



## DEFENSE SECURITY COOPERATION AGENCY

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WASHINGTON, D.C. 20301-2800

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  
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 Memorandum 24-63, Excess Defense Articles Transfer Authorization [SAMM E-Change 709]

This memorandum updates policy on Excess Defense Articles (EDA) transfers to clarify that the EDA items in the Letter of Offer and Acceptance cannot exceed the quantity and dollar values that the Department of State has authorized for transfer to the partner. After an EDA request from a partner is approved, DSCA provides the approved quantities and dollar values to the Implementing Agency in an EDA authorization memo. The policy in the attachment is incorporated into the DSCA Security Assistance Management Manual (SAMM) at <https://samm.dscamil>.

If you have questions on this memorandum, please contact DSCA (Office of International Operations, Global Execution Directorate, Assistance and Monitoring Division (IOPS/GEX/AMD)). Please reference the DSCA Policy Number and Memo Subject. For general questions about the SAMM, please contact DSCA (Office of Strategy, Plans, and Policy, Execution Policy and Analysis Directorate (SPP/EPA)) at [dscanecr.spp.mbx.epa@mail.mil](mailto:dscanecr.spp.mbx.epa@mail.mil).

A handwritten signature in black ink, appearing to be "DF", is located below the text.

David Ferrari  
Assistant Director  
Strategy, Plans, and Policy

Attachment: SAMM E-Change 709 - Excess Defense Articles Transfer Authorization

## Security Assistance Management Manual E-Change 709

### EXCESS DEFENSE ARTICLES TRANSFER AUTHORIZATION

1. Update SAMM Figure AP8.EDA.F1. Excess Defense Article Process Flow, Steps 11 and 12 to:

| Step                                 | Action  |
|--------------------------------------|---|
| 11<br>Authorization to Offer EDA     | <p>For EDA sales or grant transfers, DSCA (IOPS) sends a message to the IA authorizing the offer and transfer of items to the proposed partner. An information copy is sent to the SCO, State, the geographic CCDR, the JCS (J-5), and Maritime Administration (MARAD). Each message contains a Record Control Number (RCN) associated with the grant transfer that is used for requisitions. IAs should not submit Letters of Offer and Acceptance (LOAs) for EDA grants, sales, or associated services to DSCA prior to their receipt of DSCA’s authorization message. <b>The DSCA message identifies the total quantity of items authorized for transfer, the total original acquisition value, and total estimated current value of the items. When a transfer is executed on a blanket order line, the DSCA message identifies the authorized values by commodity type without including quantity.</b></p>   |
| 12<br>LOA Preparation and Processing | <p>The IA prepares an LOA for the grant EDA items, any EDA items being sold, and/or any supporting services or non-EDA articles associated with the transfer. Normal case writing rules apply if EDA is not the primary item being transferred. For cases in which EDA is the primary item being transferred, the following three steps apply:</p> <ol style="list-style-type: none"> <li>1. Case nickname: “EDA Grant” or “EDA Sale.”</li> <li>2. Term of Sale: If the EDA transfer is a grant item, the term of sale should reflect “EDA Grant.” If there are non-EDA grant items on the LOA, the LOA must include a dollar breakout for each term of sale used.</li> <li>3. Case Description:             <ol style="list-style-type: none"> <li>a. For an EDA grant transfer the case description should include the statement “is for the EDA grant transfer of [quantity] of [material nomenclature] under Section 516 of the Foreign Assistance Act (FAA) of 1961 as amended...”</li> <li>b. For an EDA sale, the case description should include the statement, “is for the EDA sale of [quantity] of [material nomenclature] under Section 21 of the AECA as amended...”</li> </ol> </li> </ol> <p>The following additional rules apply for any line of any case in which EDA is being transferred by grant or sale:</p> <ol style="list-style-type: none"> <li><del>1. Line Item Description: For both EDA grants and sales, including amendments or modifications when an EDA grant or sales line item is added or changed, the line item description must include the EDA original acquisition value.</del></li> <li>1. Source Code: “E” for “Excess.”</li> <li>2. Type of Assistance Code</li> </ol> |

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|  | <ul style="list-style-type: none"> <li>a. For an EDA grant transfer: “A - FAA Excess Defense Articles - non-reimbursable”</li> <li>b. For an EDA sale: “3 - Cash Sale from Stock-payment in advance” or appropriate code for corresponding Term of Sale.</li> </ul> <ol style="list-style-type: none"> <li>3. If the EDA transfer is a grant, offer release code and delivery term code may remain blank if special shipping instructions apply.</li> <li>4. If the EDA transfer is a grant, unit and total price should reflect \$0 value. EDA sales follow normal LOA writing rules for inclusion of unit and total price.</li> <li>5. LOA note <del>Line item description: Each line for an EDA grant or sale item must include a line item description note that includes the equipment being transferred, item nomenclature, quantity, original acquisition value, and current estimated value at the time of transfer, location, condition code and RCN. If the EDA transfer is a grant, include the phrase “Grant Value is \$0” to correspond with the \$0 value in the line.</del> For each line with an EDA grant or sale item, including amendments and modifications when an EDA grant or sales line is added or changed, the associated LOA note must include the standardized language listed in the “EDA – Authorization” Appendix 6 note. The original acquisition value and current estimated value listed in the LOA may be less than or equal to the values in the DSCA authorization message to the IA, but can not exceed such values.</li> <li>6. Special EDA notes must be included as standalone notes on the LOA. See <a href="#">Appendix 6</a> for exact wording.</li> </ol> |
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2. Update Appendix 6 Note to:

**Excess Defense Articles (EDA) – ~~Sales or Grants~~ Authorization**

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| <b>Note Usage</b>  |
| <p>FMS: Yes</p> <p>BPC: No</p> <p>Mandatory on FMS LOAs that <del>involve</del> include EDA sales or grants. This note <del>should</del> must be included <del>at the bottom of the item description for that line</del> as a LOA note for each EDA item or EDA commodity type (by value) as listed on the DSCA authorization message.</p> <p>Mandatory for Amendments and Modifications when an EDA sale or grant line item is added or changed, <del>to include any changes in EDA quantity or EDA values.</del></p> |
| <b>References</b>  |
| See <del>Section C11.3</del> Appendix 8 Excess Defense Articles.   |
| <b>Note Input Responsibility</b>   |
| IA   |

**Date Range of Use**

All

**Note Text**

~~"Excess Defense Articles, Original Acquisition Value is \$ \_\_\_\_\_. Current Estimated Value is \$ \_\_\_\_\_."~~

In this note, list the following for every EDA item or EDA commodity group on the LOA.

"For item [*name of item or commodity group*], the DSCA EDA authorization message allows a not to exceed [*if quantity is provided: total item quantity of XX,*] total original acquisition value of \$XXX, and total current estimated value of \$XX to be transferred.

This LOA (or Amendment or Modification) provides a [*if quantity is provided: total item quantity of XX,*] total original acquisition value of \$XX, and total current estimated value of \$XX.

There are [*if quantity is provided: XX items,*] \$XX total original acquisition value, and \$XX total current estimated value remaining against the DSCA EDA authorization after this LOA (or Amendment or Modification) is executed.

Grant Value is \$0. [*Insert only if the EDA transfer is a grant, to correspond with the \$0 value in the line.*]

Location of EDA items: \_\_\_\_\_

Condition Code of EDA items: \_\_\_\_\_

DSCA Record Control Number: \_\_\_\_\_"