



DEFENSE SECURITY COOPERATION AGENCY

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18 OCT 2024

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, DEFENSE INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
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DIRECTOR, SECURITY COOPERATION ACCOUNTING
DIRECTORATE, DEFENSE FINANCE AND ACCOUNTING
SERVICE, INDIANAPOLIS OPERATIONS
DIRECTOR OF CYBERSECURITY DIRECTORATE AND DEPUTY
NATIONAL MANAGER FOR NATIONAL SECURITY
SYSTEMS, NATIONAL SECURITY AGENCY

SUBJECT: Defense Security Cooperation Agency Policy Memorandum 24-30, DoD Sales to
U.S. Companies for Incorporation into End Items [SAMM E-Change 685]

Reference: DSCA Memorandum, Designation of Authority to Approve Sales to U.S. Industry
for Coding Services for Selective Availability Anti-Spoofing Module (SAASM)
Chips Pursuant to Section 30 of the Arms Export Control Act (AECA), as
amended, October 7, 2020

This memorandum updates general policy and process guidance on Section 30 sales agreements, including moving this guidance from DSCA 24-04 Attachment B to SAMM Appendix 8. [Arms Export Control Act \(AECA\), Section 30 \(22 U.S.C. 2770\)](#) authorizes the USG to sell defense articles and defense services to U.S. companies in support of direct commercial sales pursuant to an approved export license. In accordance with [10 U.S.C. 382\(b\)](#), the DSCA Director has the authority to execute, administer, and delegate approval authority of all security cooperation programs and activities of the Department of Defense involving the provision of defense articles, military training, and other defense-related services by grant, loan, cash sale, or lease. When the sale is approved by DSCA, the Implementing Agency concludes and executes the sale agreement with the requesting U.S. company.

Of note, this updates the SAMM to include DSCA's delegation of approval authority for Section 30 Sales of coding of Selective Availability Anti-Spoofing Module to Air Force Life Cycle Management Center in accordance with the reference. The policy in the attachment is incorporated into the SAMM Appendix 8 at <https://samm.dsca.mil>. If you have questions concerning this guidance, please contact DSCA (Office of Strategy, Plans, and Policy, Execution Policy and Analysis Directorate (SPP/EPA)) at dsca.ncr.spp.mbx.epa@mail.mil.

A handwritten signature in black ink, appearing to read 'D. Ferrari', with a stylized flourish at the end.

David Ferrari
Assistant Director
Strategy, Plans, and Policy

Attachment:

SAMM E-Change 685 - DoD Sales to U.S. Companies for Incorporation into End Items

Security Assistance Management Manual E-Change 685

DoD Sales to U.S. Companies for Incorporation into End Items

1. Add SAMM Appendix 8, Section 30 Sales:

See Appendix 8, [Section 30 Sales](#) for content.

2. Update SAMM Section C4.3.13. to:

C4.3.13. Department of Defense Support to Direct Commercial Sales. U.S. industry may request defense articles and services from the DoD to support a DCS to a foreign country or international organization. Defense articles and/or services provided to U.S. industry must be accomplished pursuant to applicable statutory authority including AECA, section 30 ([22 U.S.C. 2770](#)), which authorizes the sale of defense articles or defense services to U.S. companies at not less than their estimated replacement cost (or actual cost in the case of services) for incorporation into end items to be sold by such company on a direct commercial basis to a friendly foreign country or international organization. **Appendix 8, Section 30 Sales further clarifies authorized DoD support (articles or services) under this section.** It is important that defense industry representatives identify early in the DCS planning process whether support from the DoD will be required. If DoD support is deemed necessary, meetings with DoD representatives should be arranged to discuss the level of support required and the method for funding the associated costs.

3. Update SAMM Section C6.4.10.8. to:

C6.4.10.8. Supply Discrepancy Report Financial Guidelines. AECA, section 21 ([22 U.S.C. 2761](#)) and AECA, section 22 ([22 U.S.C. 2762](#)) require that the USG recover full costs. This requirement applies to SDRs. When purchasers re-requisition items, the current price is paid even if the item was initially released at a lower price. Purchaser problems involving Government Furnished Equipment (GFE) and Government Furnished Materiel (GFM) obtained under AECA, section 30 ([22 U.S.C. 2770](#)) (see **Appendix 8, Section 30 Sales**) should be addressed to the U.S. contractor possessing the GFE/GFM. FMS funding and FMS SDR processing do not apply to these sales. GFE/GFM items purchased under the auspices of an FMS case are processed under normal SDR guidelines.