



DEFENSE SECURITY COOPERATION AGENCY

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

11 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
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY
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 24-47 Memorandum, Guidance for Processing Letter of Offer and Acceptance Documents to Cease use of United States Munitions List Category XXI in the Automated Export System.

References: (a) Title 22 of the Code of Federal Regulations, International Trafficking in Arms Regulations - "Part 121- The United States Munitions List"

(b) [Title 15 of the Code of Federal Regulations, Section 734.3\(b\)](#): Export Administration Regulations (EAR) - "Items subject to the EAR"

On 3 March 2023, [DSCA Policy Memo 23-30](#) advised that the Automated Export System (AES) in the Automated Commercial Environment (ACE) will no longer allow for the improper use of the International Trafficking in Arms Regulations (ITAR) [United States Munitions List \(USML\)](#) Ref(a) Category XXI (CAT XXI) when submitting Electronic Export Information. The Department of State's Directorate of Defense Trade Controls (DDTC) has informed the DoD that after 31 December 2024, use of CAT XXI will cause a critical error in AES.

To comply with DDTC's guidance, Letter of Offer and Acceptance (LOA) Military Articles and Services List (MASL) data, for case lines that are not supply/services complete, must not contain CAT XXI or null USML category information when there is a requirement for the export of articles, unless the articles have been confirmed as USML Category XXI (exceedingly rare; a general list is available on DDTC's [website](#)). Those articles confirmed as USML Category XXI will also require an accompanying DDTC Determination Number. [DDTC USML Category Code](#) 55 has been established

in AES and the Defense Security Assistance Management System (DSAMS) to allow for coding of non-USML articles (i.e., items that would otherwise be controlled under the [EAR](#). Prior to Category Code 55 being available, the only options in AES were 1 through 21. Category Code 55 was created because items otherwise controlled under the EAR are “not subject to the EAR” when transferred under a Foreign Military Sales (FMS) case, Ref(b), and are similarly not “subject to the ITAR.”

For all currently implemented LOAs, (basic LOAs plus their Modifications, and Amendments) with future export requirements, Implementing Agencies (IAs) will review the categorization of articles, and either select the proper USML category, using Original Equipment Manufacturer, Defense Technology Security Administration (DTSA), or DDTC guidance as necessary, or determine that the articles are not categorized on the USML (using the same guidance sources). If the articles are not described on the USML, a MASL containing Category Code 55 will be selected and used for exports of non-USML articles in AES. USML CATs I-XX containing an (x) paragraph (i.e., EAR-controlled) may not be used for FMS and Building Partner Capacity export documentation. To allow for continued export of articles, priority for the processing Modifications and Amendments to adjust MASL data for case lines pending deliveries are as follows:

- Group 1 - Modifications that only contain revisions to correct MASLs containing CAT XXI or blank data in order to allow for shipment of articles pending delivery in calendar year (CY) 2024 will have priority over the subsequent groups listed.
- Group 2 - Modifications that only contain revisions to correct MASLs containing CAT XXI or blank data in order to allow for shipment of articles pending delivery in CY 2025 or beyond will have priority over the subsequent groups listed.
- Group 3 - Modifications and Amendments containing revisions to correct MASLs containing CAT XXI or blank data in order to allow for shipment of articles but also include other changes will be processed in a routine manner.

Beginning 1 January 2025, if an LOA requires export approval, and the IA has not updated articles with the correct USML or non-USML AES category, the IA will conduct a MASL crosswalk to properly categorize articles.

The DSCA Office of International Operations, Global Execution Directorate, Case Writing and Development Division (IOPS/GEX/CWD) has provided processing guidance for the above instances in the attachment. For general questions about the SAMM, please contact DSCA (Office of Strategy, Plans, and Policy, Execution Policy and Analysis Directorate (SPP/EPA)) at dscan.cr.spp.mbx.epa@mail.mil. For questions directed to Department of State’s DDTC please contact https://www.pmdtc.state.gov/ddtc_public/ddtc_public?id=ddtc_public_portal_contact_us.



David Ferrari
Assistant Director
Strategy, Plans, and Policy

Attachment:

Processing of Letter of Offer and Acceptance Documents Adjusting Military Articles and Services Lists with United States Munitions List Category XXI or Blank Data

Attachment : Processing of Letter of Offer and Acceptance Documents Adjusting Military Articles and Services Lists with United States Munitions List Category XXI or Blank Data

The following instructions simplify the development and submission of modifications and amendments to the DSCA Office of International Operations, Global Execution Directorate, Case Writing and Development Division (IOPS/GEX/CWD) to support this effort:

- 1. GROUP 1.** Modifications that ONLY contain revisions to United States Munitions List (USML) Category (CAT) XXI or blank Military Articles and Services Lists (MASLs); deliveries scheduled PRIOR to End of Calendar Year (CY) 2024:
 - Electronic Package (ePKG) file naming convention for upload into the Case Tracking System (CTS) - “XX-X-XXX-MXX-GRP1XXI”
 - Customer Reference - “U.S. Government Review.” (no date required, nor additional documentation beyond the Letter of Offer and Acceptance (LOA) checklist pages 1 & 2)
 - Case Description; do not state case lines affected or modify the statement:
 - “updates the Military Article Service List (MASL) on all applicable lines in accordance with the [Code of Federal Regulations \(CFR\) Title 22, Chapter I, Subchapter M, Part 121](#), to adhere to the proper usage of the International Traffic in Arms Regulations (ITAR) category with no change in scope. (end item description)”
 - End item description - information to be entered by Implementing Agency (IA) point(s) of contact (POC(s)), encapsulated with parentheses
 - Unique and standard payment schedules will be updated by IOPS/GEX/CWD
 - No changes to Total Case Value (TCV), Months (MOS), Type of Assistance (TA), Offer Release Code (ORC), Delivery Term Code (DTC); any changes in these areas will require the standard DSCA coordination in the CTS
 - Only DSCA standard notes in [Appendix 6](#) will be added, updated, or restated, by IOPS/GEX/CWD as applicable;
 - IA notes will not be added, updated, or restated
 - Existing future corrections annotated in DSAMS will not be fixed on this modification, but are deferred until the next document

- 2. GROUP 2.** Modifications that ONLY contain revisions to USML CAT XXI or blank MASLs; deliveries scheduled to BEGIN CY 2025:
- ePKG file naming convention for upload into the CTS - “XX-X-XXX-MXX-GRP2XXI”
 - Customer Reference - “U.S. Government Review.” (no date required, nor additional documentation beyond the LOA checklist pages 1 & 2)
 - Case Description; do not state case lines affected or modify the statement:
 - “updates the Military Article Service List (MASL) on all applicable lines in accordance with the [Code of Federal Regulations \(CFR\) Title 22, Chapter I, Subchapter M, Part 121](#), to adhere to the proper usage of the International Traffic in Arms Regulations (ITAR) category with no change in scope. (end item description)”
 - End item description - information to be entered by IA POC(s), encapsulated with parentheses
 - Unique and standard payment schedules will be updated by IOPS/GEX/CWD
 - No changes to TCV, MOS, TA, ORC, DTC; any changes in these areas will require the standard DSCA coordination in CTS
 - Only DSCA standard notes in [Appendix 6](#) will be added, updated, or restated by IOPS/GEX/CWD as applicable
 - ; IA notes will not be added, updated, or restated
 - Existing future corrections annotated in DSAMS will not be fixed on this modification, but are deferred until the next document
- 3. GROUP 3.** Amendments and Modifications that contain revisions to USML CAT XXI or blank MASLs in addition to other case revisions. Group 3 type documents will be processed in accordance with standard processing procedures:
- ePKG file naming convention for upload into the CTS - “XX-X-XXX-AXX (or MXX)-GRP3XXI”
 - Customer Reference - standard Letter of Request (LOR) information
 - Case Description - summarize changes and purpose for the document in accordance with guidance in the [SAMM](#) and [LOA Standardization Guide](#), followed by the following statement to address applicable MASL changes: “updates the Military Article Service List (MASL) on all applicable lines in accordance with the [Code of Federal Regulations \(CFR\) Title 22, Chapter I, Subchapter M, Part 121](#), to adhere to the proper usage of the

International Traffic in Arms Regulations (ITAR) category with no change in scope. (end item description)” (examples below)

- Example Case Descriptions
 - “adds additional support equipment as requested by the purchaser. This Amendment also updates the Military Article Service List (MASL(s)) on all applicable lines in accordance with the [Code of Federal Regulations \(CFR\) Title 22, Chapter I, Subchapter M, Part 121](#), to adhere to the proper usage of the International Traffic in Arms Regulations (ITAR) category with no change in scope. (end item description)”
 - “extends the Months of Service due to contract award delays. This Modification also updates the Military Article Service List (MASL(s)) on all applicable lines in accordance with the [Code of Federal Regulations \(CFR\) Title 22, Chapter I, Subchapter M, Part 121](#), to adhere to the proper usage of the International Traffic in Arms Regulations (ITAR) category with no change in scope. (end item description)”
- End item description - information to be entered by IA POC(s), encapsulated with parentheses
- IAs will annotate payment schedule requirements on the LOA Checklist; unique and standard payment schedules will be updated by IOPS/GEX/CWD; for unique payment schedules, DSCA CFM approval required
- Changes to TCV, MOS, TA, ORC, DTC, or any other changes required may be included
- DSCA standard notes in [Appendix 6](#) will be added, updated, or restated by IOPS/GEX/CWD as applicable; IA notes (including those the IA has responsibility in [Appendix 6](#)) will be added, updated, or restated, as applicable, following instructions in the [LOA Standardization Guide](#)
- All future corrections annotated in DSAMS will be updated on these amendments or modifications and WILL NOT be deferred to the next document