

## C8. CHAPTER 8

### END-USE MONITORING (EUM)

#### C8.1. DEFINITION AND PURPOSE – END-USE MONITORING

In accordance with the Foreign Assistance Act (FAA), section 505 (reference (b)); the Arms Export Control Act (AECA), sections 3 and 4 (reference (c)); and the Letter of Offer and Acceptance (LOA) Standard Terms and Conditions, purchasers must agree to use articles, training, and services only for their furnished purpose. The End-Use Monitoring (EUM) program scrutinizes the purchaser's use of defense articles and services (to include training provided under International Military Education and Training (IMET) programs or Foreign Military Sales (FMS)) to ensure their use is in compliance with the agreements under which they were provided. EUM includes all actions to prevent misuse or illicit transfer of items or services and covers the item from the time of transfer until disposal. Golden Sentry is the Department of Defense (DoD) program to monitor end-use of defense articles and/or services provided under security assistance programs. Table C8.T1. summarizes EUM legal and policy references.

Table C8.T1. End-Use Monitoring Legal and Policy References

| <b>Reference</b>                              | <b>Subject</b>   |
|---|--|
| AECA, Section 40A (reference (c))             | EUM of defense articles and services sold, leased, or exported under the AECA or the FAA   |
| AECA, Section 38(g)(7) (reference (c))        | Establishes standards for identifying high-risk exports for end-use verification   |
| AECA, Section 3(g), Section 4 (reference (c)) | Requires agreements for the sale or lease of articles on the United States (U.S.) Munitions List (USML) (made after November 29, 1999) to state that the U.S. Government (USG) retains the right to verify credible reports that the article(s) has been used for purposes not authorized under AECA, section 3. |
| FAA, Section 505 (reference (b))              | Requires purchaser agreement to properly use the materiel/services; return net proceeds; and permit observation of the end-use of articles, services, and training   |
| FAA, Section 515(a) (reference (b))           | Requires overseas management of assistance and sales programs  |
| FAA, Section 634 (reference (b))              | Annual Report to Congress on EUM programs in the Congressional Budget Justification for Foreign Operations   |
| Letter of Offer and Acceptance                | Standard Terms and Conditions<br>Non-standard notes as conditions of sale  |
| DoD 4160.21-M-1 (reference (bm))              | Demilitarization   |
| DoD 5100.76-M (reference (ai))                | Arms, Ammunition and Explosives (AA&E)   |

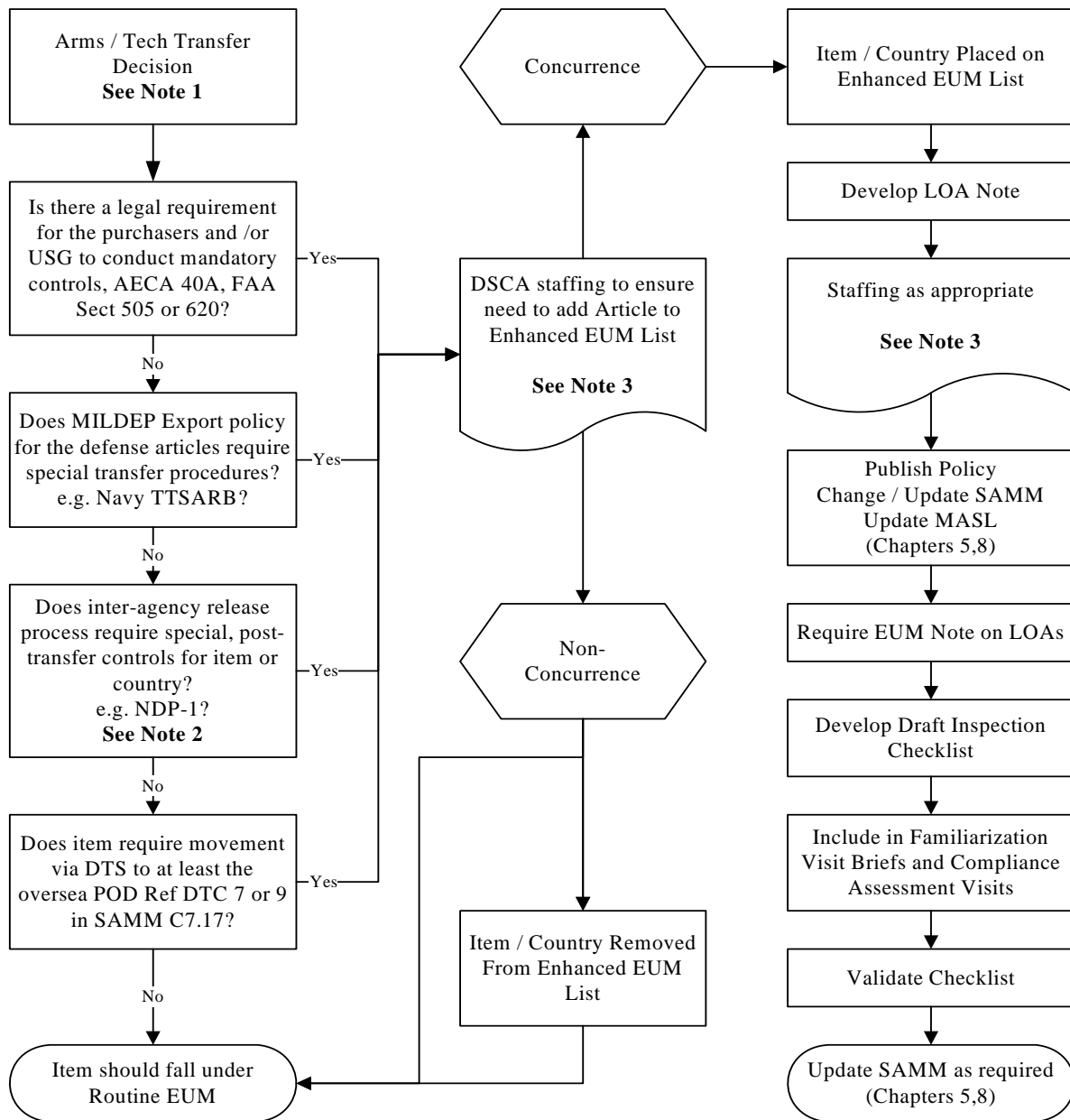
#### C8.2. GOLDEN SENTRY

**C8.2.1. Golden Sentry Goals.** The goals of the Golden Sentry EUM program include: technology security, industrial base protection, and foreign compliance. The type of article and/or service determines the level of monitoring required.

**C8.2.1.1. Routine EUM.** Routine EUM is conducted on defense articles and services that are transferred to trusted partners. The LOAs for these articles and/or services do not include any unique notes and/or conditions associated with the specific transfer. Routine EUM responsibilities are performed in conjunction with other required security assistance duties.

C8.2.1.2. Enhanced EUM. Enhanced EUM is required for sensitive defense articles, services, and technologies; defense articles provided under the provision of FAA, section 505(f) (reference (b)); and technology transfers made within sensitive political situations. For sensitive articles and/or services, LOAs may contain specialized notes or provisos requiring greater physical security and accountability contingent on the principle of trust with verification. Figure C8.F1. identifies the decision process used to determine if an item will be identified as Enhanced EUM. All Enhanced EUM articles are required to be sold on lines using an Enhanced Coded MASL. In addition to routine observations, EUM of these items may require a compliance visit to the host Government by a Defense Security Cooperation Agency (DSCA) led team.

Figure C8.F1. Adding or Removing Defense Items To or From the Enhanced EUM Listing



Notes:

- 1 The MILDEP decision to support an Arms / Technology Transfer is expected to take into consideration current export policy, transportation and physical security requirements.
- 2 The Inter-Agency can recommend special security requirements be applied to a single weapon system or to all Government-to-Government sales to a specific country.
- 3 DSCA staffing will include Programs, Strategy, and Operations Directorates, and the Office of General Counsel.

C8.2.2. End-Use Controls. End-use controls within Government programs are focused in two areas.

C8.2.2.1. Authorized item recipients that prove consistently trustworthy of receiving defense articles and services and maintain good interface with the United States to provide required protections, especially after delivery; and maintain good internal accountability for defense items. The Security Cooperation Organization (SCO) and other USG representatives assist country representatives to maintain or improve item controls.

C8.2.2.2. A system of checks and cross-checks that ensures: items are ordered by a country and/or international organization that is authorized to participate in AECA and FAA programs and has formally agreed to protect the articles or information received; release is properly cleared within the Department of State (DoS) and/or DoD coordination process; and delivery is to an authorized country and/or organization representative.

C8.2.3. EUM Responsibilities. Proper use of U.S.-origin items is a joint responsibility of the recipient and USG personnel to include the SCO, the Military Department (MILDEP), DSCA, Combatant Command, DoS, etc. U.S. representatives have responsibility for the items until they are physically transferred to the recipient. The recipient assumes this responsibility based on agreements under which the transfers are made, including restrictions on transfers to a third party or other disposal. Table C8.T2. lists organizations and their EUM responsibilities.

Table C8.T2. End-Use Monitoring Responsibilities

| Organization  | Responsibility   |
|---|--|
| DSCA (Programs Directorate)                                 | <ul style="list-style-type: none"> <li>• Perform overall management of the DoD EUM program, referred to as Golden Sentry.</li> <li>• Provide policy and guidance for the Golden Sentry program. In coordination with MILDEPs and other agencies, identify sensitive technologies and arms transferred via Government-to-Government programs with security EUM notes and provisos. Coordinate on all EUM notes and provisos included on LOAs.</li> <li>• Oversee the fiscal Budget Planning, Programming, and Execution of the FMS Administrative funding of all EUM activities.</li> <li>• Work to improve the monitoring process of the phases of the export process that are most susceptible to diversion or retransfer: shipping, use, storage, and disposal. Forward reports of possible AECA and FAA violations to the DoS Bureau of Political-Military Affairs (DoS (PM)).</li> <li>• Participate in bilateral USG meetings when EUM is an agenda item.</li> <li>• Conduct visits to: <ul style="list-style-type: none"> <li>○ Combatant Commands' Headquarters and the Areas of Responsibility (AOR) for regional forums</li> <li>○ SCOs,</li> <li>○ Host Nations and international organizations to assess compliance with Enhanced EUM procedures, and to respond to allegations of possible AECA, section 3 violations (compliance visits).</li> </ul> </li> <li>• Publish reports to provide EUM lessons-learned to the security cooperation community.</li> </ul>   |
| Defense Institute of Security Assistance Management (DISAM) | <ul style="list-style-type: none"> <li>• Maintain a Golden Sentry primary point of contact (POC).</li> <li>• Include information on the DSCA Golden Sentry EUM program in curriculum and textbook.</li> </ul>  |
| MILDEPs and Implementing Agencies (IAs)                     | <ul style="list-style-type: none"> <li>• Maintain a Golden Sentry primary POC.</li> <li>• Promulgate EUM policy within the MILDEP.</li> <li>• Include all EUM activities in the fiscal Budget Planning, Programming, and Execution cycles.</li> <li>• In coordination with DSCA Programs Directorate, identify and provide DSCA a recommended listing of sensitive technologies and defense articles to be considered as candidates for Enhanced EUM Management.</li> <li>• Provide recommendations to DSCA for new LOA notes for physical security, accountability, and technology transfer protection for defense articles that require Enhanced EUM management.</li> <li>• Similarly, provide data to DSCA to support any recommendation to remove an item from the list of those that require Enhanced EUM management (Reference Figure C8.F1.).</li> <li>• Include non-standard notes for articles and services that require physical security and accountability procedures.</li> <li>• Identify EUM notes or provisos included in LOAs during the countersignature approval process.</li> <li>• Coordinate all EUM notes or provisos with DSCA (Programs and Strategy Directorates).</li> <li>• Provide delivery records with serial numbers of all Enhanced EUM items to applicable SCOs and host nations, and input item serial number information into the Security Cooperation Information Portal (SCIP) SCO Toolbox/EUM.</li> <li>• Maintain delivery and inventory records of Enhanced EUM items until final disposal/disposition.</li> <li>• Provide quarterly/end-of-year reports on all required inventories to DSCA Programs Directorate via SCIP or, if SCIP is unavailable, a quarterly report in the format</li> </ul> |

| Organization  | Responsibility  |
|---|---|
|   | <p>indicated in Figure C8.F4.</p> <ul style="list-style-type: none"> <li>• Work to improve the monitoring process of the phases of the export process that are most susceptible to diversion or retransfer: shipping, use, storage, and disposal.</li> <li>• Report possible AECA section 3 violations to DSCA Programs Directorate and DoS (PM/RSAT).</li> <li>• Educate personnel about EUM responsibilities when they travel to countries that have sensitive technologies transferred with EUM provisos.</li> <li>• Provide DSCA Programs Directorate feedback and reports of any possible AECA section 3 violations observed during the visits.</li> <li>• Support Golden Sentry goals and objectives in bi-lateral USG discussions, such as military-to-military meetings, where appropriate.</li> <li>• Support Golden Sentry request for subject matter experts to augment EUM site visits.</li> <li>• Incorporate EUM into workforce training programs, and support efforts by DISAM to educate the security cooperation community on the Golden Sentry program.</li> </ul>  |
| <p>Combatant Commands (COCOMs)</p>  | <ul style="list-style-type: none"> <li>• Maintain a Golden Sentry primary POC.</li> <li>• In accordance with DoD Directive 5132.03 (reference (f)): (1) ensure that Golden Sentry is assigned as a primary responsibility to assigned SCOs (including Defense Attaché Offices or U.S. Diplomatic Missions fulfilling Security Assistance responsibilities) within the AOR; (2) ensure that all EUM activities are captured during the fiscal Budget Planning, Programming, and Execution cycles; (3) provide adequate funding to SCOs to perform EUM; and (4) assess the effectiveness of EUM compliance during Inspector General or similar evaluation team visits.</li> <li>• Develop and promulgate EUM policy, Standard Operating Procedures (SOPs), and/or EUM Compliance plans and send via e-mail to <a href="mailto:EUMHELPDESK@dsc.mil">EUMHELPDESK@dsc.mil</a>.</li> <li>• Assist SCOs to log and track Enhanced EUM items through the SCIP SCO Toolbox/EUM. This includes monitoring EUM SCIP for currency to ensure the AOR is in compliance and performing its requisite inventories.</li> <li>• Provide Quarterly/End-of-Year reports on all required inventories to DSCA Programs Directorate via SCIP or, if SCIP is unavailable, a quarterly report in the format indicated in Figure C8.F6.</li> <li>• Support hosting of, or attendance at, regional EUM forums conducted by DSCA Programs Directorate.</li> </ul> |
| <p>Security Cooperation Organizations (SCOs) (including Defense Attaché Offices and U.S. Diplomatic Missions with Security Assistance responsibilities)</p> | <ul style="list-style-type: none"> <li>• Maintain a Golden Sentry primary POC.</li> <li>• Develop and promulgate country-specific EUM policy, Standard Operating Procedures (SOPs), and/or EUM Compliance plans and send via e-mail to <a href="mailto:EUMHELPDESK@dsc.mil">EUMHELPDESK@dsc.mil</a>.</li> <li>• Review all LOAs and other instruments authorizing Government-to-Government transfer of defense articles and services (e.g., Memorandums of Agreement and Understanding) for notes or provisos requiring EUM physical security or accountability procedures.</li> <li>• Conduct routine EUM visits with host nations in conjunction with other assigned duties.</li> <li>• Work to improve the monitoring process of the phases of the export process that are most susceptible to diversion or retransfer: shipping, use, storage, and disposal.</li> <li>• Support Golden Sentry team visits and coordinate details with host nations. Ensure that all EUM activities are captured during the fiscal Budget Programming and Execution cycles.</li> <li>• Establish reporting procedures with the host nations for all Enhanced EUM items, including the remaining Military Assistance Program (MAP) articles in host nations' inventories.</li> <li>• Report to DSCA Programs Directorate when required EUM inventories are completed, and the projected dates of future EUM compliance visits.</li> </ul>           |

| Organization                           | Responsibility   |
|--|--|
|  | <ul style="list-style-type: none"> <li>• To maximize resources and minimize the disruptions upon host nations, when possible, USG EUM site visits should be scheduled in conjunction with dates of required host nations' inventories.</li> <li>• Respond to queries pertaining to the shipping, receipt, use, or disposal of defense articles and services provided to host nations.</li> <li>• Ensure all Enhanced EUM items are included, by serial number, in the SCIP SCO Toolbox/EUM.</li> <li>• Ensure the accuracy and currency of Enhanced EUM inventory records.</li> <li>• Perform required enhanced EUM scheduled inventories and update EUM SCIP by the next inspection due date.</li> <li>• Maintain delivery and inventory records of Enhanced EUM items until final disposal/disposition.</li> <li>• Provide Quarterly/End-of-Year reports on all required inventories to their respective COCOM via SCIP or, if SCIP is unavailable, a quarterly report in the format indicated in Figure C8.F5. Forward reports of possible AECA and FAA violations to DoS (PM) and DSCA Programs Directorate.</li> <li>• Immediately report the destruction, loss, theft, or unauthorized access of any Enhanced EUM items listed in an LOA to DSCA Programs Directorate, Department of State (PM/RSAT), Combatant Command, Joint Chiefs of Staff (J-5), and Defense Technology Security Administration (for NVDs only).</li> <li>• Establish and maintain liaison with the U.S. Embassy's Blue Lantern representatives. Blue Lantern is the DoS end-use check program to verify the bona fides of proposed recipients and delivery of defense articles and services sold commercially and delivered under an export license. If required by the Ambassador to provide support, ensure that Blue Lantern support costs by SCO personnel are captured for reimbursement on the SCO Quarterly Report (Figure C8.F5.).</li> <li>• Support hosting of, or attendance at, regional EUM forums conducted by DSCA Programs Directorate.</li> </ul> |
| Defense Threat Reduction Agency (DTRA) | <ul style="list-style-type: none"> <li>• Maintain a Golden Sentry primary point of contact.</li> <li>• Educate DTRA personnel about EUM responsibilities prior to traveling to countries that have sensitive technologies transferred with EUM provisos.</li> <li>• Provide DSCA Programs Directorate feedback and reports of any possible AECA section 3 violations observed during all visits.</li> <li>• Support Golden Sentry goals and objectives, as needed, during DSCA-hosted bi-lateral USG discussions, such as military-to-military meetings, regional EUM forums, or as appropriate. Incorporate EUM workforce training programs to educate the DTRA community on the Golden Sentry Program.</li> <li>• Provide to DSCA Programs Directorate a cost analysis of all DTRA EUM activities at the conclusion of each mission and a summary at the end of each FY for DSCA's Budget Planning, Programming, and Execution cycle.</li> <li>• During any EUM Compliance Assistance Visits (CAV), identify to DSCA Programs Directorate additional provisos that should be included in LOAs.</li> <li>• CAV Support Missions for DSCA. <ul style="list-style-type: none"> <li>○ Support Golden Sentry team visits by providing Subject Matter Experts to augment EUM site visits.</li> <li>○ Support the Golden Sentry team by conducting inventories to ensure compliance with the EUM checklists.</li> </ul> </li> <li>• Supplemental Support to SCOs. <ul style="list-style-type: none"> <li>○ Support Golden Sentry team visits by coordinating details with host nation SCOs through DSCA.</li> <li>○ Provide an After Action Report (AAR) of any support visits to DSCA Programs Directorate.</li> </ul> </li> </ul>   |

C8.2.4. EUM Visit Guidance. The Golden Sentry EUM program includes in-country visits to assess EUM compliance programs. There are three types of visits: an EUM Familiarization Visit; an EUM Compliance Assessment Visit (CAV) (formerly referred to as a Tiger Team Visit); and an EUM Investigation Visit. Each visit is unique to the host nation and equipment being assessed.

C8.2.4.1. EUM Familiarization Visit Guidance. The purpose of an EUM Familiarization Visit is to assist the host nation, the Security Cooperation Organization (SCO) (or equivalent organization/office), and the Combatant Command in developing effective EUM compliance plans. It also provides an opportunity for the DSCA EUM representative to determine the requirements for conducting a potential future EUM Compliance Assessment Visit. A Familiarization Visit may be prompted by a request from the host nation, SCO, or by a request from the Combatant Command to validate EUM programs within their theater. It can also be prompted by the introduction of specific equipment into the region/country or by the need to aid in planning an upcoming Compliance Assessment Visit. Table C8.T3. presents the timeline and formal requirements to ensure a well coordinated and documented EUM Familiarization Visit. Informal correspondence may occur prior to these actions.

Table C8.T3. EUM Familiarization Visit Timeline and Requirements

| Event No. | Timeframe  | Description   |
|-----------|--|---|
| 1         | Not later than 30 days prior to visit                        | <ul style="list-style-type: none"> <li>• DSCA (Programs Directorate) transmits a Country/Theater Clearance Message in accordance with Foreign Travel Guidance. This message is coordinated with DSCA (Operations Directorate) and identifies major topics to be discussed.</li> </ul>   |
| 2         | Upon receipt of Country/Theater clearance message (Event #1) | <ul style="list-style-type: none"> <li>• SCO acknowledges confirmation for the Familiarization Visit and identifies POCs for each subject to be discussed.</li> <li>• SCO ascertains if the visit will be limited to U.S. members only or if host nation participation is warranted.</li> </ul>   |
| 3         | 15 days prior to visit                                       | <ul style="list-style-type: none"> <li>• SCO finalizes itinerary with DSCA (Programs Directorate) and, if applicable, the host nation.</li> <li>• SCO finalizes requirements for the visit, confirms entry information for each site to be visited, and assures that unit commanders have received the required authorization and understand the nature and purpose of the visit.</li> </ul>  |
| 4         | Familiarization Visit  | <ul style="list-style-type: none"> <li>• SCO provides assistance at the airport to the incoming EUM Familiarization Visit participants when requested.</li> <li>• An SCO representative meets with visit participants upon arrival at the hotel and/or duty location, if required.</li> <li>• Each Familiarization Visit must include the following:               <ul style="list-style-type: none"> <li>○ Meeting with EUM Familiarization Visit participants and the U.S. country team</li> <li>○ Meeting with EUM Familiarization Visit participants and the host nation (if applicable)</li> <li>○ Update of Golden Sentry Program by DSCA</li> <li>○ Discuss type and quantity of enhanced EUM articles transferred to the host nation</li> <li>○ Discuss SCO and host nation's current compliance with EUM requirements</li> <li>○ Discuss compliance plan development commensurate with the SCO's unique manning</li> </ul> </li> </ul> |

| Event No. | Timeframe   | Description  |
|-----------|---|--|
|           |   | <ul style="list-style-type: none"> <li>○ Discuss possible future Compliance Assessment Visit</li> <li>○ Site visits if required</li> <li>○ Out-brief U.S. country team and host nation as appropriate</li> <li>● While the Familiarization Visit is not intended to do physical inventories or compliance verification, the EUM Familiarization Visit Team may observe problems during the visit that must be addressed immediately. If the Familiarization Visit uncovers evidence of a potential AECA, section 3 or FAA, section 505 violation, see Event #5. Otherwise, see Event #6.</li> </ul>  |
| 5         | Immediately on discovery of a potential AECA, section 3 or FAA, section 505 violation | <ul style="list-style-type: none"> <li>● The EUM Familiarization Team notifies the SCO and country-team with details about the potential violation.</li> <li>● The EUM Familiarization Team notifies the Director (Programs Directorate) with details about the potential violation and SCO/country team response.</li> <li>● If there is a possible violation, the Director (Programs Directorate), in coordination with the appropriate Regional Director and the U.S. DoS, will prepare talking points to be used by the country-team to (1) notify the host nation of the possible violation and (2) request that the host nation respond to the issue within 30 days.</li> <li>● If the host nation's response and subsequent assessments confirm the potential violation, DSCA forwards information regarding the potential violation to the U.S. DoS for appropriate action.</li> </ul> |
| 6         | No later than 15 days after return to CONUS   | <ul style="list-style-type: none"> <li>● DSCA EUM lead provides back brief to DSCA (Programs and Operations Directorates)</li> <li>● DSCA EUM lead prepares an after action report for distribution to DSCA, the SCO, and the Combatant Command.</li> </ul>  |

**C8.2.4.2. EUM Compliance Assessment Visit Guidance.** The purpose of a Compliance Assessment Visit is to review and evaluate the Security Cooperation Organization (SCO) (or equivalent organization/office) and host nation's overall EUM compliance program. The EUM Compliance Assessment Visit assesses a country's compliance with specific physical security and accountability agreements, provisos, and other terms of sale. Activities during a Compliance Assessment Visit may include facility visits, record reviews, review of local security policies and procedures, routine or special inventories of U.S. origin defense articles and/or services, etc. EUM Compliance Assessment Visits are coordinated well in advance with the Combatant Command, SCO, and host nation to ensure the EUM team successfully conducts the review. When possible, EUM Compliance Assessment Visits are scheduled to coincide with a host nation's requisite scheduled inventory or other planned events related to the defense articles or services being assessed. Table C8.T4. presents the timeline and formal requirements to ensure a well-coordinated and documented EUM Compliance Assessment Visit. Informal correspondence may occur prior to these actions.

Table C8.T4. EUM Compliance Assessment Visit Timeline and Requirements

| Event No. | Timeframe                   | Description   |
|-----------|-----------------------------|---|
| 1         | 180 days prior to the visit | <ul style="list-style-type: none"> <li>● DSCA Programs Directorate transmits an EUM Advisory message to the SCO, its respective Unified Combatant Commands, and DTRA to notify them of an impending EUM CAV with possible EUM items to be evaluated. This message is coordinated with the Principal Director Operations and the appropriate Regional Deputy.</li> </ul> |

| Event No. | Timeframe  | Description   |
|-----------|--|---|
| 2         | Upon receipt of the Advisory (see Event #1)                  | <ul style="list-style-type: none"> <li>• SCO notifies U.S. country team and the Host Nation of the impending EUM CAV.</li> <li>• SCO confirms receipt of the Advisory message.</li> <li>• The SCO should be aware of all LOAs for assigned countries and any special security or accountability notes included in those documents. Based on the recommended list of items provided by DSCA, the SCO will review these LOAs and/or other appropriate transfer documents for unique physical security and accountability notes or special provisos and provide DSCA Programs Directorate a tentative listing of Enhanced EUM items to be evaluated by the EUM CAV Team.</li> </ul>  |
| 3         | 90 days prior to the visit                                   | <ul style="list-style-type: none"> <li>• DSCA Programs Directorate, in coordination with the DSCA Operations Directorate, confirms to the SCO the list of defense articles/services to be evaluated by the upcoming EUM CAV.</li> </ul>   |
| 4         | 70-89 days prior to visit                                    | <ul style="list-style-type: none"> <li>• SCO should contact the Military Departments for assistance at this time if additional information regarding serial numbers, LOAs, etc., is required.</li> <li>• SCO determines the location of the articles to be assessed within the host nation.</li> <li>• SCO develops a tentative itinerary for the upcoming visit.</li> </ul>  |
| 5         | 70 days prior to visit                                       | <ul style="list-style-type: none"> <li>• SCO provides feedback to DSCA Programs Directorate on the following: <ul style="list-style-type: none"> <li>○ Any U.S. country-team concerns.</li> <li>○ The SCO representative on the EUM CAV Team.</li> <li>○ Combatant Command EUM CAV Team members (if desired by the Combatant Command).</li> </ul> </li> <li>• Recommended additions/deletions from the proposed list of items to be evaluated during the visit.</li> <li>• Draft itinerary based on the locations of the items within the host nation.</li> <li>• The SCO's last inventory list(s) for the item(s) to be reviewed complete with serial numbers.</li> <li>• DTRA provides feedback to DSCA Programs Directorate on representatives on the EUM CAV Team and on any concerns.</li> </ul> |
| 6         | 60 days prior to visit                                       | <ul style="list-style-type: none"> <li>• DSCA Programs Directorate issues an Announcement message that: <ul style="list-style-type: none"> <li>○ Identifies the EUM CAV Team members, and;</li> <li>○ Confirms the list of defense articles and/or services that will be evaluated during the EUM CAV team visit and their physical location(s).</li> <li>○ DSCA provides the assessment checklist for each item to be assessed (Example - See Attachment 4 for Enhanced EUM article checklist for Stinger missiles).</li> </ul> </li> </ul>  |
| 7         | Not later than 30 days prior to visit                        | <ul style="list-style-type: none"> <li>• DSCA Programs Directorate transmits a Country/Theater Clearance Message in accordance with Foreign Travel Guidance. This message is coordinated with the DSCA Operations Director and the Regional Deputy and will cover any in-country support requirements (e.g., transportation). Any changes to information provided in the Announcement message are identified in the Country/Theater Clearance Message.</li> </ul>   |
| 8         | Upon receipt of Country/Theater Clearance Message (Event #7) | <ul style="list-style-type: none"> <li>• SCO acknowledges receipt of the message via e-mail or front channel cable and identifies points of contact (POC) for each area to be evaluated (to include names, phone numbers and email addresses).</li> <li>• SCO conducts final coordination with host nation for site clearance for EUM CAV Team members.</li> <li>• SCO confirms host nation's preparation for the EUM CAV.</li> </ul>   |
| 9         | 15 days prior to visit                                       | <ul style="list-style-type: none"> <li>• SCO finalizes itinerary with DSCA Programs Directorate and the host nation.</li> <li>• SCO finalizes requirements for the visit with the host nation to:</li> </ul>  |

| Event No. | Timeframe                                   | Description  |
|-----------|---|--|
|           |   | <ul style="list-style-type: none"> <li>○ Confirm entry information for each site to be visited.</li> <li>○ Ensure that affected unit commanders have received the required authorization.</li> <li>○ Ensure everyone understands the standards of the evaluation (e.g., 100% serial number inventory with containers open; 5% random open containers with remainder container serial number verification; etc.).</li> </ul>  |
| 10        | EUM-Compliance Assessment Visit (CAV)       | <ul style="list-style-type: none"> <li>● SCO ensures someone is at the airport to assist the EUM CAV Team participants when requested by the team.</li> <li>● SCO representative meets with visit participants upon arrival at the hotel and/or duty location, if required. <ul style="list-style-type: none"> <li>○ Each EUM CAV Team must include the following: <ul style="list-style-type: none"> <li>○ Meeting with EUM CAV Team members and the U.S. country team.</li> <li>○ Meeting with EUM CAV Team members and the host nation.</li> <li>○ Update of Golden Sentry Program by DSCA.</li> <li>○ Assessment of SCO and host nation's current compliance with EUM requirements.</li> <li>○ Review the records for the specific items identified in the Announcement message (Event #6).</li> <li>○ Conduct site visits to evaluate facility physical security and accountability procedures for the locations identified in the Announcement message (Event #6)</li> <li>○ Provide out-briefings for U.S. country team and host nation. Preliminary observations and findings will be discussed, to include providing preliminary assessment results of Satisfactory, Needs Improvement, or Unsatisfactory and timeline for host nation receipt of final report.</li> <li>○ If the EUM CAV Team is unable to complete the visit for any reason, see Event #11.</li> <li>○ If during the CAV, evidence of a possible AECA Section 3 or FAA Section 505 violation is uncovered, see Event #12.</li> <li>○ If the EUM CAV does not uncover any evidence of an AECA Section 3 or FAA Section 505 violation and is able to complete the assessment, see Event #13.</li> </ul> </li> </ul> </li> </ul> |
| 11        | Immediately upon identification of problems | <ul style="list-style-type: none"> <li>● The DSCA EUM CAV Team lead notifies the SCO and country-team with details about why they are unable to successfully complete the visit.</li> <li>● The DSCA EUM CAV Team lead notifies the Principal Director, Programs Directorate, with details about the problem precluding a successful visit, and SCO/country team response.</li> <li>● The Principal Director, Programs Directorate, in coordination with the Principal Director, Operations Directorate, will determine appropriate course of action and notify the EUM CAV Team lead during the visit.</li> <li>● After return to CONUS, the EUM CAV Team lead will work with the Operations Directorate to develop a follow-up course of action as required.</li> </ul>  |

| Event No. | Timeframe  | Description   |
|-----------|--|---|
| 12        | Immediately upon discovery of a potential AECA Section 3 or FAA Section 505 violation (See SAMM 8.5) | <ul style="list-style-type: none"> <li>• The EUM CAV Team notifies the SCO and country-team with details about the potential violation.</li> <li>• The EUM CAV Team notifies the Principal Director, Programs Directorate, with details about the potential violation and SCO/country-team response.</li> <li>• If there is a possible violation, the Principal Director, Programs Directorate, in coordination with the Principal Director Operations Directorate and the U.S. Department of State, will prepare talking points to be used by the country-team to:               <ol style="list-style-type: none"> <li>(1) Notify the host nation of the possible violation and</li> <li>(2) Request that the host nation respond to the issue within 30 days.</li> </ol> </li> <li>• If the host nation's response and subsequent assessments confirm the potential violation, DSCA formally forwards information regarding the potential violation to the U.S. Department of State for appropriate action.</li> </ul> |
| 13        | Usually no later than 15 days after the visit  | <ul style="list-style-type: none"> <li>• DSCA EUM CAV Team lead provides back brief to DSCA Programs and Operations Directorates.</li> <li>• DSCA EUM CAV Team lead prepares Interim Team After-Action Report (TAR) providing preliminary assessment results of Satisfactory, Needs Improvement, or Unsatisfactory and distributes to DSCA, the SCO, and the other EUM CAV Team members for coordination and comment. (See Figure C8.F2. for the TAR format.).</li> </ul>   |
| 14        | Upon receipt of Interim TAR (no later than 20 days after the visit)                                  | <ul style="list-style-type: none"> <li>• SCO reviews Interim TAR and provides input to the DSCA EUM CAV Team lead.</li> <li>• EUM CAV Team members review Interim TAR and provide input to the DSCA CAV Team lead.</li> </ul>   |
| 15        | Upon receipt of comments (no later than 25 days after the visit)                                     | <ul style="list-style-type: none"> <li>• DSCA EUM CAV Team lead prepares Final TAR providing overall assessment results of Satisfactory, Needs Improvement, or Unsatisfactory for the Host Nation and the SCO Country Team.</li> <li>• Final TAR is approved by the Director, DSCA, and sent to the Commander of the appropriate Combatant Command.</li> </ul>  |

**C8.2.4.3. EUM Investigation Visit Guidance.** The purpose of an EUM Investigation Visit is to examine possible violations of AECA, section 3 and FAA, section 505. These visits may be prompted by intelligence reports and/or other sources that indicate a host nation may be using U.S.-origin defense articles and services in ways that do not comply with U.S. laws and policies. EUM Investigation Visits are conducted as expeditiously as possible within the required coordination for foreign travel from the United States. Because of the unique nature and political sensitivity associated with this type of visit, each EUM Investigation Visit is handled on a case-by-case basis in concert with DoS.

Figure C8.F2. Compliance Assessment Visit (CAV) Team After Action Review (TAR) Format

**Compliance Assessment Visit (CAV) Team After Action Review (TAR)  
Golden Sentry End Use Monitoring (EUM) Assessment Visit**

|                          |  |  |  |
|--------------------------|--|--|--|
| <b>TODAY'S DATE:</b>     |  | <b>COUNTRY:</b>                                  |  |
| <b>START DATE:</b>       |  | <b>RETURN DATE:</b>                              |  |
| <b>EXECUTIVE SUMMARY</b> |  |  |  |
|                          |  |  |  |
| <b>ITINERARY</b>         |  |  |  |
| <b>SAMPLE</b>            |  |  |  |
| <b>FINDINGS</b>          |  |  |  |
|                          |  |  |  |
| <b>OVERALL</b>           | <b>SATISFACTORY</b> <input type="checkbox"/> | <b>NEED IMPROVEMENT</b> <input type="checkbox"/> | <b>UNSATISFACTORY</b> <input type="checkbox"/> |
| <b>COMMENTS</b>          |  |  |  |
|                          |  |  |  |



Figure C8.F2. Compliance Assessment Visit (CAV) Team After Action Review (TAR)  
Format (continued)

**Compliance Assessment Visit (CAV) Team After Action Review (TAR)  
Golden Sentry End Use Monitoring (EUM) Assessment Visit**

|   |  |
|---|--|
| <b>CAV TEAM AFTER ACTION REVIEW (TAR) COMMODITY</b> |  |
| <b>SAMPLER NAME/ORG/PHONE</b>                       |  |
| <b>HOST NATION PROCEDURES</b>                       |  |
|   |  |
| <b>USG PROCEDURES</b>                               |  |
|   |  |
| <b>DSCA PROCEDURES (IF ANY)</b>                     |  |
|   |  |
| <b>CONCLUSION</b>                                   |  |
|   |  |

**SAMPLE**

### C8.3. ARTICLES OR SERVICES REQUIRING ADDITIONAL CONTROLS ON END-USE

C8.3.1. Classified Items. The following are examples of added controls that apply to classified items:

C8.3.1.1. General Security of Military Information Agreements (GSOMIAs). A GSOMIA is a bilateral Government-to-Government agreement, negotiated through the Office of the Under Secretary of Defense for Policy (USD(P)) upon receipt of authorization from the DoS. GSOMIAs are developed and implemented when release of classified military information is beneficial to the USG. This occurs before cooperative programs are implemented, including those under the FAA and AECA (references (b) and (c)), and before sensitive items are released. The GSOMIA states that each party to the agreement shall treat classified information with the same degree of security protection required by the releasing Government. It contains provisions concerning the use of the information, third party transfers, and proprietary rights. It specifies that transfers of information are on a Government-to-Government basis and provides that both parties agree to report any compromise, or possible compromise, of classified military information provided by the other party, but states there is no commitment or requirement to transfer classified military information. The GSOMIA states that both parties shall permit visits by security experts of the other party for the purpose of conducting an assessment of governmental security programs at both military and defense industrial facilities.

C8.3.1.2. Releasability. Early in the process leading to a defense item's release, analyses are performed to determine to what extent classified hardware or information can be released. Classified items are released only to the extent necessary to meet immediate program needs.

C8.3.1.3. Terms and Conditions. Standard terms and conditions within each transfer agreement require the same security controls as the United States would provide for itself. Special investigations and inspections must be completed and the Department of Defense must grant clearance prior to the shipment of any classified item through a country freight forwarder. Transportation plans that show specific controls in each stage of item delivery are necessary prior to approving shipment of classified items outside Defense Transportation System (DTS) channels.

C8.3.2. Arms, Ammunition and Explosives (AA&E). AA&E items require special protection and the requestors must submit a plan for safeguards of these items during the Letter of Request (LOR) and/or Pre-LOA process. The Department of Defense applies stringent AA&E controls while items are in U.S. custody and the same standards must be applied to the items upon release to the purchaser. Although recipient countries seldom assume control of sensitive AA&E items within the continental United States, except as cargo loaded and prepared for departure, USG security standards must apply throughout the lifecycle of the weapon system (i.e., transportation, delivery, operational use, storage, and destruction processes). Additionally, a site survey may be required to insure that appropriate physical security measures are in place at the destination prior to the delivery of the weapon systems. See DoD 5100.76-M, and the SAMM, (reference (ai) and SAMM Chapter 7, section C7.17), for more information regarding AA&E items. If AA&E items replace obsolete U.S.-origin or licensed items in the purchaser's inventory, a disposal plan for the items being replaced must be submitted with the LOR.

C8.3.3. Stinger/Man Portable Air Defense System (MANPADS). Any transfer of Stinger/MANPADS must include the security requirements notes shown in Chapter 5, Table C5.T5. The Implementing Agency also ensures any foreign production agreements incorporate these requirements. The following procedures apply when an LOA for the purchase of a MANPADS is accepted, co-production arrangements are implemented, or MANPADS are provided under the drawdown authority of FAA, section 506(a) (reference (b)). (See Chapter 11 for more information on drawdowns.)

C8.3.3.1. The U.S. Army provides a copy of the transfer authority document to the in-country SCO.

C8.3.3.2. U.S. Army personnel inspect the physical security arrangements prior to the delivery of the first shipment of Stinger/MANPADs to ensure that security meets U.S. requirements as stipulated in the transfer agreements.

C8.3.3.3. The U.S. Army notifies the SCO when delivery of the missiles is to begin, including serial numbers for each increment of missiles and grip stocks or other essential components.

C8.3.3.4. The SCO arranges with the recipient to verify receipt in country of the missiles, grip stocks, and other essential components, by serial number, except for missile systems deployed to hostile areas. The recipient and a USG representative verify receipt to their Combatant Command Headquarters and the U.S. Army. This inventory serves as further confirmation of the recipients' capabilities to secure and account for the Stinger/MANPADS and essential components. It occurs after initial shipments of missiles and/or grip stocks are placed in long-term storage or with operating forces. This inspection and/or inventory shall be completed not later than 30 days following receipt of the first missile in country, or the return of previously exempted missiles from the hostile area.

C8.3.3.5. Except for missiles deployed to hostile areas, the SCO physically inventories 100 percent of in-country Stinger missiles, grip stocks, and other essential components annually. The inventory must include review of the recipient's records of monthly two-man verifications as required by the Stinger/MANPADS LOA or other arms transfer document note. Unless problems indicate the necessity for such action, the manufacture's sealed missile and weapon round containers should not be opened during the inventory. Inventory results (initial and annual reports) are provided to the respective Combatant Command Headquarters and the U.S. Army.

C8.3.3.6. The Combatant Commands ensure that the SCO establishes procedures that facilitate the purchaser to report any instances of compromise, unauthorized use, loss or theft of Stinger/MANPADS materiel or related information within 5 days. Reportable instances are investigated, and proposed corrective measures developed to ensure that there is not a recurrence. Within 15 days of the completed investigation, the SCO forwards these investigative results and proposed corrective action to their Combatant Command Headquarters, DSCA (Programs Directorate), and the U.S. Army.

C8.3.3.7. The Combatant Commander and/or Director, DSCA may determine, based on assessment of the threat to security in the area, or other compelling reasons, that other special actions are necessary for either an additional inventory or less than 100 percent inventory. If this determination is made, the Combatant Commander or Director, DSCA notifies each other's respective Headquarters in writing at the General Officer, Flag, or SES level.

C8.3.3.8. By December 1st of each year, the Combatant Command Headquarters consolidates and provides an inventory report of Stinger missiles and essential components within their Area of Responsibility to DSCA (Programs Directorate). Additionally, by December 1st of each year, the U.S. Army provides a report of Stinger missile deliveries, by quantities and source to DSCA (Programs Directorate) and the applicable Combatant Command Headquarters.

C8.3.3.8.1. The Combatant Commands' annual inventory report indicates by country, transfer source (i.e., FMS; FAA, section 506(a) (reference (b))); Stinger production group and other foreign production programs), the date of the completed inventories, projected inventory dates, resources expended for compliance, i.e., man hours and travel cost, quantity of missiles and grip stocks on hand, and expended missiles and grip stocks during the reporting period and how they were expended.

C8.3.3.8.2. The Army's reported data includes the quantities of missiles and grip stocks from each source (i.e., FMS; FAA, section 506(a) (reference (b))); Stinger production group and other foreign production programs) delivered to each recipient during that year. As requested, the U.S. Army should provide advice and other technical support to assist SCOs in missile inventories or other accountability measures.

C8.3.4. Tube-Launched, Optically-Tracked, Wire-Guided (TOW-2B) Missiles. For each FMS offer of TOW-2B missiles, the MILDEP consults DSCA (Operations Directorate) regarding the addition of an LOA note on physical security and accountability. See Chapter 5, Table C5.T5. for the exact note wording.

C8.3.5. Javelin. For each FMS offer of Javelin Close Combat Missile System, the MILDEP adds a note to the LOA that identifies physical security and accountability requirements. See Chapter 5, Table C5.T5. for exact note wording.

C8.3.6. Advanced Medium-Range Air-to-Air Missiles (AMRAAM). For each FMS offer of AMRAAM, the MILDEP adds a note to the LOA that identifies physical security and accountability requirements. See Chapter 5, Table C5.T5. for exact note wording.

C8.3.7. Category III Missiles (Stand-off Land Attack Missile-Expanded Response (SLAM-ER), Air Intercept Missile-9X (AIM-9X), and Harpoon Block II). For each FMS offer of Category III (SLAM-ER, AIM-9X, and Harpoon Block II) missiles, the MILDEP adds a note to the LOA that identifies physical security and accountability requirements. For the AIM-9X Category III Missile, the LOA note includes an additional section to address the Category II components associated with the missile. See Chapter 5, Table C5.T5., for the exact note wording.

C8.3.8. Night Vision Devices (NVDs). For each FMS offer of NVDs, the Implementing Agency adds a note to the LOA that identifies physical security and accountability requirements. See Chapter 5, Table C5.T5. for exact note wording. The Implementing Agency will include the DSCA NVD Approval memorandum as supporting documentation to the LOA.

C8.3.8.1. NVD Requirements. The Implementing Agency provides a list of serial numbers for all NVD devices and image intensifier tubes to the SCO and DSCA; provides the anticipated and actual shipping date of the items to the SCO and DSCA; provides the NVD supplier with all technical provisos, and provides a copy of the signed LOA to the Defense Technology Security Administration (DTSA). Prior to conducting an inventory, the USG representative ensures that the requirements specific to NVDs are communicated to the host nation (normally through the SCO). The host nation must be prepared to show the NVD storage facility to the EUM team and all NVDs must be removed from their containers and ready for inspection. The host nation must have a copy of its physical security and accountability control plan and inventory documents available for review. The SCO reviews and maintains a copy of the purchaser's physical security and accountability control plan, forwards a copy of this plan to DSCA, and maintains the serial number list of all NVD devices and image intensifier tubes transferred to the host country.

C8.3.8.2. NVD Inventories. Following delivery of the NVDs, the Combatant Command (or USG representative) conducts a 100% inventory by serial number. The results of this inventory are reported to DTSA and DSCA (Programs Directorate). The SCO assists with or conducts USG inventories and inspections as required.

C8.3.8.3. NVD Destruction, Loss, Theft, or Unauthorized Access. In case of the destruction, loss, theft, or unauthorized access of any NVDs transferred by the USG, the purchaser agrees to report the incident immediately to the SCO. The SCO immediately reports the incident to DSCA (Programs Directorate), DTSA, Combatant Command, Joint Chiefs of Staff (J-5), and the Department of State and provides a written report within 15 days.

#### C8.4. SITUATIONS REQUIRING ADDITIONAL CONTROLS ON END-USE

Situations may occur in a country or region that necessitate additional end-use checks. For example, if a country develops ties with countries to which U.S. defense exports are prohibited (see 22 CFR Part 126.1 (reference (n)) for more information); if unusual political or military upheaval has occurred or is impending; if countries unfriendly to the United States in the region are seeking U.S. equipment or support items of the types held by the legitimate user; or if substantial problems are found during a GSOMIA security survey, the in-country Golden Sentry point of contact should contact DSCA (Programs Directorate) to discuss the situation and obtain further guidance.

#### C8.5. UNAUTHORIZED END-USE

If the SCO Golden Sentry point of contact finds an indication of unauthorized end-use within a country and cannot resolve it locally, he or she expeditiously forwards the information to the DoS Office of Regional Security and Arms Transfer Policy (DoS (PM/RSAT)), with information copies to DSCA (Programs Directorate) and the Combatant Command.

C8.5.1. Section 3 Violations. The DoS determines if the AECA, section 3 (reference (c)) criteria are met for a report to Congress on the possible end-use violation. The SCO Golden Sentry point of contact coordinates with the political section of the U.S. Embassy as it investigates the alleged unauthorized end-use. Supplementary checks are mandatory when the DoS reports an AECA, section 3 (reference (c)) violation.

C8.5.2. Sample Checks. Within 60 calendar days after notification that such a report has been made, unless directed otherwise by DoS (PM/RSAT), the affected SCO must complete sample checks of at least two U.S.-origin items for each AECA, section 3 (reference (c)) report. The SCO may personally conduct sample checks or use other available resources. Items selected for special checks are those where receipt and subsequent accountability are representative of the item involved in the DoS report.

C8.5.2.1. The primary purpose of the special checks is to determine the adequacy of the country's accounting and/or inventory processes. A secondary purpose is to determine if EUM problems exist for the chosen items. The check should provide information for both the recipient country and the United States to determine if the country's generally sound processes failed due to unusual circumstances, item accounting is not given sufficient priority, or country interests are diverging from those of the United States.

C8.5.2.2. While making the end-use checks, SCOs should be alert for unauthorized use of hardware items as well as information provided during training or in technical assistance support. This includes misuse of operation and maintenance, study, or production technical data. Information gained during the special checks that could be useful in correcting the immediate problem or improving future end-use controls should be shared with the DoS, the Department of Defense, and the Combatant Command. Information obtained by any Country Team member that indicates a violation of end-use or retransfer assurances in the AECA or FAA transfer agreements, should be reported to DoS (PM/RSAT), with information copies to DSCA (Programs Directorate) and the Combatant Command. Information obtained from personnel other than members of the Country Team should be reported through the chain of command to the DoS (PM/RSAT).

## C8.6. EUM AT THE TIME OF DISPOSAL

EUM is a key factor during item disposal. During disposal, items often move from operating units to holding areas, where personnel may not be aware of classified features, potential lethality, or other sensitivities. Recipients must neutralize classified features during the disposal process. Prior to or during the disposal process, recipients must also neutralize features that pose direct danger or environmental hazards.

C8.6.1. Demilitarization. Demilitarization involves the destruction of an item's military capability. If in-country demilitarization practices do not meet U.S. standards, the recipient country should use U.S. demilitarization guidance in DoD 4160.21-M-1 (reference (bm)). Assistance may be purchased from the DoD-integrated materiel managers or the Defense Reutilization and Marketing Service (DRMS). A disposal process that fails to meet U.S. demilitarization standards should be reported to the appropriate U.S. level of the command chain, either within the host country or in the United States for resolution.

C8.6.2. Disposal. A key aspect of EUM is the development of a disposal plan by the host nation in coordination with the SCO. Disposal constitutes a change in end-use for which prior consent from the DoS is required for USML items that are not being disposed of by a DRMO. After a non-USML item has been demilitarized (in accordance with U.S. standards) if necessary, it is no longer a defense article and may be disposed of without DoS approval unless the item was provided on a grant basis by the USG, in which case it would require DoS authorization prior to disposal. This also applies to scrap (Condition Code S) items. However, transfer of USML items to a private entity, even if demilitarized, requires prior approval from the DoS, even for disposal by scrapping. Because the potential for unauthorized disclosure of classified or sensitive information, safety concerns, and other factors vary among countries; the SCOs are to ensure that DoD disposal procedures are followed by the host nations.

## C8.7. QUARTERLY REPORTING AND EUM SCIP GUIDANCE

C8.7.1. Section 40A of the Arms Export Control Act (AECA) requires the President to submit an annual report to Congress describing the actions taken to implement the End-Use Monitoring (EUM) Program, including a detailed accounting of the cost and number of personnel associated with EUM. To compile the necessary data to meet the annual requirement, DoD's Golden Sentry program utilizes an application in the Security Cooperation Information Portal (SCIP), EUM-SCIP SCO Toolbox, to track defense articles transferred to foreign customers under government-to-government programs as well as to capture the costs associated with the execution of the EUM program.

C8.7.1.1. To gain access to the SCIP, authorized users must complete the registration form at <https://www.scportal.us/home/registrationInfo.html>, and fax it to the SCIP Access Administrator. A complete user's manual, with step-by-step instructions can be found in SCIP, under the EUM Support Tab, under "EUM SCIP Handbook and other related documents." Hands-on training is also available for the EUM community via the COCOM Regional Forums. For assistance contact the [eumhelpdesk@dscamail](mailto:eumhelpdesk@dscamail).

C8.7.1.2. The EUM-SCIP application can track defense articles by serial number and by country and also provides inventory management controls. Various fields allow authorized users to add, edit, transfer or record inventories of defense items as well as to capture EUM-related labor hours and cost. Inventory reports help SCOs plan for upcoming inventories as well as highlight "delinquent" items that have not been inspected or inventoried within required periods. SCOs are required to maintain current (as per Table C8.T2., End-Use Monitoring Responsibilities) all inventory records of enhanced EUM items until final disposal/disposition.

C8.7.2. A consolidated shipment/delivery/inventory report from the IAs (Figure C8.F4.), the SCOs (Figure C8.F5.), and the COCOMs (Figure C8.F6.) must be transmitted to DSCA on 15 January, 15 April, 15 July, and 15 October for inclusion into the annual Congressional Budget Justification submission by the Department of State. When submitting these reports, agencies must ensure inventory records are up-to-date and all EUM-related cost and labor hours are captured/reported. SCOs' reports must also include costs related to supporting the State Department's Blue Lantern EUM Program. If EUM-SCIP is unavailable, scanned document reports will be submitted to [eumhelpdesk@dscamail](mailto:eumhelpdesk@dscamail).

C8.7.3. EUM Labor Hours and Cost Reporting Guidance. DSCA's Programs Directorate is responsible for planning and budgeting of EUM-related costs and labor hours IAW AECA § 40A. COCOMs, SCOs, and Implementing Agencies are required to report their labor hours and costs of executing EUM responsibilities to assist DSCA in programming funding for out years. It is important, for the purpose of developing future budget projections, to accurately capture all costs associated with actions taken to identify, inventory, and record information related to the EUM inventory process. To report labor hours and cost within EUM-SCIP, authorized users must log into the SCO Toolbox and access the EUM Labor Hour Cost tab. To access the form shown in figure C8.F3., click the "Labor Hour Cost Input Form" and follow the detailed instructions in table C8.T6. Enter the total dollars and hours associated with each event. If hours or cost are entered in error, add a new line with negative labor hours and negative values under the same Fiscal Year/Quarter so that it will be subtracted from the year/quarter in the report.

Figure C8.F3. Example of EUM Labor Hour & Cost form

**EUM Labor Hour and Cost Reporting**

Note: It is important for the purpose of developing future budget projections, to accurately capture all costs associated with actions taken to identify, inventory and record information reported to the EUM inventory process.

Please select one of the two options below and proceed accordingly

I have no labor hours or costs to report at this time.

Report labor hours and cost

|     | Country | Defense Article | DoD/S | Total Work Hours | Total TDY Costs | Fiscal Year | Fiscal Quarter | Person Performing Inspection | Action Date Format: MM/DD/YYYY | Remarks |
|-----|---------|-----------------|-------|------------------|-----------------|-------------|----------------|------------------------------|--------------------------------|---------|
| 1   |         |                 |       |                  |                 |             |                |                              |                                |         |
| 2   |         |                 |       |                  |                 |             |                |                              |                                |         |
| 3   |         |                 |       |                  |                 |             |                |                              |                                |         |
| 4   |         |                 |       |                  |                 |             |                |                              |                                |         |
| 5   |         |                 |       |                  |                 |             |                |                              |                                |         |
| ... |         |                 |       |                  |                 |             |                |                              |                                |         |

Submit

Table C8.T5. EUM Labor Hour & Cost Reporting Reference

| <b>Pull Down Menu</b>        | <b>Instruction</b>   |
|------------------------------|--|
| Country                      | Enter the country for which you are reporting cost/hours.  |
| Defense Article              | Enter the defense article with which the cost/hours are associated.  |
| DoD/S                        | If the cost/hours are for the Golden Sentry program, enter DoD. If for the Blue Lantern program, enter DoS. If for another program, enter Other and indicate the program in the remarks column.  |
| Total Work Hours             | Enter the total labor hours performing the inventory, including the hours expended traveling to and from the location. Round to the nearest half hour.   |
| Total TDY Costs              | Enter the total cost for this event, including TDY and other associated expenses. Round to the nearest dollar. Do not use dollar signs or commas.  |
| Fiscal Year/Fiscal Quarter   | Enter the Fiscal Year and Fiscal Quarter of the event. If you are unsure of the Fiscal Year/Quarter, enter the current Fiscal Year/Quarter. Fiscal Quarter 1: 1 October – 31 December; Fiscal Quarter 2: 1 January – 31 March; Fiscal Quarter 3: 1 April – 30 June; Fiscal Quarter 4: 1 July – 30 September. |
| Person Performing Inspection | Enter the name of the person who performed the inventory, or the person who witnessed the item being disposed of/expended.   |
| Action Date                  | Enter the date(s) the activity occurred.   |
| Remarks                      | Enter any remarks or comments associated with the activity. If any selection was “Other”, a remark is mandatory.   |

Figure C8.F4. EUM Quarterly Shipment/Delivery Inventory Report for MILDEPs/  
Implementing Agencies (IAs)

| <b>FY20 __, __ Q</b><br><b>EUM QUARTERLY SHIPMENT/DELIVERY INVENTORY REPORT FOR</b><br><b>MILDEPs / IMPLEMENTING AGENCIES (IAs)</b>   |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
|---|-----------------------|--------|------------------------------|--|------|------|--------------|----|---------------|--|--|----------------------|--|----|-----------------------|--|----|--------|--|
| 1. Implementing Agency:   |                       |        | 2. Country:                  |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
|   |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| 3. QTY Delivered (since last report)  |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| a. Enhanced EUM Item  | b. Case Designator    | c. Qty | d. Shipped Date (mm/dd/yyyy) | e. Type of Sale or Grant (FMS, FMF, EDA, etc.) |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
|   |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
|   |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
|   |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
|   |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| 4. Qty shipped/LOA Qty, by serial number listing (via on separate attachment if SCIP was not updated):<br>(sent to <a href="mailto:EUMHelpDesk@DSCA.mil">EUMHelpDesk@DSCA.mil</a> or SCO Toolbox/EUM)   |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| Example: Missiles: AMRAAM, 150/200 shipped, Serial numbers updated in SCIP  |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 60%;">Item</th> <th style="width: 35%;">Qty</th> </tr> </thead> <tbody> <tr> <td>a.</td> <td>Missiles:</td> <td> </td> </tr> <tr> <td>b.</td> <td>Grip Stocks or CLUs:</td> <td> </td> </tr> <tr> <td>c.</td> <td>Night Vision Devices:</td> <td> </td> </tr> <tr> <td>d.</td> <td>Other:</td> <td> </td> </tr> </tbody> </table> |                       |        |                              |  |      | Item | Qty          | a. | Missiles:     |  | b.   | Grip Stocks or CLUs: |  | c. | Night Vision Devices: |  | d. | Other: |  |
|   | Item                  | Qty    |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| a.  | Missiles:             |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| b.  | Grip Stocks or CLUs:  |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| c.  | Night Vision Devices: |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| d.  | Other:                |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| 5. Implementing Agency Comments: (Use separate sheet of paper for more space)   |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
|   |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| 6. Reported by:   |                       |        | 7. Date (mm/dd/yyyy):        |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Name</td> <td> </td> </tr> <tr> <td>Rank</td> <td> </td> </tr> <tr> <td>Organization</td> <td> </td> </tr> <tr> <td>Email address</td> <td> </td> </tr> </table>  |                       |        | Name                         |  | Rank |      | Organization |    | Email address |  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="height: 30px;"></td> </tr> </table> |                      |  |    |                       |  |    |        |  |
| Name  |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| Rank  |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| Organization  |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
| Email address   |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |
|   |                       |        |                              |  |      |      |              |    |               |  |  |                      |  |    |                       |  |    |        |  |

Figure C8.F5a. EUM Quarterly Delivery Inventory Report For SCOs

| FY20 __, __ Q  |                           |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
|--|---------------------------|--|---|--|------|-----|----|-----------|--|----|----------------------|--|----|-----------------------|--|----|--------|--|
| EUM QUARTERLY DELIVERY INVENTORY REPORT FOR SCOs   |                           |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| 1. SCO:  |                           | 2. Country:                                    |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
|  |                           |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| 1. Qty On Hand from previous report:   |                           |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr style="background-color: #e0e0e0;"> <th style="width: 5%;"></th> <th style="width: 70%;">Item</th> <th style="width: 25%;">Qty</th> </tr> </thead> <tbody> <tr> <td>a.</td> <td>Missiles:</td> <td></td> </tr> <tr> <td>b.</td> <td>Grip Stocks or CLUs:</td> <td></td> </tr> <tr> <td>c.</td> <td>Night Vision Devices:</td> <td></td> </tr> <tr> <td>d.</td> <td>Other:</td> <td></td> </tr> </tbody> </table> |                           |  |   |  | Item | Qty | a. | Missiles: |  | b. | Grip Stocks or CLUs: |  | c. | Night Vision Devices: |  | d. | Other: |  |
|  | Item                      | Qty  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| a.   | Missiles:                 |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| b.   | Grip Stocks or CLUs:      |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| c.   | Night Vision Devices:     |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| d.   | Other:                    |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| 2. Additions to Inventory since last report.   |                           |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| <i>a. Enhanced EUM Item</i>  | <i>b. Case Designator</i> | <i>c. Delivery/Inventory Date (mm/dd/yyyy)</i> | <i>d. Type of Sale or Grant (FMS, FMF, EDA, etc.)</i> |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
|  |                           |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
|  |                           |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
|  |                           |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
|  |                           |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| 3. Qty delivered/inventoried by number and percentage (If SCIP has not been updated, include <u>Serial Numbers</u> on separate attachment and send to <a href="mailto:EUMHelpDesk@DSCA.mil">EUMHelpDesk@DSCA.mil</a> ).  |                           |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| Example: Missiles: AMRAAM,150/200 inventoried (75%), serial number listings attached or SCIP updated   |                           |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr style="background-color: #e0e0e0;"> <th style="width: 5%;"></th> <th style="width: 70%;">Item</th> <th style="width: 25%;">Qty</th> </tr> </thead> <tbody> <tr> <td>a.</td> <td>Missiles:</td> <td></td> </tr> <tr> <td>b.</td> <td>Grip Stocks or CLUs:</td> <td></td> </tr> <tr> <td>c.</td> <td>Night Vision Devices:</td> <td></td> </tr> <tr> <td>d.</td> <td>Other:</td> <td></td> </tr> </tbody> </table> |                           |  |   |  | Item | Qty | a. | Missiles: |  | b. | Grip Stocks or CLUs: |  | c. | Night Vision Devices: |  | d. | Other: |  |
|  | Item                      | Qty  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| a.   | Missiles:                 |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| b.   | Grip Stocks or CLUs:      |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| c.   | Night Vision Devices:     |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |
| d.   | Other:                    |  |   |  |      |     |    |           |  |    |                      |  |    |                       |  |    |        |  |

Figure C8.F5b. EUM Quarterly Delivery Inventory Report For SCOs (continued)

| <b>4. Adjustments to Inventory.</b>       |  |
|---|--|
| Transferred:                              |  |
| Quantity transferred:                     |  |
| To USG (qty/date):                        |  |
| Third country (qty/date):                 |  |
| Other (qty/date):                         |  |
| Disposed:                                 |  |
| Quantity Disposed:                        |  |
| Demilitarization confirmed:               |  |
| Demilitarization not confirmed:           |  |
| (Explain why you cannot confirm)          |  |
| Other (explain):                          |  |
| Expended:                                 |  |
| Quantity expended:                        |  |
| Operational (example: combat):            |  |
| Training (example: range firing/testing): |  |
| Inventory Loss: (provide memo):           |  |
| Disposal:                                 |  |
| Transferred to 3 <sup>rd</sup> party:     |  |
| Other (explain):                          |  |
| <b>5. Supporting Cost Data</b>            |  |
| C-12 Flying Hour Program-                 |  |
| Total C-12 flight hours spent:            |  |
| Total # of Locations Inspected:           |  |
| Total # of Locations:                     |  |
| % of Locations Inspected:                 |  |
| Average Cost per Location:                |  |
| C-12 hours flown this period:             |  |
| Blue Lantern support costs                |  |
| Man-hours required:                       |  |
| Personnel Cost (salary and benefits):     |  |
| TDY expenses: Total \$_____               |  |
| TDY (per diem):                           |  |
| Lodging:                                  |  |
| Transportation:                           |  |
| Other reimbursable expenses:              |  |

Figure C8.F5c. EUM Quarterly Delivery Inventory Report For SCOs (continued)

|  |                              |  |      |  |              |  |               |  |  |  |
|--|------------------------------|--|------|--|--------------|--|---------------|--|--|--|
| Resources Used for Compliance of the Mandatory Quarterly Report: (see Figure C8.F3. – EUM Cost Worksheet)  |                              |  |      |  |              |  |               |  |  |  |
| Man-hours required   |                              |  |      |  |              |  |               |  |  |  |
| Personnel Cost (salary and benefits):  |                              |  |      |  |              |  |               |  |  |  |
| TDY expenses: Total:   |                              |  |      |  |              |  |               |  |  |  |
| TDY (per diem):  |                              |  |      |  |              |  |               |  |  |  |
| Lodging:   |                              |  |      |  |              |  |               |  |  |  |
| Transportation:  |                              |  |      |  |              |  |               |  |  |  |
| Other reimbursable expenses:   |                              |  |      |  |              |  |               |  |  |  |
| Total Costs:   |                              |  |      |  |              |  |               |  |  |  |
| <b>6. SCO Comments (Continue on separate page if required):</b>  |                              |  |      |  |              |  |               |  |  |  |
|  |                              |  |      |  |              |  |               |  |  |  |
| <b>7. Reported by:</b>   | <b>8. Date (mm/dd/yyyy):</b> |  |      |  |              |  |               |  |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; padding: 5px;">Name</td> <td style="width: 80%;"></td> </tr> <tr> <td style="padding: 5px;">Rank</td> <td></td> </tr> <tr> <td style="padding: 5px;">Organization</td> <td></td> </tr> <tr> <td style="padding: 5px;">Email address</td> <td></td> </tr> </table> | Name                         |  | Rank |  | Organization |  | Email address |  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="height: 30px;"></td> </tr> </table> |  |
| Name   |                              |  |      |  |              |  |               |  |  |  |
| Rank   |                              |  |      |  |              |  |               |  |  |  |
| Organization   |                              |  |      |  |              |  |               |  |  |  |
| Email address  |                              |  |      |  |              |  |               |  |  |  |
|  |                              |  |      |  |              |  |               |  |  |  |



## C8.8. THIRD PARTY TRANSFERS

In accordance with FAA, section 505 (reference (b)); AECA, section 3 (reference (c)); and LOA Standard Terms and Conditions, foreign Governments may not transfer title to or possession of any defense articles or services to anyone not an officer, employee, or agent of that country until the country receives prior written consent from the USG. Nor should the foreign Government use or permit the use of such articles or services for purposes other than for which they were furnished unless the foreign Government receives prior written consent from the USG.

### C8.8.1. Third Party Transfer Responsibilities

C8.8.1.1. Department of State. The DoS is responsible for authorizing third party transfers of U.S.-origin defense articles and/or services worldwide.

C8.8.1.1.1. Office of Regional Security and Arms Transfer Policy (PM/RSAT). DoS (PM/RSAT) is responsible for coordinating the DoS response to third party requests for the transfer of defense articles and services originally acquired via FMS or grant programs (e.g., MAP, Excess Defense Articles (EDA), or Drawdown).

C8.8.1.1.2. Directorate of Defense Trade Controls (PM/DDTC). Pursuant to AECA, section 38 (reference (c)) and its implementing regulation - 22 C.F.R. 120-130 (reference (n)), DoS (PM/DDTC) is responsible for processing third party requests to transfer defense articles or services originally acquired under a commercial export license or other commercial authorization (such as manufacturing license or technical assistance agreements). DoS (PM/DDTC) also authorizes temporary imports of defense articles into the United States.

C8.8.1.2. Department of Justice. Department of Justice's Bureau of Alcohol, Tobacco, Firearms, and Explosives (BATFE) is responsible for control of the permanent import of USML items into the United States. DoS approval of a retransfer request by a foreign Government must precede and be separate from submission by the importer of a Form 6 import license application to BATFE.

C8.8.1.3. Security Cooperation Organizations (SCOs). SCOs are directly involved only in actions related to retransfers of items received through DoD-administered programs.

C8.8.2. Third Party Transfers: Government-To-Government. The USG may consent to a third party (Government) transfer if the USG would directly transfer the articles to the proposed recipient and the proposed recipient submits the required end-use, retransfer, and security assurances to the USG.

C8.8.2.1. Third Party (Government) Transfer Requests. The divesting Government submits the written third party (Government) transfer request to the USG for consideration. The request is sent to the SCO and/or Embassy who in-turn sends the request to DoS (PM/RSAT) with information copies to DSCA and the SCO of the proposed third party recipient. All transfer requests must include the information provided in Table C8.T6.

Table C8.T6. Requirements for Third Party Transfer Requests – Government-to-Government

| <b>Requirements for Third Party Transfer Requests – Government-to-Government</b> |   |
|--|---|
| 1  | A clear description of the articles/services being transferred including model, any associated equipment, spare parts and/or classified components or data. Also, where possible, indicate whether equipment is Significant Military Equipment (SME) or non-SME and the category under which the article is listed in the USML.   |
| 2  | The original acquisition source of the defense articles/services proposed for transfer (e.g., FMS, grant, etc.). In accordance with FAA, section 505(f) (reference (b)) and prerequisite bilateral agreements, if the defense articles were furnished to a country on a grant basis (e.g., MAP-grants, grant EDA), the net proceeds of the sale of the defense articles received by the grantee must be returned to the USG. The following factors relating to the defense articles should be considered in determining the net proceeds: the value of the defense articles when furnished by the U.S. Government as a percentage of the aggregate of the value of the defense articles when furnished by the U.S. Government added to the value of any capital investment incurred by the grantee in repairing, rehabilitating, or modifying the article (other than routine maintenance and repair expenses); depreciation of that value; and reasonable administrative costs of the sale or disposal. The party requesting the third party transfer of such defense articles must show it has employed a reasonable methodology in calculating the net proceeds [e.g., Net Proceeds = (Gross Sale Proceeds - Administrative Costs of Sale) x (Value at Transfer / (Value at Transfer + Value of Capital Investment))]. DoS may waive return of net proceeds in cases involving grant equipment delivered prior to 1985. There is no waiver authority for articles delivered after 1985. Requests for waiver consideration are included in written transfer requests and must include an estimate of the net proceeds expected, justification/rationale for the request to retain net proceeds, and how the funds will be used. |
| 3  | The year of original acquisition.   |
| 4  | The original acquisition cost or best estimate of that cost.  |
| 5  | The current value if available.   |
| 6  | When possible, the name, title, and contact details for an official in the recipient country with whom DoS (PM/RSAT) can discuss the transfer details and required end-use, retransfer, and assurances.   |
| 7  | If known, the proposed end-use of the articles/services by the proposed recipient.  |
| 8  | U.S. and recipient security interests served by the proposed transfer.  |
| 9  | Proposed timeframe or time constraints with regard to DoS processing of the request. If immediate action is required, provide explanation.  |
| 10   | If the request is for demilitarization and disposal, indicate how this will be accomplished.  |

C8.8.2.2. End-Use, Retransfer, and Security Assurances. The DoS requests end-use, retransfer, and security assurances from the proposed recipient's Ministry of Foreign Affairs (MFA). If the proposed recipient is a member of the Blanket Assurance program (see subparagraph C8.7.2.3.), individual assurances are not required. This request is sent to the U.S. Embassy in the proposed recipient's country (for action) and to the divesting country (for information). These assurances are mandatory, generally non-negotiable, and must be received by DoS before transfer approval. Assurances must be signed by an official in the proposed country who can legally bind the entire Government (usually the MFA). If the Government issues assurances signed by an official of a ministry other than the MFA such as the Ministry of Defense, the U.S. Embassy in that country must confirm in writing that his or her signature binds the entire Government. When the U.S. Embassy receives the end-use, retransfer, and security assurances from the proposed recipient and the language has been translated by the U.S. Embassy to confirm that it does not deviate from the DoS-supplied text, the country team notifies DoS (PM/RSAT) that the assurance requirements are met. Copies are sent to DoS (PM/RSAT), DSCA (Operations and Programs Directorates), and the transferring country. When language supplied to the U.S. Embassy does not appear to meet U.S. requirements, the supplied language is submitted for DoS review.

C8.8.2.3. Blanket Assurances. Governments may sign blanket end-use, retransfer, and security assurances to satisfy legislative requirements for future Government-to-Government retransfers. Governments who sign Blanket Assurances are not required to sign individual assurances to receive USG-origin defense articles from foreign Governments. Blanket members under the Defense Trade Security Initiative (DTSI) program have the added benefit of limited advanced consent. Members can transfer between and among themselves when: the original acquisition value of all transferred articles does not exceed \$7 million; classified defense articles (including classified technical information) are not being transferred; the defense articles to be transferred are already in the inventory of the proposed recipient (no first introduction); and the proposed recipient is either an approved DTSI country or a signatory to the standard blanket assurance program. DTSI assurances, like blanket assurances, apply only to Government-to-Government third-party transfers of USG-origin defense articles. They do not replace the DSP 83 currently used for the retransfer of defense articles originally acquired through Direct Commercial Sales (DCS). Requests for retransfer of these items continue to be reviewed on a case-by-case basis by the USG.

C8.8.3. Third Party Transfers – Government-to-Private Entities. As stated in the FAA and AECA (references (b) and (c)), defense articles and defense services are transferred to foreign Governments to serve U.S. foreign policy objectives. At this time, the DoS adjudicates all requests for transfer of U.S.-origin military equipment to private entities on a case-by-case basis. In submitting a Government-to-private entity transfer request, the divesting country and the SCO follow the same instructions as provided above in subparagraph C8.7.2.1. and Table C8.T6. The DoS requests end use, retransfer, and security assurances from the proposed private entity. The written transfer request should include contact details for a representative of the private entity. An exception is when a country transfers U.S. equipment to a U.S. contractor for the purpose of refurbishing or salvage and the name of the contractor is specifically listed in an LOA note that has been coordinated with DSCA (Programs Directorate) and the DoS. Further transfers of the equipment to a different contractor or other party must also be approved by DSCA (Programs Directorate) and the DoS.

C8.8.4. Congressional Requirements for Third Party Transfers. Third party transfers are subject to Congressional notification and reporting requirements. Re-export of commercial sale-origin defense articles is subject to the requirements of AECA, sections 36 (c) and (d) (reference (c)).

C8.8.4.1. Congressional Notification. Third party transfers are subject to requirements for Congressional notification under AECA, section 3(d) (reference (c)), using guidelines similar to those for AECA, section 36(b) (reference (c)) notifications (see Chapter 5, section C5.6.). A 30-day prior Congressional notification is required for third-party transfer requests that involve defense articles and services with original acquisition values that fall in one of the following categories: Major Defense Equipment (MDE) with an acquisition value equal to or greater than \$14M for non-North Atlantic Treaty Organization (NATO) recipients and \$25M if the recipient is a member of NATO, Australia, Japan, the Republic of Korea, or New Zealand; or any other defense article or related training or defense service with an acquisition value of \$50M or more for non-NATO recipients and \$100M or more for NATO, Australia, Japan, the Republic of Korea, and New Zealand recipients. Approval is granted after the 30-day (including weekends) period has expired if no objections are raised.

C8.8.4.2. Congressional Reporting. All approved third party transfers involving defense articles and services with an original acquisition value of \$1 million or more are submitted in a quarterly report to Congress (AECA, section 36(a)(1) (reference (c))). The Congressional reporting requirement DOES NOT apply to the following:

C8.8.4.2.1. Temporary transfer of defense articles for the sole purpose of receiving maintenance, repair, or overhaul.

C8.8.4.2.2. Transfer of maintenance, repair, or overhaul defense services, or of repair parts or other defense articles used in furnishing such services, if the transfer does not result in any increase, relative to the original specifications, in the military capability of the items.

C8.8.4.2.3. Transfers pursuant to arrangements among NATO members for cooperative cross-servicing.

C8.8.5. Transfers pursuant to arrangements among NATO members, or between NATO and any of its member countries for lead-nation procurement. If the item to be transferred was originally purchased from the United States and was notified to Congress under AECA, section 36(b) (reference (c)), the transfer is exempt from AECA, section 3(d) (reference (c)) reporting if the AECA, section 36(b) report identified the transferee on whose behalf the lead-nation procurement was proposed. For AECA, section 36(b) (reference (c)) sales to a NATO member country purchasing on behalf of a third NATO party, information as to possible subsequent transfers shall be provided to DSCA.