

DSCA

CUSTOMER GUIDE

UPDATED 11-15-2006



This guide is intended to help DSCA Customers in the Security assistance Community gain a quick understanding of the steps and methods that must be used when planning a transfer of military defense articles and/or services from the United States to friendly foreign governments and specific international organizations

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INTRODUCTION

Our Principal goals in this guide are to:

- Explain some of the options available to you when purchasing defense articles from the United States
- Assist you in preparing requests to the U.S. Government (USG) for defense articles and services
- Explain what we do to respond
- Explain some of the specific points about the offer we will prepare for you
- Cover the actions that you need to take to accept our offer

Security Assistance, defined in its simplest terms, concerns the transfer of military defense articles and/or services from the United States to friendly foreign governments and specific international organizations. The processes used for Security Assistance can oftentimes be quite confusing and cumbersome. The purpose of this guide is to provide you, our foreign customers, with a simplified overview of these processes that may help in your use of these programs.

Initially, the quantity of information, terms, and acronyms used can be confusing. If you have any questions, we encourage you to contact your Security Assistance Office (SAO), Implementing Agency (IA) Desk Officer or Defense Security Cooperation Agency (DSCA) Country Program Director (CPD). (NOTE: U.S. Department of Defense (DoD) representatives are assigned to various U.S. Embassy staffs throughout the world. While these offices are generally named SAOs, they may also be known as the Office of Defense Cooperation (ODC), Joint U.S. Military Assistance Group (JUSMAG), some similar title or the representative may be another embassy official who has been assigned SAO responsibilities. For ease of reference in this guide, they will be referred to as SAOs.

Nothing in this guide takes precedence over any U.S. Government (USG) regulations or formal policy guidance. For ready access to these more formal documents, active links are included throughout this guide.

Throughout this guide we have inserted links that will jump to another portion of the document or take you to a website. These have been shaded to make them easier to find. A [GLOSSARY OF ACRONYMS AND ABBREVIATIONS](#) has been included and we have provided a list of [WEBSITE LINKS](#) that we hope you will find helpful for contacting appropriate organizations or U.S. agencies involved in Security Assistance.

We are continually trying to improve our Security Assistance processes and this guide will be updated regularly to reflect any changes in policy or procedures. We also would welcome your comments and suggestions for improvements to be included in future versions. You will always be able to access and download the most current guide at the [DSCA website](#).

SECURITY ASSISTANCE OVERVIEW

The United States conducts Security Assistance business with over 150 nations and international organizations around the world. These programs are conducted under two primary U.S. legislative authorities: [The Arms Export Control Act \(AECA\)](#) (22 U.S.C. 2751 et seq.), as amended, and the [Foreign Assistance Act of 1961 \(FAA\)](#), as amended (22 U.S.C 2151 et seq.) Under these authorities, there are several options that we may use to provide you with U.S. defense articles and services. The most common options are Foreign Military Sales (FMS) and Direct Commercial Sales (DCS). There are benefits, limitations and trade-offs associated with each of these options that should be carefully considered for each particular sale. While you usually have a choice in whether to purchase items using FMS or DCS, the U.S. Government may require that FMS procedures be followed for certain purchases.

Although these options, as well as others, are discussed separately below, they may be used in many different combinations to satisfy your unique requirements. For example, a total program might consist of some items purchased through FMS, additional items through DCS, and still others obtained via lease. The USG will work with you to help determine the most beneficial Security Assistance option(s) based on your unique circumstances. Our goal is to provide you with the best “fit” for your program.

FOREIGN MILITARY SALES (FMS)

FMS is a program that allows you to purchase defense articles, services, and training, as well as design and construction services from the U.S. Government. This program is operated on a “no-profit” and “no-loss” basis to the U.S. Government and requires your authorized representative to submit a Letter of Request (LOR) to the USG for desired defense articles and services.

Under FMS, a government-to-government agreement, known more commonly as a Letter of Offer and Acceptance (LOA), is written by the USG and accepted by your government. You may also see the phrase “FMS case” used to describe this document. The LOA specifies the items and services to be provided as well as the estimated cost. The USG will supply items from stock or may contract for them on your behalf. Any contracts required will be written by the USG using standard USG contracting procedures. You will pay the full costs associated with the sale--- including not only the cost of the items but also any costs incurred by us to provide you with this support. The FMS case may be changed many times during the life of your program using Amendments and Modifications. The rules and procedures for these types of sales are contained in the [Security Assistance Management Manual \(SAMM\), DoD 5105.38-M](#).

FMS allows you to receive program management services and weapon system expertise from the applicable U.S. Military Department (MILDEP). Access to DoD logistics and training is also available under FMS. Quite often, FMS also provides you with economies of scale and the same cost basis applicable to procurements by the DoD for its own use.

DIRECT COMMERCIAL SALE (DCS)

A DCS is a sale made by U.S. companies directly to an international customer. DCS agreements are not administered by DoD and do not involve a government-to-government agreement. U.S. industry is responsible for obtaining a license from the Office of Defense Trade Controls in the Department of State for each of these sales. The day-to-day rules and procedures for these types of sales are contained in the [International Traffic in Arms Regulations \(ITAR\)](#).

Under DCS, you engage directly in contract negotiations and program management decisions with a U.S. supplier or manufacturer. DCS might be considered when your military requirements differ appreciably from standard U.S. configurations. DCS arrangements may also be appropriate when your government is seeking licensed-production between a U.S. manufacturer and your own domestic industry or your government seeks a closer relationship with a particular weapon system manufacturer.

An extensive comparison of the advantages of FMS and DCS has been compiled and published by the Defense Institute of Security Assistance Management (DISAM). You may find it useful to review this study by selecting "[more information on comparing FMS and DCS](#)".

LEASES

Another method of obtaining a defense article is the use of a lease. The USG may provide defense articles for temporary (not to exceed five years) use. Under a lease arrangement, a compelling need for lease, rather than sale, must determine articles available for lease and not for U.S. public use. Leases can be entered into for a variety of purposes, including cooperative research or development, military exercises, and communications or electronics interface projects. You may want to consider a lease to fill a need before a major purchase can be completed. Customers will be required to make lease payments. All leases require the return of the items at the end of the lease period. [More details are found in chapter 11 of the SAMM.](#)

EXCESS DEFENSE ARTICLES (EDA)

EDA are defense articles excess to the needs of the USG. When these defense articles are declared excess by the USG, they may be transferred by sale (FMS) or by grant to EDA eligible countries. For EDA sales, prices usually range from 5% to 50% of the original acquisition value depending on the condition of the item. EDA is transferred on an "as-is, where-is" basis. This means that you will be required to pay any repair costs and, generally, all transportation costs. Frequently, the availability of support equipment and training may be limited for EDA items. [More details on EDA are found in chapter 11 of the SAMM](#)

DRAWDOWNS

The FAA, section 506, authorizes the President to provide defense articles, services and training from DoD stocks and from the inventory and resources of other USG agencies to foreign countries and international organizations for unforeseen emergencies and other purposes. These defense articles/services, to include transportation, are provided at no cost to the foreign country. There are fiscal year dollar ceilings on the value of items that can be provided under the Presidential authorities. Drawdowns can be used to provide international disaster relief, international narcotics control assistance, anti-terrorism assistance, non-proliferation and migration and refugee assistance. [More information can be found in Chapter 11 of the SAMM](#)

WHAT HAPPENS FIRST

Before we can help determine what Security Assistance options you may have, we will need to have a good idea of your long-range defense plans - which calls for some type of “needs assessment.” Obviously, your government will determine and plan for your own security objectives based on your unique priorities. Your assessment should result in a list of capabilities or specific items that you determine are necessary to meet your country’s defense needs.

You may wish us to assist with your needs assessment and planning. If you want this type of help, you should work with the SAO or equivalent USG representative in your country. Some extensive and specialized services, such as survey teams, take time to arrange and may require an FMS case. Some of the areas in which U.S. assistance may be available include:

Survey Teams. A DoD team of experts may be useful in assessing your defense needs. These survey teams may precede a formal LOR from your government for any weapons, services, training, or construction that the survey team identifies as advisable. Each Implementing Agency (IA) can provide you with more information on the types of survey teams that might apply to your program.

U.S. Defense Industry Liaison. The SAO is the principal point of contact in country for U.S. defense industry representatives and plays a key role in facilitating the exchange and flow of information between representatives of your country and the U.S. defense industry. The SAO must maintain neutrality between competing U.S. firms and cannot endorse one specific American product over another. In some cases, the USG, your country, and U.S. defense industry may decide to create a “Team International” (TI) to better define your program requirements. The SAO can advise you when to request a Team International. Information about this concept may be found by clicking on [Team International](#).

Other Sources. The SAO is available to help gather information regarding U.S. defense goods and services. In addition, your representatives may wish to discuss specific programs with your country desk officers at DSCA or in the U.S. Military Departments (MILDEPs). If you have no SAO in your country and are unaware of who you should contact, you can always contact DSCA via our website at <http://www.dscamilitary.com>. There are numerous websites where information is available to assist you in addressing your needs. We have compiled a list of websites to use as a starting point. To access the list, click [Appendix 1, WEBSITE LINKS](#). Although a wealth of information is available via other sources or by using various Internet search engines, the websites included in the list provide a great source for "pre-LOR" information.

While there are several options available to address your security needs, the most common is the FMS process. The remainder of this guide assumes that your “needs assessment” has determined that an FMS strategy is the best solution for your requirement.

THE LETTER OF REQUEST (LOR)

The action that formally begins the FMS process is your LOR.

If you are originating the request from your home country and have questions about how to prepare a LOR, your first contact should be with the Security Assistance Office (SAO) for your country. SAO personnel are trained to understand the FMS process and work closely with the U.S. Embassy to ensure all requirements follow current United States laws and policy. If you do not know whether you have a SAO, or equivalent representative, in your country, you should contact the [U.S. Embassy](#).

If you are located in the U.S., you may refer questions to the appropriate Implementing Agency (IA) Desk Officer or to your Defense Security Cooperation Agency (DSCA) Country Program Director.

WHAT IS A LETTER OF REQUEST?

The LOR can be a formal letter, E-mail or a similar type of correspondence from a recognized official representative of your government. The purpose of an LOR is to request defense articles, military construction, and/or services from the USG. An LOR may also request rough pricing data if you are not quite ready to review a more formal offer.

LOR GUIDANCE

The LOR needs to provide sufficient detail to allow a prompt and accurate response from the USG. In [Appendix 2, LOR GUIDE](#) provides a number of detail items to consider in writing your LOR. Information from references has been condensed to make this guide easier to read. You are encouraged to consult the original reference if there is any question about content.

You will want to send your LOR to the proper U.S. office. This office may be different, depending on the type of goods and services requested.

Most routine LORs are sent directly to the MILDEP that manages the weapon system, item or service being requested. An information copy of the LOR should also be sent to DSCA and U.S. Department of State (DoS). LORs can also be submitted to other authorized Implementing Agencies (IAs) such as the Defense Logistics Agency (DLA). A list of IAs that process LORs is contained later in the Guide in the section that discusses [“WHERE SHOULD YOU SEND YOUR LOR?”](#).

If you believe that your LOR is of such a sensitive nature that higher-level review is required, you may submit it directly to DoS or DSCA for action. These situations are rare.

U.S. regulations require that a LOR that includes an item designated as Significant Military Equipment (SME) must also be reviewed and commented on by the U.S. Ambassador who is posted to your country. SME is an item designated in the International Traffic in Arms Regulation (ITAR) that warrants special export controls because of the capacity for substantial military utility. You may identify SME as shown on the [U.S. Munitions List at the Department of State, Office of Defense Trade Control website](#).

Each LOR is reviewed and validated by the U.S. Military Department (MILDEP) or other Implementing Agency (IA), DSCA and DoS, to ensure that the:

- Prospective FMS purchaser is eligible
- Defense articles/services may be sold

- Request went through proper channels
- Request is clear and complete

The IA is responsible for verifying that information copies of your LOR have been forwarded to the DoS and DSCA. If it cannot be determined or if they have not been given a copy, the IA will forward one.

- An IA is responsible for taking action on your LOR. Their response will depend on what is requested. Normally, one of the following is the response Action:
 - Writing a Price and Availability (P&A) document
 - Preparing a Lease
 - Preparing a government-to-government agreement referred to as a Letter of Offer and Acceptance (LOA) (Note: A LOA is frequently referred to as a FMS case.)
 - Preparing an Amendment to a LOA.

While formal action must wait for receipt of a LOR, the Team International concept mentioned earlier provides you with a forum to discuss complex LORs with the intended IA prior to actually sending the LOR. The establishment of a Team International is a USG decision based on the unique circumstances surrounding a particular sale. You may request an IA to assist you in developing or clarifying requirements. This helps ensure that the LOR will request equipment and services that will meet your requirements and that the LOR will cover all of the points that must be addressed as outlined in [Table C5.T3 of the SAMM](#).

You should avoid concurrent FMS and commercial requests. If you determine that commercial acquisition, rather than an FMS purchase, is desired, you should cancel the LOR. [See C4.5.11 of the SAMM](#) for the policy regarding concurrent FMS and commercial requests.

Sample LORs are include in this guide in [Appendix 4](#). They are [\(1\)](#) a sample LOR for equipment (a defined order FMS case), [\(2\)](#) a follow-on support FMS case (blanket order FMS case) and [\(3\)](#) a change to an original LOR requesting an amendment. You do not need to change your format to the one shown. These examples cannot cover all situations. They are intended to demonstrate the type of information that is required in specific situations.

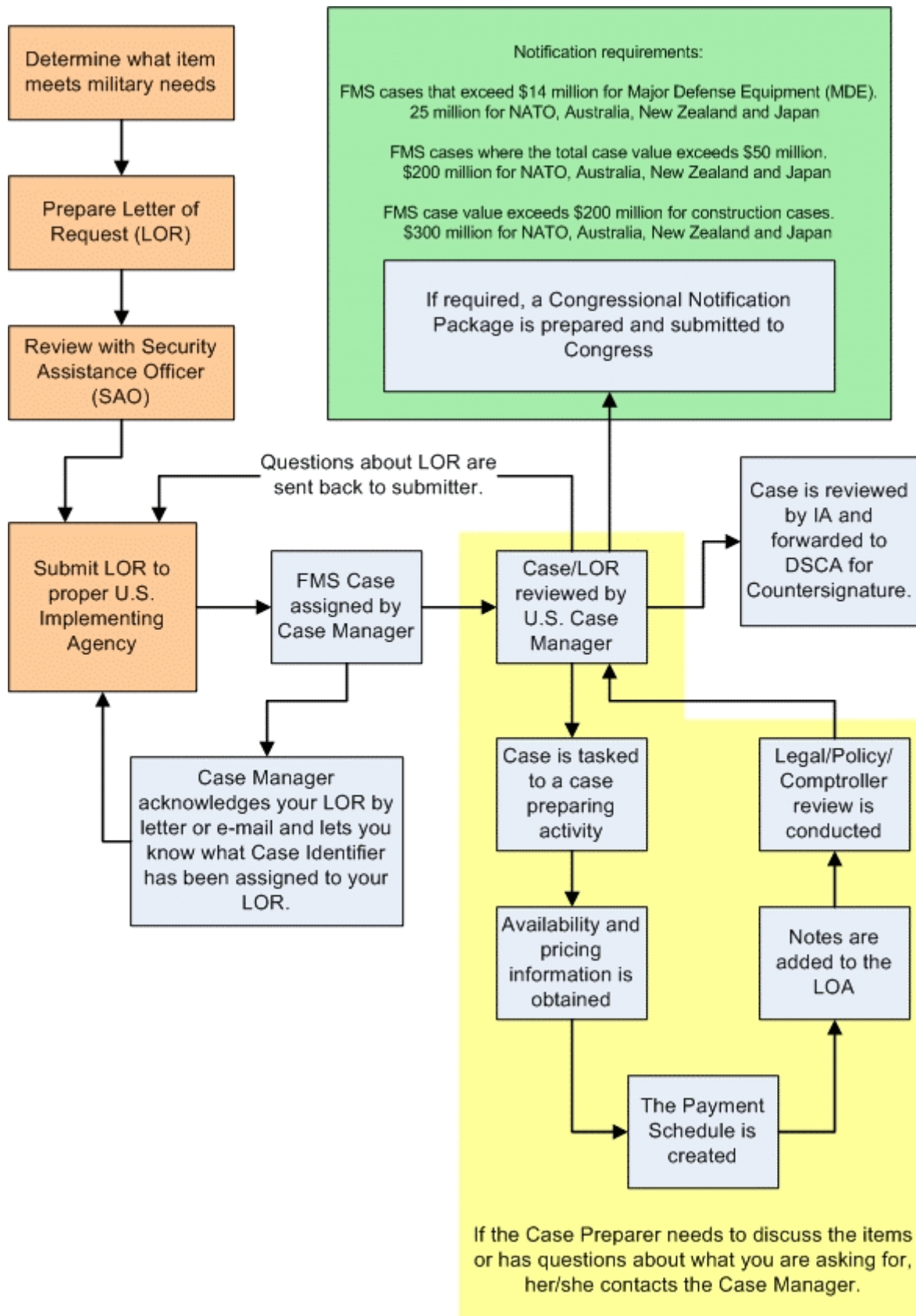
We have also attached samples of the various checklists that the MILDEPs use to help them process your LOR. These are furnished for your information to help you anticipate the types of information required in specific situations. You are not required to submit them with your LOR. To access them, select Appendix 5, LETTER OF REQUEST (LOR) CHECKLISTS to display that section.

[The LOR Guide in Appendix 2](#) will Explain In Greater Detail:

- What information you should include in the LOR.
- The importance of Significant Military Equipment (SME) to your request.
- Where to send the LOR.
- What you can expect in response to your LOR.

LOR PROCESS FLOW DIAGRAM

The figure below illustrates the typical flow of actions that will be taken on your request. There will be some variations in the steps. For example, an IA such as Defense Information Service Agency (DISA) will receive and prepare the request without tasking to another office.



THE LETTER OF OFFER AND ACCEPTANCE (LOA)

WHAT WILL WE DO WITH YOUR LOR?

Once we receive your LOR, the USG will take several actions. Depending on your request, an appropriate response might be, an addition to one of your existing FMS cases, a new sale LOA, etc. For the purposes of this guide, we will assume that an LOA is the most appropriate response to your request--therefore, the following USG actions would be taken:

Acknowledge Receipt: Within five days of receipt of a valid LOR, the U.S. Implementing Agency (IA) will acknowledge receipt of your LOR.

Request More Information: If information is unclear or is missing from your LOR, you will be contacted to provide the missing information. While, it may be possible to continue limited processing of some portions of the request, a complete response from the USG may be delayed until the information is provided or the request amended.

Assign a FMS Case Identifier: A FMS case identifier is assigned to each LOR. A case identifier consists of a Country Code, the IA code of the U.S. agency developing your FMS case and, a unique three-position FMS case designator. For example, "BN-B-UXP" is a FMS case for Bandaria ("BN"-a make-believe country) being prepared by the U.S. Army ("B" is the Implementing Agency code for the U.S. Army). The "UXP" denotes a particular FMS case for this country.

Assign a FMS Case Manager: A FMS Case Manager is assigned to every FMS case and is responsible for ensuring that the FMS case meets your requirements as identified in your LOR. The FMS Case Manager acts as the coordinator for both development of the FMS case, and the subsequent "execution," or performance of the FMS case. If you have questions about the development progress of your FMS case, they should be directed to the appropriate FMS Case Manager. DSCA has assigned a Country Program Director (CPD) for each country and the IAs may also assign a Country Program Director for your programs. These managers may also be contacted if you have questions concerning the progress of your FMS case.

Review Releasability Issues: Part of the USG review process involves determining if the technology involved is releasable for export. The releasability review takes place for both FMS sales (government to government) and for Direct Commercial Sales (DCS) that are directly negotiated between your country and a specific manufacturer. If the sale involves a system with technology that has not been previously approved for export, this process will generally take longer than if the system has already been reviewed and approved for export. An LOA will not be written for systems that you are not eligible to receive.

Notify the U.S. Congress: There are many U.S. laws that the FMS case Manager must comply with as the FMS case is being developed. If the FMS case is expected to exceed \$14 million (\$25 million for NATO, Australia, New Zealand and Japan SAMM C5.T11) of Major Defense Equipment (MDE), or will exceed a total FMS case value of \$50 million (\$100 million for NATO, Australia, New Zealand and Japan SAMM C5.T11) (\$200 million (\$300 million for NATO, Australia, New Zealand and Japan SAMM C5.T11) for construction cases), then the U.S. Congress must be notified of the prospective sale. This notification process must be completed before the FMS case can be countersigned by DSCA and formally offered to your country for consideration. When the official notification of a sale has been made to the U.S. Congress, this information is normally posted on the [DSCA Web page](#).

WHAT WILL THE LOA LOOK LIKE?

As stated earlier, the LOA is the government-to-government agreement that identifies the defense articles and services that the USG proposes to sell to you to meet the requirements identified in your LOR. The LOA spells out all of the terms and conditions that will apply. Much of the content, especially the Standard Terms and Conditions, is dictated by U.S. law. We have included a sample LOA which you can see in [C5.F2. in chapter 5 of the SAMM](#). SAMM table C5.F7 contains the [Standard Terms and Conditions](#).

There are three basic types of FMS cases. The type used depends on what is being sold. These are:

- **Defined Order:** This type of FMS case is for defense articles, services and training that are specified in your LOR and stated explicitly in the LOA. This type would most likely be used for a weapon system sale.
- **Blanket Order:** This type of FMS case is used to purchase a specific category of items or services at a set dollar value ceiling with no definitive listing of the exact items or quantities desired. This type would most likely be used for follow-on support.
- **Cooperative Logistics Supply Support Arrangement (CLSSA):** CLSSA is a unique arrangement where you are able to invest in the U.S. supply system and receive access to DoD stocks. This arrangement involves two separate FMS cases. The first FMS case covers your investment in specific USG supply system items. The second FMS case is used to requisition these items.

LOA SECTIONS:

Your LOA will be made up of several sections. The first page will be an overview of the proposal and will include a space for the signatures of our USG representative and your government. It will provide a total cost estimate and will identify any initial deposit that might be required upon acceptance. The first page will also reflect the Terms of Sale (i.e., CASH WITH ACCEPTANCE, FMS CREDIT, etc.) and will identify the expiration date of the offer.

The next several pages of the LOA will describe in greater detail the material and services being offered and responsibilities for transportation and delivery of the items. Separate FMS “case lines” will be included on your LOA. Each line will cover a specific category of material or service. Most of the information is in plain text or monetary terms, but in several situations we use codes to convey information. The codes are explained in greater detail in the [“Letter of Offer and Acceptance Information”](#) provided with each FMS case.

A sample FMS case line might look like the following:

(1)	(2)	(3)	(4)		(5)	(6)	(7)
Itm Nbr	Description / Condition	Qty, Unit of Issue	(a) Unit	(b) Total	SC/MOS/TA	Ofr Rel Cde	Del Trm Cde
001K	E3Z 23200014120143 (N) HMMWV M1113 Truck, Shelter Carrier with Desert Package, including CTIS, Sand Colored Paint (CARC 686)	20 EA	\$71,333.52	\$1,426,671	P(18) TA5 NR	Y	4

The LOA will also include notes to provide additional information unique to this FMS case. It will include a cost summary and an estimated payment schedule along with instructions on where to return the signed LOA and how to submit payments.

The LOA also includes “Letter of Offer and Acceptance Standard Terms and Conditions.” These are included with every FMS case we write---they are not unique to your particular country or FMS case. These Standard Terms and Conditions identify specific requirements regarding liability, discrepancy reporting, etc.

LOA Pricing and Delivery Estimates: Dollar values and delivery schedules shown on the LOA are estimates based on the best available information at the time that the LOA is prepared. These estimates are based either on contractors’ quotes and/or on the current or projected cost and availability of the desired items. As noted in the LOR section of this guide, a key element in obtaining accurate LOA data is complete identification of each of the required items and services. During the life of the FMS case, the amounts billed to the FMS case will be the actual costs incurred by the USG, which may differ from those on the LOA.

Payment Schedule: Each FMS case will include an estimated payment schedule identifying when each of your payments is due. The schedule consists of two financial categories: (1) your initial deposit, and (2) future estimated quarterly billing amounts. Your initial deposit is for the costs anticipated to be incurred from FMS case acceptance until your first quarterly FMS billing statement is provided and monies collected. If the FMS case is written as “CASH WITH ACCEPTANCE,” the initial deposit will be for the entire FMS case value. Some of the factors used in computing your payment schedule include:

- Progress Payments: Those payments made to contractors or DoD activities as work progresses under a contract.
- Contractor Holdback: Amount earned by contractors or suppliers during the period, but held back by the USG, to ensure future performance of the Contractor.
- Termination Liability: That amount collected from you in advance to protect the USG if you decide to terminate a program before performance is complete on contracts for your program.

WHAT HAPPENS AFTER YOUR LOA IS PREPARED?

Once the FMS case has been written, it is reviewed by the Implementing Agency (IA) to ensure that it meets the requirements of your LOR and U.S. laws and regulations.

Most FMS cases must also be approved and countersigned by DSCA. This coordination/countersignature is done electronically using the Defense Security Assistance Management System (DSAMS). There are many FMS cases, known primarily as “follow-on” or “support” FMS cases, which do not contain Major Defense Equipment. These FMS cases are often written and signed by the IA and do not require a formal DSCA review.

Once a FMS case has been approved and countersigned (if required) the IA will print the LOA, sign it and deliver it to you for your review.

WHEN WILL YOU GET YOUR LOA?

The maximum processing time between IA receipt of your LOR and release of the LOA or Amendment should normally be no more than 120 days if the proposed sale is below congressional notification thresholds (see SAMM C5.T11). Because unforeseen delays may occur while processing some LOAs, the standard for IAs is that they should process at least 80% of their total number of LOAs within 120 days. The processing time for potential sales requiring congressional notification is difficult to predict since factors such as the congressional recess schedule and consultation with different committees enter into consideration before release of the LOA.

YOUR REVIEW AND RESPONSE TO AN LOA

What Should You Do With The LOA?

An Offer Expiration Date (OED) will be identified on the LOA---Normally you will have sixty (60) days to review and sign the LOA. If you know that the OED cannot be met, you should request an extension from the IA as soon as possible. Extensions may be granted as long as the pricing and delivery estimates are still valid.

Obviously, part of your review will be to determine if the proposed items and costs meet your country's needs and budgetary constraints. If you want to request any changes to the offer based on your review, your change request must be submitted to the IA for consideration prior to your acceptance (signature) on the LOA. "Pen and ink" changes to the LOA should be discussed with the IA if they are minor administrative or corrective changes. "Pen and ink" changes to a LOA may be accepted by the IA prior to FMS case signature. If the "pen and ink" change alters the scope or revises the terms of sale or total costs, this will normally be considered a counter offer that will require a new LOR.

If your government signs an LOA and includes any changes that have not been authorized by the IA, we will consider this to be a "counter-offer." Depending on the extent of the proposed changes, the LOA may be re-stated and re-offered, or a new LOA might be prepared.

LOA ACCEPTANCE

As noted earlier, you normally have 60 days to sign the LOA and forward copies to USG officials. The name, title, and agency of the signing official must be entered as well as the date of acceptance/signature (on or before the OED). To facilitate the processing of your LOA, it is recommended that you work with your SAO.

The initial deposit is an integral part of acceptance and is also required on or before the OED. The LOA contains instructions for sending the required initial payment to the [Defense Finance and Accounting Service \(DFAS\)](#). Payment must be in U.S. dollars and may be transmitted by check or wire transfer.

INFORMATION TO BE PROVIDED BY THE PURCHASER

The first page of the LOA has a section for Information to be provided by the Purchaser. There are four items that need to be completed. Mark For and Freight Forwarder Codes are maintained in the [Military Assistance Program Address Directory \(MAPAD\), DoD 4000.25-8-M](#), normally available at your SAO or through the FMS case Manager. Information about each of these codes is found in the "[Letter of Offer and Acceptance Information](#)" attached to each LOA. Your procuring agency code and name and address of your paying office are also required. This information should be completed prior to sending the signed document back to the USG. While we will try not to delay implementation, if this information is missing some aspects of FMS case execution cannot begin.

AFTER ACCEPTANCE

FMS Case Implementation

Once the USG has received the signed copy and the initial deposit, the FMS case will be implemented and execution (e.g., contract negotiations, requisitioning, etc.) may begin.

CHANGES DURING THE LIFE OF YOUR PROGRAM

There will likely be several situations where changes need to be made to the basic LOA or FMS case during the “life” of the program. Changes may be initiated by the USG or by you. These changes will take the form of Amendments or Modifications. The type of document to be used will be determined by the USG.

Amendments: Any revision to an LOA that requires your acceptance must be done using an Amendment. Amendments might include changes in the scope of a FMS case, such as the type or number of items to be provided. Before they can be implemented, Amendments must be accepted by the USG and by you, the Purchaser, in the same manner as the original LOA. Some Amendments may require initial deposits - just like basic cases; these funds must be received before the Amendment will be implemented.

Pen and Ink Changes: These types of changes may be done on Amendments using the same rules that apply to LOAs.

Modifications: Any revision that does not require your acceptance may be done using a Modification. Modifications include changes that do not constitute a change in scope and are used for U.S. unilateral changes. Examples of changes that might appear on a Modification include: increases or decreases in estimated costs; delays in delivery; changes in the payment schedule; and changes to correct administrative errors.

The U.S. is committed to apply its best efforts to provide you with a Modification when one of the following conditions exist:

- Estimated total costs increase by ten percent or less,
- The payment schedule changes, or
- Significant delivery delays are projected.

Your signature on a Modification is not required, but may be recorded to acknowledge your receipt.

Except for DSCA-issued changes to an LOA’s financing terms, pen and ink changes to Modifications are not authorized. Changes initiated after a Modification has been implemented must be accomplished using another Modification or Amendment, as appropriate.

APPENDIX 1 - WEBSITE LINKS

This listing is not all-inclusive, and we welcome your recommendations for additions. The list is broken down into U.S. Government Agencies, U.S. Defense Industry, Trade Groups and Associations, Defense-Related Publications and Other Useful Links.

The appearance of hyperlinks does not constitute endorsement by DSCA of this Web site or the information, products or services contained therein. For other than authorized activities such as military exchanges and Morale, Welfare and Recreation sites, DSCA does not exercise any editorial control over the information you may find at these locations.

Some web addresses may be restricted from specific locations or may require that you register as a user or install a security certificate before access is authorized. If you are having difficulty with a particular website, try copying or typing the address directly into the address field of your Internet browser.

U.S. GOVERNMENT AGENCIES

INCLUDES LINKS TO:

- U.S. Department of State - Export License Requirements
- U.S. DEPARTMENT OF COMMERCE - INTERNATIONAL TRADE
- U.S. DEPARTMENT OF DEFENSE (DOD)
- U.S. DEPARTMENT OF THE ARMY
- U.S. DEPARTMENT OF THE NAVY
- U.S. DEPARTMENT OF THE AIR FORCE
- U.S. DEPARTMENT OF TRANSPORTATION - UNITED STATES COAST GUARD
- U.S. DEPARTMENT OF TREASURY

U.S. DEFENSE INDUSTRY, TRADE GROUPS AND ASSOCIATIONS

INCLUDES LINKS TO:

- GENERAL DEFENSE INDUSTRY
- ARMY EQUIPMENT
- AIRCRAFT AND AEROSPACE
- SHIP AND SHIP SYSTEMS
- ELECTRONICS AND C4I
- PROFESSIONAL ASSOCIATIONS

DEFENSE-RELATED PUBLICATIONS

OTHER USEFUL LINKS

U.S. Government Agencies

U.S. Department of State - Export License Requirements



Department of State, Office of Defense Trade Controls (DTC).

The mission of the DTC is to (a) regulate commercial transfers of defense articles and defense services, (b) administer and enforce arms export control law and regulations; and (c) provide foreign policy guidance to persons involved in the export of defense articles and provision of defense services.

U.S. DEPARTMENT OF COMMERCE -
INTERNATIONAL TRADE



BUREAU OF INDUSTRY AND SECURITY (BIS)

BIS Mission: Advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership.

OFFICE OF STRATEGIC INDUSTRIES AND ECONOMIC SECURITY (SIES)

The SIES heads the U.S. Department of Commerce's effort to promote the sale of U.S. defense articles and services abroad. They are a resource for a wide range of defense market research, analysis and technology reports, business enhancement opportunities, and advocacy assistance for Foreign Military Sales (FMS).

THE DEFENSE TRADE ADVOCACY PROGRAM

The Defense Trade Advocacy Program assists U.S. companies in the global defense market. They have information on U.S. defense companies' products and services in international procurement competitions; provide, market intelligence and business counseling; and generate high-level government-to-government advocacy in behalf of U.S. companies.

THE INTERNATIONAL TRADE ADMINISTRATION (ITA)

ITA helps U.S. business export their products overseas, in a broad range of products and services. 1-800-USA TRADE.

U.S. DEPARTMENT OF DEFENSE (DOD)



[DEFENSELINK](#)

The Official DoD website is DefenseLink. It is and an invaluable source of information all aspects of the U.S. defense establishment.

[THE JOINT STAFF](#)

Use this site to obtain information about the Joint Chiefs of Staff, the Joint Staff, and the U.S. major combatant commands.

[OFFICE OF DEFENSE COOPERATION IN ARMAMENTS.](#)

This office supports the Under Secretary of Defense (Acquisition, Technology and Logistics) in managing DoD's relationships with foreign countries in the realm of defense equipment, across the spectrum of acquisition activities including requirements definition, concept development, research and development, production, procurement and follow-on support.

[ACQUISITION AND DEFENSE TECHNOLOGY](#)

The website "AcqWeb" deals with all aspects of current acquisition and technology. It is a valuable link to references, resources, current developments, personnel, and leadership in the U.S. Department of Defense acquisition community.

[DEFENSE ACQUISITION Guidebook](#)

The purpose of the Guidebook is to provide members of the acquisition community and our industry partners with an interactive, on-line reference to policy and discretionary best practice. Consider the Guidebook a valuable resource as you design your programs.

[DEFENSE SECURITY COOPERATION AGENCY \(DSCA\)](#)

DSCA is responsible for Security Assistance, FMS and related issues for the Office of the Secretary of Defense. DSCA also publishes the [Security Assistance Management Manual \(SAMM\) DoD 5105.38-M](#) that provides definitive guidance for Security Assistance matters.

[DEFENSE INSTITUTE OF SECURITY ASSISTANCE MANAGEMENT \(DISAM\)](#)

DISAM teaches all aspects of FMS and security cooperation to military, government, industry, and foreign representatives. Their website is an excellent source of FMS-related information. It features "Ask the Professor", a prompt source in response to questions from the FMS community.

[DEFENSE LOGISTICS AGENCY \(DLA\)](#)

or

[DLA Logistics Operations](#)

DLA is the DoD's logistics combat support agency whose primary role is to provide supplies and services to America's military forces worldwide. DLA's mission includes managing over four million consumable items and processing more than 30 million annual distribution actions. Each of the links may be helpful.

U.S. DEPARTMENT OF THE ARMY



[U.S. ARMY HEADQUARTERS](#)

Homepage for the U.S. Army.

[U.S. ARMY INTERNATIONAL PROGRAMS](#)

The Deputy Assistant Secretary of the Army for Defense Exports and Cooperation (DASA [DE&C]) has the sole responsibility within the DA for the international affairs functions of the Army. They are the Army Secretary's single executive for and providing export policy oversight of all Army FMS, armaments cooperation, foreign disclosure, technology transfer, and munitions case processing.

[U.S. ARMY SECURITY ASSISTANCE COMMAND \(USASAC\)](#)

USASAC exists to support the nation's Security Strategy and U.S. foreign policy objectives through, development, execution, and world-class management of Army Security Assistance programs. They execute approved Security Assistance programs including technology security and management, business management, export license management, country program management, licensed-production of Army material, and development of the Army position on commercial license applications for the export of munitions, services and technology.

[SECURITY ASSISTANCE TRAINING FIELD ACTIVITY \(SATFA\)](#)

SATFA is the U.S. Army's agent for Army education and training. It coordinates and supplies training support to international governments and international organizations and serves as the focal point for all security assistance training program issues, coordination and advice within the U.S. Army.

U.S. DEPARTMENT OF THE NAVY



[U.S. NAVY HEADQUARTERS](#)

Homepage for the U.S. Navy.

[NAVY INTERNATIONAL PROGRAMS OFFICE \(IPO\)](#)

Navy IPO maintains responsibility for oversight of all Navy, Marine Corps and Coast Guard FMS programs. They assist countries with determining requirements, help in the drafting of LORs, and have responsibility for drafting LOAs, in conjunction with the respective system command and program office.

[SPACE AND NAVAL WARFARE SYSTEMS COMMAND \(SPAWAR\), INTERNATIONAL PROGRAMS](#)

SPAWAR provides quality Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) to foreign customers and coalition partners in support of U.S. national security and foreign policy objectives. .

[NAVAL EDUCATION AND TRAINING SECURITY ASSISTANCE FIELD ACTIVITY \(NETSAFA\)](#)

NETSAFA is the U.S. Navy's agent for Navy education and training. It coordinates and supplies training support to international governments and international organizations and serves as the focal point for all security assistance training program issues, coordination and advice within the U.S. Navy.

[UNITED STATES COAST GUARD \(USCG\)](#)

The USCG G-CI signed a Memorandum of Agreement with Navy IPO in November 1998, which outlines a working relationship for the execution of security assistance programs involving the USCG. The Headquarters, U.S. Coast Guard, International Affairs Staff for Security Assistance and International Training (G-CI) coordinates Coast Guard security assistance policy and directs the performance of Coast Guard security assistance programs on behalf of the Commandant of the Coast Guard.

U.S. DEPARTMENT OF THE AIR FORCE



[AIR FORCE HEADQUARTERS](#)

Homepage for the U.S. Air Force.

[DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR INTERNATIONAL AFFAIRS \(SAF/IA\)](#)

SAF/IA provides policy oversight and guidance to international programs supporting national security objectives through politico-military affairs, Security Assistance programs, technology and information disclosure, education and training, cooperative research and development, and attaché affairs.

[AIR FORCE SECURITY ASSISTANCE CENTER \(AFSAC\)](#)

AFSAC provides defense articles and services, facilitates armaments cooperation, develops/writes cases, implements, executes/manages, and performs logistical

closure of FMS cases, performs program integration and weapon system support. Also, they maintain the Worldwide Warehouse Redistribution System (WWRS). The AFSAC

UNITED STATES COAST GUARD



[UNITED STATES COAST GUARD \(USCG\) HEADQUARTERS](#)

U.S. Coast Guard Homepage.

[UNITED STATES COAST GUARD INTERNATIONAL AFFAIRS](#)

Coast Guard International Affairs is responsible for international policy, negotiation of agreements, training of foreign personnel, foreign visit requests, and FMS case implementation and execution.

U.S. DEPARTMENT OF TREASURY

[US CUSTOMS SERVICE](#)

The U.S. Customs Service website provides a wide range of information and regulations on imports and exports.

U.S. Defense Industry, Trade Groups and Associations

GENERAL DEFENSE INDUSTRY

[NATIONAL DEFENSE INDUSTRIAL ASSOCIATION \(NDIA\)](#)

NDIA is a non-profit association and forum for the interchange of ideas between government and industry to resolve industrial problems of joint concern. Primary areas of interest are the business and technical aspects of the government-industry relationship, policies and practices in the entire acquisition process, including research and development, procurement, logistics support, and many technical areas.

ARMY EQUIPMENT

[ASSOCIATION OF THE U.S. ARMY \(AUSA\)](#)

AUSA is dedicated to maintaining a strong national defense with special emphasis on landpower. Two monthly publications, AUSA News and Army Magazine, are published.

AIRCRAFT AND AEROSPACE

[AEROSPACE INDUSTRIES ASSOCIATION \(AIA\) OF AMERICA](#)

AIA represents the nation's major manufacturers of commercial, military and business aircraft, helicopters, aircraft engines, missiles, spacecraft, materiel, and related components and equipment.

SHIP AND SHIP SYSTEMS

[AMERICAN SHIPBUILDING ASSOCIATION \(ASA\)](#)

This ASA provides information on major commercial shipbuilders, production statistics, and key suppliers. It also provides press releases and industry initiatives.

[SHIP TECHNOLOGY ASSOCIATIONS DIRECTORY - USA](#)

This directory provides contact points for associations, institutes, societies and government departments for the Shipbuilding Industry. It includes ship technology product news, links to ship-related websites worldwide, and press releases.

[AMERICAN SOCIETY OF NAVAL ENGINEERS \(ASNE\)](#)

The purpose of the ASNE is to advance the knowledge and practice of naval engineering in public and private applications and operations, enhance the professionalism and well-being of members, and promote naval engineering as a career field.

[SHIPBUILDERS COUNCIL OF AMERICA \(SCA\)](#)

The SCA is an association of ship builders throughout the United States, with related information on safety, legislation, etc.

[NSNET](#)

NSnet provides maritime industry website with links to shipyards, design agencies, vendors and suppliers, standards and classifications.

ELECTRONICS AND C4I

[ARMED FORCES COMMUNICATIONS AND ELECTRONICS ASSOCIATION \(AFCEA\)](#)

The AFCEA presents a searchable site featuring events, training courses, and its journal, Signal. The AFCEA is an international association for command, control, communications, computer, and intelligence (C4I). Members include government, military and industry leaders and managers.

[ELECTRONIC INDUSTRIES ALLIANCE \(EIA\)](#)

EIA is a federation of associations working in the digital and electronics industry.

[INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS \(IEEE\)](#)

IEEE is an international technical professional association, an authority in technical areas ranging from computer engineering, biomedical technology and telecommunications, to electric power, aerospace and consumer electronics, among others.

PROFESSIONAL ASSOCIATIONS

[SOCIETY FOR INTERNATIONAL AFFAIRS \(SIA\)](#)

SIA's goal is to educate the export community on all aspects of technology transfer by providing a forum for exchange of information on the export and import process.

[AIR FORCE ASSOCIATION \(AFA\)](#)

The Air Force Association is an independent, nonprofit, civilian aerospace organization that promotes public understanding of aerospace power and national defense.

[THE SOCIETY OF LOGISTICS ENGINEERS \(SOLE\)](#)

SOLE is an international, non-profit, professional society that is dedicated to the advancement of the art and science of logistics technology, education and management.

[U. S. NAVAL INSTITUTE \(USNI\)](#)

USNI is dedicated to the advancement of professional, literary, and scientific knowledge and the advancement of knowledge of sea power.

U.S. Defense Industry, Trade Groups and Associations

DEFENSE-RELATED PUBLICATIONS

[ARMY MAGAZINE](#)

A monthly magazine focusing on the activities and interests of the U.S. Army worldwide, ARMY serves a readership interested in issues of national security; past and present issues involving landpower; and future trends in the military arts and sciences. It focuses on developing and presenting thought-provoking articles and analyses for a professionally oriented audience.

[DEFENSE NEWS](#)

A weekly newspaper on worldwide defense news and analyses.

[NATIONAL DEFENSE MAGAZINE](#)

Journal of the National Defense Industry Association.

[JANE'S MAGAZINES AND CATALOGUES](#)

Widely regarded as the ultimate source for defence, aerospace and transportation information, the company publishes Jane's Defence Weekly, Jane's Fighting Ships and Jane's All the World's Aircraft.

[SEAPOWER MAGAZINE](#)

Almanac of the Navy League of the United States.

[NAVAL INSTITUTE PROCEEDINGS](#)

The Naval Institute's magazine; includes articles from military professionals and civilian experts.

[SIGNAL MAGAZINE](#)

AFCEA's International Journal for communications, electronics, intelligence and information systems.

Other Useful Links:

OTHER:

[FIRSTGOV](#)

"Your first click to the U.S. government"

[U.S. CONGRESS](#)

THOMAS: Legislative Information on the Internet.

[FOREIGN EXCHANGE CURRENCY CONVERTER](#)

FXConverter is a multi-lingual Currency Converter with up-to-date exchange rates provided from leading market data contributors.

[LANGUAGE TRANSLATIONS](#)

Translations using Altavista.com's Babel Fish software.

APPENDIX 2 - LOR GUIDE

While there are many things that we have given you to consider when submitting a LOR, most LORs are relatively straightforward and simple. For an example of a simple LOR for a FMS case as well as a LOR for a FMS case amendment, click [SAMPLE LOR FOR DEFINED ORDER FMS CASE](#). The more details you can provide, the less chance of a delay in our response back to you. You may also request your FMS program manager provide assistance in defining or clarifying requirements. A new initiative along this line has been developed. It is called [Team International](#).

After you have decided to submit a LOR it is likely to fall into one of two categories. Your LOR:

- Includes a requirement for Significant Military Equipment (SME) / Major Defense Equipment (MDE), or
- It does not include SME.

What exactly is Significant Military Equipment? SME is an item designated in the [International Traffic in Arms Regulation \(ITAR\)](#) that warrants special export controls because of the capacity for substantial military utility. SME designations can be found in the [ITAR, Part 121 – The United States Munitions List \(USML\)](#). Additional discussion about the ITAR is included later in this guide.

Some publications use the term Major Defense Equipment (MDE) to identify requests that require special processing. MDE is a subcategory of SME. A U.S. defense article is considered to be MDE when :

1. It is identified as SME on the USML and
2. When the U.S. Government has incurred either a nonrecurring research and development cost for the item of more than \$50 million or the item has had a total production cost of more than \$200 million.

A list of MDE NC charges is contained in [Appendix 1 of the SAMM](#). (A word of caution: model information you have received from a manufacturer or obtained from a website, may not match exactly the model in the SAMM listing. However, if the basic equipment is listed in the SAMM even if the model is slightly different, you are advised to treat the item as MDE.) More information on SME and MDE will be provided later in this guide.

We can look at each of the two possibilities separately. We will consider the simpler situation first.

REQUEST DOES NOT INCLUDE SIGNIFICANT MILITARY EQUIPMENT (SME)

If you know specifically what you need, and your request does not include SME, and you have discussed the request with the appropriate IA representative, the LOR may be as simple as creating a “follow on” FMS case. A “follow on” FMS case is one that follows a previous FMS case. A LOR to continue funding for an existing Liaison Officer’s office expenses, for instance, might read, “... This request is a follow-on to FMS case BN-D-GGM...”

A great number of LORs will fall in this category. The submission process for these is also the most simple. Selecting [REQUEST FOR ALL OTHER FMS \(NON-SME\)](#) will take you to the part of the guide that tells you where to submit your LOR.

REQUEST DOES INCLUDE SIGNIFICANT MILITARY EQUIPMENT (SME/MDE)

It is not always easy to determine if a specific item is SME/MDE. These distinctions are important, as they will affect both the processing of your LOR and questions regarding Nonrecurring Costs (NC). Resolving these questions may take a bit of research or discussion with your SAO, IA desk officer or DSCA. We have also included information in a later section that will help you determine if an item is SME/MDE. If you want to access that section now, select [HOW TO FIND OUT IF AN ITEM IS SME/MDE – AN EXAMPLE.](#)

POLICY REGARDING CONTENTS OF THE LETTER OF REQUEST

[The Security Assistance Management Manual \(SAMM\), DoD 5105.38-M](#) provides a great deal of guidance regarding a LOR. While the SAMM does not require a specific format for a LOR, [Table C5.T3](#) does call for, you, the requestor to assure that the request is complete.

It is important to have a clear understanding of what “complete” means to the person who will be responding to your LOR. A “complete” LOR should include the following:

- The LOR must be specific as to what is desired. What are you requesting? Be explicit as to what you wish to receive in response to your LOR. You can use the LOR to ask for:
 - Price and Availability (P&A) - this is preliminary planning data
 - A Letter of Offer and Acceptance (LOA), an Amendment to an existing LOA or a modification to an existing LOA - these are the authorized documents used by the USG to sell defense articles and services
 - A Lease - this is an agreement to lease and maintain an item for a certain period of time
- Being specific means that the receiving IA should be able to review your LOR and know exactly what defense articles or services you want to receive. This would include information such as:
 - Quantity and specific model identity of items requested.
 - Unique non-U.S. configuration requirements. If you need nameplates or publications in a language other than English, be sure to state this requirement.
 - Delivery times or requirements for specified quantities within a specific period.
 - Will there be a requirement for any special contract terms in the USG contract with the supplier?
 - Training and support for the item.
- If the request is for services or logistics support that is to be limited to a specified dollar value, include that information.
- If requesting a lease, you must provide information about where the items will be used or based during the lease period (do they all need to be shipped to one location or to several locations?) and the duration of the requested lease. You will also need to request a separate LOA (FMS case) or group of FMS cases to cover support costs for the items being leased, or you may specify in the lease LOR what existing FMS case will be used to cover support costs (spare parts, repair services, training, etc.).

- If you previously asked for and received P&A information and now you want to ask for a LOA, your LOR should reference the FMS case identifier provided with the P&A. For example: “We request a LOA for items as defined in Price and Availability document BN-D-AAA provided by the U.S. Air Force letter number 11-AA on 1 Jul 2001.” This information will help speed up processing of your LOR for a LOA.
- The LOR must contain your name, position title and full address. We also need a serial number on the letter to use as a reference number when we respond to you.

The reference number on your LOR will be entered in the [Defense Security Assistance Management System \(DSAMS\)](#) and is the key to tie our USG response back to your request. (DSAMS is the system we use to produce P&A, LOA and Lease documents. DSAMS is also used to track the progress of these documents.)

The address you provide should be the address to which the USG should send the P&A or LOA. If you have other offices that can answer technical questions about the request, please provide that address information also.

Some IAs, (Navy primarily), may call for a “Case Initiation Meeting” (CIM) to discuss the specifics of your LOR. You will be invited to have a representative at the CIM. It is essential that you send a representative who is knowledgeable regarding the particular LOR and can provide clarification and answers to questions that may arise during the discussion. CIMs are held in the Washington, D.C. area, normally soon after receipt of a LOR. If you have a Washington-based representative who would attend such a meeting or coordinate the attendance of others, it would help to provide his or her name and phone number in the LOR.

Your LOR must provide sufficient detail to be understood clearly by the people at the DoD agency that will develop the response. Nearly every situation is different. LORs that describe your special situations help assure that the response is what you need and want.

Here is a checklist of items that you may need to consider in your LOR.

Often you will have had discussions with various USG personnel prior to submission of the actual LOR. If you have attended meetings or held discussions about the LOR, it is helpful to include a reference to the meeting or attach meeting minutes to the LOR.

Sometimes a “Site Survey” may be needed to properly determine what is required to support a major system. A site survey is a visit by a team made up of USG personnel, commercial contractor personnel, or other skilled planning representatives, who along with your personnel conduct reviews in your country. These teams are in response to your request and are specifically structured to support your current and planned military capabilities and identify any deficiencies. Some surveys are general. Others may be in a specific mission area. For example the team would consider such questions as:

Will your existing repair facilities handle the new system or will they need modifications?

Is electrical power sufficient and compatible with the requirements?

Is your harbor deep enough for the proposed ship?

Is your runway long enough?

Is your support concept adequate?

If a site survey has been conducted or you have requested one by other correspondence, include a reference to the site survey.

If your LOR is to request upgrades or modifications to a weapon system, it is essential that the FMS case writer understand the configuration of your current system. If your current system was purchased through a FMS case, include the original FMS case identifier. Information about previous or related FMS cases will help the FMS case writer properly estimate the requirements for test equipment, spare parts, and training. If the purchase was via Direct Commercial Sale (DCS) from the manufacturer or a third party, indicate that also.

If you plan to use Foreign Military Financing (FMF) Funds for the requirements contained in the LOR, indicate this in the LOR.

Indicate the desired Terms of Sale, which basically means how you wish for the LOA to be financed. The Terms of Sale are important for establishing the payment schedule and, if the LOA is wholly financed with MAP Merger or FMS Credit (non-repayable), can affect the pricing.

If you have special budgetary allocations or constraints that you want the USG to consider in establishing the LOA payment schedule, be sure to include those in the LOR.

If your LOR is for a Blanket Order FMS case, provide the total dollar value of the FMS case. A Blanket Order FMS case is the type of FMS case that we use to sell relatively minor items that do not require intensive by-item control. For example spare and repair parts, publications, support equipment, supplies, etc., are usually on a blanket order FMS case. LOAs for these FMS cases reflect categories (normally to support one or more end items) with no definitive listing of items or quantities. For example, your LOR may be for “a total FMS case value of \$1,000,000 and an ordering period of two years”. Include the desired FMS case period of performance only if you want the FMS case to be restricted in that manner. Also be specific about what systems are to be supported under the Blanket Order Request. For example, a request for a “Blanket Order FMS case for C-130 and F-16 spare parts” or you can be general and request “Blanket Order FMS case for training”. [For a more detailed discussion. see [SAMM Section C5.4.3., Types of FMS Cases](#)]

If you will be specifying a Sole Source, you will need to refer to the SAMM for the specific information required to justify a Sole Source request. A Sole Source contract is a contract for the purchase of supplies or services that is entered into or proposed to be entered into by an agency after soliciting and negotiating with only one specific source. If you already have a specific model made by a certain manufacturer, you may wish to procure future items from the same manufacturer to ensure commonality of spare parts. [[SAMM Section C5.T5. section on Sole Source Procurement](#)]

Many major weapon systems have Nonrecurring Costs (NC) that are charged. You can request that these costs be waived. If you plan to include a NC Waiver Request, you should review [SAMM section C9.6.3](#). NC are discussed in a later section of this guide, [WHAT ABOUT NONRECURRING COSTS](#). If appropriate, include the request for waiver of NC in the LOR. If the waiver request was made in other correspondence, include a reference to the other correspondence.

How long will you need to review a response to your LOR? Normally the USG FMS case writer will write the document so you have at least 60 days to review a LOA or LOA Amendment. If you need more than 60 days to review the document, include a comment to that effect in your LOR. If there is a reason why you need the document by a specific date, be sure to include that information also. For instance, if you need a LOR for aerial refueling support for a Joint Military Exercise, you should clearly state the date of the planned exercise.

In order to recommend the best item to meet your requirement, the DoD program manager needs to know the intended end use, environment and interface requirements.

Most weapon system requests need to include information to help determine operations, maintenance and supply concepts for the items you request. For example, how many flight hours per month are anticipated. This information is critical in determining the level of spares and repair materials that are planned.

What will be your training requirements? If your LOR is for a new weapon system and you are sending a separate LOR for training, include a reference (serial number and date) to the other LOR.

Will you require U.S. contractor or U.S. government services for technical support, program assistance, etc?

In addition, you should identify any related international agreement such as a Memorandum of Understanding (MOU). This is especially important if the LOR contains a request for technical data.

Will there be any special transportation instructions? For example, if you use multiple freight forwarders, it's a good idea to specify which freight forwarder you want to use for this request. While the freight forwarder works directly for your country, the [Defense Institute for Security Assistance Management \(DISAM\)](#) has developed a "[Foreign Purchaser Guide to Freight Forwarder Selection](#)".

Will there be other special transportation requirements such as when classified material is to be shipped? In such cases a Transportation Plan will be required. [See SAMM C7.16. Transportation of classified Items.](#)

For the first time originator of an LOR we know that all of these information requirements can seem to be overwhelming to you. Please be patient. Read the rest of this guide and by the time you are finished we are certain that our requirements will be easier to understand.

TOTAL PACKAGE APPROACH

When reviewing your LOR and building the appropriate response document to meet your needs, the USG personnel working on your FMS case take a "systems" approach. This is generally referred to as a "Total Package Approach". It is our goal that the program meets your operational requirements and remains within your budget. The system must also have a realistic delivery schedule and support program. Under the concept of Total Package Approach (TPA), the following key considerations should be addressed in the LOR for a major weapon system:

- Purpose of the LOR (Is the request for P&A, LOA, LOA Amendment, or Lease?)
- Purchaser
- Quantity
- Acceptance Timeframe

Model

- Configuration
- Interoperability (To what degree is the requested item common with equipment in your inventory?)
- Sole Source (Is a specific source for a procurement contract requested?)
- Any special contract terms
- Delivery Timeframe
- Operations Concept (What is the military mission and the estimated monthly hours of operation, usage or rate of expenditure?)
- Operational bases/facilities to support the system
- Maintenance Concept (Your plan for Organization, Intermediate, and Depot level maintenance. Do your personnel need specific maintenance training?)
- Supply Concept (How do you want spares, test equipment, and publications to be provided? Is a Technical Data package needed? Is a Logistics Conference needed to discuss support issues?)
- Initial Spares (What range and depth of spares do you need?)
- Transportation (How long in time and distance is the transportation channel used for re-supply?)
- Services-USG or Contractor supplied
- Training (For Operation, Maintenance and Support)
- Training Devices
- Waivers (Have any waivers been requested, approved, or any pending?)
- Warranties
- Insurance

Funding Source

- MOU/MOA
- Commercial Negotiations (Are you involved in commercial negotiations with potential supplier companies?)
- Site Survey

Software Support

- Staging Services (Do you desire that the USG arrange for consolidation of spare/repair parts or support equipment at a staging area for your pickup or other dedicated transport to your country?)
- Aircraft Ferry/Transportation Plan
- Liaison Offices (Do you need to have your own representatives set up liaison offices in the U.S. at the manufacturing plant or other key location?)
- Student support (transportation, living allowances, medical), while in the Continental United States (CONUS)

Let us approach this issue through use of a real example. Suppose that you are requesting a LOA for a specific quantity of utility vehicles. You are interested in the U.S. series of vehicles that are often referred to as HUMVEE's. The official terminology is High Mobility Multipurpose Wheeled Vehicles (HMMWV). If you submit a LOR for HUMVEE's that does not mention training, spare parts, publications, etc., the USG person writing the FMS case from a Total Package Approach is going to be asking questions like:

- How will these vehicles be maintained?
- Who will maintain them?
- Where will you maintain them?
- Where and how will you get spare parts?
- Do you need maintenance publications?

If you do not address these types of questions in your LOR, it will add time to the whole process while the USG personnel who are writing the FMS case try to obtain the answers. The brief list above is by no means the complete list of questions that may apply to a particular request. That's why it's a good idea to run through the checklist of topics above to be sure your special requirements have been covered in your LOR. In addition, the U.S. MILDEPs have developed a number of checklists that they use to be sure that a request is complete. These category specific and general checklists are included at the end of this pamphlet to help you in the preparation of specific LORs. To take you directly to the checklists, select [Letter of Request \(LOR\) Checklists](#).

CLASSIFICATION

The DoD is required to process FMS LOAs on an unclassified basis to the maximum extent possible. In rare and exceptional circumstances, we may be able to accommodate requests for classification of LOA data when the situation warrants, but considerable off-line processing will be required at additional expense. If you need specific LOA data to be classified, you must state in your LOR:

- The LOA information that is to be classified (e.g. item description, quantity, cost, etc.).
- The level of classification desired (U.S. Confidential or Secret) and justification for classifying the data.
- The duration of the classification (e.g., to LOA signature, through execution, to final delivery, etc.).
- The date, if applicable, of any General Security of Military Information Agreement (GSOMIA)

INTERNATIONAL TRAFFIC IN ARMS REGULATION (ITAR)

As mentioned earlier, SME is an item designated in the [International Traffic in Arms Regulation \(ITAR\)](#) that warrants special export controls because of the capacity for substantial military utility. SME designations can be found in the [ITAR, Part 121 – The United States Munitions List \(USML\)](#).

The USML is separated into categories. Each category is defined in detail in the USML. An asterisk (*) preceding a category means that the article is deemed to be "significant military equipment" (SME). Including the SME Category Number in a LOR will speed up processing of your request. The categories are important for internal USG handling of your request. The table below shows the Category Number and a Category Name that describes the items included.

Category Number	Category Name
I	* Firearms
II	* Artillery Projectors
III	* Ammunition
IV	* Launch Vehicles, Guided Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs and Mines
V	* Explosives, Propellants, Incendiary Agents, and their Constituents
VI	* Vessels of War and Special Naval Equipment
VII	* Tanks and Military Vehicles
VIII	* Aircraft and Associated Equipment
IX	Military Training Equipment
X	Protective Personnel Equipment
XI	* Military Electronics
XII	* Fire Control, Range Finder, Optical and Guidance and Control Equipment
XIII	* Auxiliary Military Equipment
XIV	* Toxicological Agents and Equipment and Radiological Equipment
XV	* Spacecraft Systems and Associated Equipment
XVI	* Nuclear Weapons Design and Test Equipment
XVII	* Classified Articles, technical data, and Defense Services Not Otherwise Enumerated
XVIII	[Reserved]
XIX	[Reserved]
XX	* Submersible Vessels, Oceanographic and Associated Equipment
XXI	Miscellaneous Articles

HOW TO FIND OUT IF AN ITEM IS SME/MDE – AN EXAMPLE

Suppose you need to purchase the HUMVEE's and determine that the M1113 utility (shelter) model is best for your requirement. The first step is to review the USML to find the appropriate Category and Description. The M1113 would fall in Category VII--* Tanks and Military Vehicles from the table above. An asterisk (*) in front of the Category Name indicates that the category contains at least some items designated as MDE.

Looking at the details in the USML for Category VII, the text of which is quoted in the table below, we find that the M1113 would be covered by paragraph (d). Note there is no asterisk (*) on the paragraph, so the M1113 is not SME. This is an important fact as it affects Nonrecurring Cost (NC) charges.

CATEGORY VII—TANKS AND MILITARY VEHICLES

- *(a) Military type armed or armored vehicles, military railway trains, and vehicles specifically designed or modified to accommodate mountings for arms or other specialized military equipment or fitted with such items.
- *(b) Military tanks, combat engineer vehicles, bridge launching vehicles, half-tracks and gun carriers.
- *(c) Self-propelled guns and howitzers.
- (d) Military trucks, trailers, hoists, and skids specifically designed, modified, or equipped to mount or carry weapons of Categories I, II and IV or for carrying and handling the articles in paragraph (a) of Categories III and IV.
- *(e) Military recovery vehicles.
- *(f) Amphibious vehicles. (See § 121.4)
- *(g) Engines specifically designed or modified for the vehicles in paragraphs (a), (b), (c), and (f) of this category.
- (h) All specifically designed or modified components and parts, accessories, attachments, and associated equipment for the articles in this category, including but not limited to military bridging and deep water fording kits.
- (i) Technical data (as defined in § 120.21 of this subchapter) and defense services (as defined in § 120.8 of this subchapter) directly related to the defense articles enumerated in paragraphs (a) through (h) of this category. (See § 125.4 of this subchapter for exemptions.) Technical data directly related to the manufacture or production of any defense articles enumerated elsewhere in this category that are designated as Significant Military Equipment (SME) shall itself be designated SME.

Having determined that the system is not SME, you can submit your LOR directly to the IA responsible for the item, in this case the U.S. Army. In situations where you have a local Security Assistance Office, you are encouraged to send the LOR through them for coordination. They can assist by getting your LOR to the IA and in making sure that required copies are sent to the U.S. Unified Command for the region, to the Bureau of Politico-Military Affairs at DoS, and to DSCA.

A DIFFERENT SITUATION – A SECOND EXAMPLE

A different situation would exist if your need was to purchase a HUMVEE model M1045. The M1045 is a vehicle similar to the M1113 but the M1045 is equipped for launching TOW missiles. The M1045 is also in USML category VII * Tanks and Military Vehicles but since it is designed to be fitted with missiles it falls into paragraph (a). See the definition in the table above. Paragraph (a) is preceded by an asterisk (*); therefore the M1045 is SME. Your LOR will have to be routed via the special channels set up for “REQUESTS THAT INCLUDE SIGNIFICANT MILITARY EQUIPMENT (SME)”.

As we discussed earlier, there is a subset of SME that has been designated as MDE. This would be a good time to also check to see if the M1045 also falls in the MDE category. Since Nonrecurring Costs (NC) involved in the development of an item is one of the primary factors involved in designating an item as MDE, there is a high probability that the item will have charges for NC. MDE is listed in SAMM Table 700-6, Major Defense Equipment List (MDEL). The SAMM table can be accessed by clicking on Chapter 7 of the SAMM. The M1045 is listed on the MDEL.

The facts that the M1045 is both SME and MDE are important in both the routing of your LOR and issues regarding NC. First let us look at the issue of NC. The LOR routing will be discussed after that.

WHAT ABOUT NONRECURRING COSTS (NC)?

It is normal that MDE is subject to a charge for the recovery of NC. As mentioned earlier, some SME is also designated as MDE. The distinction that determines if an item is MDE is that (1) it is SME, and (2) has a USG nonrecurring research and development cost of more than \$50 million or production cost of more than \$200 million.

Under certain circumstances, a waiver for the recovery of NC may be considered. Waivers are considered on a “case-by-case” basis.

WHERE SHOULD YOU SEND YOUR LOR?

Once your request has been written, the next step is to determine the U.S. approved channels of submission for your Letter of Request (LOR). Where should you send copies of the LOR? Based on the nature of your request, and the U.S. Implementing Agency that has responsibility for the requested defense articles or services (including training), the processes for negotiating and implementing a FMS case can vary. There are, however, some general guidelines to be followed. A key factor in determining the routing is whether your LOR includes a request for Significant Military Equipment (SME).

REQUEST FOR ALL OTHER FMS (NON-SME)

All requests that do not include SME should be addressed to the appropriate USG Implementing Agency (IA).

If you are submitting your request from an office located in your home country, you may send it directly to the IA. However, if you are fortunate enough to have a SAO at the U.S. Embassy in your capital city, you are encouraged to submit your LOR through that office. This method is frequently used as the SAO can validate the address as well as facilitate providing required information copies to the appropriate U.S. Unified Command, U.S. Department of State (Bureau of Politico-Military Affairs) and to DSCA.

To speed up the process you are encouraged to submit your Letter of Request (LOR) electronically, either by E-mail or fax. The procedures for electronic LOR submittal will vary by country, please check with your Security Assistance Office or Country Program Manager for specifics.

Requests originated by your representatives from their offices in the U.S. should be sent directly to the IA. Information copies should be furnished to the U.S. Department of State (Bureau of Politico-Military Affairs) and to DSCA.

REQUESTS THAT INCLUDE SIGNIFICANT MILITARY EQUIPMENT (SME)

Requests to purchase SME, which originate in country, should be transmitted to the U.S. Embassy. They should be addressed to the U.S. IA, with information copies to the (1) Bureau of Political-Military Affairs, Department of State (SECSTATE/PM), (2) the Office of the Secretary of Defense, Defense Security Cooperation Agency (SECDEF/DSCA), and (3) the appropriate U.S. Unified Command.

Requests to purchase SME, which originate with your representatives in the U.S., should also be addressed to and sent to the IA. Information copies to SECSTATE/PM and to DSCA should also be provided. For SME that is also major defense equipment (MDE), the U.S. Implementing Agency will provide the applicable Unified Command and SAO with a copy or details of the purchaser's request, as appropriate.

In exceptional circumstances requests for P&A and LOAs may be submitted directly to the Bureau of Politico-Military Affairs, DoS, and DSCA. Such submission should be used only when the U.S. Embassy in-country or the purchaser's representative in the U.S. believes that the request is sensitive enough to require a higher-level policy determination.

When the LOA IA cannot be readily determined by the purchaser or by the SAO/U.S. Embassy, the P&A or LOA request should be submitted to SECSTATE/PM and DSCA for further distribution.

CAN YOU HELP ME WITH ADDRESSES?

Full mailing addresses for U.S IAs and U.S. Unified Commands are included in this guide, here in the appendix 3 section [Addresses for LORs](#).

APPENDIX 3 - ADDRESSES FOR LORS

Implementing Agency		Purpose	Address
Name	Code		
Army	B	Action Address for LORs other than those for Training and Construction	Department of the Army U.S. Army Security Assistance Command 5701 21 st Street Ft. Belvoir VA 22060-5940
		Messages for LORs other than those for Training and Construction	CDR USASAC Alexandria VA//AMSAC//
		Action Address for LORs for Training	Security Assistance Training Field Activity (SATFA) HQ TRADOC SATFA 173 Bernard Road, Building 139 Fort Monroe VA 23651-1003
		Messages for LORs for Training	DIR SATFA FT MONROE//VA//
		E-Mail Address for LORs for Training	atfar@monroe.army.mil
		Action Address for LORs for Construction	U.S. Army Corps of Engineers HQUSACE 441 G Street NW ATTN: CEMP-M Washington DC 20314-1000
		Messages for LORs for Construction	CDRUSACE WASHINGTON DC\CEMP-M\
		E-Mail Address for LORs for Construction	Contact individual USASAC point of contact (POC) for e-mail address.
		Information Address for all LORs	Department of the Army Deputy Assistant Secretary of the Army for Defense Exports and Cooperation ATTN: SAAL-NP 1777 North Kent Street, Suite 8200 Arlington VA 22209
		Message Information Address for all LORs	DA WASHINGTON DC//SAAL-NP//
E-Mail Address for all electronic LORs other than those for Training and Construction	Contact individual USASAC point of contact (POC) for e-mail address.		
Navy	P	Action Address for all LORs	Department of the Navy Navy International Programs Office ATTN: 02C1 2521 South Clark Street, Suite 800 Arlington, VA 22202-3928
		Messages for all LORs	NAVY IPO WASHINGTON DC
		E-Mail Address for all electronic LORs	Contact individual Navy IPO POC for e-mail address.
Air Force	D	Action Address for LORs for Communications, Electronics, Aircraft, and Missile Systems	SAF/IAR 1080 Air Force Washington DC 20330-1080
		Message Address for LORs for Communications, Electronics, Aircraft, and Missile Systems	OSAF WASHINGTON DC//IA//IAPX//

Implementing Agency		Purpose	Address
Name	Code		
		E-Mail Address for electronic LORs for Communications, Electronics, Aircraft, and Missile Systems	Europe/NATO/Eurasia Division: SAF/IARE Workflow@pentagon.af.mil Americas Division: SAF/IARL Workflow@pentagon.af.mil Mid-East/Africa Division: SAF/IARM Workflow@pentagon.af.mil Pacific Division: SAF/IARP Workflow@pentagon.af.mil Saudi Division: SAF/IARS Workflow@pentagon.af.mil Policy Division: SAF/IAPX Workflow@pentagon.af.mil
		Action Address for LORs for Follow-On Support	AFSAC/GB 1822 Van Patton Drive Wright-Patterson AFB OH 45433-5337
		Message Address for LORs for Follow-On Support	AFSAC WRIGHT PATTERSON AFB OH//CC//GB//
		E-Mail Address for electronic LORs for Follow-On Support	afsac.lor@wpafb.af.mil
		Action Address for LORs for Training	AFSAT/CCX 315 J Street West Randolph AFB TX 78150-4354
		Message Address for LORs for Training	AFSAT RANDOLPH AFB TX//TSS/
		E-mail Address for electronic LORs for Training	AFSATLOR@randolph.af.mil
DCMA Defense Contract Management Agency	F	Action Address for LORs for Contract Administration Services (CAS)	Defense Contract Management Agency Attn: DCMA-FBFR 6350 Walker Lane Suite 300 Alexandria VA 22310
		Message Address for LORs for CAS	DCMA ALEXANDRIA VA//FBFR
		E-Mail Address for electronic LORs for CAS	dodccp@dcma.mil
DISA Defense Information Systems Agency	C	Action Address for applicable LORs	Defense Information Systems Agency Attn: IN32 5600 Colombia Pike Falls Church VA 22041-2717
DLA Defense Logistics Agency	R	Action Address for LORs for Excess Property	Defense Reutilization and Marketing Service 74 N. Washington Street Federal Center Attn: DRMS-DPDS Battle Creek MI 49016-3412
		Message Address for LORs for Excess Property	DRMS BATTLE CREEK MI//DRMS//
		Action Address for LORs for Cataloging Services	Defense Logistics Information Service 74 N. Washington Street Attn: DLIS-KI Battle Creek MI 49016-3412
		Message Address for LORs for Cataloging Services	DLIS BATTLE CREEK MI//DLIS/KI//

Implementing Agency		Purpose	Address
Name	Code		
DSCA Defense Security Cooperation Agency	Q	Information Address for all LORs	Defense Security Cooperation Agency Attn: [insert applicable Operations Directorate] 201 12 th Street South, Suite 203 Arlington VA 22202
		Message Address for information copies of all LORs	SECDEF//USDP:DSCA//[insert applicable Operations Division]
		E-Mail Address for information copies of electronic LORs	Contact individual DSCA CPD for e-mail address
DTRA Defense Threat Reduction Agency	Z	Action Address for all applicable LORs	Defense Threat Reduction Agency (DTRA) Attn: RMBP 8725 John J. Kingman Road MSC 6201 Fort Belvoir VA 22060-6201
NGA National Geospatial-Intelligence Agency	U	Action Address for all applicable LORs	National Geospatial-Intelligence Agency Office of International and Policy Mail Stop D-120 4600 Sangamore Road Bethesda MD 20816-5003
NSA National Security Agency	M	Action Address for all applicable LORs	National Security Agency 9800 Savage Road Suite 6576 Ft Meade MD 20755-6576

APPENDIX 4 - SAMPLE LETTERS OF REQUEST

SAMPLE LOR FOR DEFINED ORDER FMS CASE

ROYAL BANDARIAN
EMBASSY
1413 39TH STREET N.W.
WASHINGTON D.C. 20006

Date Reference

June 13, 2001 221/00/FQJ/LOG/ER/740.3

Point of Contact Previous Date Previous Reference

Capt Eric Submister, 202-555-1234

To Copy To

Department of the Army, U.S
Army Security Assistance
Command, Attn: AMSAC-ME
5701 21st Street
Fort Belvoir, VA 22060-5940

Office of the Deputy Assistant Secretary of the Army for Defense Exports
and Cooperation
DSCA
U.S. Embassy Kappau/ODC
Department of State, Assistant Secretary of State for Political Military Affairs

Dear Sir,

The Government of Bandaria has a firm requirement to procure 20 each "HMMWV" M1113 Truck, Shelter Carrier with Desert Package. This should be a standard U.S. Army configuration system. No site survey will be required.

Our requirement is to have delivery of a quantity of 20 not later than 30 September 2003. It is requested that two (2) years of initial spares be provided with the deliveries of the "HMMWVs". We also require support equipment, tools, publications and a quality assurance team.

Your assistance is requested to ensure the "HMMWV" systems will be provided in time to satisfy our needs. We have budgeted country funds for this effort.

Provision of a letter of offer to this office at your earliest convenience would be sincerely appreciated.

By Authority

Eric Submister
Captain, RBnAF
Assistant Defense Cooperation Attaché

Sample LOR For Blanket Order FMS Case

GOVERNMENT OF BANDARIA
1501 SW STREET
HERAT, BANDARIA

Date

Reference

April 24, 2001

245/00/FQJ/LOG/ER/640.1

Point of Contact

Previous Date

Previous Reference

Capt Eric Submister, 202-555-1234

To

Copy To

Department of the Navy
Navy International Programs Office
Nebraska Avenue Complex
4255 Mount Vernon Drive suite
17100
Washington DC 20393-5445

DSCA
U.S. Embassy Kappau/ODC
Department of State, Assistant Secretary of State for Political Military
Affairs
Embassy of Bandaria, Washington

Dear Sir,

We request a follow-on Blanket Order supply FMS case for our F/A-18 C/D aircraft. This request is a follow-on to FMS case BN-P-RAM and is for two years and a total of \$6,000,000.

Please take the necessary actions to process this FMS case.

Sincerely yours,

James Smith
CAPT, AW Army
Logistics Service Attaché

Sample Change To An Original LOR

GOVERNMENT OF BANDARIA
1501 SW STREET
HERAT, BANDARIA

Date Reference

July 24, 2001 221/00/FQJ/LOG/ER/740.9

Point of Contact Previous Date Previous Reference

Capt Eric Submister, 202-555-1234

To Copy To

Department of the Army, U.S Army
Security Assistance Command,
Attn: AMSAC-ME
5701 21st Street
Fort Belvoir, VA 22060-5940

Office of the Deputy Assistant Secretary of the Army for Defense Exports
and Cooperation
DSCA
U.S. Embassy Kappau/ODC
Department of State, Assistant Secretary of State for Political Military
Affairs

Dear Col Young,

Reference our letters 221/00/FQJ/LOG/ER/740.3 dated 13 June 2001 and ABME-45 dated 19 January 2001.

After further analysis we need to reduce the number of HMMWV's on FMS case BN-B-UXX from 20 to 15.

Please take the necessary actions to process an amendment.

Sincerely yours,

James Smith
CAPT, AW Army
Logistics Service Attaché

APPENDIX 5 - LETTER OF REQUEST (LOR) CHECKLISTS

There is no single checklist that covers every situation. The wide range of military operations, exercises, facilities, and requirements makes it impossible to cover all situations in a single checklist.

If you have requirements that are not included in any of the checklists, be sure to include them in your Letter of Request. The following links are provided to assist you in finding the appropriate checklist that the U.S. Implementing Agency will use in reviewing your request. They are provided to assist you in writing the LOR. You are not required to fill out any specific checklist.

U.S. ARMY:

Department of Army Form 5904-R, Total Package Approach Checklist

Adobe Acrobat PDF LINK: [Army Form 5904-R, AUG 1990](#)

Other selected items from the U.S. Army TPA Checklist can provide an additional guide to items you may need to include in your request. Does the proposed sale include?

- 1) Petroleum, oil and lubricants
- 2) Calibration services/test equipment and diagnostic equipment
- 3) Publications
- 4) Quality assurance team
- 5) Ancillary equipment
- 6) Basic issue items (clothing, safety gear items, etc.)
- 7) Communications/electronics equipment (radios, accessory kits, etc.)
- 8) Power generators
- 9) Concurrent spare parts (list, indicate if 1 or 2 years)
- 10) Common and special tools/tool sets/test sets
- 11) Maintenance float (spares to cover repair turn around time)
- 12) Consolidated shipment
- 13) Training aids/devices
- 14) Training ammunition
- 15) Basic ammunition load
- 16) Support cases (list)
- 17) Technical assistance (contractor)
- 18) Specialized training cases
- 19) Specialized software
- 20) Cold weather requirements
- 21) Facilities

U.S. NAVY:

A Sample Navy Quick Reference LOR Review Checklist

What is the equipment or service being requested?

a. If it is equipment, please identify as follows:

- 1) Equipment nomenclature and description
- 2) Quantity
- 3) Intended end use
- 4) Higher assembly or system, if appropriate.
- 5) Part number and/or National Stock Number, if appropriate.
- 6) Configuration (Mark and MOD numbers).
- 7) Interface requirements, if appropriate.
- 8) Desired condition (new, refurbished as is/where is).
- 9) Desired delivery date and/or reason for expedited delivery (include willingness to pay higher price for expedited delivery, if applicable)
- 10) Previous FMS cases and/or DCS transactions. Identify the FMS case or export license number.
- 11) For CADS/PADS/AEPS and ammunition, willingness to accept an abbreviated shelf life in exchange for earlier delivery date.
- 12) Is a FMS/DCS (hybrid case) combination arrangement requested or recommended?
- 13) Transportation issues. Please state preference for Delivery Term code (DTC) on LOA and other requirements such as staging spare parts.

b. If service, please identify as follows:

- 1) Short description of service requested. Include back-up details, if applicable.
- 2) Desired length of service.
- 3) Location. If Purchaser country, describe tools, test equipment and personnel that will be available for U.S. personnel to work with.
- 4) Purchaser participation. Include number and type of Purchaser personnel available if services are to take place in the U.S.
- 5) For repair services, desired turn around time. Will Purchaser provide containers, parts, revised software, etc?
- 6) For range services, does Purchaser have preference for a specific U.S. Government range in CONUS and/or the Fleet Range Facility?
- 7) If similar services have been purchased prior to this request under FMS or DCS procedures, identify the FMS case or export license number.

c. If you require full or partial Navy Integrated Logistics Support (ILS), please refer to the following for general guidance.

- 1) Supply Support

- 2) Define your spare parts provisioning requirements. The following may pertain:
 - Tailored spare parts list. Provide any change in the support periods being covered, e.g., 12, 18 or 24 months. For ships, aircraft or other end item being supported, provide particulars as to operating plans and program data (flying hours, overhaul periods, maintenance factors, etc.)
 - Coordinated Shorebased Material Allowance List (COSMAL)
 - Coordinated Shipboard Allowance List (COSAL)
 - Allowance Parts List (APL)
 - Gross Requirements List (GRL)
 - Installation and Checkout (INCO) Spares
- 3) Technical Assistance
 - Installation requirements.
 - Sea/air trials or other post sale testing.
 - Initial/follow-on maintenance (Organizational, Intermediate, Depot Level).
 - For overhauls and/or upgrades, describe the condition of Purchaser owned equipment.
- 4) Training and Training Devices
 - Type of training. State whether you believe it to be Navy/Marine Corps “School House” training, on-the-job type training or initial technical training.
 - Number, type, skill level of students.
 - Location and proposed dates of training desired.
 - Training devices required.
 - Requirement of site survey.
- 5) Documentation
 - List Documentation by publication number and name if known
 - Training texts
 - Logistics documentation, as above.
 - Technical Data packages.
- 6) Support and Test Equipment
 - General Purpose Test Equipment
 - Peculiar Ground Support Equipment
 - Special tools

Navy Case Initiation Meeting Checklist for Country Program Directors

Preparation. After receipt of an LOR, the Country Program Director must enter the request in DSAMS, and then turn to the task of responding to the customer request for goods and services. A meeting with the FMS customer and other key players will aid in fully understanding the customer’s needs and mapping out a plan to assemble information and begin the LOA process. Below is a checklist of items for consideration, to ensure a workable plan and comprehensive LOA.

A. Purchaser Information **(What does the customer want?)**

1. Identification of weapon system
 - Description/nomenclature of weapon system
 - Quantity
 - Configuration
 - Delivery time frame/Availability
 - Degree of commonality with equipment currently in U.S. or foreign inventory
2. Plan for use **(How will it be used?)**
 - Mission/Operations
 - Usage or expenditure rate
 - Basing (facility support required)
3. Planned maintenance **(How will it be sustained?)**
 - a. In-country maintenance plan at what level
 - Organization
 - Intermediate
 - Depot
 - b. In-country manpower skill levels/requirements
4. Economic factors **(How will it be funded?)**
 - Estimated budget
 - Purchaser procurement plan/payment schedules
 - Foreign competition
5. Specific Customer concerns

B. Disclosure Information **(Is release of data/hardware systems in accordance with approved DoN, DoD and National Disclosure Policy? Can we start the review process early?)**

- 1) Internal MILDEP approvals
- 2) ENDP requirements
- 3) Impediments to disclosure

C. Acquisition Plans **(By what means will we sell?)**

1. FMS, DCS or Hybrid? **(Is a combination arrangement requested or recommended?)**
2. If FMS, what is the source of the material (contract, stock issue, RIK, EDA)
3. U.S. acquisition plan **(How/when does the Navy plan to procure? Are there contract options for FMS?)**
 - Projected contract award date
 - What is the status of OPEVAL **(Is a Yockey waiver needed?)**
4. Any sole source direction
5. Uncertainties which could affect pricing information
6. Logistics **(How do we propose to support this sale?)**

- Logistics Conference (**Is it recommended? When?**)
 - Configuration Management
 - Data requirements (**How much data does the customer want?**)
 - Technical Data Package (**Is data releasable?**)
 - Publications (**Do these need to be tailored?**)
 - Training (**Where and how?**)
 - Where (**In-country or CONUS?**)
 - How (**DoD, Contractor or Hybrid**)
 - Training devices (**Are they available? Simulator procurement required?**)
 - Maintenance Concept (**What does the customer want, what can he afford, what do we propose?**)
 - Spares (**To what level, initial OR lifecycle support?**)
 - Supply Support (**Can DoD facilities absorb an additional customer?**)
 - Support/Test Equipment/Supply Support (**What SE does the customer currently own?**)
 - a. Level of support: organizational, intermediate, depot (**What level of support is required, is depot capability releasable?**)
 - Facilities (**New construction, existing, or upgrades?**)
 - Staging (**Where and how?**)
 - Transportation (**Surface or air?**)
7. Engineering Support Requirements
- Contractor Engineering Technical Services (**Is it necessary?**)
 - Engineering technical services (**How much is required, what systems?**)
 - Software support
8. Program Management
- Liaison offices (Are these needed, if so when and where?)
 - Program management support (How much is required?)
9. Other elements
- D. Administrative/Financial Considerations
1. Non-recurring costs
 2. Sales commissions/agents' fees
 3. Offset administration costs
 4. Termination Liability (letter of credit?)
 5. EDA approval (financial analysis worksheet)
 6. Congressional notification (36(b) report)
- E. Miscellaneous
- Legal impediments (Any conflicts of interest involved?)
 - Congressional considerations (Is the sale in the Javits report, when can we notify Congress?)

Depending on the type of material or services you are requesting, some portions of the checklist will not apply. There will also be many questions that you cannot answer, but the more complete the checklist, the faster the Implementing Agency will be able to respond to your request for Price and Availability (P&A), Letter of Offer and Acceptance (LOA), or Lease.

U.S. AIR FORCE:

Click on AFM 16-101 or on web address <http://deskbook.dau.mil> and make the following selections:

- Department/Agency section: Air Force
- Reference Library
- Air Force Documents
- 16 Series – Operations Support
- AFM 16-101 – International Affairs and Security Assistance Manual
- Attachments 5 through 13

APPENDIX 6 - GLOSSARY OF ACRONYMS AND ABBREVIATIONS

Acronym or Abbreviation	Explanation
36(b)	Portion of AECA that requires Transfer Notification to U.S. Congress
ACEA	Arms Export Control Act (U.S. Law)
AFSAT	Air Force Security Assistance Training
AIS	Automated Information System
C4I	Command, Control, Communications, Computers, and Intelligence
CAS	Contract Administrative Services
CIM	Case Initiation Meeting
CLSSA	Cooperative Logistics Supply Support Arrangement
CONUS	Continental United States
CPD	Country Program Director
DCMA	Defense Contract Management Agency
DCS	Direct Commercial Sale
DISA	Defense Information Systems Agency
DISAM	Defense Institute of Security Assistance Management
DLA	Defense Logistics Agency
DLIS	Defense Logistics Information Service
DoD	U.S. Department of Defense
DoS	U.S. Department of State
DRMS	Defense Reutilization and Marketing Service
DTRA	Defense Threat Reduction Agency
DSAMS	Defense Security Assistance Management System
DSCA	Defense Security Cooperation Agency
DASA (DE&C)	Deputy Assistant Secretary of the Army for Defense Exports and Cooperation
EDA	Excess Defense Articles
ERASA	Europe, Russia, Americas & Sub-Saharan Africa (DSCA Directorate)
FAA	Foreign Assistance Act
FMF	Foreign Military Financing
fms	Foreign Military Sales

Acronym or Abbreviation	Explanation
GSOMIA	General Security of Military Information Agreement
IA	Implementing Agency
ILS	Integrated Logistics Support
ITAR	International Traffic in Arms Regulations
HMMWV	High Mobility Multipurpose Wheeled Vehicles
JUSMAG	Joint U.S. Military Assistance Group (A Security Assistance Office)
LOA	Letter of Offer and Acceptance
LOR	Letter of Request
MAP	Military Assistance Program
MAPAD	Military Assistance Program Address Directory, DoD 4000.25-8-M
MDE	Major Defense Equipment
MDEL	Major Defense Equipment List
MEAN	Middle East, Asia & North Africa (DSCA Directorate)
MILDEP	Military Department (U.S. Army, U.S. Navy, U.S. Air Force)
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NIMA	National Imagery and Mapping Agency
NIPO (Navy IPO)	Navy International Programs Office
NC	Nonrecurring Cost
NSA	National Security Agency
ODC	Office of Defense Cooperation (A Security Assistance Office)
OED	Offer Expiration Date
P&A	Price and Availability
SAF/IA	Secretary of the Air Force for International Affairs
SATFA	Security Assistance Training Field Activity (U.S. Army)
SAMM	Security Assistance Management Manual
SAO	Security Assistance Office (Sometimes called ODC, JUSMAG)
SECDEF	U.S. Secretary of Defense
SECSTATE	U.S. Secretary of State

Acronym or Abbreviation	Explanation
SME	Significant Military Equipment
TA	Type of Assistance
TI	Team International
TPA	Total Package Approach
TRADOC	Training and Doctrine Command (U.S. Army)
USASAC	U.S. Army Security Assistance Command
USCENTCOM	U.S. Central Command
USCINCPAC	U.S. Commander in Chief, Pacific
USEUCOM	U.S. European Command
USG	U.S. Government
USML	U.S. Munitions List
USSOUTHCOM	U.S. Southern Command
WWRS	Worldwide Warehouse Redistribution Service

APPENDIX 7 - SAMPLE LOA

The following four pages are an example of what a Letter of Offer and Acceptance (LOA) will look like. This is a fairly simple LOA. It includes only the first four pages which include the specific details, estimated costs and initial payment schedule. In addition to these four pages, an actual LOA would include “Standard Terms and Conditions”. These can be found in Chapter 5 of the SAMM.

Links:

[Sample LOA](#)

[Sample LOA Terms and Conditions](#)

[Sample LOA Information](#)

APPENDIX 8 - FOCUS: ARMS EXPORTS AND TECHNOLOGY TRANSFER AT THE STRATEGIC LEVEL

NOTE: DSCA does not have the lead in export control nor technology transfer processes.

Export control

(see Part A for The Major Players slide)

- State Department has the leading role in export control. Specifically, the State Department:
 - Determines which countries are eligible for programs.
 - Determines which major sales will be made, whether through direct commercial channels or the Foreign Military Sales (FMS) programs.
 - Issues munitions export licenses for commercial sales.
- DoD's role:
 - We have extensive input on policy.
 - We determine what equipment is available for sale.
 - We implement Foreign Military Sales (FMS).

Technology transfer:

- Technology transfer decisions have many moving parts – 3 committees, 15 processes, 23 agencies involving 45 separate offices. Each functions under unique guidance and often with an agenda. No single office is responsible for the U.S. Government (USG) position. The process is generally reactive and slow.
- DoD's processes to evaluate the merits and impact of the international transfer of U.S. munitions and technology calls for the Joint Chiefs of Staff (JCS) to coordinate with the Geographic Combatant Commanders (GCCs) to represent the operational interest and perspectives of the warfighter in interagency processes.
- GCCs, either directly or through the JCS, participate in the different interagency export control and Technology transfer processes and here's how:

PART 1 - PROCESSES

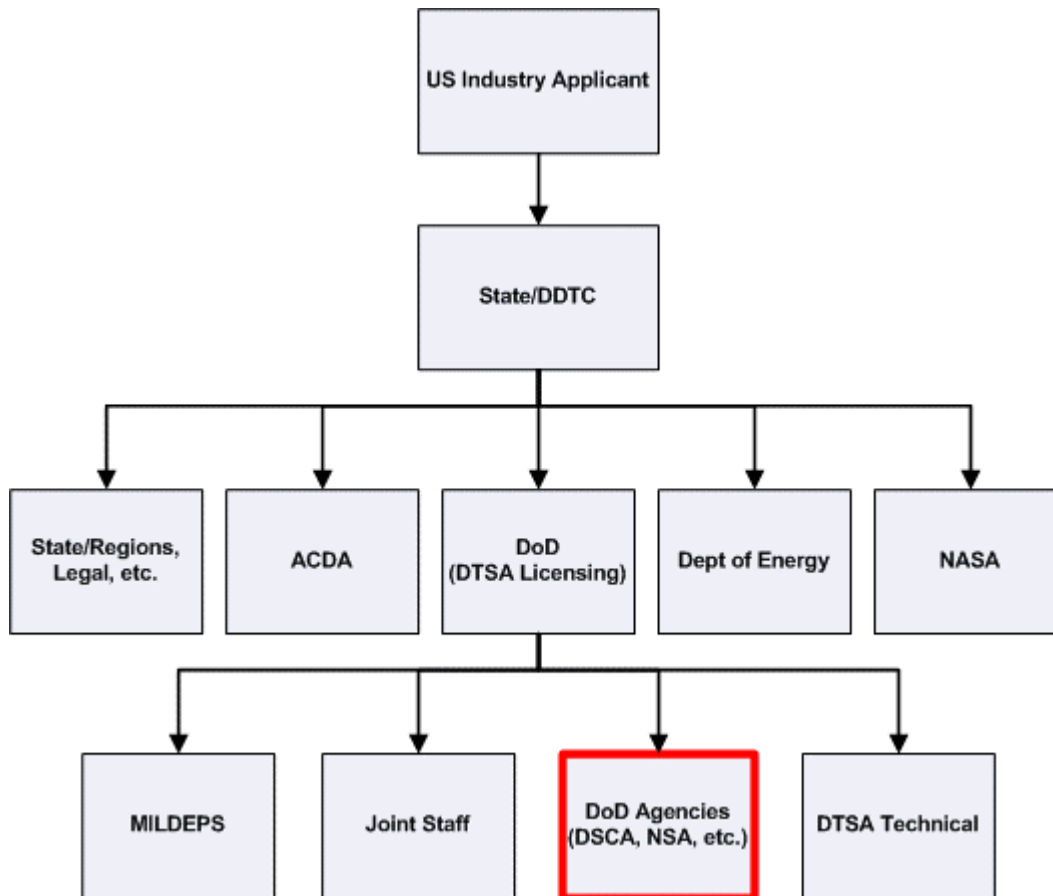
Export controls

Foreign Military Sales Process

- Export release authority – State Department.
- DoD program lead – DSCA.
- GCC's role, direct or through JCS.

- Submission of the LOR. The GCC, Joint Staff, OSD, and the Military Departments may be involved in the development and/or submission of a LOR. If the CJCS does not want a country to obtain a weapon, the GCC can also be used to influence whether a LOR is ever submitted.
- LOR Advisories. DSCA (Regional Directorate) prepares and sends an LOR Advisory to the Chairman of the Joint Chiefs of Staff and USD(AT&L). The LOR Advisory will include a copy of the purchaser's request as well as the Country Team Assessment (when required). This is the opportunity for the CJCS to show support for the sale or advise of his desire to halt further work on the LOR. The recipients have 10 working days from the date of the LOR Advisory to provide comments to DSCA for consideration. In the event of non-concurrence, disagreements are adjudicated. The LOR Advisory does not take the place of any Exception to National Disclosure Policy (ENDP) processes or releasability requirements that are worked by the Military Departments. (See Tab B for information paper "FMS approval process and how the Joint Staff influences the FMS process."))
- The Direct Commercial Sales (DCS) Export Licensing process
 - Export release authority - State Department, Bureau of Political Military Affairs, Directorate of Defense Trade Controls (DDTC).
 - DoD process lead – Defense Technology Security Administration (DTSA).
 - DSCA's role – Review DoS Export licenses referred by DTSA.
 - GCC's role through JCS - Review DoS Export licenses referred by DTSA.

INTERAGENCY LICENSE REVIEW PROCESS FLOW



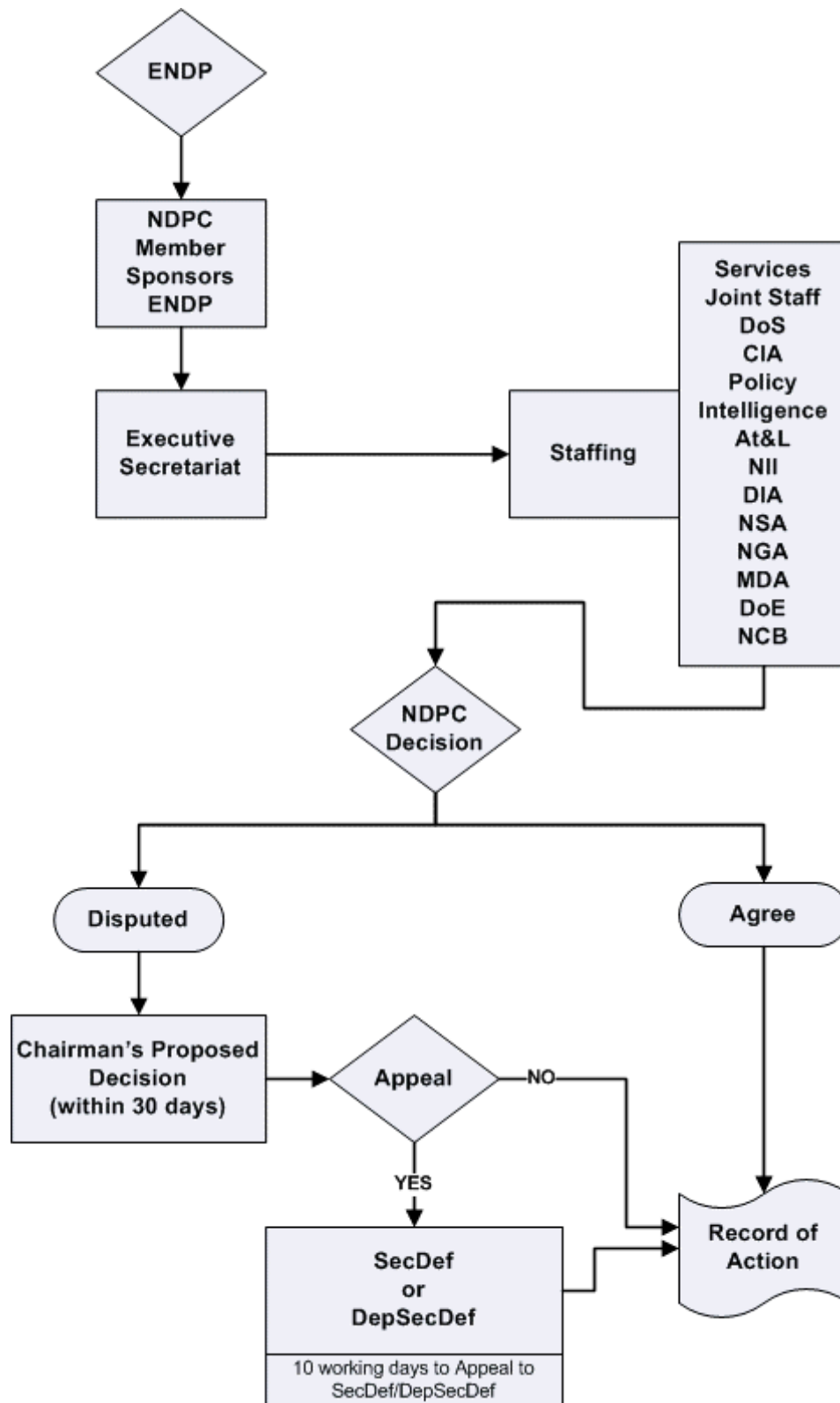
Technology Transfer

Military Departments Export Policy Processes and Exemption to National Disclosure Process (ENDP).

- Process lead – Heads of Departments and Agencies with jurisdiction over the information (i.e. Military Departments, NSA, etc.). If request exceeds the Service's or agency's delegated authority to disclose then they initiate the ENDP process, not the customer.
- Decision authority: National Disclosure Policy Committee (NDPC) or SecDef/DepSecDef if there's an appeal.
- NDPC members include general members (DoS, Army, Navy Air Force, JCS) and special members (CIA, DoE, OUSD-P*, OUSD-AT&L, OUSD-I, OUSD-NII, DIA, MDA, NSA, NGA, OATSD-NCB).
- DSCA's role – *As a member of the NDPC DSCA represents and votes for OSD-Policy.

- GCC's role - Joint Staff represents the Geographic Combatant Commanders' (GCC) position.
 - JCS resolve's differences between the Unified Commands. Joint Staff forwards LOR advisories, munitions licenses or ENDPs to the appropriate Unified Commands and monitors their various release positions and adjudicates disparate positions (for example SOCOM's position on a release may run counter to CENTCOM's position). Resolution by the Joint Staff J5 on these types of differences is one of the most critical tasks in support of security assistance for which DSCA looks to the Joint Staff. This is common to LORs for Night Vision Devices (NVDs), Unmanned Aerial Vehicles (UAVs), etc.
 - ENDP The Joint Staff has a vote on all ENDPs. In responding to ENDPs that are heavily favored or not supported by the Joint Staff, they can provide strong rationale and justification and send their message to the other members of the National Disclosure Policy Committee (NDPC) to influence their votes. DSCA calls the Joint Staff J5 for their position on many of the ENDPs. (See Tab B for information paper "FMS approval process and how the Joint Staff influences the FMS process.")

ENDP PROCESS FLOW



Other technology transfer processes impacting requests for sophisticated systems and where DSCA has no role.

- Low Observable/Counter Low Observable Executive Committee (LO/CLO ExCOM)
 - Adjudicates requests or proposals to sell or transfer LO and CLO (i.e. sensors) technologies, capabilities, information to international governments and international organizations.
 - Tri-Service first level review within 45 days of request.
 - Refers issues to ExCom depending on sensitivity.
 - JCS is a committee member.
 - Recent examples: F/A-18E/F, JSF.
- Committee on National Security Systems (CNSS)
 - Adjudicates GCCs validated interoperability requirements for release of USG INFOSEC/ COMSEC/CRYPTO equipment and, or\services for C4ISR systems.
 - GCCs issue interoperability requirement to JCS J6 (capabilities-based).
 - JCS J6 validates requirement through an interagency review.
 - NSA determines technical solution; CNSS Release Decision.
 - GCCs negotiate Communications Interoperability Security Memorandum of Agreement (CISMOA) with country prior to delivery.
 - Recent examples: C4ISR systems.

Part 2: Importance of Geographic Combatant Commanders & SAOs

I would like to emphasize the value of Geographic Combatant Commanders' (GCC) opinions in influencing decision to export sophisticated systems and technology.

- GCC opinion adds focus to the process. Absent “why we should” or how fast it should happen, the decision to sell or transfer moves forward with the speed of the bureaucracy through which it is moving.
- An endorsement by the GCC, or for that matter, a recommendation for denial, each with accompanying justification provides one of the key underpinnings for debate within the review process.
- GCC position for should be included in testimony and correspondence to the Hill. GCC opinion is key to ensuring the right decisions are made for the right reasons.
 - GCCs' testimony before Congress on the importance of approvals for specific sales/grants of weapons or systems to specific countries, (or the importance that certain countries have certain capabilities) has proved to have a positive influence on the Congressional process. During Javits Report briefs to the Hill it is common for the staffers to acknowledge to DSCA that they are aware of GCC support for certain FMS sales. (See Tab B for information paper “*FMS approval process and how the Joint Staff influences the FMS process.*”)

- Proactive involvement in the development of the decision - meaning establishing and validating the operational requirement for the system, sensor or technology - is critical to help expedite the interagency process.
 - Recent example, Singapore ENDP change.
- Security Assistance Organizations (SAOs) need to work with GCC J4/J5's to identify and plan approach to advocate their position on potentially contentious technology transfer issues and for SCG priority partnership countries and organizations.
- Technology release issues need to be addressed early in the process.
 - Identify disclosure requirements and determine the appropriate process and tools required to clear the proposed transaction.
 - Work with subject matters experts who can help identify issues and technology transfer ramifications of a customer's request.
 - Plan early, plan ahead, allow time and ask experts.
 - Recent example MRCA competition for India

PART 3 - Congressional Notification Requirements & Export Control Timelines

- Congressional notification process requirements under the Arms Export Control Act AECA for major sales surpassing notification thresholds can affect export release timelines regardless of where the Interagency stands on technology release.
 - Delivery of AECA section 36b notifications normally takes place when Congress is in session.
 - Scheduled non-legislative periods average around 130 working days restricting notification opportunities to an average of 130 working days.
 - Generally, the Hill discourages notifications prior to delivery and briefing of the Javits Report (due 1 February, usually delivered in March or April).

Conclusion

The presence of high technology in the majority of our weapon systems coupled with demands from our allies to access technology are the reality of our operating environment.

Export and technology transfer decisions are and will remain subject to our laws and policies as they should. USG stakeholders in Export Control and Technology Transfer need to fully understand the issues and their roles in the many processes.

In cases where priority countries and or important interoperability benefits are at stake, it behooves USG players to plan ahead and take proactive measures to help expedite decision processes.

TAB A - The Major Players

Foreign Policy and Licensing



State Department

Determines which countries have programs

Determines which sales will be made

Issues Munitions Export Licenses
(Commercial)

Determines Foreign Assistance Funding levels

Policy and Implementation



Defense Department

Has extensive input on policy

Determines what equipment is available for
sale

Recommends Foreign Assistance Funding
levels

Implements FMS Program

Implements Grants & Credit (FMF) Programs

Implements Military Education Program



**DSCA is DoD's Main Focal Point for
Security Cooperation**

**MILDEPS and CoComs Execute the
Programs**

State Department plays the leading role in export control.

Specifically, the State Department:

- Determines which countries are eligible for programs.
- Determines which major sales will be made, whether through direct commercial channels or the Foreign Military Sales (FMS) programs.
- Issues munitions export licenses for commercial sales.
- Determines foreign assistance grant funding levels for grant programs such as FMF and IMET.

DoD's role:

We have extensive input on policy.

We determine what equipment is available for sale.

We recommend foreign assistance funding levels in accordance with priorities from the Combatant Commanders.

We implement FMS, FMF and IMET programs.

DSCA is DoD's focal point to implement the major programs so we have a very close relationship and daily interaction with the State Department.

TAB B - FMS APPROVAL PROCESS & HOW THE JOINT STAFF & COCOM INFLUENCE THE PROCESS

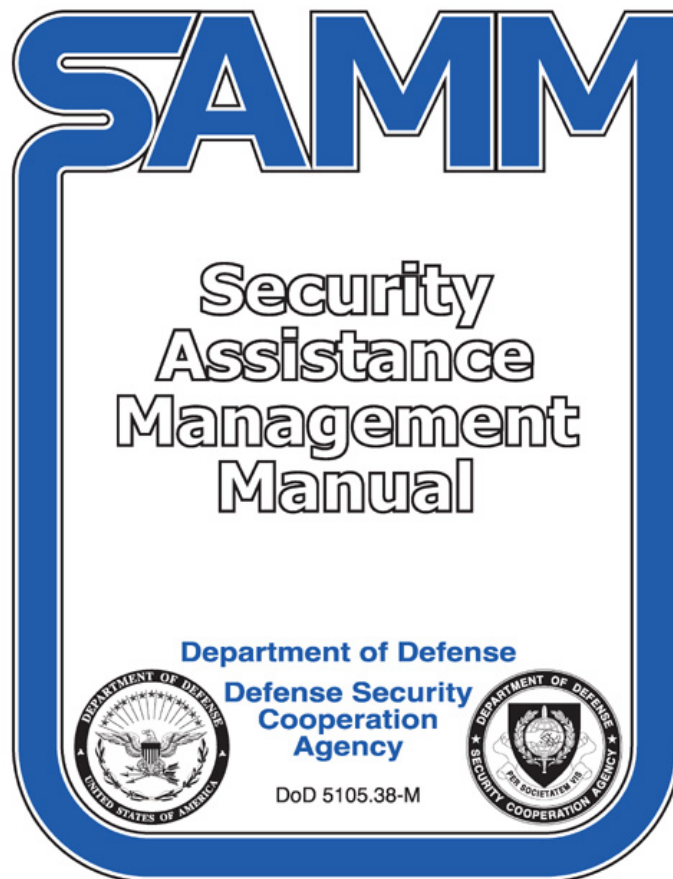
FMS PROCESS:

- Country identifies a requirement and works with the Security Assistance Organization (SAO) to develop a Letter of Request (LOR)
- The LOR is submitted to the U.S. Government for action.
 - Significant Military Equipment (SME) requests that originate in-country are addressed to the cognizant Department of Defense (DoD) Component with information copies to the DoS (Bureau of Political-Military Affairs) (DoS(PM)), the Defense Security Cooperation Agency (DSCA), and the Combatant Command. The U.S. Embassy or SAO must provide a "country team assessment," in the request transmission.
 - Non-SME requests that originate in-country are transmitted either by the purchaser's authorized representative or the DoD element of the U.S. country team to the appropriate DoD Component with information copies to the Combatant Command and DSCA.
- An LOR Advisory notifies USD(AT&L) and the Chairman of the Joint Chiefs of Staff that DSCA has received an LOR for items or services that meet one of the following criteria:
 - First introduction of Major Defense Equipment (MDE);
 - MDE that is expected to result in a Congressional Notification under Arms Export Control Act (AECA), section 36(b);
 - Coproduction or licensing agreements for MDE.
 - Items and/or services of a sensitive nature. For example, NVDs are considered items of a sensitive nature.
 - MDE that has not yet completed OT&E. DSCA may not be aware that the requested item(s) has not satisfactorily completed OT&E until the Implementing Agency refers the LOR to DSCA.

- Upon completion of the LOR Advisory, the Military Department that owns the defense article or service prepares an Exception to National Disclosure Policy (ENDP), if required. The Joint Staff has a vote on all ENDPs.
- Following completion of the ENDP or if an ENDP is not required, the Military Department will determine if the sale requires Congressional Notification under Arms Export Control Act (AECA), section 36(b).
 - The AECA, section 36(b) package is coordinated with the OSD Regional Desk, DSCA Regional Directorate, DSCA Weapons Division, DSCA Business Operations/Comptroller, DSCA Legislative and Public Affairs, OSD Legislative Affairs, OSD Public Affairs, and OSD Policy for ENDPs.
 - Once DoD clears on the AECA, section 36(b) package it is sent to the Department of State (DoS) for its review. DoS coordinates the package within State and pre-clears the package with the Congressional Committees' staff. This pre-consultation step may require DoD briefings.
 - Following the Congressional Committees' staff approval, the Department of State approves the AECA, section 36(b) package and sends it to DSCA for submission of the Advance Notification (20 days for non-NATO countries excluding Australia, New Zealand, and Japan), if required, and the Formal Notification (15 days for NATO, Australia, New Zealand, and Japan and 30 days for all other countries).
- If an AECA, section 36(b) Congressional Notification is not required or while the AECA, section 36(b) package is being developed, coordinated, and notified, the Military Department develops a Letter of Offer and Acceptance (LOA) which serves as the government-to-government agreement between the U.S. and the foreign country.
- The Military Department submits the LOA to DSCA for review. Once the DSCA review of the LOA is complete, it is sent to DoS for its review. This final review allows DSCA and DoS to consider any political changes, etc. before approving the LOA. Once DoS coordinated on the LOA, DSCA will countersign the LOA and authorize the Military Department to offer the LOA to the foreign country. NOTE: If a Congressional Notification is required, the LOA cannot be countersigned until the Congressional Notification period expires.
- The Military Department provides a copy of the LOA to the purchaser for their review. If the purchaser accepts the LOA, they must submit a signed copy of the LOA along with an initial deposit to the U.S. Government. If the purchaser chooses not to accept the LOA or wants to refine the LOA, this will be communicated to the SAO or the Military Department.
- Upon receipt of the accepted LOA and initial deposit, the USG can implement the LOA and begin execution of the agreement.

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http://www.dsca.mil/cust_guide2006



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