



**DEFENSE SECURITY COOPERATION AGENCY
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AUG 14 2009

MEMORANDUM FOR SEE DISTRIBUTION

**SUBJECT: Classified Material on Letter of Offer and Acceptance (LOA)
Documents, DSCA Policy 09-25 [SAMM E-Change 132]**

We have received questions regarding the type of line (i.e., defined order or blanket order lines) that should be used to provide classified material on Letter of Offer and Acceptance (LOA) documents. This memorandum further clarifies the guidance regarding how classified material must be reflected on LOA documents and updates chapter 5 of the Security Assistance Management Manual as attached.

Defined order lines must be used for the sale of classified material to ensure item-by-item control through out the transfer process and to ensure proper reporting and tracking. Consistent with existing guidance, a defined order line for classified material must provide a description of the material and a quantity (i.e. lines providing classified material must reflect a unit of issue other than "XX"). Repair and return (R&R) of classified material can be included under a Military Articles and Services List (MASL) with a unit of issue "XX" since the classified material was previously sold under an R&R line on a separate LOA.

A line item using a MASL for services cannot include any material unless the material being provided is incidental to the provision of the service (e.g., copies of reports produced, etc.). All other material to be provided must be provided on a separate material line. Classified material, even if considered incidental, cannot be included within a services line and must be broken out on a separate defined order line to be identified with its quantity.

An exception to the defined order line requirement for classified material is classified publications (to include technical order manuals and/or reports). These items can be offered on blanket order lines based on all of the following conditions being met:

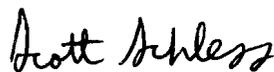
- a) Classified publications must be offered as a standalone line item and cannot be combined with unclassified publications;
- b) A MASL for classified publications must be used;
- c) The quantities of the classified publications must be identified in the corresponding line item description note; and

- d) A statement must be included in the line item description note that only the USG is authorized to acquire the classified publications.

DSCA has established a classified publication MASL in the Defense Security Assistance Management System. If the classified material being offered is undefined at the time of LOA document development, a contingency line (R9B MASL (Non-Specific Requirements)) may be included on an LOA document as a holding place for case value that has not yet been defined. Contingency lines cannot be used for FMF funded LOA documents or to acquire items or provide services. Upon definitization of the classified material, an Amendment must be prepared to add a defined order line(s) reflecting classified material being provided (to include description and quantity) and the value for this line may be transferred from the contingency line.

All LOA documents must offer classified material, except publications, on defined order lines. Implemented LOAs that include blanket order lines with classified material do not have to be revised to identify the classified material; however, these lines cannot be changed to add new requirements. Any new requirements for classified material on existing cases must be added as new defined order lines.

If you have any questions regarding this guidance or the SAMM, please contact Michelle Davis, DSCA/STR/POL, (703) 601-3843, or email michelle.davis@dca.mil or Kent Bell, DSCA/STR/POL, (703) 604-6612, or email kent.bell@dca.mil



Scott Schless
Principal Director
Strategy

Attachment:
As stated

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DISAM

1) Delete paragraph C.5.4.3.2.1. and replace with the following:

C5.4.3.2.1. Items provided on Blanket Order Cases. Types of unclassified, non-Significant Military Equipment (SME) items and/or services that lend themselves to blanket order cases and/or lines include: spare and repair parts (consumables and reparables) 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), publications (to include forms, catalog data, technical order manuals, stock lists, reports, books, maps); software; and training aids. Classified publications, to include technical order manuals and/or reports, may be included on blanket order lines based on all of the following conditions being met:

- a) Classified publications must be offered as a standalone line item and cannot be combined with unclassified publications;
- b) A MASL for classified publications must be used;
- c) The quantities of the classified publications must be identified in the corresponding line item description note, and
- d) A statement must be included in the line item description note that only the USG is authorized to acquire the classified publications.

2) Revise paragraph C.5.4.3.2.2. to strike “related initial support item package” to read as follows:

Items NOT PROVIDED on Blanket Order Cases and/or Lines. Classified material; SME, including MDE (Appendix 1); commercial items more readily provided from in-country (e.g., lumber, sand, gravel, household goods); TDPs; and ozone depleting substances (ODSs) are not provided on blanket order cases and/or lines.