. The MILDEP providing the equipment must fund the transportation of that equipment to its final destination. The MILDEP reimburses the U.S. Transportation Command for air and sealift of the equipment. Existing contracts or resources may be used for airlift and sealift if their scope covers the proposed use (such as time-charter or multiple air mission agreements).

C11.2.4.3. Cargo Preference Act of 1954 [46 U.S.C. 55305]. All drawdowns items transferred by ocean carriers must follow U.S. cargo preference requirements (See [SAMM Section C7.12.1.](#)). Recipient countries must use U.S. flag vessels unless the Maritime Administration (MARAD) has issued a non-availability waiver. MARAD assists in monitoring these statutes. The Military Departments (MILDEPs) must consider cargo preference requirements when considering transportation options for drawdowns. The responsible office at MARAD is:

USDOT/Maritime Administration
Office of Cargo Preference and Domestic Trade
1200 New Jersey Avenue S.E.
MAR 730, W23-444
Washington DC 20590

C11.2.4.4. Defense Working Capital Fund (DWCF) Items. DWCF items may be used to fulfill drawdown requirements. Pursuant to Under Secretary of Defense (Comptroller) (USD(C)) policy [Financial Management Regulation Volume 12, Chapter 23, Section 2305](#), the MILDEPs must reimburse the DWCF for all materiel and services provided. These costs must be charged and accounted for under the current year O&M funds.

C11.2.4.5. Fuel. Fuel drawdowns are handled in the same way as DWCF materiel. Defense Logistics Agency (DLA)'s Defense Energy Support Center (DESC) manages fuel contracts for all MILDEPs. As with any other commodity, MILDEPs can use O&M or Working Capital Funds (WCF) obligational authority to fund, via Military Interdepartmental Purchase Request, fuel drawdowns supplied from DESC existing contracts. Use of this funding can impact both cash and obligational authority for normal MILDEP operations; therefore, such issues should be carefully coordinated with the MILDEPs and reported to USD(C) for inclusion in subsequent MILDEP budget requests. As with any other type of drawdown commodity, new contracts are not permitted without special legislative authority. Therefore, the types of fuel available for drawdowns is limited to those available through DESC's existing bulk fuels contracts at the time of drawdown. Special coordination is required for the transportation, delivery, storage and distribution of fuel.

C11.2.5. Value of Drawdowns. It is critical to ensure that projected values are as accurate as possible. Close coordination between the DSCA CPD, DSCA Directorate of Business Operations (DBO) Financial Policy and Regional Execution (FPRE) Division Financial Reporting and Compliance (FRC) Branch and the MILDEPs during drawdown execution is

critical to reconcile values as early as possible. The actual value of drawdowns is normally available 90 days after delivery of the equipment and should be reported to DSCA DBO/FPRE/FRC at that time (See [SAMM Section C11.2.7.1.](#)). Value of articles, services, and training is determined using the following guidance:

C11.2.5.1. Value of Articles. The value of drawdown articles is calculated pursuant to [DoD 7000.14-R, Volume 15, Chapter 7.](#)

C11.2.5.2. Value of Training. The value of drawdown military education and training is based on the additional costs incurred by the USG to provide the training (i.e., Foreign Military Financing (FMF) Grant or incremental rate pursuant to [DoD 7000.14-R, Volume 15, Chapter 7.](#)).

C11.2.5.3. Value of Services. The value of services provided under drawdowns is based on actual costs to the USG to provide the service. Funded civilian pay and travel and per diem costs of military and civilian personnel performing an approved support role that is devoted exclusively to the drawdown effort may be included when computing the value of drawdown services. Value does not include salaries of the members of the U.S. Armed Forces and unfunded civilian retirement and other benefits.

C11.2.6. Drawdown Process. [Table C11.T5.](#) summarizes the drawdown planning and development process.

Table C11.T5. Drawdown Process

Step	Actions
1	Crisis occurs or policy situation develops
2	Interagency process determines "Drawdown" is required.
3	<ul style="list-style-type: none"> • Drawdown package is developed (DoS is USG lead; DSCA is the DoD lead). • Interagency Staffing (NSC, DoS, DoD, and other federal agencies as required). • Drawdown Package identifies articles and services to be authorized for transfer, costs, and execution plan. • The DoS obtains FAA, section 505 [22 U.S.C. 2314] end-use agreement from proposed recipient country if one is not already available. • The DoS determines whether foreign partner's human rights issues preclude proposed drawdown assistance. • The DoS develops a Congressional Notification package. • The MILDEPs prepare V&A data, an operational readiness impact and O&M budget impact assessment based on interagency-proposed drawdown support and provides all data elements to the DSCA CPD. • DSCA CPD provides the required MILDEPs operational readiness assessments to the Joint Staff and the interagency. The assessment information is considered when evaluating possible articles and services before the PD package is finalized. • DSCA CPD refers any interagency concerns regarding operational readiness impact to the Joint Staff to obtain a Secretary of Defense or the Deputy Secretary of Defense response (if required). • To the extent possible, the drawdown execution message will attempt to balance costs among MILDEPs.

Step	Actions
	<ul style="list-style-type: none"> Throughout the interagency process to finalize a proposed PD, the drawdown package is continually reviewed and updated. The interagency determines which articles and services are authorized for transfer depending on availability and operational impact to US forces.
4	If required by the authorizing legislation (See SAMM Table C11.T4.), DoS staffs and coordinates the Congressional Notification package.
5	If required by the authorizing legislation (See SAMM Table C11.T4.), Congress is notified – 15-days prior to completion of the PD.
6	After the applicable Congressional Notification is complete, DoS sends a memorandum of justification and a proposed PD to the President. The final PD authorizes what the DoD can provide and becomes the base reference for execution of the drawdown.
7	<p>The DSCA CPD prepares and issues the drawdown execution message identifying the articles, services, and training that may be provided under the drawdown. Before issuing the message, DSCA must have:</p> <ul style="list-style-type: none"> A signed PD, Confirmed completion of DoS vetting (e.g., Trafficking in Persons (TIP), Child Status Protection Act (CSPA), Leahy Vetting). Vetting verifies the absence of any human rights concerns with the assisted foreign partner or any other legal restrictions that would preclude assistance. Copies of the MILDEP operational readiness impact assessments for all articles included within the signed PD.
8	The MILDEPs (and others as appropriate) receive the drawdown execution message and provide funding to the agency/organization responsible for executing the drawdown. The executing agency/organization provides the articles, services, and training to the recipient(s).
9	DSCA, OSD, Chairman of the Joint Chiefs of Staff, and the Combatant Command monitor the execution and as required may recommend the interagency authorize an updated drawdown execution message to curtail further support due to changed circumstances.
10	The MILDEPs submit delivery data on drawdowns into DSCA's 1000 System database. Tracking data includes: Item/Service, Quantity, Unit Cost (drawdown value), Equipment (Total Quantity Cost), Services/Repair, Training (if applicable), Spare Parts, Support Equipment, Packing, Crating and Handling (PC&H), Transport, and Total Item/Service Cost (sum of all other categories for each items). Salaries for civilian services should be separately identified.
11	The MILDEPs reconcile the drawdown delivery data and ensure all cost elements are reported in the 1000 System. DSCA DBO/FPRE/FRC monitors and tracks the MILDEPs reported delivered values to funding authority issued to each agency/organizations responsible for executing portions of the drawdown to ensure that delivered values are within the authorized PD thresholds. The DoD cannot exceed the drawdown authority provided in the PD. DSCA must also ensure that the combined drawdown support from multiple PDs in a given fiscal year do not exceed legislative limits for the applicable drawdown authority.
12	DSCA FPRE provides formal reports to Congress on the articles, services, and training provided.

C11.2.7. Congressional Reporting for Drawdowns.

C11.2.7.1. FAA, Section 506 Report. FAA, section 506 [[22 U.S.C. 2318](#)] requires the DoD to provide a report to Congress detailing all the defense articles, defense services, and military education and training provided to the recipient country or international organization upon delivery of such articles, or completion of services, or education and training. Within 90 days of delivering articles/services, the MILDEPs should provide delivery data to DSCA DBO/FPRE/FRC in the 1000 system. DSCA DBO/FPRE/FRC prepares the report using the MILDEP provided delivery data. Along with the delivery data, MILDEPS must also report to DSCA DBO/FPRE/FRC, on any savings realized by using commercial transportation services instead of acquiring those services from USG transport assets, as this information is required for the report to Congress.

C11.2.7.2. Drawdown Support for the United Nations. Support to the United Nations may require additional Congressional reporting and notifications that would not otherwise be needed for other types of drawdowns for a foreign partner or a different international organization.

C11.2.7.2.1. [Title 22 U.S.C. 287b](#) requires an annual report to Congress regarding U.S. support to United Nations including US cash and in-kind contributions to United Nations peacekeeping operations. A drawdown that provides in kind contributions in excess of \$100,000 to a United Nations peacekeeping operation would need to be incorporated into this annual report. This law also requires U.S. support to the United Nations to be notified to Congress but drawdown support pursuant to FAA, Section 506(a)(1) [[22 U.S.C. 2318\(a\)\(1\)](#)] or FAA, Section 552(c)(2) [[22 U.S.C. 2348a\(c\)\(2\)](#)] are exempted from this notification requirement. Such drawdown support would be notified pursuant to the drawdown authority rather than a notification required by [Title 22 U.S.C. 287b](#).

C11.2.7.2.2. [Title 22 U.S.C. 287e-2](#) requires the US government to obtain a commitment from the UN to reimburse the US government if we provide drawdown assistance to the United Nations or to a foreign partner to assist that partner's participation in a United Nations peacekeeping operation. The requirement to seek a United Nation's reimbursement commitment does not apply if the US provides less than \$3M worth of support in a fiscal year to a given operation. The President can also waive the requirement to seek reimbursement by providing a 15-day notice to Congress.