



DEFENSE SECURITY COOPERATION AGENCY

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

15 SEPT 2026
USA002307-26

MEMORANDUM FOR DIRECTOR, MISSILE DEFENSE AGENCY

(ATTN: MS. AIMEE PITT)

DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
INDIANAPOLIS, IN

SUBJECT: Revise Nonrecurring Cost and Establish Special Nonrecurring Cost Charges for
INTERCEPTOR, THAAD, CANISTER ASSEMBLY, GUIDED MISSILE,
LAUNCHING ASSEMBLY, XM-401 - DSCA Policy 26-116

References: Request for Terminal High Altitude Area Defense Interceptor to Revise Non-
Recurring Cost and Establish Special Non-Recurring Cost for MASL
1427016880615 dated August 11, 2026.

The attached Finding approves the revised nonrecurring cost (NC) recoupment pro rata charges and the establishment of the special non-recurring costs (Special NC) charges for Saudi Arabia for the sale, coproduction, or licensed production of the items shown on the Finding table. The NC and Special NC charges listed in the Finding will be updated in Appendix 1 of the Security Assistance Management Manual (SAMM) found at <https://samm.dsca.mil>.

Unless waived, the DoW NC recoupment charge is required to be reimbursed to the DoW within 30 days following delivery or purchaser acceptance (whichever comes first) of each item sold or produced; and the recoupment will be recorded under DSCA(Q) 1112 Report. In accordance with the Arms Export Control Act, any country requesting a waiver of NC charges must request the waiver in writing prior to acceptance of the purchase, if it is to be approved.

The establishment of Special NC charges for INTERCEPTOR, THAAD, CANISTER ASSEMBLY, GUIDED MISSILE, LAUNCHING ASSEMBLY, XM-401 is based on a total MISSILE DEFENSE AGENCY estimate of over \$50M incurred by the Kingdom of Saudi Arabia for nonrecurring research, development, testing and evaluation for each item identified in the Finding, which qualifies as MDE per section 47(6) of the Arms Export Control Act.

Both 1427016268847 (NC originally established via [DSCA 10-13](#)) and 1427016880615 are for THAAD Missile Rounds. However, the National Stock Number changed due to a part number change from the UAE to Saudi variant for export purposes, which required the new MASL 1427016880615 and the need to establish special NC charges in this Finding for the Kingdom of Saudi Arabia.

If you have any questions regarding this matter, please contact Ms. Yvette Chandler at (703) 697-9445; e-mail: yvette.d.chandler.civ@mail.mil.

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George A. Lumpkins
Acting Deputy Assistant Director for Global
Execution Office of International Operations

Attachments: as stated



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FINDING

In accordance with [DoD Directive 2140.02](#), dated May 17, 2018, I hereby approve special nonrecurring cost (NC) recoupment pro rata charges for the sale, coproduction, or licensed production of the Major Defense Equipment shown below:

CATEGORY- IV LAUCH VEHICLES, GUIDED MISSILES, BALLISTIC MISSILES, ROCKETS, TORPEDOES, BOMBS & MINES

ITEM DESCRIPTION (Letter of Offer and Acceptance Description)	MASL	Previous NC Charge	Updated NC Charge	Previous Special NC Charge (Saudi Arabia)	Existing Special NC Charge (Saudi Arabia)
INTERCEPTOR, THAAD CANISTER ASSEMBLY, GUIDED MISSILE, LAUNCHING ASSEMBLY, XM-401	1427016880615	\$5,674,143.00	\$1,022,877.00	\$88,633.00	\$88,633.00 (No Change)

The updated NC charge is effective immediately and supersedes [DSCA Policy Memo 10-13](#). The special NC recoupment charge expires ten years after November 26, 2018, the date Saudi Arabia accepted the FMS LOA, SR-I-WIC, which included the special NC charges.

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George A. Lumpkins
Acting Deputy Assistant Director for Global
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