
Security Assistance Management Manual Tips

[Editor's Note: The following *Security Assistance Management Manual* (SAMM) Tips are a compilation of the same tips appearing in the Defense Security Cooperation Newsletter. We gratefully acknowledge DSCA's contributions and if you want to read more please go the the following web site: <http://www.dsca.mil>._____

Case Cancellations

Foreign military sales (FMS) cases may be cancelled either by the purchaser or by the United States government (USG). After a case has been implemented, cancellations are processed as a closure of the case, with the purchaser being responsible for any termination costs as well as any estimated administrative costs associated with the case. Per the letter of offer and acceptance (LOR) standard terms and conditions, the USG may cancel a case (or any part of a case) based on U.S. national interests. See SAMM Chapter 6, paragraphs C6.9.1 and C6.9.2. For additional details or for questions or further information on this topic, please contact Policy Division, Strategy Directorate at (703) 601-4368.

Blanket Order Cases and Lines

Per the SAMM C5.4.3.2, blanket order cases and/or lines are used to provide categories of items or services with no definitive listing of items or quantities. Scope is limited to the described item and/or service categories and the purchaser-furnished as line dollar value. Types of items provided on blanket order cases and/or lines are non-significant military equipment (SME) items and/or services that lend themselves to blanket order cases, and/or lines that include spare and repair parts, publications, support equipment, supplies, maintenance, technical assistance, training, and training aids (further definition is available in SAMM C5.4.3.2.1.) Items not provided on blanket order cases and/or lines include classified material, SME including major defense equipment (MDE) and the related initial support item package. For questions or further information on this topic, please contact Policy Division, Strategy Directorate, at (703) 601-3843.

Administrative Expenses for Foreign Government Representatives

The USG does not serve as the disbursing agent for funds received under LOAs unless those funds are required for materiel or services provided by the DoD, another federal agency, or through a DoD procurement contract. LOAs shall not include transportation, lodging, per diem, or other administrative expenses of foreign government representatives, even through such expenses may be related to the procured materiel and services. In exceptional situations, DSCA may specifically authorize an LOA to include the payment of travel and living allowances for international students. Foreign purchasers may not use LOAs to lease commercial or general service administration (GSA) vehicles. Foreign purchasers are responsible for making and paying for these arrangements outside of the FMS process. See SAMM Chapter 4, Section C4.4. For more information or quations on this topic, please contact Policy Division, Strategy Directorate.

Diversion of Material

Implementing agencies (IAs) normally fill security assistance requirements from production on a first-in, first-out basis. National security considerations and foreign policy objectives may require that materiel procured or stocked for FMS be diverted to meet higher priority requirements for other FMS customers with the prior concurrence of the Director, DSCA. In extreme cases, items may also be diverted from production or from U.S. Forces to meet high priority FMS requirements. DoD policy requires a determination that the sale of a defense item shall not degrade U.S. defense efforts by taking needed equipment from U.S. stocks (withdrawals) or disrupting deliveries of critical items

from production for U.S. forces (diversions), unless the sale of the item is in the overall U.S. national interest. For information regarding diversions see SAMM Chapter 6, paragraph C6.4.7. For questions or further information on this topic, please contact Policy Division, Strategy Directorate, at (703) 601-3842.

Direct Exchange

Direct exchange is a type of repair program executed under an LOA document. Under a direct exchange, a repairable item is exchanged for the same type of serviceable item from DoD stock. To qualify for the Direct Exchange program, the repairable item must have been obtained under the *Arms Export Control Act*, and the DoD (including FMS) must have a requirement for the item. The Direct Exchange program has a quick turnaround time since replacement items are issued from DoD stock. For more information about Direct Exchange program see SAMM Chapter 6, Section C6.4.9. For more information on this topic, please contact Policy Division, Strategy Directorate, at (703) 604-6612.

White Phosphorous Munitions

Requests for white phosphorus munitions should be submitted in accordance with the procedures established for SME. Requests should indicate type of ammunition, the quantity, and intended use. Requests should be accompanied by a Country Team Assessment indicating whether the amount requested is reasonable in relation to the intended use, current on-hand inventories, and predictable usage rates of such items. Requests must also contain assurance from the host government that white phosphorus munitions are used only for purposes such as signaling and smoke screening. DSCA/OPS shall coordinate the request and upon approval, advise the DoD component and provide the special conditions that must be included in the LOA. For more information regarding this issue see SAMM Chapter 4, paragraph C4.3.7. For questions or further information on this topic, please contact Policy Division, Strategy Directorate, at (703) 601-3842.

Letters of Request for Price and Availability Data

Foreign countries and international organizations request price and availability (P&A) data when preliminary data are required for planning purposes or in anticipation of an FMS purchase. P&A data are a rough order of magnitude estimates of cost and availability of defense articles and/or services, which are sufficiently accurate for planning purposes but may not be used for budgetary purposes nor may be considered as USG commitments. P&A data are prepared in the Defense Security Assistance Management System, but are not valid for use in preparing a LOA due to the preliminary nature of the data. IAs must ensure the following:

- DoD component can recommend release of the articles and/or services to the purchaser
- If the purchaser were to request an LOA, it could be provided, considering clearances such as Congressional Notification or disclosure approval
- The purchaser knows to submit an LOR for an LOA if it chooses to pursue the purchase.

For additional details see SAMM Chapter 5, paragraph C5.3. For questions or further information on this topic, please contact Policy Division, Strategy Directorate, at (703) 601-4368.

Military Articles and Services List

The *Military Articles and Services List* (MASL) identifies defense articles and services and is a required entry on each LOA line item. Defense articles that are SME require enhanced end-use monitoring (EUM), and are restricted under the Missile Technology Control Regime (MTCR)

restrictions, or are classified items must be identified clearly on the LOA using defined order MASLs. Such items cannot be listed on a blanket order line or a defined order line coded as non-SME, routine EUM, or non-MTCR. Nor can they be added in the Line Item Description or in a Line Item Note under such a blanket or defined order line. For more details on MASLs see SAMM Chapter 13, Section C13.6., and the *MASL Handbook*. For questions or further information on this topic, please contact Financial Policy and Internal Operations, at (703) 604-6576 or the Policy Division, Strategy Directorate, at (703) 601-3842.