

DEFENSE SECURITY COOPERATION AGENCY

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

May 13, 2025

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 25-01, Clarification to Changes in Scope on Foreign Military Sales Amendments and Modifications [SAMM E-Change 740]

Reference: <u>DSCA Policy Memorandum 24-08</u>, "Foreign Military Sales Letter of Offer and Acceptance Scope, Amendments, and Modifications," September 16, 2024

Effective immediately, this memorandum updates policy on the requirement for Implementing Agencies (IAs) to review and coordinate changes in scope on Amendments and Modifications to Foreign Military Sales (FMS) cases. The purpose of this update is to ensure that case lines using a previous FMS administrative surcharge rate do not include changes in scope. Further, the requirement from the reference for IAs to add attestation statements in Defense Security Assistance Management System (DSAMS) case remarks is removed as the IAs' procedures include verifications with contracting officers on changes in scope. The policy in the attachment is incorporated into the DSCA Security Assistance Management Manual (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 dsca.ncr.spp.mbx.epa@mail.mil.

David Ferrari Assistant Director Strategy, Plans, and Policy

Attachment:

SAMM E-Change 740 - Clarification to Changes in Scope on Foreign Military Sales Amendments and Modifications

Security Assistance Management Manual E-Change 740

Clarification to Changes in Scope on Foreign Military Sales Amendments and Modifications

- 1. Update SAMM Section C6.7.2.1. to the following:
 - **C6.7.2.1. Use of a Foreign Military Sales Case Amendment.** All changes on an FMS case can be accomplished on an Amendment, including within-scope changes. An FMS case must be amended when there is a change in scope to a case line or note and when the changes require the FMS purchaser's acceptance. Such changes require the FMS purchaser's acceptance. For Amendments that include price increases on a contracted line with a previous FMS administrative rate, the IAs provide an attestation statement in DSAMS case remarks "The contracting officer confirmed there are/are not changes in scope on the following contracted line items: [reference case line(s)]." Additionally, the IAs must review the Administrative Surcharge rates on the USG sourced or contract lines with a change in scope to determine whether a previous Administrative Surcharge is being used, adding new lines for the scope being added to reflect the current rate. For limited changes in scope that can be accomplished through Concurrent Modifications, see Section C6.7.3.2.
 - **C6.7.2.1.1.** Lines on Amendments Subject to a Previous FMS Administrative Rate. On FMS case Amendments, the IA must review lines with a previous FMS administrative rate applied to confirm if there are changes in scope. For lines with a change in scope and a previous FMS administrative rate applied, the IA must include the added scope on a new case line. For lines with no change in scope and a previous FMS administrative rate, required changes may be made on the existing line unless there is a change in price. In such instance, if the line is providing contracted defense articles or services, then the IA coordinates with the contracting officer or Contracting Officer's Representative to verify the price change is not related to a change in scope.
- 2. Update SAMM Section C6.7.3.1. to, and renumber the follow-on sections appropriately:
 - C6.7.3.1. Use of a Foreign Military Sales Case Modifications. An FMS case Modification is used on an FMS case to make administrative changes that do not alter the scope of a case, case line, or case note. These changes may be accomplished unilaterally by the USG and do not require the FMS purchaser's acceptance. For FMS case Modification requests, DSCA and/or IA correspondence can serve as the document of record. DSCA confirms within-scope changes for USG-provided articles and services during DSCA's case review process, with the IA providing any documentation and/or data necessary to validate the change. Within-scope changes may be accomplished on contracted or USG-sourced lines with a previous FMS administrative rate. For all Modifications with a contracted line, the IA includes an attestation statement in DSAMS case remarks "The contracting officer confirmed there are no changes in scope on the following contracted line items: [reference case line(s)]." Table C6.T7. identifies examples of allowable changes that can be accomplished

on a Modification. The exceptions for changes in scope on FMS case Modifications are for Concurrent Modifications, as explained in <u>Section C6.7.3.2.</u>

C6.7.3.1.1. Lines on Modifications Subject to a Previous FMS Administrative Rate. On FMS case Modifications, the IA must review lines with a previous FMS administrative rate applied to confirm there are no changes in scope. Within-scope changes may be made to existing lines with a previous FMS administrative rate applied; however, if the line is contracted and the price changes, then the IA coordinates with the contracting officer or Contracting Officer's Representative to verify the price change is not related to a change in scope.

3. Add SAMM Section C6.7.3.2.2.1.:

C6.7.3.2.2.1. Lines on Concurrent Modifications Subject to a Previous FMS Administrative Rate. On Concurrent Modifications, the IA must review lines with a previous FMS administrative rate applied to ensure those lines are developed in compliance with the SAMM. For Concurrent Modifications involving case lines with a previous FMS administrative rate applied that include a change in scope (see Section C6.7.3.2.2. for guidance on permissible changes in scope under Concurrent Modifications), the IA must include the added scope on a new case line. For Concurrent Modifications involving case lines with a previous FMS administrative rate that do not include a change in scope, the requested changes may be made on the existing line unless there is a change in price. In such instance, if the line is providing contracted defense articles or defense services, then the IA coordinates with the contracting officer or Contracting Officer's Representative to verify the price change is not related to a change in scope.