



DEFENSE SECURITY COOPERATION AGENCY

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

30 MAY 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
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DIRECTOR FOR 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 24-38, Storage of Items Identified for Foreign Military Sales [SAMM E-Change 607]

Reference: Defense Security Cooperation Agency [Policy Memorandum 23-16](#), "DoD Component Cost Recovery of Security Assistance Functions [SAMM E-Change 625]," March 30, 2023

This memorandum updates the Security Assistance Management Manual (SAMM) Chapter 5 to reinforce the requirement for Implementing Agencies to include storage costs of items associated with development of an end item for Foreign Military Sales in a Letter of Offer and Acceptance (LOA). This update supplements the reference on cost recovery guidance and procedures. The policy in the attachment is incorporated into the SAMM at <https://samm.dsca.mil>.

If you have questions on this memorandum, please contact DSCA (Office of Strategy, Plans, and Policy, Execution Policy and Analysis Directorate (SPP/EPA)) at dscn.ncr.spp.mbx.epa@mail.mil.

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

David Ferrari
Assistant Director
Strategy, Plans, and Policy

Attachment:

SAMM E-Change 607 – Storage of Items Identified for Foreign Military Sales

Security Assistance Management Manual E-Change 607
Storage of Items Identified for Foreign Military Sales

1. Add SAMM Section C5.4.7.10.11. as:

C5.4.7.10.11. Storage of Items. As LOAs are drafted, IAs will include estimated costs which may be incurred to store items identified for FMS at USG or contractor facilities prior to integration into the final end item or before delivery to the customer. See SAMM [Section C9.3.1.](#), [Table C9.T4.](#), and [Section C7.11.1.](#) for information on financial policies, types of storage costs, and notices of availability. In addition, see [FMR Volume 15 Chapter 7](#) for information on above-the-line transportation services and storage guidance.