
Defense Security Cooperation Agency Security Assistance Management Manual Tips

Support for Non-Ministry of Defense Agencies or Functions

Defense articles and/or services are not sold or granted to foreign recipients under the *Arms Export Control Act* unless they are part of the national defense establishment, under the direction and control of the ministry responsible for defense matters. Requests for training non-Ministry of Defense (MoD) personnel must be directed to the Department of State (DOS) and to the Agency for International Development (AID) through U.S. Embassy channels. DSCA and relevant implementing agencies should be informed of the request. Prior DSCA and DOS approval must be obtained for the sale, grant, or lease of defense articles, defense services, or training to foreign organizations or personnel if they are engaged in on-going civilian police functions under the direction and control of the ministry responsible for defense matters. See the Security Assistance Management Manual (SAMM) Chapter 4, Section C4.2.2. for more details. For questions or further information on this topic, please contact DSCA Policy Division, Strategy Directorate.

Leases of Defense Articles under the Arms Export Control Act

The President may lease Department of Defense (DOD) articles to eligible foreign countries or international organizations for a period not to exceed five years and a specified amount of time for completion of major refurbishment work prior to delivery. Leasing authority is delegated to the DOD. There must be compelling foreign policy and national security reasons for leasing defense articles and the articles must not be needed for public use at the time. Details as to legislation, who can lease and what can be leased, as well as procedures for preparing leases may be found in SAMM Chapter 11, C11.10. For questions or further information on this topic, please contact the DSCA Policy Division, Strategy Directorate.

Military Articles and Services List

The *Military Articles and Services List* (MASL) identifies defense articles and services and is a required entry on each Letter of Offer and Acceptance (LOA) line item. Defense articles that are Significant Military Equipment (SME), require Enhanced End-Use Monitoring (EUM), 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 at http://www.dsca.mil/programs/biz-ops/MASL_Handbook_Formatted.pdf. For questions or further information on this topic, please contact the DSCA Strategy Directorate.

Manpower

Manpower in support of specific foreign military sales (FMS) and security cooperation cases is provided on applicable services lines or included directly in the price of materiel and/or services lines. It is critical that manpower efforts be properly accounted to verify associated costs. When forwarded to the Defense Security Cooperation Agency (DSCA) for countersignature, a Letter of Offer and Acceptance (LOA) Manpower and Travel Data Sheet (MTDS) must accompany all LOA documents that contain manpower. An MTDS is also required for Amendments that change the scope of lines

involving manpower, as well as for modifications that increase the value of lines involving manpower. The MTDS may be provided to purchasers upon request. SAMM, Chapter 5, Paragraph C5.4.9. and Table C5.T6. and Chapter 9, Paragraph C9.4.2. and Figure C9.F1. provide additional details. For questions or further information on this topic, please contact the DSCA, Strategy Directorate.

Security Assistance Management Manual Web Page

The DSCA Internet contains a link to the SAMM and all of the DSCA Policy memos issued since 2000. There are also some memos that pre-date 2000 (1997 through 1999). All DSCA Policy memos must have a DSCA Policy memo number. Any associated SAMM changes must also have a SAMM E-Change number. As a reminder, both DSCA Policy memo numbers and SAMM E-Change numbers must be obtained by contacting the Policy Division, Strategy Directorate.

General Waivers to Cargo Preference Act

The Cargo Preference Act requires at least 50 percent of the gross tonnage of grant, credit, or guarantee-funded cargo be transported in privately-owned U.S. flag vessels. DSCA policy, in support of the U.S. maritime industry, requires 100 percent of applicable cargoes to be carried by U.S. flag vessels unless a general waiver is granted by DSCA in coordination with the *Maritime Administration*. *General Waiver* applications are considered if the recipient country does not discriminate against U.S. flag vessels. Approvals normally cover one full calendar year and all approved CY 2009 general waivers will expire 31 December 2009. For further detail see Chapter 7, Para C7.12 of the SAMM. For questions or further information on this topic, please contact DSCA, Policy Division, Strategy Directorate.

Arms Export Control Act Section 36 Notifications

There are three types of Congressional Notifications of foreign military sales (FMS) pursuant to *Arms Export Control Act* (AECA) Section 36:

- 36(b)(1) FMS Sale - Notification period of 15 calendar days for sales to NATO, Australia, Japan, South Korea, and New Zealand (NATO+4) for sales of MDE \geq \$25M, other defense articles and services \geq \$100m, or design and construction services \geq \$300M. For all other countries and organizations, 30 days for sales of MDE \geq \$14M, other defense articles and services \geq \$50m, or design and construction services \geq \$200M.
- 36(b)(5)(A) FMS Increase in Capability – Notification 45 days prior to delivery of any increase in sensitivity of technology or capability of a defense article or service previously notified under Section 36(b)(1).
- 36(b)(5)(C) FMS High Value Increase in Capability – If an increase in sensitivity of technology or capability of a defense article or service previously notified under Section 36(b)(1) includes an increase in value that would itself trigger a notification at the dollar thresholds listed for 36(b)(1) above, then the notification will be considered as if it were a separate notification and made for the time periods required for a new notification.

For questions or further information on this topic, please contact DSCA, Policy Division, Strategy Directorate.

Defense Security Cooperation Agency Supply Discrepancy Report Review

Defense Security Cooperation Agency (DSCA) (Business Operations and Strategy Directorates) reviews and approves or disapproves Supply Discrepancy Report Reviews (SDRs) when the

implementing agency determines the USG is liable for correction and recommends use of foreign military sales (FMS) funds in excess of \$50,000; or, the SDR involves an issue likely to be raised to DSCA or higher levels. DSCA makes the final decision within 30 days. For additional information regarding SDRs, reference C6.4.111 of the *Security Assistance Management Manual* (SAMM). For questions or further information on this topic, please contact DSCA Policy Division, Strategy Directorate.

Letter of Offer and Acceptance Information Document

A Letter of Offer and Acceptance (LOA) Information document (SAMM Chapter 5, Figure C5.F4.) provides information describing some of the codes and language used on the LOA, and must be attached to the original LOA that is sent to the purchaser for review and/or acceptance. It helps the purchaser understand the information the USG enters on the LOA document such as Terms of Sale, Units of Issue, Source Codes, Type of Assistance Codes, Delivery Term Codes, etc. It also addresses the information the purchaser must enter on the LOA document upon its acceptance such as the Mark For Code and the Freight Forwarder Code, and provides guidance on financial arrangements and changes to the LOA Document. The SAMM is available at www.dsca.mil/samm.