

It is important to note that there are two separate and distinct MASLs, one for materiel and services and another for training. They should not be confused. Each contains different kinds of information and has different uses. DSCA maintains the materiel MASL with input from the MILDEPs. The security assistance training activities of the MILDEPs maintain the training MASLs, which are accessed via the Security Cooperation Training Management System (SC-TMS).

Developing a Complete Offer with the Total Package Approach

When compiling LOAD, case managers should adhere to the policy of TPA mentioned earlier in this chapter and in the SAMM C4.3.2. TPA ensures that FMS purchasers are afforded the opportunity to acquire the full complement of articles and services necessary to field, maintain, and utilize major items of equipment efficiently and effectively. To a large degree, TPA depends on receiving a comprehensive LOR. In addition to the weapon system itself, an LOA that follows the TPA concept will address areas such as training, technical assistance, publications, initial support, and follow-on support.

As part of the TPA, IAs should ensure that LOAs for equipment include at least one year's supply of spare parts. See SAMM C5.4.7.10 for more information. These packages are referred to as concurrent spare parts (CSP) or initial spare parts (ISP). LOAs should include CSP or ISP for all support and ancillary equipment listed on the LOA, as well as for major weapon systems. IAs normally require that a significant portion of CSP and ISP be in country before they will release major end items for delivery. CSP and ISP are often identified by category and total value rather than itemized on the LOA.

Defense Security Cooperation Agency Review and Countersignature

In addition to the IA, the DSCA Case Writing Division (DSCA-CWD) plays a key role in case development. The IA notifies DSCA-CWD via DSAMS when LOAD development is complete. SAMM C5.4.14 describes the documents the IA must provide DSCA-CWD along with the draft LOA document. DSCA-CWD then completes the LOA writing process by accomplishing a quality review for policy compliance and by adding the payment schedule and the standard LOA notes. After finalizing the LOA document, DSCA-CWD staffs it for IA, headquarters DSCA, and legal reviews as appropriate. When this coordination process is complete, DSCA-CWD forwards the LOA document to DOS/PM for final review. Upon DOS concurrence, DSCA-CWD electronically countersigns the LOA, indicating that the IA can sign the case and officially offer it to the purchaser. A more complete description of the IA and DSCA-CWD roles in the case development process is shown in figure 5-4 and table C5.T8 of the SAMM.

The single digit alpha codes reflected in figure 5-4 are case status codes found in a database called the Security Cooperation Information Portal (SCIP). These status codes are defined in the *DISAM Practical Exercises and Handbook, Security Cooperation Information Portal Case Information Community*. Additional information about SCIP can be found in appendix 1 to this text book, "Security Cooperation Automation."

**Figure 5-4
Case Development Responsibilities**

Implementing Agency (IA)	DSCA Case Writing Division (CWD)
Develop LOA	Assemble the LOA
Development “D” Status	Write “W” Status
<ul style="list-style-type: none"> • Act as primary interface with stakeholders • Review releasability/foreign disclosure • Prepare Congressional notification input • Develop LOA line item structure • Obtain cost information • Develop LOA line item pricing • Prepare line item description notes • Prepare case unique/non-standard notes • Develop program delivery schedules • Prepare payment schedule analysis • Process/coordinate waivers • Identify manpower requirements • Conduct MTCR review • Identify EUM requirements • Approve LOA and send to DSCA-CWD 	<ul style="list-style-type: none"> • LOA quality assurance review • Policy review • Case standard notes • Payment Schedule preparation
Review “R” Status	Review “R” Status
<ul style="list-style-type: none"> • Review/sign CWD LOA package (“R”) 	<ul style="list-style-type: none"> • IA final review of LOA package • DSCA HQ review • Legal review
Offered “O” Status	Proposed “P” Status
<ul style="list-style-type: none"> • Offer LOA after DSCA countersigns (“O”) 	<ul style="list-style-type: none"> • State (RSAT) review
	Offered “O” Status
	DSCA countersignature
	<ul style="list-style-type: none"> • “D,” “P,” “W,” “R” and “O” status appear in SCIP • “W” and “R” visible to USG only - rolled up as “D” for non-USG

Letter of Offer and Acceptance Response Time

The time required to respond to an LOR with an LOA depends on the type of case being prepared and the complexity of the program. The policy time frame for a USG response to an LOR is based on the Anticipated Offer Date (AOD). An AOD is assigned for every LOR based on the group categories identified in figure 5-5. Depending on the AOD group assigned, the IA has between 45 and 150 days from LOR receipt to prepare the LOA for offer. Receiving comprehensive LORs that accurately reflect partner nation requirements is crucial to successful accomplishment of these goals. Refer to chapter 6 of this textbook, “Types of LOAs,” for more information about the different types of cases referenced in figure 5-5. More details regarding the LOA response time policy can be found in SAMM C5.4.2 and table C5.T6.

**Figure 5-5
Letter of Request to Letter of Offer and Acceptance
Response Time Anticipated Offer Date Groups**

Group	Description
A	45 days for Blanket Order LOAs, training LOAs, Cooperative Supply Support Arrangements (CLSSAs), and associated Amendments and Modifications. The IA can change the date to less than 45 calendar days if appropriate.
B	100 days for Defined Order LOAs and associated Amendments and Modifications. The IA can change the date to less than 100 calendar days if appropriate.
C	<p>150 days for Defined Order LOAs and associated amendments that are considered “purchaser-unique” in nature. The IA can change the date to less than 150 calendar days if appropriate. Associated Modifications to this group will be placed in Group B.</p> <p>The IA must identify why the LOA document is “purchaser unique” by selecting one of the below 8 factors:</p> <ol style="list-style-type: none"> 1. First-time purchase of a defense article or service by an FMS purchaser 2. First-time FMS purchase by a specific country or international organization with limited experience or knowledge of FMS processes/procedures 3. Case requires engineering, system integration, or special acquisition 4. Requested use of the system is different from its use by US military forces (e.g., Navy ship missile to be fired from an Army or foreign country’s helicopter) 5. Detailed release/disclosure coordination required 6. Complex pricing effort required 7. Extraordinary coordination required inside or outside the IAs 8. Other (must be explained by detailed milestone comments in DSAMS)
D	60 days for all Pseudo LOAs and associated Amendments and Modifications. The IA can change the date to less than 60 calendar days if appropriate

CASE DEVELOPMENT: ACCEPTANCE

Once DSCA-CWD countersigns and releases the LOA, the IA prints a copy from DSAMS, signs it, and offers it to the purchaser for acceptance. Every LOA includes an offer expiration date (OED) on the cover page. Generally the OED is computed as eighty-five days from IA approval in DSAMS. This OED period is generally based on twenty-five days for US administrative processing and sixty days for country review. SAMM figure C5.F6 identifies those countries with DSCA-approved OEDs longer than eighty-five days. To officially accept the LOA, the partner nation must fill in the “purchaser provided information” at the bottom of the LOA cover page, sign the case by the OED, and send signed copies to the IA and to the Defense Finance and Accounting Service in Indianapolis (DFAS–SCA). The purchaser must also send the initial deposit (as reflected on the LOA) to DFAS–SCA. Payment must be in US dollars and may be via check or wire transfer. Distribution instructions are found in the LOA following the payment schedule.

Partner nations should strive to accept an LOA by the offer expiration date (OED). If this is not feasible, the purchaser may request an extension from the IA. If an extension is required, the purchaser should notify the IA as soon as possible, preferably in the LOR. Many considerations, such as contract deadlines for multi-country programs or policy concerns, may preclude granting an extension. Partner nations should note that even if an extension is granted, cost and delivery estimates are perishable and will tend to degrade over time. An extended time period between the LOA offer and LOA acceptance may result in less accurate cost and delivery estimates. Occasionally, the USG will give the purchaser a shorter than authorized OED, generally in conjunction with contractual requirements. When this

occurs, the USG should advise the partner nation in advance and must include a special note in the LOA explaining the reason for the short OED.

CASE IMPLEMENTATION AND EXECUTION

Implementation

After receiving the initial deposit, DFAS–SCA releases obligational authority (OA) to the cognizant IA. OA is forwarded via DSAMS to the unique MILDEP FMS management financial computer systems. The OA is evidence of proper case acceptance, including receipt of initial deposit, and signals that the case may be implemented. OA is not money, but it provides financial authority allowing the IA case manager to implement the case. Upon receipt of OA, the IA may begin to incur obligations against the case (i.e., negotiate a contract, submit requisitions, schedule training, etc.). There is no standard metric or time frame for case implementation; however, it is generally accomplished within ten to fifteen days.

Although an LOA provides basic information and authority for an FMS case, it may have insufficient information for case implementation. A case manager may issue internal supplemental guidance (e.g., a case directive) in order to provide more detailed case logistical and financial implementation instructions to line managers and supporting organizations. The term “FMS case directive” has several definitions, depending on the variations of case directive documents. In the broadest context, a case directive is a document, or an assortment of documents, used to implement an accepted LOA. The case directive is also known as the project directive for the Navy and the international program directive for the Air Force. Case directives should be revised as appropriate whenever LOAs are modified or amended.

Execution

Implementation ends and case execution begins when orders for the LOA materiel and services are processed against the case. Case execution is the longest phase in the life cycle of an FMS case. It can last many years for a major system sale case. During case execution, there are many actions that occur in the areas of acquisition, finance, logistics, and training. There are separate chapters in this textbook dedicated to each of these important functional areas. Figure 5-6 depicts many of the financial and logistics transactions that occur during the life of an FMS case.

**Figure 5-6
Foreign Military Sales Case Execution**

