



DEFENSE SECURITY COOPERATION AGENCY

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WASHINGTON, D.C. 20301-2800

23 SEP 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
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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 24-71, Guidance for Processing Letter of Offer and Acceptance in the Automated Export System

References: (a) Title 22 of the [Code of Federal Regulations, Part 121](#): International Traffic in Arms Regulations - United States Munitions List

(b) Title 15 of the [Code of Federal Regulations, Section 734.3\(b\)](#): Export Administration Regulations - 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 improper use of United States Munitions List (USML) Category XXI when submitting Electronic Export Information. Due to this change, Implementing Agencies (IAs) may require the addition of new case line(s) to current implemented Letters of Offer and Acceptance (LOAs) to account for those items incorrectly coded as Category XXI, as well as items missing a USML category. The USML category is identified via the International Traffic in Arms Regulation (ITAR) code assigned at the Military Articles and Services List (MASL) level in the Defense Security Assistance Management System (DSAMS).

DSCA authorizes the IAs to add required lines, to serve as placeholder lines for export purposes, to the affected cases via modification until 31 December 2024. No change in total case value is authorized, and no new defense articles and/or services may be added or deleted on the modification. Modifications with the MILAP milestone posted in DSAMS, sending the document to Write status, after this date will not be processed under conditions of the policy memo.

IAs will enter "Modification approved via DSCA PM 24-71" as the title of the customer reference in DSAMS. The case description must state "adds line(s) per DSCA 24-71 and updates the Military Articles and Services 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*)." Modifications will be processed per the attached instructions.

If funds have been obligated on the affected case line(s), the new case line(s) will be priced at \$1 (or \$2 due to rounding in DSAMS). The source of supply on the new case line(s) will match that of the affected case line(s) for tracking purposes only. No scope can be added to the affected case lines, or the placeholder lines, for the life of the case. Article lines (or service lines with exports) may utilize MASLs with an ITAR Code of Category I-XX, [Code of Federal Regulations, Part 121](#), (or the newly established category 55 for articles not identified on the USML).

Future scope increases to the affected case line(s) and/or new placeholder line(s) will be accomplished by adding new case line(s) via amendment.

If you have any questions concerning this guidance or for general questions about the SAMM, please contact DSCA (SPP/EPA) at dsca.ncr.spp.mbx.epa@mail.mil.



David Ferrari
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Strategy, Plans, and Policy

Attachment: Processing of Modifications Adjusting Military Articles and Services Lists with United States Munitions List Category XXI or Blank Data per 24-71

Attachment: Processing of Modifications Adjusting Military Articles and Services Lists with United States Munitions List Category XXI or Blank Data per 24-71

The following instructions simplify the development and submission of modifications 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.”
 - No additional documentation beyond the Letter of Offer and Acceptance (LOA) checklist, pages 1 & 2.
 - Customer Reference – “Modification approved via DSCA PM 24-71.” (no date required).
 - Case Description – “adds line(s) per DSCA 24-71 and updates the Military Articles and Services 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*).”
 - (*end item*) – information to be entered by Implementing Agency (IA), encapsulated with parentheses and no asterisks.
 - Unique and standard payment schedules will be updated by IOPS/GEX/CWD.
 - No changes to Total Case Value (TCV), Source of Supply (SOS), Months (MOS), Type of Assistance (TA), Offer Release Code (ORC), Delivery Term Code (DTC); any changes in these areas will require standard DSCA coordination in CTS, reidentifying the modification as routine.
 - Only DSCA standard notes in [SAMM Appendix 6](#) will be added, updated, or restated, by IOPS/GEX/CWD as applicable.
 - Current IA notes will not be updated, or restated
 - New placeholder line notes will be stated as follows; “Line xxx is a placeholder line for current Line xxx to allow for proper export classification. Future scope increases to the affected case line(s) and/or new placeholder line(s) will be accomplished by adding a new case line(s) and new case note(s) via amendment.”

- 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 CTS – “XX-X-XXX-MXX-GRP2XXI”
 - No additional documentation beyond the LOA checklist, pages 1 & 2.
- Customer Reference – “Modification approved via DSCA PM 24-71.” (no date required).
- Case Description – “adds line(s) per DSCA 24-71 and updates the Military Articles and Services 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*).”
 - (*end item*) – information to be entered by IA, encapsulated with parentheses and no asterisks.
- Unique and standard payment schedules will be updated by IOPS/GEX/CWD.
- No changes to TCV, SOS, MOS, TA, ORC, DTC; any changes in these areas will require the standard DSCA coordination in CTS, reidentifying the modification as routine.
- Only DSCA standard notes in [SAMM Appendix 6](#) will be added, updated, or restated by IOPS/GEX/CWD as applicable.
 - Current IA notes will not be updated, or restated
 - New placeholder line notes will be stated as follows; “Line xxx is a placeholder line for current Line xxx to allow for proper export classification. Future scope increases to the affected case line(s) and/or new placeholder line(s) will be accomplished by adding a new case line(s) and new case note(s) via amendment.”
- Existing future corrections annotated in DSAMS will not be fixed on this modification but are deferred until the next document.

3. GROUP 3. 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 CTS – “XX-X-XXX-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: “This Modification adds line(s) per DSCA 24-71 and updates the Military Articles and Services 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*).”
 - Example Case Description – “extends the Months of Service due to contract award delays. This Modification adds line(s) per DSCA 24-71 and updates the Military Articles and Services 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*).”
 - (*end item*) – information to be entered by IA POC(s), encapsulated with parentheses and no asterisks.
- IAs will annotate payment schedule requirements on the LOA Checklist.
 - Standard Payment Schedules will be updated by IOPS/GEX/CWD.
 - Previous Unique Payment Schedules; IAs will provide a fully updated schedule approved by DSCA CFM.
- Changes to TCV, SOS, MOS, TA, ORC, DTC, or any other changes required may be included, if allowed per [SAMM Chapter 6](#).
- DSCA standard notes in [SAMM Appendix 6](#) will be added, updated, or restated by IOPS/GEX/CWD as applicable.
 - IA notes (including those the IA has responsibility for in Appendix 6) will be added, updated, or restated, as applicable, following instructions in the LOA Standardization Guide.
 - New placeholder line notes will be stated as follows; “Line xxx is a placeholder line for current Line xxx to allow for proper export classification. Future scope increases to the affected case line(s) and/or new placeholder line(s) will be accomplished by adding a new case line(s) and new case note(s) via amendment.”
- Any future corrections annotated in DSAMS that can be updated via modification WILL NOT be deferred to the next document.