



DEPARTMENT OF THE AIR FORCE
OFFICE OF THE UNDER SECRETARY
WASHINGTON DC 20330-1080

INTERNATIONAL AFFAIRS

MEMORANDUM FOR SEE DISTRIBUTION LIST

28 Jan 03

FROM: SAF/IAP
1080 Air Force, Pentagon
Washington, DC 20330-1080

SUBJECT: Application of Logistics Support Charge (LSC) and Military Articles and Services Listing (MASL) Code Changes (IAPX 03-002)

- References: (a) SAF/IAPX Memorandum 02-023, 8 May 2002
(b) DSCA Memorandum I-02/017354-FM, 11 December 2002 (02-045)
(c) DSCA Memorandum I-03/000273-FM, 9 January 2003 (03-02)

This policy memorandum cancels previous policy issued as identified in reference (a); identifies changes to multiple logistics related MASL codes; and addresses issues, processes, and application of Logistics Support Charge (LSC) on all Air Force Letters of Offer and Acceptance (LOA).

The policy memorandum issued by SAF/IAPX, reference (a), contained fundamentally incorrect assumptions and directions to Air Force field activities. It based determinations on 'who' and 'how' the Air Force acquires logistics support versus the singular litmus test of 'what' is acquired. As such, disregard all instructions contained within reference (a). The application of LSC must be viewed in its totality, and applied consistently across Air Force and other MILDEP LOAs.

As part of Defense Security Cooperation Agency's (DSCA) continued efforts to re-shape policy and procedures, the entire LSC process and appropriate application will be reviewed. It should be noted that any change to policy or procedure stemming from reshaped policy will not be retroactive, and will apply to new cases written after a date to be determined. This is the same methodology used for changes to the Administrative Surcharge and the Contract Administration Services surcharge.

We understand a few of our customers continue to raise the validity and application of LSC on certain logistic-related items acquired through USG channels. While we encourage problem resolution at the lowest level, all field activities should quickly elevate unresolvable customer concerns through appropriate International Affairs channels. Ultimately, SAF/IA is responsible for addressing and responding to customer issues related to the Foreign Military Sales (FMS) program. In our capacity, we will work with appropriate personnel within the Air Force and the DSCA to respond to any and all concerns.

It is our understanding that some activities worked with DFAS-DE personnel and began the process of reversing some LSC charges. However, DSCA must approve and direct the reversal of LSC charges of \$50,000 or greater, as stated in reference (c). Therefore, DSCA instructed DFAS-DE to re-apply LSC charges previously reversed during the December billing cycle. Any customer inquiry related to these transactions should be directed to SAF/IAPX.

Reference (b) contains a listing of MASL code changes. The changes reflect MASLs that should collect LSC, as indicated with a "Y" in the LSC Indicator column, and previously coded incorrectly. DFAS will calculate LSC on these MASLs for all shipments delivery reported with shipments dates on or after 1 January 2003. It is crucial that organizations use an appropriate MASL to distinguish between articles and services acquired through DoD supply channels versus contractor channels. These distinctions are important for correct reporting. Any customer inquiry related to these transactions should be directed to SAF/IAPX.

//Signed//

BETH M. McCORMICK
Director of Policy
International Affairs

Attachments:

1. DSCA Memo I-02/017354-FM, 11 Dec 02
2. DSCA Memo I-03/000273-FM, 9 Jan 03

cc:

See Distribution List



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC 20330-1080

OFFICE OF THE UNDER SECRETARY

8 May 2002

MEMORANDUM FOR AFSAC/IA

FROM: SAF/IAPX
1080 Air Force, Pentagon
Washington, DC 20330-1080

SUBJECT: Policy to Establish the Correct MASL for Logistics Support Charge (LSC)
Computation regarding Contractor Logistic Support (CLS) (IAPX02-023)

For articles where requisitions are developed, issued, and tracked using SAMIS and any DoD supply system, LSC is an appropriate surcharge regardless of how the article is subsequently provided - in stock or procurement. The FMR, Volume 15, Chapter 7, Section 072204, provides a list of MASLs that automatically generate LSC.

For articles wholly purchased via a contractor, where no aspect of the DoD logistics infrastructure is involved, MASL (R9A) 0761000000CLS (N) shall be used on all LOAs. A brief description of the articles provided should be input in the Item Description field in DSAMS.

When processing modifications or amendments to existing cases, the case manager should carefully review the lines and make MASL adjustments as necessary. These corrections will not constitute a change in scope; therefore, a modification vice amendment can be processed. Further, for cases where LSC was erroneously charged, the case manager should work with the applicable Financial/Line Managers and DFAS-DE to reverse LSC collections.

Questions concerning this matter can be directed to Mr. Patrick Fox, SAF/IAPX, DSN 787-8985, commercial 703-588-8985, or email: patrick.fox@pentagon.af.mil.

//signed//

TERRY BATES
Chief, Security Assistance Policy Division
Directorate of Policy
International Affairs

cc:
SAF/FMBIS
AFSAC/CO



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

DEC 11 2002

In reply refer to:
I-02/017354-FM

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
(DEFENSE EXPORTS AND COOPERATION)
(DASA)(DE&C)/SAAL-ZN

DEPUTY, UNDER SECRETARY OF THE AIR FORCE
(INTERNATIONAL AFFAIRS)
DEPARTMENT OF THE AIR FORCE

DEPUTY ASSISTANT SECRETARY OF THE NAVY
(INTERNATIONAL PROGRAMS)
DEPARTMENT OF THE NAVY

DIRECTOR FOR SECURITY ASSISTANCE
DEFENSE FINANCE AND ACCOUNTING SERVICE
DENVER CENTER

SUBJECT: Military Articles and Service Listing (MASL) Code Changes (DSCA 02-45)

DSCA recently discovered the Logistics Support Charge (LSC) coding for a number of MASLs was incorrect. The MASLs researched previously indicated that the LSC does not apply when it actually should.

Accordingly, DFAS is to calculate the LSC for these MASLs for all shipments that are delivery reported and with a delivery date on or after 1 January 2003. Retroactively charging the Foreign Military Sales customers for the LSC will not be required.

This is an initial step to review and correct specific MASLs. The entire MASL will be thoroughly reviewed by DSCA in conjunction with the MILDEPs during the upcoming year.

Request widest dissemination of the attached changes.

The DSCA points of contact for this action is Ms. Vanessa Glascoe, DSCA-Compt/FM at 703/601-3744 or DSN 329-3744 or Mr. David Rude, DSCA-Compt/FM at 703/604-6569 or DSN 664-6569.


James A. McQuality
Comptroller

Attachments:
As Stated

REVISED MASL LSC INDICATOR

GENERIC	NSN	MASLCLAS	UI	MASLDESC	SIDN	MDEIND	LSC INDICATOR	DEL RPT EFFECT DT
A7A	1730002698283	U	EA	MAINTENANCE PLATFORM	001	N	Y	1/1/2003
A7A	1730002948883	U	EA	MAINTENANCE PLATFORM	001	N	Y	1/1/2003
A7A	1730004357816	U	EA	ADAPTER ASSEMBLY	001	N	Y	1/1/2003
A7A	4920001095066	U	EA	TEST SET	001	N	Y	1/1/2003
A7A	4920003724593	U	EA	TESTER EXH	001	N	Y	1/1/2003
A7A	4920007186480	U	EA	TESTER P/N	001	N	Y	1/1/2003
A7A	4920008790331	U	EA	MONITOR T53/55/63	001	N	Y	1/1/2003
A7E	9A7E0000C0N01	U	XX	CONTRACTOR-PROVIDED SPT	001	N	Y	1/1/2003
A7E	9A7E000F16A1S	U	EA	CONTRACTOR-PROVIDED F-16	001	N	Y	1/1/2003
A7E	9A7E0C0NAVREP	U	XX	CONTRACTOR-PROVIDED	001	N	Y	1/1/2003
A7E	9A7E0C0NDEP0T	U	XX	CONTRACTOR-PROVIDED DEPOT	001	N	Y	1/1/2003
A9C	6605001515337	U	EA	COMPASS MAGNETIC UNMTD	002	N	Y	1/1/2003
B1A	4935000174258	C	EA	TEST SET GM AN/D5M-117	004	N	Y	1/1/2003
B1A	4935000407679	C	EA	TEST SET RADAR AN/TPM-29	004	N	Y	1/1/2003
B1A	4935004548575	U	EA	SHOP EQPT GM FLD MAINT	004	N	Y	1/1/2003
B1A	4935004745273	C	EA	TEST EQPT ELECT AN/MPM-44A	004	N	Y	1/1/2003
B1A	4935004745274	U	EA	TEST EQPT E1ELECT AN/MPM-46B	004	N	Y	1/1/2003
B1A	4935006778187	U	EA	TEST SET AND HYDE SYS	004	N	Y	1/1/2003
B1A	4935006796579	U	EA	TEST SET ELECT NIKE	004	N	Y	1/1/2003
B1A	4935006973646	U	EA	NH TEST EQP GROUP SPECIAL	004	N	Y	1/1/2003
B1A	4935006973669	U	EA	NH,SHOP SET,FIELD MAINT,GM	004	N	Y	1/1/2003
B1A	4935007243428	C	EA	NH,SHOP EQP,GM FLD-MAINT	004	N	Y	1/1/2003
B1A	4935007243429	U	EA	NH,SHOP EQP,GM FLD MAINT	004	N	Y	1/1/2003
B1A	4935007243430	C	EA	NH,SHOP EQP,GM FLD MAINT	004	N	Y	1/1/2003
B1A	4935007850914	U	EA	PWR CON UNIT GM SHOP EQPT	004	N	Y	1/1/2003
B1A	4935007892964	U	EA	TEST EQPT E1ELECT SHOP FM TM	004	N	Y	1/1/2003
B1A	4935008931412	U	EA	SHOP EQPT GM ORG MAINT	004	N	Y	1/1/2003
B1A	4935009878705	U	EA	TEST EQPT ELEC AN/MPM-52A	004	N	Y	1/1/2003
B1A	4935010385209	U	EA	TEST EQPT GM	004	N	Y	1/1/2003
B1A	4935010944923	U	EA	TEST EQPT ELEC	004	N	Y	1/1/2003
B1B	4935000873227	U	EA	MAINT SHELTER GM	005	N	Y	1/1/2003
B1B	4935009302769	U	EA	REDEYE TST ST GM SUPP TST	005	N	Y	1/1/2003
B1B	4935009302770	U	EA	TEST KIT, SUPPL REDEYE	005	N	Y	1/1/2003
B1B	4935009309024	U	EA	REDEYE TEST SET GM AN/TSM82	005	N	Y	1/1/2003
B1B	4935009375397	U	EA	REDEYE TST ST GMSYS TSTEQP	005	N	Y	1/1/2003
B1C	4935001339770	C	EA	HAWK SHOP SET GM AN/TSM112	006	N	Y	1/1/2003
B1C	4935001570690	U	EA	IH TEST SET RADAR HF CONSL	006	N	Y	1/1/2003
B1C	4935001690082	C	EA	SUP EQP GM TS AN/TSM-120	006	N	Y	1/1/2003
B1C	4935001692894	C	EA	SHOP EQP GM RC AN/TSM-129	006	N	Y	1/1/2003
B1C	4935005329112	U	SE	TK ELECTRONIC RPRMN	006	N	Y	1/1/2003
B1C	4935007406220	U	EA	SHOP EQP GM RCS XME1/E2	006	N	Y	1/1/2003

REVISED MASL LSC INDICATOR

GENERIC	NSN	MASLCLAS	UI	MASLDESC	SIDN	MDEIND	LSC INDICATOR	DEL RPT EFFECT DT
B1C	4935007821956	U	EA	SHOP EQP GM RCS AN/TSM-104	006	N	Y	1/1/2003
B1C	4935007821957	C	EA	SHOP EQP GM RC AN/TSM-105	006	N	Y	1/1/2003
B1C	4935008804502	U	EA	SHOP EQP GM RCS AN/TSM-106	006	N	Y	1/1/2003
B1C	4935008804506	U	EA	SHOP EQP GM RCS AN/TSM-108	006	N	Y	1/1/2003
B1C	4935008804510	U	EA	SHOP EQP GM RCS AN/TSM-107	006	N	Y	1/1/2003
B1C	4935010424909	C	EA	SHOP EQP GM RCS AN/TSM-107	006	N	Y	1/1/2003
B1C	4935010432244	C	EA	SHOP EQP GM RCS AN/TSM-106	006	N	Y	1/1/2003
B1C	4935010518691	C	EA	SHOP EQP GM RCS AN/TSM-104	006	N	Y	1/1/2003
B1C	4935010673347	C	EA	SHOP EQUIPMENT	006	N	Y	1/1/2003
B1C	4935010673362	C	EA	SHOP EQUIP AN/TSM-120	006	N	Y	1/1/2003
B1C	4935010833128	C	EA	SHOP EQUIPMENT	006	N	Y	1/1/2003
B1C	4935010833129	C	EA	SHOP EQUIPMENT	006	N	Y	1/1/2003
B1C	4935010855618	C	EA	SHOP EQUIP GM SHOP 9	006	N	Y	1/1/2003
B1C	4935010855679	C	EA	SHOP EQUIP AN/TSM-148	006	N	Y	1/1/2003
B1C	4935011287089	C	EA	SHOP EQ, GM, AN/TSM-179	006	N	Y	1/1/2003
B1C	4935012187088	C	EA	SHOP EQ, GM, AN/TSM-107	006	N	Y	1/1/2003
B1C	4935012239122	C	EA	SHOP EQ, GM, AN/TSM-180	006	N	Y	1/1/2003
B1C	4935012829256	U	EA	SHOP EQUIP, GM AN/TSM-190	006	N	Y	1/1/2003
B1C	4935012865599	U	EA	SHOP EQUIP, GM AN/TSM-188	006	N	Y	1/1/2003
B1J	4935003512601	U	EA	TEST SET GM TOW COBRA	012	N	Y	1/1/2003
B1J	493500TOWBRAD	U	EA	ELEC TEST SET TOW/BRADLEY	012	N	Y	1/1/2003
B1J	4935011143919	U	EA	SHOP EQP GM, CONTRACT	012	N	Y	1/1/2003
B1J	4935011429561	U	EA	TOW 2 FIELD TEST SET	012	N	Y	1/1/2003
B1J	9B4J00SSMLSUP	U	XX	OTHER SS 10/11 SUPPORT EQP	012	N	Y	1/1/2003
B1K	4935001245585	C	EA	DRAGON TEST SET AN/TSM-114	237	N	Y	1/1/2003
B1K	4935005955239	U	EA	DRAGON TEST SET AN/TSM128	237	N	Y	1/1/2003
B1K	4935005955246	U	EA	DRAGON TEST SET SUP MK-163	237	N	Y	1/1/2003
B1K	4935010639784	U	EA	TEST SET GM OQ-278/TSM-114	237	N	Y	1/1/2003
B1K	4935010974100	U	EA	DRAGON TEST SET DMS G	237	N	Y	1/1/2003
B1K	4935011001896	U	EA	TEST ADAPTER GP OF 77-TSM	237	N	Y	1/1/2003
B1N	4935005194977	U	EA	GM TEST SET AN/TSM-84	014	N	Y	1/1/2003
B1R	4935000457282	U	EA	TEST SET GM AN/DSM79	016	N	Y	1/1/2003
B1R	4935001335822	U	EA	SHOP EQUIP GM	016	N	Y	1/1/2003
B1R	4935001689551	U	EA	CHAP SHOP EQPT GM AN/TSM96	016	N	Y	1/1/2003
B1R	4935001689882	U	EA	TEST SET GM	016	N	Y	1/1/2003
B1R	4935001689951	U	EA	CHAP SHOP EQPT GM AN/TSM96	016	N	Y	1/1/2003
B1R	4935001689970	U	EA	CHAP SHOP EQPT GM AN/TSM95	016	N	Y	1/1/2003
B1R	4935001987773	U	EA	CHAP TEST SET GM AN/TSM-85	016	N	Y	1/1/2003
B1R	4935002237148	U	EA	CHAP SHOP EQP GM SUP MAINT	016	N	Y	1/1/2003
B1Y	4935012729865	U	EA	TEST SET (ATACMS)	415	N	Y	1/1/2003
B2H	4935013936351	U	EA	TEST SET AN/TSM-205	405	N	Y	1/1/2003

REVISED MASL LSC INDICATOR

GENERIC	NSN	MASLCLAS	UI	MASLDESC	SIDN	MDEIND	LSC INDICATOR	DEL RPT EFFECT DT
B2J	49350000THEQP	U	XX	OTHER SHOP EQP AND NON-	012	N	Y	1/1/2003
B2K	141000JSOWSUP	U	XX	JSOW SUPT & TEST EQUIP	022	N	Y	1/1/2003
B8A	4935001511323	U	EA	TEST SET RADAR AN/MPM-59	368	N	Y	1/1/2003
B8A	4935001780833	U	EA	TEST SET RADAR AN/MPM-57	368	N	Y	1/1/2003
B8A	4935010876342	U	EA	SHOP EQUIPMENT AN/TSM-164	368	N	Y	1/1/2003
B8A	4935011360233	U	EA	SHOP EQP AN/TSM-164 W/TRK	368	N	Y	1/1/2003
B8A	4935011762150	U	EA	TEST SET SM-787/DSM(IRTS)	368	N	Y	1/1/2003
B8A	4935011820578	U	EA	SHOP EQUIP GM SYS TCM-1	368	N	Y	1/1/2003
B8A	4935013355060	U	EA	GUIDEDMSL TEST SET DSM-157	368	N	Y	1/1/2003
B8B	98B00MPPARTS	U	XX	MULT-PURPOSE MSL EQP PARTS	368	N	Y	1/1/2003
B9A	4935007821957	U	EA	SHOP EQUIP GM SYSTEM	032	N	Y	1/1/2003
B9A	4935010855679	U	EA	SUPPLY EQUIP GM TEST SET	032	N	Y	1/1/2003
B9A	4935011662185	U	EA	SHOP EQUIP, GUIDE	032	N	Y	1/1/2003
B9A	4935011722041	U	EA	TEST EQUIP GUIDE	032	N	Y	1/1/2003
B9D	9B9D0C0NPARTS	U	XX	CONTRACTOR-PROVIDED GUIDED	032	N	Y	1/1/2003
B9D	C0N1N1T1ALSPT	U	XX	CONTRACTOR INITIAL SUPPORT	032	N	Y	1/1/2003
H9B	9H9B00NSSPARE	U	XX	NON-STANDARD COMM EQP SP	200	N	Y	1/1/2003
J1A	4230014669095	U	EA	SORBENT DECON SYS	201	N	Y	1/1/2003
J2C	3805011504795	U	EA	GRADER CATERPILLAR	205	N	Y	1/1/2003
J2C	3805011504814	U	EA	LOADER SCP J1CASE MW24C	205	N	Y	1/1/2003
J2C	3805014311165	U	EA	NOMENCLATURE-M917A1 DUMP	205	N	Y	1/1/2003
J2D	3810004337174	U	EA	CRANE TRK A/A	202	N	Y	1/1/2003
J3Z	3930011580849	U	EA	FORKLIFT ROUGH TERR 6000LB	206	N	Y	1/1/2003
J6N	4240014154517	U	EA	FACEPIECE, BREATHING SM	201	N	Y	1/1/2003
J6N	4240014154518	U	EA	FACEPIECE, BREATHING MED	201	N	Y	1/1/2003
J6N	4240014160430	U	EA	FACEPIECE, BREATHING LG	201	N	Y	1/1/2003
J6Q	4930000701181	U	EA	TK PUMP UNIT MDL 1800	201	N	Y	1/1/2003
J6Q	4930004269960	U	EA	TK PUMP UN 13217E7100	201	N	Y	1/1/2003
J6Q	4930011307281	U	EA	TNK & PUMP UNIT, LIQ DISP	201	N	Y	1/1/2003
J6R	6110006788507	U	EA	AMP E CON AM-3209/ASN	201	N	Y	1/1/2003
J6R	6115000746396	U	EA	GENERATOR SET	209	N	Y	1/1/2003
J6R	6115002603082	U	EA	GEN ST 15KW 400 HZ PU732/M	201	N	Y	1/1/2003
J6R	6115004651030	U	EA	GENERATOR SET	209	N	Y	1/1/2003
J6R	6130010189786	U	EA	BATTERY CHGR PF-4884-A/T	201	N	Y	1/1/2003
J6R	6230002997080	U	EA	GEN ILLUM 15KW	201	N	Y	1/1/2003
J6T	6625001791699	U	EA	MNT ACS K MK-1192/ARM	201	N	Y	1/1/2003
J6T	6625008285810	U	EA	TEST SET ARMAT TS-965/U	201	N	Y	1/1/2003
J6T	6625008288810	U	EA	TEST SET ARMAT TS-965U	201	N	Y	1/1/2003
J6T	6625010945646	U	EA	TEST SET ARMAT TS-34	201	N	Y	1/1/2003
J6T	662501197314	U	EA	RAD TS AN/PRM-34	201	N	Y	1/1/2003
J6T	6625011216934	U	EA	OSCILLOSCOPE LS-OS-261C	201	N	Y	1/1/2003
J6T		U	EA	MCW FRTD-1225A(V) 2/U	201	N	Y	1/1/2003

REVISED MASL LSC INDICATOR

GENERIC	NSN	MASLCLAS	UI	MASLDESC	SIDN	MDEIND	LSC INDICATOR	DEL RPT EFFECT DT
J6T	6625011877847	U	EA	OSCILLOSCOPE AN/USM 488	201	N	Y	1/1/2003
J6T	6625012656000	U	EA	MULTIMETER	201	N	Y	1/1/2003
J6T	6625013162752	U	EA	TEST SET, FIBER OPTIC	201	N	Y	1/1/2003
J6T	6625013162753	U	EA	TEST SET, FIBER OPTIC	201	N	Y	1/1/2003
J7P	5411001172868	U	EA	SHELTER NONEXPANDABLE	201	N	Y	1/1/2003
J7R	4120010883791	U	EA	AIR CONDITIONER	201	N	Y	1/1/2003
J7R	4120012667597	U	EA	AIR CONDITIONER	201	N	Y	1/1/2003
J7R	4310011900285	U	EA	COMPRESSOR UNIT	201	N	Y	1/1/2003
K1A	8415012968878	U	EA	VEST, TACTICAL LD CARRING	213	N	Y	1/1/2003
K3B	9K3B00SUBS0SP	U	XX	HUMAN SUBSISTENCE (OFF-	213	N	Y	1/1/2003
K4A	5180001793574	U	SE	TOOL KIT GUIDED MSL SYSTEM	213	N	Y	1/1/2003
K4A	5180003234692	U	EA	TOOL KIT AIRCRAFT MECH	213	N	Y	1/1/2003
K4A	5180005425812	U	EA	TK-90/G BTRY SVC	213	N	Y	1/1/2003
K4A	5180011007490	U	SE	TOOK KIT MAINT CTR	213	N	Y	1/1/2003
K4A	5180011011969	U	SE	TOOL KIT ELECT (PAT)	213	N	Y	1/1/2003
K4A	5180011011970	U	SE	TOOL KIT MISC (PAT)	213	N	Y	1/1/2003
K4A	5180011026301	U	SE	TOOL KIT MECHANICAL	213	N	Y	1/1/2003
K5A	5340014665928	U	EA	MOUNTING BRACKET	213	N	Y	1/1/2003
K6A	9K6A00JETFUEL	U	XX	JET FUEL	214	N	Y	1/1/2003
K6B	9K6B0000AVGAS	U	XX	AVIATION GASOLINE	214	N	Y	1/1/2003
K6C	9K6C00AUT0GAS	U	XX	AUTOMOTIVE GASOLINE	214	N	Y	1/1/2003
K6D	9K6D00D1ESEL	U	XX	DIESEL FUEL	214	N	Y	1/1/2003
K6E	9K6E00NAVSPF0	U	XX	NAVY SPECIAL FUEL OIL	214	N	Y	1/1/2003
K6F	6850012761905	U	BX	DECON, KIT, M291	214	N	Y	1/1/2003
K6F	6850013578456	U	BX	DECON, KIT, M295	214	N	Y	1/1/2003
K6F	9K6F00CHEMCLS	U	XX	CHEMICALS	214	N	Y	1/1/2003
K6G	9K6G00SLDFUEL	U	XX	SOLID FUEL	214	N	Y	1/1/2003
K6Z	9K6Z000THRP0L	U	XX	OTH PETROL,OIL AND LUBRCTS	214	N	Y	1/1/2003
M2A	021200T53L703	U	EA	EGN OVRHL T53-L-703	219	N	Y	1/1/2003
M4A	9M4A00N0NSTRR	U	XX	CONTRACTOR-PROVIDED OVRHL/	219	N	Y	1/1/2003



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

JAN 09 2003

In reply refer to:
I-03/000273-FM

MEMORANDUM FOR DEPUTY, UNDER SECRETARY OF THE AIR FORCE
(INTERNATIONAL AFFAIRS)
DEPARTMENT OF THE AIR FORCE

DIRECTOR FOR SECURITY ASSISTANCE
DEFENSE FINANCE AND ACCOUNTING SERVICE
DENVER CENTER

SUBJECT: Military Articles and Services Listing (MASL) Guidance relative to
Logistics Support Charge (LSC) (DSCA 03-02)

The Department of Defense Financial Management Regulation, Volume 15, (DoDFMR, 7000.14-R), Chapter 7, Section 072204 provides a list of Generic Codes with some MASL identification that allows the DoD to recoup an appropriate share of DoD costs incurred in the logistics support area. The LSC is applied to sales that incur DoD logistics support efforts. The surcharge of 3.1 percent is based on the type of articles sold, not the source from which the articles are sold. Since the release of the DoDFMR, additional MASL codes have been added at the request of the Military Departments and approved by DSCA. Some of those requested MASL codes that are currently not reflected in the DoDFMR were inappropriately approved to exclude the LSC. DSCA policy memo (02-45) dated 11 December 2002 corrected the LSC exclusion error on approximately 75 MASL generic codes.

Recently, MASL codings for Contractor Logistics Support (CLS) and contractor provided materiel, and their related LSC application, have become an issue. CLS should primarily be used to identify contractor services, mostly technical in nature. CLS MASLs shall not be used to identify the acquisition and movement of materiel. Acquisition and delivery of materiel requires materiel accountability including delivery. MASL coding should accurately identify the type of materiel being sold; application of LSC should not be criteria for determining the correct MASL coding. We recommend the use of generic codes A7E or B9D as examples. To further standardize MASL coding relative to LSC application, request SAF/IA rescind policy statement IAPX 02023 dated 8 May 2002.

In the future, requests for assessorial reversals to include LSC in the amount of \$50,000 or greater must receive approval from this office. DSCA will advise DFAS-DE and the requester of the final decision or approval. DFAS is hereby instructed to reverse all LSC credits processed in the Dec 2002 performance cycle, and to discontinue further processing of any LSC credits previously planned for the Jan 2003 cycle.

Request widest dissemination of this policy.

The DSCA points of contact are Ms. Vanessa Glascoe, DSCA-Compt/FM at 703/601-3744 and Mr. David Rude at DSCA-Compt/FM at 703/604-6569, email: David.Rude@osd.pentagon.mil.


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