



DEFENSE SECURITY COOPERATION AGENCY  
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MEMORANDUM FOR OFFICE OF THE PROGRAM MANAGER, SAUDI  
ARABIAN NATIONAL GUARD (OPM-SANG)

SUBJECT: Clarification of the Administration of the Saudi Arabia National Guard  
(SANG) Modernization Program (DSCA Policy 09-08)

This memorandum clarifies the guidance regarding the proposed SANG Modernization Program umbrella Foreign Military Sales (FMS) case, SI-B-ZAD. As determined during a number of meetings with Office of Program Management - Saudi Arabia National Guard (OPM-SANG) Washington field office, the following procedures will be used to process FMS actions for SI-D-ZAD. The procedures issued in DSCA Policy Memorandum DSCA 01-17 (dated 28 June 2001) were unique to SI-B-ZAC and do not apply to SI-B-ZAD.

a. **SI-B-ZAC CLOSEOUT:** OPM-SANG will initiate actions to discontinue use of the umbrella case, SI-B-ZAC. It is understood that, with implementation of the latest Amendment, it will take time to close SI-B-ZAC. OPM-SANG should take action to transfer any excess case value from SI-B-ZAC to SI-B-ZAD upon implementation of SI-B-ZAD and begin closure actions of the SI-B-ZAC umbrella program at that time.

b. **SI-D-ZAD:** OPM-SANG will initiate the umbrella case, SI-B-ZAD. The period of performance for SI-B-ZAD will be limited to five years. At the four-year point, DSCA and OPM-SANG should begin discussion on future processes.

- 1) **CONGRESSIONAL NOTIFICATION:** This new umbrella case will be utilized to notify Congress under Section 36(b) of the Arms Export Control Act. The notification should be done for the entire 5-year period of the program, if possible. Recognizing the entire program content and value may not be known initially, subsequent notifications may be needed as new requirements are identified. In order to keep Congress fully apprised of the program, the first iteration of SI-B-ZAD must meet the 36(b) notification threshold and follow the congressional notification process. Line items on SI-B-ZAD will be very general: (1) Major Defense Equipment (MDE) – descriptions (including series information when needed), quantities, and dollar values and (2) Non-MDE – descriptions and a cumulative dollar value.
- 2) **COORDINATION/COUNTERSIGNATURE:** SI-B-ZAD and its subsequent Amendments are the 36(b) notification and are coordinated with the Department of State during the notification process. Further State

Department approval is not necessary when the Letter of Offer and Acceptance (LOA) document for SI-B-ZAD is physically prepared although full coordination and countersignature by DSCA is required for all LOA documents associated with SI-B-ZAD.

- 3) **PAYMENT SCHEDULES:** SI-B-ZAD will not include a payment schedule as executing documents will each have a payment schedule (see below).
- 4) **EXECUTION:** No execution (ordering, provision of services, etc.) will take place against SI-B-ZAD. All articles, services supplied/performed will be processed against executing LOA documents.
- 5) **SYSTEM UPDATES:** SI-B-ZAD (and all its Amendments/Modifications) will not be implemented in the Defense Security Assistance Management System (DSAMS). The DSCA 1200 System will carry 36(b) Congressional information for SI-B-ZAD. OPM-SANG can use DSAMS to prepare SI-B-ZAD, and its Amendments/Modifications, but these documents cannot be implemented.

c. **EXECUTING DOCUMENTS:** Executing documents, using different case designators, and their Amendments/Modifications, will be used to execute requirements notified under SI-B-ZAD. These executing documents replace the “definitizing documents” used on SI-B-ZAC. The statements “Definitizing Document ...” and “Financially dependent on ...” will not be used on LOA documents executed under SI-B-ZAD. Instead, an LOA note must be included on each case to explain that the document defines what was set out in SI-B-ZAD.

- 1) **CONGRESSIONAL NOTIFICATION:** These executing LOA documents are used to provide the articles/services notified in SI-B-ZAD. Since SI-B-ZAD meets all Congressional notification requirements, individual documents executed against SI-B-ZAD are not notified again separately. These documents must include the applicable notification number used on the appropriate Congressionally notified umbrella case – SI-B-ZAD or its Amendment(s) in the appropriate block on the LOA. Line items on executing documents are definitive (MASLs, quantities, dollar values, etc.) and are included for both MDE and non-MDE lines. These cases follow the same rules for preparation and implementation as all other FMS cases.
- 2) **COORDINATION/COUNTERSIGNATURE:** Coordination and countersignature, with both the State Department and DSCA, are required.
- 3) **PAYMENT SCHEDULES:** Executing documents will include payments schedules.
- 4) **EXECUTION:** Execution (ordering, provision of services, etc.) will take place using these documents.

- 5) **SYSTEM UPDATES:** These documents are in both DSAMS and the DSCA 1200 System consistent with how all other FMS cases are processed. Systematic updates will be generated to the DSCA 1200 System/Defense Integrated Financial System (DIFS), automatically.

If you have questions concerning this guidance, please contact Ms. Paula Murphy, DSCA/DBO/FPIO, paula.murphy@dsc.mil, (703) 604-6576.



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