



DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

19 NOV 1999

OFFICE OF THE UNDER SECRETARY

MEMORANDUM FOR SEE DISTRIBUTION

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

SUBJECT: Processing Classified Foreign Military Sales (FMS) Cases in the Defense Security Assistance Management System (DSAMS) (DSCA Memorandum I-013285/99, dated 25 Oct 99) (IAX 99028)

The attached memorandum dealing with the processing of FMS cases is provided for implementation. The following is of particular note:

- a. Please understand and differentiate between 36(b) classification requirements and USG or Country requested classification.
- b. Any Country requesting a LOA be classified **must** be pre-approved by the appropriate DSCA Country Desk Officer **prior** to any document processing in DSAMS.
- c. When a Country submits their request for classified processing, they must identify specifically what on the LOR they want classified. They cannot say everything on the request is classified. If they do, the request **will** be rejected since we cannot process fully classified cases in any system. This determination must be identified prior to submitting a request for approval from DSCA.
- d. The LOA document will be marked in accordance with DoD security classification policy, to include appropriate declassification instructions. Only data identified as classified by the customer will be appropriately marked.

Questions concerning this matter can be directed to Lewis Witt, SAF/IAX, DSN 425-8960, commercial (703) 588-8960, or email lewis.witt@pentagon.af.mil.

A handwritten signature in black ink that reads "Terry Bates".

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

Attachment:
DSCA Memorandum, I-013285/99, dated 25 Oct 99

Cc: See Distribution



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

25 OCT 1999

In reply refer to:
I-013285/99

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

DIRECTOR, DEFENSE REUTILIZATION AND MARKETING
SERVICE

DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY

DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE

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

SUBJECT: Processing Classified Foreign Military Sales (FMS) Cases in the Defense
Security Assistance Management System (DSAMS)

The case development portion of DSAMS is fully operational and is now being used by the military departments and other implementing agencies to create the vast majority of Letters of Offer and Acceptance (LOAs). We have been receiving requests for information on how classified FMS cases should be handled in this system. DSAMS is an unclassified system. No classified information may be entered into this system even on a temporary basis. The following guidance is provided for your use in preparing these cases in an unclassified mode.

If you are writing a case that is subject to Arms Export Control Act Section 36(b) requirements (Congressional Notification), any record that relates the country with the items being sold is considered classified until the notification has formally been forwarded to Congress. Therefore, these cases cannot be entered into DSAMS using an accurate country code combined with an item description. To ensure timelines for LOA preparation and responsiveness are met, however, it may be necessary to begin preparation of the case prior to Congressional Notification. In these instances, the following procedures should be used to write these cases using DSAMS.

a. A "pseudo" case identifier must be created using a "pseudo" country code to ensure the prospective customer is not identified. This identifier may be used to enter all unclassified case information (including item descriptions) into DSAMS. The customer may not be named in the notes or other supporting data to ensure the information remains unclassified. The user should be cautioned when entering data under a "pseudo" country code. Many pricing waivers and restrictions are programmed in DSAMS under each specific country---when a "pseudo" country code is used, these waivers will not be automatically applied and the user will have to apply them individually as appropriate. The application of specific pricing within DSAMS could reveal the purchaser (i.e., inputting a specific waiver percentage for Contract Administrative Services (CAS) could be used to identify a list of potential customers). In these instances, the pricing should be done off-line and only a total price for the line should be entered.

b. After the notification has gone to Congress, the case should be copied onto the "real" case identifier and the remaining case information may be entered. Any pricing that was not entered into the system to protect the classification, should be entered into DSAMS at this time. The "pseudo" case should be deleted since it is no longer required. Using the "pseudo" case identifier will allow most of the case information to be entered and help case-writers continue their work prior to the notification. (NOTE: The information in this paragraph assumes the case will be unclassified after the formal notification has been made to Congress. If the case will remain classified, the procedures provided below for purchaser or USG-classified cases must be followed.)

There may be some LOAs that are classified at the request of the purchaser or for USG purposes. The Security Assistance Management Manual (SAMM), paragraph 50202.B., requires that the classification of any LOA must be approved by the Department of State, ASD/ISA, or DSCA. Any requests to classify cases should be sent to the DSCA country desk officer for staffing and approval. In instances where classification is approved, the following procedures should be used to write these cases using DSAMS:

a. The country must be specific in identifying which pieces of data are to be classified. For example, some customers may wish for the nomenclature of the item to remain classified, others may want to classify the quantity or information that would normally be included as a note.

b. Any piece of information that is considered classified cannot be entered into DSAMS. The bulk of the case (containing all unclassified information) may be created using DSAMS. Any classified information must be entered on the document via other means after the

document has been printed (i.e., using a typewriter). "Pseudo" or generic Military Articles and Services List (MASL) lines may be used within the system to prevent the item from being disclosed. Again, the user should be cautioned that using a "pseudo" MASL line will not allow automated application of pricing/waivers that are linked to the real MASL (i.e., nonrecurring cost (NC) recoupment charges). The user must ensure all appropriate charges are applied. If the application of specific pricing within DSAMS could reveal the item being purchased (i.e., inputting a specific NC value could be used to determine the exact item being sold), the pricing must be done off-line and only a total price for the line should be entered. (Note: This is an exception to the policy provided in DSCA memorandum I-010365, 18 Aug 99, "Quality Review of Letter of Offer and Acceptance (LOA) Documents," which required all cases to be priced using DSAMS pricing to the maximum extent possible.) When "pseudo" MASL lines are used, the correct MASL lines must be entered on the document off-line after it has been printed.

In order to enter classified cases into the DSCA 1200 System, the following steps should be taken:

Finance does this part

- a. Implementing agencies should enter the \$1 "add" transaction using an unclassified case description and a "U" in the classification field.
- b. Implementing agencies must call DSCA COMPT/RM on the STU phone (602-1197) to provide the classified information.
- c. DSCA COMPT/RM will modify the DSCA 1200 System record to include the classified information and change the classification field to "C."

It is vital that we adhere to classification requirements when writing FMS cases. Any "masking" features contained within DSAMS may not be used as a work-around method of printing an unclassified document---the data cannot be in the system. If you have questions concerning case-writing procedures, please contact Beth Baker, DSCA/PSD-PMD, (703) 604-6612 or e-mail: beth.baker@osd.pentagon.mil.



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

cc: AMSAC-OL-MP

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Please review this distribution list to ensure correct offices are included. If your office no longer requires information on security assistance policies and procedures, please contact Lewis Witt, SAF/IAXM, email lewis.witt@pentagon.af.mil so the distribution list may be updated.



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FYI Slip

Name	Info	Sign	Initial	Date
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Wojtowicz				
Woods	6		HW	7 Dec 99
Higgins			SR	11 Dec 99
Witt			W	9 Dec
Boyd			SB	8 Dec
Chappell				
Fox		LAST		
Garlitz				
Harding				
Henson			CH	16 Dec 99
Lande				
Lessey				
Lucacos			JL	9 Dec
Patch				
Ruter				
Sparkman				
Tapscott				
Wyatt				
Litzenberger				
Sharman				
Zilliot				

Ruter, Augie, Civ, SAF/IAXM

From: Fox, Patrick E., Civ, SAF/IAXM
Sent: Friday, October 15, 1999 10:55 AM
To: Baker, Beth, , DSCA/PSDPMD; Ipsen, Peter , , DSCA/AP
Cc: Garlitz, Charlene, Civ, SAF/IAXM; Harding, Sandy, Civ, SAF/IAXM; Ruter, Augie, Civ, SAF/IAXM; Lande, Deana, Civ, SAF/IAXM; Bates, Terry, Civ, SAF/IAX; Witt, Lewis, Civ, SAF/IAXM; Boyd, Sheilah, Civ, SAF/IAXM; Bounds, Di, Civ, SAF/IAP
Subject: RE: Test Results for Class Case

Perfect! I think we're all on the same page!

-----Original Message-----

From: Baker, Beth, , DSCA/PSDPMD
Sent: Friday, October 15, 1999 10:47 AM
To: Fox, Patrick E., Civ, SAF/IAXM; Ipsen, Peter , , DSCA/AP
Cc: Garlitz, Charlene, Civ, SAF/IAXM; Harding, Sandy, Civ, SAF/IAXM; Ruter, Augie, Civ, SAF/IAXM; Lande, Deana, Civ, SAF/IAXM; Bates, Terry, Civ, SAF/IAX; Witt, Lewis, Civ, SAF/IAXM; Boyd, Sheilah, Civ, SAF/IAXM; Bounds, Di, Civ, SAF/IAP
Subject: RE: Test Results for Class Case

Okay...sounds like I have a little time to get this MASL into the system. Just want to make sure we're all clear...I am asking for a MASL to be created that will just state something like "CLASSIFIEDITM." That is what will be entered into DSAMS. After the document is printed, you will need to offline white-out that MASL and type in the correct MASL line and description and then the page that is on will be classified.

Beth M. Baker

DSCA/PSD-PMD

TEL: (703) 604-6612 or DSN 664-6612

FAX: (703) 604-6541 or DSN 664-6541

beth.baker@osd.pentagon.mil

-----Original Message-----

From: Fox, Patrick E., Civ, SAF/IAXM
Sent: Friday, October 15, 1999 10:48 AM
To: Baker, Beth, , DSCA/PSDPMD; Ipsen, Peter , , DSCA/AP
Cc: Garlitz, Charlene, Civ, SAF/IAXM; Harding, Sandy, Civ, SAF/IAXM; Ruter, Augie, Civ, SAF/IAXM; Lande, Deana, Civ, SAF/IAXM; Bates, Terry, Civ, SAF/IAX; Witt, Lewis, Civ, SAF/IAXM; Boyd, Sheilah, Civ, SAF/IAXM; Bounds, Di, Civ, SAF/IAP
Subject: RE: Test Results for Class Case

Beth,

We have to wait for this case to be converted. None of our classified cases were converted in July. It may take a little while to get that accomplished.

Patrick

-----Original Message-----

From: Baker, Beth, , DSCA/PSDPMD
Sent: Friday, October 15, 1999 10:41 AM
To: Fox, Patrick E., Civ, SAF/IAXM; Ipsen, Peter , , DSCA/AP
Cc: Garlitz, Charlene, Civ, SAF/IAXM; Harding, Sandy, Civ, SAF/IAXM; Ruter, Augie, Civ, SAF/IAXM; Lande, Deana, Civ, SAF/IAXM; Bates, Terry, Civ, SAF/IAX; Witt, Lewis, Civ, SAF/IAXM; Boyd, Sheilah, Civ, SAF/IAXM; Bounds, Di, Civ, SAF/IAP

Subject: RE: Test Results for Class Case

I'll see what I can do...please remember that the notes cannot identify the item either, so be very careful with the wording of your line item descriptions or do them offline.

Until I can get this MASL created, you may want to go ahead with case preparation just by entering any MASL line into the system and then whiteningout---this will allow you to continue with coordination, etc.

B2

Beth M. Baker

DSCA/PSD-PMD

TEL: (703) 604-6612 or DSN 664-6612

FAX: (703) 604-6541 or DSN 664-6541

beth.baker@osd.pentagon.mil

-----Original Message-----

From: Fox, Patrick E., Civ, SAF/IAXM

Sent: Thursday, October 14, 1999 9:56 AM

To: Baker, Beth, , DSCA/PSDPMD; Ipsen, Peter , , DSCA/AP

Cc: Garlitz, Charlene, Civ, SAF/IAXM; Harding, Sandy, Civ, SAF/IAXM; Ruter, Augie,

Civ, SAF/IAXM; Lande, Deana, Civ, SAF/IAXM; Bates, Terry, Civ, SAF/IAX; Witt,

Lewis, Civ, SAF/IAXM; Boyd, Sheilah, Civ, SAF/IAXM; Bounds, Di, Civ, SAF/IAP

Subject: RE: Test Results for Class Case

Beth,

As for the MASL issue, we think the pseudo you suggested is fine. We also think you can probably get it into the system faster than we can from over here. As such, we would appreciate your assistance.

Let me know when the pseudo is ready for use.

Patrick

-----Original Message-----

From: Baker, Beth, , DSCA/PSDPMD

Sent: Thursday, October 14, 1999 9:26 AM

To: Fox, Patrick E., Civ, SAF/IAXM; Ipsen, Peter , , DSCA/AP

Cc: Garlitz, Charlene, Civ, SAF/IAXM; Harding, Sandy, Civ, SAF/IAXM;

Ruter, Augie, Civ, SAF/IAXM; Lande, Deana, Civ, SAF/IAXM; Bates,

Terry, Civ, SAF/IAX; Witt, Lewis, Civ, SAF/IAXM; Boyd, Sheilah, Civ,

SAF/IAXM; Bounds, Di, Civ, SAF/IAP

Subject: RE: Test Results for Class Case

Patrick,

Let me handle the easy question first....with regard to adding the new lines....if these are legitimately new requirements (i.e., increases in quantity or increases in the amount of a service or blanket order amount that is not generated by a price increase) then the customer should have the option of having new lines. New requirements are eligible for the new administrative rate and the customer should know that they have a choice in this matter---and I'm guessing they would want the new line to

have the decrease....be that 5 lines or more.

With regard to the MASL....how about creating a "pseudo" MASL that we enter into DSAMS and then you can white it out to input the true MASL after printing? There may already be very general MASLs in DSAMS that could be used for this...if you can't find one, we'll create one (maybe with a MASL number that says CLASSIFIEDITM or something so that we would know to look on the hardcopy complete classified version to find the description. Let me know if you need this created and we can see how fast we can get it into the MASL and into DSAMS.

B2

Beth M. Baker

DSCA/PSD-PMD

TEL: (703) 604-6612 or DSN 664-6612

FAX: (703) 604-6541 or DSN 664-6541

beth.baker@osd.pentagon.mil

-----Original Message-----

From: Fox, Patrick E., Civ, SAF/IAXM

Sent: Thursday, October 14, 1999 7:28 AM

To: Baker, Beth, , DSCA/PSDPMD; Ipsen, Peter , , DSCA/AP

Cc: Garlitz, Charlene, Civ, SAF/IAXM; Harding, Sandy, Civ, SAF/IAXM;

Ruter, Augie, Civ, SAF/IAXM; Lande, Deana, Civ, SAF/IAXM; Bates,

Terry, Civ, SAF/IAX; Witt, Lewis, Civ, SAF/IAXM; Boyd, Sheilah, Civ,

SAF/IAXM; Bounds, Di, Civ, SAF/IAP

Subject: Test Results for Class Case

Beth,

I have a couple of things to inform you of regarding the matter with our friends.

Charlene, et al, attempted to process the suggested fix last evening to fulfill our friends amendment requirements. DSAMS will NOT allow you to save a line without a MASL associated. As such, with the other value constraints, we are unsure whether or not DSAMS can do anything to assist. As is stands, you have to have MASL, and with the way the system prices and totals, you have to associate some type of value.

So, perhaps you can get with your DSAMS experts over there and see what can be done.

Lastly, it is our intention not to add a series of new lines to this case to allow for the 2.5% versus the 3%. In doing that, we'd have to add 5 new lines to the case, which at this point doesn't make any sense - given we can't even get it in the system at all.

Let me know what you want to do next.

Patrick E. Fox, SAF/IAX

Policy Division
DSN: 425-8985
Comm: 703-588-8985

Ruter, Augie, Civ, SAF/IAXM

From: Fox, Patrick E., Civ, SAF/IAXM
Sent: Thursday, October 14, 1999 7:28 AM
To: Baker, Beth, , DSCA/PSDPMD; Ipsen, Peter, , DSCA/AP
Cc: Garlitz, Charlene, Civ, SAF/IAXM; Harding, Sandy, Civ, SAF/IAXM; Ruter, Augie, Civ, SAF/IAXM; Lande, Deana, Civ, SAF/IAXM; Bates, Terry, Civ, SAF/IAX; Witt, Lewis, Civ, SAF/IAXM; Boyd, Sheilah, Civ, SAF/IAXM; Bounds, Di, Civ, SAF/IAP
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Let me know what you want to do next.

Patrick E. Fox, SAF/IAX
Policy Division
DSN: 425-8985
Comm: 703-588-8985

Ruter, Augie, Civ, SAF/IAXM

From: Fox, Patrick E., Civ, SAF/IAXM
Sent: Wednesday, October 13, 1999 2:40 PM
To: Lande, Deana, Civ, SAF/IAXM; Garlitz, Charlene, Civ, SAF/IAXM; Harding, Sandy, Civ, SAF/IAXM; Ruter, Augie, Civ, SAF/IAXM
Cc: Witt, Lewis, Civ, SAF/IAXM; Bates, Terry, Civ, SAF/IAX; Boyd, Sheilah, Civ, SAF/IAXM
Subject: Conversion of CMCS Cases

Folks,

Based on a conversation with Beth Baker (along with a 1,000 others on this matter), the following action need to transpire regarding the CMCS classified cases previously identified not to be converted:

1. Provide Logicon with a list of cases not converted.
2. Have them work with DSADC to accomplish the conversion

At this point, getting the cases into DSAMS alone is sufficient. Since the reasons for classification probably vary from case-to-case, no sense in analyzing each one to find out what needs to be fixed, if anything.

For the current issue with our friends, here are the actions that need to take place based on DSCA recommendation (which is that the MASL is not to be entered into DSAMS, but typed in afterward):

1. Determine whether the 'workaround' suggested by DSCA will in fact work in DSAMS (No MASL).
2. Provide DSADC information to ensure a data fix is accomplished to remove the MASL on the converted case (e.g., PREVIOUS field).
3. Accomplish the amendment without adding new lines as suggested by DSCA.
4. Keep track of your time spent on this issue for full reimbursement from our friends!!

Since the notification process has begun in Congress, and the contractual drop-dead date is quickly moving upon us (15 Nov 99), we should make ever effort to accomplish these actions in an expedition manner. Of course, all depends on timely conversion, which Deana will to coordinate with Logicon and DSADC (so make sure Deana stays HAPPY!!)

Patrick E. Fox, SAF/IAX
Policy Division
DSN: 425-8985
Comm: 703-588-8985