



DEPARTMENT OF THE AIR FORCE

WASHINGTON D.C. 20330-1000

IAX
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2/28/00

28 MAR 2000

Office Of The Under Secretary

MEMORANDUM FOR SEE DISTRIBUTION

FROM: SAF/IAX
1080 Air Force Pentagon
Washington, D.C. 20330-1080

SUBJECT: Blanket Order Excess Defense Articles (EDA) Cases, **(IAX 00009)** (DSCA Policy Memo 00-03, Reference number I-00/002231-PMD, 3 March 2000,
SUBJECT: Blanket Order Excess Defense Articles (EDA) cases)

This policy memorandum implements DSCA guidance, (Attached) within the Air Force. The following information and guidance pertaining to Blanket Order EDA sales cases is provided for immediate implementation. A new paragraph will be added to the Security Assistance Management Manual (SAMM), 70002.C.2, see below, and will also become available as E-Change 10 in the Defense Acquisition Deskbook (DAD). It emphasizes a new requirement to identify the end-item application and applies to both Blanket Order EDA sales and grant cases.

“2. Blanket Order Cases. Used for sale of relatively minor, non-SME, items which do not require intensive by-item control, to avoid the need for numerous defined line LOAs and thus reduce administrative burden and order leadtime. LOAs for these cases reflect categories (normally to support one or more end items) with no definitive listing of items or quantities. Scope is limited to described item categories and the Purchaser-furnished LOA dollar value. The Purchaser normally submits requisitions following LOA implementation as requirements occur and, unless the IA, normally at ICP head level, approves issue from stock, requisitions are filled from DoD procurement.

a. Examples of types of non-SME items which lend themselves to BO LOAs include: Spare and repair parts (consumables and reparables); publications (forms, catalog data, manuals, stock lists, reports, books, maps); support equipment (tools, test equipment); supplies (fuel, personnel items, commercial consumable items); maintenance (repair, rebuild, minor modifications or alterations); technical assistance (specialist advice or actions, site survey teams, system integration, item checkout, systems evaluation, study groups to develop engineering requirement plans, technical assistance teams); training (formal or informal); and training aids.

b. Classified materiel (Air Force has been granted an exception); SME, including MDE (Table 700-6) and the related initial support item package; commercial items more readily provided from in-country (e.g., lumber, sand, gravel, household goods); TDPs; and ozone depleting substances (ODS) will not be provided through a BO LOA.

c. Blanket Order EDA sales cases may be established only for non-significant Military Equipment (non-SME) consisting of spare parts/components, clothing, basic field equipment, and office equipment/supplies/furniture. Blanket Order LOAs for PCH&T may also be written in conjunction with EDA grant transfers or similar, non-SME items. These LOAs must identify the end-item application."

POC in IAX is Mr. John Lucacos, (703) 588-8365, (DSN) 425-8365, (FAX) 425-8898, and (EMAIL) john.lucacos@pentagon.af.mil.



TERRY L. BATES
Chief, Policy Division
Deputy Under Secretary, Int'l Affairs

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DSCA Policy 00-03

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TW-13



DEFENSE SECURITY COOPERATION AGENCY

03 MAR 2000

WASHINGTON, DC 20301-2800

In reply refer to:
I-00/002231-PMD

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE ARMY
(INTERNATIONAL AFFAIRS)
ATTN: SAUS-IA-DSZ
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS
DEPARTMENT OF THE NAVY

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

DIRECTOR, DEFENSE REUTILIZATION AND
MARKETING SERVICES,
DEFENSE LOGISTICS AGENCY

SUBJECT: Blanket Order Excess Defense Articles (EDA) Cases (DSCA Policy 00-03)

Building from the accomplishments of FMS reinvention, several initiatives have focused on mechanisms to reduce the number of FMS cases, thus reducing the costs and time associated with the administration of numerous cases. One method to accomplish this goal and therefore improve both the program and the overall process is the implementation of Blanket Order EDA cases.

As the FMS community begins to use Blanket Order EDA cases on a more frequent basis, we need to ensure that these cases are written consistently in accordance with current guidance. The general policies for Blanket Order cases are found in the Security Assistance Management Manual (SAMM) paragraph 70002.C.2.

The following additional information provides unique EDA guidance and should be inserted as a new paragraph (70002.C.2.c) in the SAMM. This policy has and shall continue to apply to both Blanket Order EDA sales and grant cases:

- “c. Blanket Order EDA sales cases may be established only for non-Significant Military Equipment (non-SME) consisting of spare parts/components, clothing, basic field equipment, and office equipment/supplies/furniture. Blanket Order LOAs for PCH&T may also be written in conjunction with EDA grant transfers of similar, non-SME items. These LOAs must identify the end-item application.”

Guidance in this memorandum will be included in the Defense Acquisition Deskbook version of the SAMM as E-Change 10. If you have any questions regarding this matter, please feel free to contact either Karma Job at (703) 601-3718/DSN 329-3718 or Steve Harris at (703) 604-6611/DSN 664-6611.

Sincerely,

MICHAEL S. DAVISON, JR.
LIEUTENANT GENERAL, USA
DIRECTOR

ATC/H

Announcement

AREA: AcqNews
DATE: 03/17/2000

TITLE: DoD 5105.38-M, SAMM E-Change 11, 14 Mar 2000, Unauthorized Use of Defense Articles

DETAIL:

DSCA policy update 00-04, signed by Mr. Keltz on 14 March 2000, added paragraph 70105.L.12 to the SAMM. "Unauthorized Use of Defense Articles". All LOAs will contain this note.

-- *Go To SAMM E-Change 11*

14 March 2000
In reply refer to:
I-00/002801-PMD

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE ARMY
(INTERNATIONAL AFFAIRS)
ATTN: SAUS-IA-DSZ
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS OFFICE
DEPARTMENT OF THE NAVY

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

DIRECTOR, DEFENSE LOGISTICS AGENCY

DIRECTOR, NATIONAL IMAGERY AND MAPPING AGENCY

DIRECTOR, DEFENSE THREAT REDUCTION AGENCY

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SERVICE

DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY

DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE

DEPUTY DIRECTOR FOR SECURITY ASSISTANCE,
DEFENSE FINANCE AND ACCOUNTING SERVICE -
DENVER CENTER

SUBJECT: LOA Note Regarding Unauthorized Use of Defense Articles (DSCA Policy 00-04)

Section 1225 of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (P.L. 106-113) included language to be added to the end of Section 3 of the Arms Export Control Act (22 U.S.C. 2753) as a new subsection. The new language requires formal agreement between the U.S. and the recipient nations that the U.S. retains the right to verify credible reports that U.S. Munitions List articles have been used for purposes not authorized under section 4 of the Arms Export Control Act or, if such agreement provides that such articles may only be used for purposes more limited than those authorized under section 4, for a purpose not authorized under such agreement. To ensure that all cases are written consistently in accordance with the new legislation, the FMS community must begin to incorporate this language as a note on all Letters of Offer and Acceptance (LOA).

The following note should be inserted as paragraph, 70105.L.12, in the Security Assistance Management Manual (SAMM):

“12. Unauthorized Use of Defense Articles. All LOAs will contain the following note:

Defense articles furnished under this LOA may be used only for those authorized purposes set forth in section 2.2 of the Standard Terms and Conditions, unless the written consent of the USG has been obtained for a different use. The USG retains the right to verify reports that such defense articles have been used for purposes not authorized or for uses not consented to by the USG.”

Guidance in this memorandum is effective immediately and will be included in the Defense Acquisition Deskbook version of the SAMM as E-Change 11. If you have any questions regarding this matter, please feel free to contact either Beth Baker (703) 604-6612/DSN 664-6612 or Steve Harris at (703) 604-6611/DSN 664-6611.

Sincerely,
A.R. Keltz
Acting Director

cc: AMSAC-OL-MP
CEMP-MD