



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

AUG 19 2011

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY, DEFENSE
EXPORTS AND COOPERATION,
ATTN: SAAL-NP (MR. FLOYD BAKER)

SUBJECT: Elimination of the Nonrecurring Cost (NC) Recoupment Charge - 20mm Cartridge,
DSCA Policy Memo 11-42

In response to an Army request, dated April 28, 2010, to reclassify 20mm cartridges from major defense equipment to significant military equipment (SME) and remove the associated NC charge and in accordance with Department of Defense (DoD) Directive 2140.2, dated 13 January 1993, the Director, DSCA, has eliminated the non-recurring cost (NC) charge for 20mm cartridges.

Army cited a lack of records and an internal U.S. Army Joint Munitions Command Internal Review and Audit as the basis for the request. Without the historical records, the pro-rata charge cannot be validated during biennial reviews.

Per Section 32, Code of Federal Regulations, Part 165.5(1)(2), the 20mm cartridge will continued to be identified on the United States Munitions List; however, the \$0.20 NC charge will be displayed as "expired" as of the date above. The Defense Security Assistance Management System will be updated to reflect all 20mm Military Article Services List identifiers as SME and all currently loaded NC charges will be expired as of the above date.

The point of contact for additional information is Ms. Susan Kidd at (703) 604-6625, e-mail: susan.kidd.ctr@dscamail.mil or Ms. June Squire at (703) 601-3833, e-mail: june.squire.ctr@dscamail.mil.


Jeanne L. Farmer
Principal Director
Programs

Attachments:
As stated





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USP06411-10

FINDING

In accordance with DoD Directive 2140.2, dated January 13, 1993, I hereby eliminate the nonrecurring cost (NC) recoupment pro rata charge for the sale, coproduction, or licensed production of the following items:

CATEGORY III, AMMUNITION AND ORDNANCE

ITEM DESCRIPTION
20mm Ammunition (A)
Current affected MASLs: 130500000A651, 130500000A652, 130500000A653, 130500000A655, 130500000A656, 130500000A665, 130500000A710, 130500000A781, 130500000A792, 130500000A839, 130500000A842, 130500000A884, 130500000A889, 130500000A890, 130500000A891, 130500000A892, 130500000A895, 130500000A896, 130500000A918, 130500000A919, 130500000A953, 130500000A982, 130500000B076, 1305000788220, 13050020MM0TP, 13050020MMAP1, 13050020MMHE1, 1305006408284, 1305007232552, 135007561675, 1305007852829, 1305008391297, 130500839132, 1305009264059, 130500A741C0M, 130500A744C0M, 130500A745C0M, 130500A746C0M, 130500A775C0M, 130500A778C0M, 130500M00A919

The above items are re-categorized from major defense equipment (MDE) to significant military equipment (SME) and the NC recoupment charges of \$0.20 are eliminated. The entries in the United States Munitions List located in the Security Assistance Management Manual, Appendix 1, and the Defense Security Assistance Management System will be updated to a \$0 NC charge and will reflect an expiration date of today. These actions are effective immediately.

Richard A. Genaille, Jr.
Acting Director

