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UNITED STATES EUROPEAN COMMAND
UNIT 304000
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SECURITY ASSISTANCE

United States European Command End Use Monitoring (EUM) Program

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1. **Summary.** The purpose of this instruction is to amplify the provisions of references (a) and (b) concerning the U.S. European Command's policies and procedures for monitoring the use of defense articles and services provided to foreign customers or international organizations through government-to-government programs. It prescribes EUM policy and strategy, delineates roles, and assigns responsibilities of organizations.
 2. **Applicability.** This instruction applies to HQ USEUCOM and USEUCOM security assistance organizations (SAOs), commonly referred to as Offices of Defense Cooperation (ODC) and Defense Attaché Offices (DAO) performing security assistance activities.
 3. **Internal Control Systems.** This Directive contains internal control provisions and is subject to the requirements of the internal management control program, ED 50-8.
 4. **Suggested Improvements.** The proponent of this ED is ECJ4-ID, suggested improvements and changes should be sent to HQ USEUCOM, ATTN: ECJ4-ID, Unit 30400, APO AE 09131-0400.
 5. **References.**
 - a. Security Assistance Management Manual (SAMM), DOD 5105.38-M, Chap 5, 8, 11.
 - b. DSCA Policy Memorandum number 02-43, dated 4 Dec 02.

This Directive supersedes ED 90-5 dated 15 August 1999.

6. **Background.**

a. Chapter 5 of reference (a) contains information on Foreign Military Sales Case Development, to include security notes for certain Enhanced EUM categories (Stinger, AMRAAM, Javelin, TOW-IIB, Night Vision Devices). Chapter 8 of reference (a) provides basic guidance concerning major statutory and policy provisions for end use monitoring, and military export sales policies and considerations in support of Chapter 3, Section 40A of the Arms Export Control Act (AECA). Chapter 11 of reference (a) also contains the basic policies and instructions concerning Drawdowns, Excess Defense Articles (EDA), and the Military Assistance Program (MAP). EDA and property delivered under provisions of a Foreign Assistance Act, section 506(a) Presidential Drawdown authorization, should be treated like MAP property in terms of accountability and property disposal. Reference (b) provides Defense Security Cooperation Agency (DSCA) policy guidance and outlines basic EUM duties and responsibilities for the security assistance community.

b. In accordance with Chapter 3, Section 40A of the AECA, Section 505 of the Foreign Assistance Act (FAA), and the Letter of Offer and Agreement (LOA) Standard Terms and Conditions, purchasers must agree to use articles, training, and services only for their furnished purpose. This End Use Monitoring (EUM) program, called Golden Sentry, is the Department of Defense (DOD) program to verify end use of articles and services provided under security assistance. EUM includes all actions to prevent misuse or illicit transfer of items or services and covers the entire item life cycle from the time an article/service is transferred to the recipient country until disposal.

c. The goals of the Golden Sentry EUM program include:

(1) Technology security by impeding the access of potential adversaries to military significant items and technologies, including those that contribute to the proliferation of weapons of mass destruction.

(2) Industrial base protection by promoting a capable defense industrial base to ensure global competitiveness and continued technological advantages enjoyed by U.S. military forces over potential adversaries.

(3) Foreign compliance by encouraging foreign government support for U.S. principles, laws, regulations, and practices concerning the sale, transfer, and end use of defense equipment and services.

d. Annex A contains guidance and EUM requirements for Stinger/MANPADS. Annex B provides guidance and requirements for TOW IIB. Annex C describes guidance and requirements for JAVELIN missiles. Annex D describes guidance and requirements for AMRAAM. Annex E provides guidance and requirements for Night Vision Devices (NVDs). Annex F concerns the supervision of end item use and maintenance of inventories for Military Assistance Program (MAP) property. Annex G outlines a generic Missile Inventory Checklist. Annex H is a sample Annual Missile Inventory Report Form, and Annex I provides general guidance for conducting Stinger inventories.

7. **Definitions.**

a. End Use Monitoring.

(1) Routine End Use Monitoring (REUM). The monitoring of non-sensitive defense articles and services, provided under standard terms and conditions, is associated with the transfer/sale of non-sensitive defense articles/services. The basis of the transfer/sale is to a presupposed trusted partner. ODCs should not make special requests to the host nations for routine EUM visits, but conduct this monitoring during routine visits with host nation personnel while conducting other business.

(2) Enhanced End Use Monitoring (EEUM). EEUM is required for defense articles, services and technologies deemed sensitive and provided under the provision of Section 505(f) FAA. EEUM LOA and other transfer instruments contain notes and other conditions of sales, contingent on the principle of trust with verification. EEUM intent is to limit potential technology diversion and to prevent violations of Section 40A of the AECA or Section 505 of the FAA.

b. Excess Defense Articles (EDA). Items (except construction equipment) which are in excess of the Approved Force Acquisition Objective and Approved Force Retention Stock of all Department of Defense components at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations. EDA can be transferred by grant or sold.

c. Military Assistance Property (MAP). That portion of the United States security assistance program authorized by the Foreign Assistance Act of 1961, as amended, which provides defense articles and services to recipients on a nonreimbursable (grant) basis. Funding for MAP was consolidated under the Foreign Military Financing (FMF) Program beginning in FY 1990.

d. ODC (Office of Defense Cooperation). ODCs are EUCOM offices located in a foreign country with assigned responsibilities which include security assistance management functions. These offices may be called Security Assistance Offices (SAOs) in other geographical areas.

8. **Responsibilities.**

a. General. Proper use of U.S. origin defense items is a shared responsibility of the foreign recipient and U.S. personnel to include the ODC, the Military Department (MILDEP), the Defense Security Cooperation Agency (DSCA), Combatant Command, and Department of State, et al. U.S. representatives have a responsibility to enhance their monitoring process during the phases of the export process most susceptible to diversion or retransfer (i.e., shipment, use, storage, and disposal) and report possible violations. EUM violations may warrant a compliance visit to the foreign recipients and international organizations. The foreign recipient assumes responsibility, based on transfer agreements, for proper use,

obtaining US Government consent for third party transfers and final disposal. The type of article/service determines the level of monitoring required. See the SAMM, Chapter 5, Table 5 for EUM duties and functions during case phases for Enhanced EUM items.

b. DSCA (Policy, Plans, and Programs Directorate) is responsible for:

(1) Performing overall management of the DoD EUM program, referred to as Golden Sentry.

(2) In coordination with MilDeps and other agencies, identifying sensitive technologies and arm transfers via government-to-government programs with security EUM notes and provisos, and pre-coordinating all LOAs and MOUs with EUCOM before case implementation and execution.

(3) Overseeing the fiscal Budget Planning, Programming, and Execution of the FMS Administrative funding of all EUM activities.

(4) Supporting bilateral USG meetings with EUM as an agenda item, focusing on how nations and international organizations must comply with Golden Sentry objectives, and the prevention of AECA and FAA end use violations.

(5) Maintaining an accurate database of all EEUM and REUM items.

c. Military Departments and Implementing Agencies (DASA-DEC, NAVIPO, SAF/IA, DLA, et al) are responsible for:

(1) Maintain a Golden Sentry primary point of contact.

(2) Identifying and coordinating with EUCOM:

(a) defense articles, services, and technologies transferred via LOAs and other transfer agreements, (e.g., Section 505 exceptions to the national disclosure policy (ENDP), Memorandums of Agreement and Understanding, etc.) that require enhanced end use monitoring (EEUM).

(b) defense articles, services, and technologies previously transferred that require EEUM.

(c) specific EEUM security note and proviso wording (monitoring frequencies, percentages, etc.) for LOAs or transfer documents.

(d) maintain database of EEUM and REUM MilDep-specific items, to include EDA, MAP and Drawdown defense articles (i.e. all EUM)

(3) Screen declarations of MAP redistributable property for reutilization potential in accordance with service directives and provide disposal or redistribution and shipping

instructions to SAOs.

(4) Identify the Enhanced EUM security notes or provisos for inclusion into the LOA being developed, and coordinate directly with EUCCOM concerning EUM requirements involved in the security note, prior to release of the LOA to a foreign country.

(5) Support Golden Sentry request for subject matter experts to augment Enhanced EUM visits.

(6) Use and update DSCA EUM database.

d. Headquarters (HQ) USEUCOM (J4-ID) is responsible for:

(1) Reviewing ODC compliance with the provisions of references (a) and this instruction during inspections and visits.

(2) Maintaining a Golden Sentry primary point of contact.

(3) Ensuring that all EUM activities are captured and reported during the fiscal Budget Planning, Programming and Execution cycles.

(4) Ensuring that ODCs undertake EUM as a mission responsibility. In EUCCOM countries where there are no Offices of Defense Cooperation, the Defense Attaché Offices or U.S. Diplomatic Missions fulfilling Security Assistance responsibilities will undertake EUM as a mission responsibility.

(5) Funding ODCs to perform EUM and, in certain instances, providing an EUM inspection team to meet EEUM annual inspection requirements.

(6) Establishing an EUM reporting procedure.

(7) Compiling ODC EUM reporting data NLT 15 NOV of each year, and forwarding a consolidated report to DSCA by 1 DEC annually.

(8) Hosting and/or attending EUM forums.

(9) Providing policy feedback to DSCA, monitoring the EEUM reconciliation process between MilDeps and ODCs, and resolving EEUM discrepancies between ODCs and Host Nations.

e. ODC responsibilities are to:

(1) Maintain a Golden Sentry primary point of contact.

(2) Ensure that all EUM activities are captured and reported to EUCCOM (J4) for budget and reporting purposes.

(3) Utilize the DSCA-managed automated database in order to identify all EUM items transferred or sold by the US government, and ascertain the EEUM inspection criteria based on the information contained in this database. Upon delivery of EEUM items to a foreign government, provide regular disposition updates to EUCOM and MilDeps for the life-cycle of each item (e.g. item location and status: at depot, deployed, expended, etc). Update the DSCA-managed automated database via these regular disposition reports to EUCOM on EEUM and REUM.

(4) Conduct Routine EUM visits with host nations in conjunction with other assigned duties. This means that ODCs will request to inventory REUM assets only when there is sufficient reason to believe that the Host Nation is not maintaining positive control and/or proper accountability of an REUM asset, (e.g. the MOD selling EDA-origin CUCVs to private citizens, as advertised in the local paper).

(5) Report possible AECA and FAA violations within 5 days through the Country Team to the Department of State Bureau of Political-Military Affairs and EUCOM, info DSCA.

(6) Establish inventory-reporting procedures with the host nations for EUM and specifically for all Enhanced EUM items in host nations' inventories and provide copies of these standard procedures to EUCOM (ECJ4-ID). ED 90-5 provides general guidance, but each ODC should devise an internal EUM SOP to address their specific host nation working relationship.

(7) Report results of EUM and EEUM inventories to USEUCOM (J4-ID) on an annual basis, NLT 15 Nov.

(8) Establish and maintain liaison with the U.S. Embassy's Blue Lantern (BL) representatives (Blue Lantern is the direct commercial sales counterpart of the Golden Sentry program).

(9) Support Golden Sentry team visits.

(10) Assist in the identification, administration, and disposition of accountable and reportable EUM (FMS and 505f grant aid - MAP, EDA, and Drawdown defense articles), when requested by the recipient country.

9. **Articles/Services Requiring EEUM**. See Annexes A-I.

10. **Unauthorized End Use.** If the ODC Golden Sentry point of contact finds indication of unauthorized end use within a country and cannot resolve it locally, s/he will forward the information through the Country Team to the Department of State Office of Regional Security and Arms Transfer Policy (PM/RSAT), Office of Defense Trade Controls (PM/ODTC), and EUCOM (ECJ4-ID), with info copy to DSCA.

a. **Section 40A Violations.** The Department of State determines if the AECA, Section 40A criteria are met for a report to Congress on the possible end use violation. The ODC Golden Sentry point of contact works with the Country Team to coordinate the investigation of the alleged unauthorized end use.

(1) **Sample Checks.** Within 60 calendar days after notification that such a report has been made, the affected ODCs must complete sample checks of U.S. origin items for each Section 40A report (suggest 5% of total inventory). The ODC may personally conduct sample checks or use other available resources (e.g. Country Team personnel). Items selected for sample checks are those where receipt and subsequent accountability are representative of the item involved in the DOS report.

(2) The primary purpose of the sample checks is to determine the adequacy of the country's accounting/inventory processes. A secondary purpose is to determine if EUM problems exist for the chosen items. The check should provide information for both the country and the United States to determine if (a) the country's generally sound processes failed due to unusual circumstances, (b) item accounting is not given sufficient priority, or (c) country interests are diverging from those of the United States.

(3) While making the end use checks, ODCs should be alert for unauthorized use of hardware items as well as information provided during training or in technical assistance support. This includes misuse of operation and maintenance, study, or production technical data. Information gained during these sample checks, which could correct the problem or improve future end use controls should be shared with the Department of State, the Department of Defense and USEUCOM (J4-ID). Information obtained by any country team member indicating a violation of end use or retransfers assurances in the AECA or FAA transfer agreements, should be reported to DOS (PM/ODTC and PM/RSAT) and EUCOM, with info copy to DSCA. Information obtained from personnel other than members of the country team should be reported through the chain of command to the EUCOM, DSCA and the Department of State PM.

11. **Disposal.** EUM is a key factor during item disposal. During disposal, items often move from operating units to holding areas, where personnel may not be aware of classified features, potential lethality, or other sensitivities. ODCs should work with the host nation to ensure that recipients properly destroy classified components and eliminate components, which pose direct danger or environmental hazards, prior to the disposal process.

a. **Demilitarization.** Demilitarization involves the destruction of an item's military capability. If in-country demilitarization practices do not meet U.S. standards, the recipient country should use U.S. demilitarization guidance. A disposal process, which fails to meet

U.S. demilitarization standards, should be reported to the appropriate U.S. level of the command chain, either within the host country or in the United States for resolution.

b. Disposal. A key aspect of EUM is the development of a viable disposal plan by the host nation, in coordination with the ODC. By its nature, a disposal plan encompasses the entire life cycle of defense articles, and ensures its accountability and monitoring by the host nations. After an item has been scrapped (Condition Code S), it is no longer a defense article and may be disposed of locally without U.S. Department of State's approval. Consumable items may also become non-defense items through consumption, item wear-out, incineration or melting, controlled deep water dumping, or comparable destruction. For planning purposes, cannibalization is viewed as proper disposal if controlled parts removal causes item migration to a non-defense article status.

12. Third Party Transfers. In accordance with FAA, Section 505 and LOA Standard Terms and Conditions, foreign governments may not transfer articles/services to anyone who is not an officer, agent or employee of the purchaser without the written consent of the USG.

a. The Department of State is responsible for control of third party transfer of U.S. origin defense articles or defense services worldwide.

(1) Office of Regional Security and Arms Transfer Policy (PM/RSAT). PM/RSAT is responsible for processing requests for USG consent to the retransfer of defense articles, which were provided to a foreign government or international organization under a security assistance program.

(2) Office of Defense Trade Controls (PM/ODTC). The Department of State must also approve defense articles or services transferred under a commercial export license pursuant to AECA, Section 38, under procedures administered by PM/ODTC. PM/ODTC is also responsible for the temporary import of defense articles.

(3) Department of Treasury's Bureau of Alcohol, Tobacco, and Firearms (BATF) is responsible for control of the permanent import of U.S. Munitions List (USML) items into the United States. DOS approval of a retransfer request by a foreign government must precede and be separate from submission by the importer of a Form 6 import license application to BATF.

(4) Offices of Defense Cooperation (ODCs). ODCs are directly involved only in actions related to retransfers of items received through DOD administered programs.

b. Third Party Transfers (Government-To-Government). Countries may wish to transfer defense articles/services to another country. The U.S. retransfer policy is to approve re-transfer request of U.S. origin military equipment to third countries.

(1) The purchaser's request should be sent via the ODC/Embassy to PM/RSAT, with information copies to DSCA and the ODC of the proposed third party recipient. The original of the formal request for transfer is mailed to PM/RSAT and a copy is emailed or faxed to allow initiation of action as soon as possible. Requests must include the information provided

below.

(2) Following review, the Department of State will request end use and re-transfer assurances (End Use Certificate or EUC) from the recipient government’s Ministry of Foreign Affairs (MFA) through the U.S. Embassy. These assurances are a mandatory prerequisite to the transfer and are generally non-negotiable. Assurances must be binding on the entire government of the new recipient. Typically, MFA statements to another government are binding on the entire government. Country teams should determine, based on a review of the domestic legal system, whether assurances issued by a ministry other than MFA, are considered binding. If another department such as the Ministry of Defense provides the assurances, they must begin with the text “For, and on behalf of, the Government of _____.” Any questions regarding this issue should be directed in writing to PM/RSAT.

(3) When the U.S. Embassy receives end use and transfer assurances from the host government and they do not deviate from the DOS supplied text, the country team should notify PM/RSAT that assurance requirements have been met. The message, with information copies to DSCA and the transferring country, should provide the new recipient with the correspondence pouch registration number and date of transmission. All End Use Certificates issued by a foreign government must be written in English. A copy of the signed assurance language should be faxed to PM/RSAT to accelerate the decision process. Where language supplied to the new recipient country team does not appear to meet U.S. requirements, the supplied language should be submitted for DOS review.

c. Third Party Transfers (Government-to-Private Entities). Defense articles are transferred to serve U.S. policy, including national security interests. Therefore, it is USG policy to disapprove requests for transfer of U.S. origin military equipment to private entities either in the U.S. or abroad. The Department of State may consider these requests on a case-by-case basis.

FOR THE COMMANDER:

OFFICIAL:

JOHN B. SYLVESTER
Lieutenant General, USA
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MAJ, USA
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ANNEXES

A -- STINGER/MANPADS Procedures/Requirements

B -- TOW-2B Missile Procedures/Requirements

C -- JAVELIN Missile Procedures/Requirements

D -- AMRAAM Procedures/Requirements

E -- Night Vision Devices (NVD) Procedures/Requirements

F -- Military Assistance Program (MAP)

G -- LOA Development Considerations for Missile Purchase

H -- Annual Missile Inventory Report Form

I -- General Guidance for MANPADS Inventory and Compliance Inspection

DISTRIBUTION:

P

ANNEX A (STINGER/MANPADS Procedures/Requirements) to ED 90-5

1. STINGER/MANPADS Policy. Recipient countries are required to conduct 100 percent inventories of STINGER/MANPAD annually with USG representatives present and to account for each weapon by serial number (missile and gripstock).

2. Security Requirements. Stinger/MANPADS and essential components will be stored IAW the physical security notes contained in each LOA or MOU.

3. HQ USEUCOM (J4-ID) Responsibilities.

a. US EUCOM may determine, based on assessment of the threat to security in the area, or other compelling reasons, that other special actions are necessary for either an additional inventory or less than 100 percent inventory. If this determination is made, EUCOM or DSCA will notify the other in writing.

b. By 1 December of each year, USEUCOM (J4-ID) will consolidate and provide an inventory report of Stinger missiles and essential components within EUCOM Area of Responsibility to DSCA (Policy, Plans and Programs Directorate).

c. The annual inventory report will indicate by country, transfer source (i.e., FMS; FAA, section 506(a); Stinger production group and other foreign production programs), the date of the completed inventories, projected inventory dates, resources expended for compliance, i.e., man hours and travel cost, quantity of missiles and grip stocks on hand, and expended missiles and grip stocks during the reporting period and how they were expended. See Annex H for the Annual Inventory Report form.

4. ODC Germany Responsibilities. ODC Germany will attend all Stinger Production Group (Consortium) meetings on behalf of the four Consortium countries (Greece, Germany, Netherlands, and Turkey), gather production and delivery data (bi-annually), and distribute this information to the other three Countries' ODCs.

5. ODC Responsibilities.

a. The ODC will arrange with the recipient to verify receipt in country of the missiles, grip stocks, and other essential components, by serial number, except for missile systems deployed to hostile areas.

b. The recipient and a USG representative will verify receipt to USEUCOM (ECJ4-ID) and DASA-DEC (Department of the Assistant Secretary of the Army – Defense Exports and Controls).

- This inventory serves as further confirmation of the recipients' capabilities to secure and account for the Stinger/MANPADS and essential components. It occurs after initial shipments of missiles and/or grip stocks are placed in long-term storage or with operating forces.

- This inspection/inventory shall be completed not later than thirty days following receipt of the first missile in country, or the return of previously exempted missiles from the hostile area.

c. Except for missiles deployed on ships, in exercises, or to hostile areas, the ODC will physically inventory 100 percent of in-country Stinger missiles, grip stocks and other essential components annually. Stingers not physically present must be accounted for administratively, and the ODC will establish appropriate follow-up measures to ensure inventory verification and accountability within thirty days.

- The inventory must include review of the recipient's records of monthly two-man verifications as required by the Stinger/MANPADS LOA or other arms transfer document note.

- Unless problems indicate the necessity for such action, **the manufacture-sealed or host nation-sealed missile and weapon round containers should not be opened during the inventory.**

d. Inventory results (initial and annual reports) are due to HQ USEUCOM (ECJ4-ID) with info copy to USASAC NLT 15 November. (See Annex H for the Annual Inventory Report form – email the attachment to ECJ4-ID).

e. The ODC also will establish procedures that enable the purchaser to provide a written report within five days of any instances of compromise, unauthorized use, loss or theft of Stinger/MANPADS materiel or related information.

f. Reportable instances will be investigated, and proposed corrective measures developed to ensure that there is not a recurrence. Within 15 days of the completed investigation, the ODC will forward these investigative results and proposed corrective action to USEUCOM ECJ4-ID, DSCA (Policy, Plans and Programs Directorate) and U.S. Army (DASA-DEC).

5. Missile Checklist.

a. Has the US Army provided the ODC a copy of the LOA? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)
b. Has the US Army notified the ODC when delivery of the missiles has begun? Were serial numbers provided to the ODC for missiles received by the foreign government? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)
c. Has the ODC arranged with the purchasing government to verify by serial number the receipt in country of the missiles? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)
d. Did the ODC conduct the first physical inventory after the US Army notified the ODC of final delivery of missiles? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)
e. Do physical inventories consist of: <ul style="list-style-type: none"> • 100 percent comparison of serial numbers on missile containers, grip stocks and essential component lists?

- Opening NON-MANUFACTURE SEALED containers and verify missile serial numbers correspond to those previously opened containers? All inventory requirements as imposed by the transfer agreements and any implementing instructions for MANPADS obtained through foreign coproduction or manufacture (e.g., LOA or foreign production MOU)? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)

f. Did the ODC verify the arrival of each grip stock and missile by serial number? (AR 12-1, paragraph 4-15b(3))

g. Has the ODC physically inventoried all MANPADS by serial number? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)

h. Has the ODC, at least once a year, randomly reviewed the recipient government's records of monthly, two-man verifications? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)

i. Has the ODC, at its discretion, conducted an inspection and physical inventory of all missiles transferred under the applicable LOA? Were inventory and accountability records maintained by the purchaser made available to the US personnel conducting the inspection? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)

j. Has the ODC forwarded its findings to EUCOM (ECJ4-ID) and DASA-DEC with an information copy to DSCA? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3) and AR 12-1, paragraph 4-15b(3))

ANNEX B (TOW-2B Missile Procedures/Requirements) to ED 90-5

1. TOW-2B Policy. Physical inspection is required of not less than 5 percent of inventory of TOW-2B Missiles annually, when so authorized by specific security notes in the transfer document (LOA).

2. Security Requirements

a. The host Government will maintain strict accountability records on all classified information, material, software and hardware provided by the United States related to TOW-2B missiles including extracts and copies. These records will include documentary evidence of any TOW-2B missiles which are lost or destroyed. Such records shall, to the extent possible, be centralized.

b. TOW-2B missiles and/or sub-components of TOW-2B missiles will be stored in structures in which all entrances are physically guarded or alarmed so that a security force can immediately respond to any attempted unauthorized entry.

3. Host Country Responsibilities.

a. The host government will report immediately to USG authorities any allegations, confirmed or unconfirmed, of TOW-2B missile software or technology released or compromised to unauthorized individuals. ODCs/DAOs will report any allegation, report, or evidence of third-nation intelligence efforts to collect or penetrate the TOW-2B program.

b. Industry access will be strictly controlled. A list of industry personnel authorized access to TOW-2B hardware, software, and related classified information will be maintained by the host country and a copy provided to the USG.

c. USG personnel will be permitted to periodically examine and verify compliance with the previously listed security requirements, at times to be mutually agreed. The scope of this review will include but is not limited to the following elements:

- (1) Assessment of security controls and procedures.
- (2) Confirmation of the number of TOW-2B missiles in inventory and expended.
- (3) TOW-2B system components, software and documentation.

d. The host government will maintain strict accountability records on all classified information, material, software and hardware provided by the United States related to TOW-2B missiles including extracts and copies. These records will include documentary evidence of any TOW-2B missiles which are lost or destroyed. Such records shall, to the extent possible, be centralized.

1. ODC Responsibilities.

a. The ODC will arrange with the recipient to verify receipt in-country of the missiles, and other essential components, by serial number, except for missile systems deployed to hostile areas.

b. Except for missiles deployed on ships, in exercises, or to hostile areas, the ODC will physically inventory at least 5 percent of in-country TOW-2B missiles annually.

- The inventory must include review of the recipient's records of monthly inventory accountability as required by the TOW-2B missiles LOA or other arms transfer document note.

- Unless problems indicate the necessity for such action, the manufacture sealed missile and weapon round containers should not be opened during the inventory.

c. Inventory results (initial and annual reports) are due to USEUCOM (ECJ4-ID) with info copy to US Army (DASA-DEC) NLT 15 November annually. (See Annex H for the Annual Inventory Report form – email the attachment to ECJ4-ID).

d. The ODC also will establish procedures that enable the purchaser to provide a written report within five days of any instances of compromise, unauthorized use, loss or theft of TOW-2B missile materiel or related information.

e. Reportable instances will be investigated, and proposed corrective measures developed to ensure that there is no recurrence. Within 15 days of the completed investigation, the ODC will forward these investigative results and proposed corrective action to USEUCOM (ECJ4-ID), DSCA (Policy, Plans and Programs Directorate) and U.S. Army (DASA-DEC).

5. Missile Checklist.

a. Has the US Army provided the ODC a copy of the LOA? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.4)
b. Has the US Army notified the ODC when delivery of the missiles has begun? Were serial numbers provided to the ODC for missiles received by the foreign government? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.4)
c. Has the ODC arranged with the purchasing government to verify by serial number the receipt in country of the missiles? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.4)
d. Did the ODC conduct the first physical inventory after the US Army notified the ODC of final delivery of missiles? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.4)
e. Do annual physical inventories consist of: <ul style="list-style-type: none"> • 5 percent comparison of serial numbers on missile containers to lists? • Opening NON-MANUFACTURE SEALED containers and verifying missile serial numbers correspond to these previously opened containers? (SAMM, Chapter 5, Table C5.T5; Chapter

8, Section C8.3.4)
f. Has the ODC physically inventoried at least 5 percent of TOW-2B missiles by serial number? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.4)
g. Has the ODC, at least once a year, randomly reviewed the recipient government's records of monthly inventory accountability? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.4)
h. Has the ODC forwarded its findings to USEUCOM (ECJ4-ID) and the US Army (DASA-DEC) with an information copy to DSCA? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.4) and <u>AR 12-1, paragraph 4-15b(3)</u>)

ANNEX C (JAVELIN Missile Procedures/Requirements) to ED 90-5

1. JAVELIN Missile Policy. In accordance with USG policy, countries are required to conduct 100 percent inventory of JAVELIN Missile annually.

2. Security Requirements

a. The host government will maintain strict accountability records on all classified information, material, software and hardware provided by the United States related to JAVELIN missiles including extracts and copies. These records will include documentary evidence of any JAVELIN missiles which are lost or destroyed. Such records shall, to the extent possible, be centralized.

b. JAVELIN missiles and/or sub-components of JAVELIN missiles will be stored IAW with the physical security notes contained in each LOA or MOU.

3. Host Country Responsibilities.

a. Comply with U.S. Army specified requirements for lighting, doors, locks, keys, fencing and surveillance and guard systems. Specific requirements shall be agreed upon and installed prior to delivery of the missile system. U.S. Army representatives shall be allowed to verify security measures and procedures established for implementation of these requirements.

b. A 100 percent physical inventory of rounds and CLUs shall be taken monthly.

c. A 100 percent physical inventory of rounds and CLUs by serial number shall be taken quarterly of weapons issued at the operational unit level.

d. A 100 percent physical inventory of rounds and CLUs by serial number shall be taken semiannually of weapons stored or retained at installation, depot, post, or base level.

e. All inventories must be conducted by two authorized persons to ensure verification. Rounds expended during peacetime shall be accounted for by serial number.

f. The ODC shall be permitted to conduct a U.S. inspection and inventory by serial number annually. Inventory and accountability records maintained by the purchaser shall be made available for review upon U.S. government request.

g. Agrees to adhere to the following security requirements associated with the JAVELIN Missile System: Modification of specified requirements to meet indigenous conditions may be approved by the Office of the Deputy Chief of Staff for Operations and Plans (DAMO-ODL-S), U.S. Army.

4. HQ USEUCOM Responsibilities.

a. Commander USEUCOM may determine, based on assessment of the threat to security in the area, or other compelling reasons, that other special actions are necessary for either an

additional inventory or less than 100 percent inventory. If this determination is made, USEUCOM or DSCA will notify the other in writing.

b. By 1 December of each year, USEUCOM (J4-ID) will consolidate and provide an inventory report of JAVELIN missiles and essential components within EUCOM Area of Responsibility to DSCA (Policy, Plans and Programs Directorate).

c. The annual inventory report will indicate by country, transfer source (i.e., FMS; FAA, section 506(a); JAVELIN production group and other foreign production programs), the date of the completed inventories, projected inventory dates, resources expended for compliance, i.e., man hours and travel cost, quantity of missiles and expended missiles and during the reporting period and how they were expended. See Annex H for the Annual Inventory Report form.

5. ODC Responsibilities.

a. The ODC will arrange with the recipient to verify receipt in-country of the missiles, and other essential components, by serial number, except for missile systems deployed to hostile areas.

b. Inventory results (initial and annual reports) are due to USEUCOM (ECJ4-ID) with info copy to US Army (DASA-DEC) NLT 15 November annually. (See Annex H for the Annual Inventory Report form – email the attachment to ECJ4-ID).

c. The ODC also will establish procedures that enable the purchaser to provide a written report within five days of any instances of compromise, unauthorized use, loss or theft of JAVELIN Missile materiel or related information.

d. Reportable instances will be investigated, and proposed corrective measures developed to ensure that there is not a recurrence. Within 15 days of the completed investigation, the ODC will forward these investigative results and proposed corrective action to USEUCOM (ECJ4-ID), DSCA (Policy, Plans and Programs Directorate), and U.S. Army (DASA-DEC).

6. Missile Checklist.

a. Has the US Army provided the ODC a copy of the LOA? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.5)
b. Has the US Army notified the ODC when delivery of the missiles has begun? Were serial numbers provided to the ODC for missiles received by the foreign government? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.5)
c. Has the ODC arranged with the purchasing government to verify by serial number the receipt in country of the missiles? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.5)
d. Did the ODC conduct the first physical inventory after the US Army notified the ODC of final delivery of missiles? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.5)
e. Do physical inventories consist of:

<ul style="list-style-type: none">• 100 percent comparison of serial numbers on missile containers and lists?• Opening NON-MANUFACTURE SEALED containers and verify missile serial numbers correspond to those previously opened containers? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.5)
f. Did the ODC verify the arrival of each missile by serial number? (<u>AR 12-1, paragraph 4-15b(3)</u>)
g. Has the ODC physically inventoried all JAVELIN missiles by serial number? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.5)
h. Has the ODC, at least once a year, randomly reviewed the recipient government's records of monthly, two-man verifications? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.5)
i. Has the ODC forwarded its findings to USEUCOM (ECJ4-ID) and US Army (DASA-DEC) with an information copy to DSCA? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.5) and <u>AR 12-1, paragraph 4-15b(3)</u>)

ANNEX D (AMRAAM Procedures/Requirements) to ED 90-5

1. AMRAAM Policy. Physical inspection is required for not less than 5 percent of inventory of AMRAAM missiles annually, when so authorized by specific security notes in the transfer document (LOA).

- All FMS cases that include AMRAAM missiles and support equipment will include the note "AMRAAM CLASSIFIED DEFENSE ARTICLES". The End Use Monitoring (EUM) program includes all actions to prevent misuse, including illicit transfer, of these items. This note in all AMRAAM LOAs will comply with EUM program requirements.

2. Security Requirements.

a. Operational and intermediate level maintenance will be accomplished by military or civilian employees of the host government at military establishments. No maintenance functions will be accomplished by third-country nationals, industries or their representatives unless approved in writing by the USG.

b. Any AMRAAM missiles/subcomponents which require depot-level repair will be transported under proper security procedures to designated depot-level repair facilities in the United States.

c. The host government will maintain strict accountability records on all classified information, material, software and hardware provided by the United States related to AMRAAM missiles including extracts and copies. These records will include documentary evidence of any AMRAAM missiles which are lost or destroyed. Such records shall, to the extent possible, be centralized.

d. AMRAAM missiles and/or subcomponents of AMRAAM missiles will be stored in structures in which all entrances are physically guarded or alarmed so that a security force can immediately respond to any attempted unauthorized entry, IAW physical security requirements identified in the LOA.

3. Host Country Responsibilities.

a. The host government will report immediately to USG authorities any allegations, confirmed or unconfirmed, of AMRAAM missile software or technology released or compromised to unauthorized individuals. ODCs will also report any allegation, report, or evidence of third-nation intelligence efforts to collect or penetrate the AMRAAM program.

b. Industry access will be strictly controlled. A list of industry personnel authorized access to AMRAAM hardware, software and related classified information will be maintained by the host country and a copy provided to the USG.

c. USG personnel will be permitted to periodically examine and verify compliance with the previously listed security requirements, at mutually agreed upon times. The scope of this review

will include but is not limited to the following elements:

- (1) Assessment of security controls and procedures.
- (2) Confirmation of the number of AMRAAM missiles in inventory and expended.
- (3) AMRAAM system components, software and documentation.

4. ODC Responsibilities.

- a. The ODC will arrange with the recipient to verify in-country receipt of the missiles and other essential components, by serial number, except for missile systems delivered to hostile areas.
- b. Except for missiles deployed to hostile areas, the ODC will physically inventory at least 5 percent of in-country AMRAAM missiles annually.
 - The inventory must include review of the recipient's records of monthly two-man verifications as required by the AMRAAM missiles LOA or other arms transfer document note.
 - Unless problems indicate the necessity for such action, the manufacture sealed missile and weapon round containers should not be opened during the inventory.
- c. Inventory results (initial and annual reports) are due to USEUCOM (ECJ4-ID) with info copy to US Army (DASA-DEC) NLT 15 November annually. (See Annex H for the Annual Inventory Report form – email the attachment to ECJ4-ID).
- d. The ODC also will establish procedures that enable the purchaser to provide a written report within five days of any instances of compromise, unauthorized use, loss or theft of AMRAAM missile materiel or related information.
- e. Reportable instances will be investigated, and proposed corrective measures developed to ensure that there is no recurrence. Within 15 days of the completed investigation, the ODC will forward these investigative results and proposed corrective action to USEUCOM (ECJ4-ID), DSCA (Policy, Plans and Programs Directorate) and U.S. Army (DASA-DEC).

5. Missile Checklist.

a. Has the US Air Force provided the ODC a copy of the LOA? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)
b. Has the US Air Force notified the ODC when delivery of the missiles has begun? Were serial numbers provided to the ODC for missiles received by the foreign government? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)
c. Has the ODC arranged with the purchasing government to verify by serial number the receipt in country of the missiles? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)

d. Did the ODC conduct the first physical inventory after the US Air Force notified the ODC of final delivery of missiles? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)
e. Do physical inventories consist of: <ul style="list-style-type: none">• 5 percent comparison of serial numbers on missile containers to lists?• Opening NON-MANUFACTURE SEALED containers and verify missile serial numbers correspond to those on these containers?• Assessment of security controls and procedures?• Confirmation of the number of expended AMRAAM missiles and the number of remaining AMRAAM missiles in inventory?• AMRAAM system components, software and documentation (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)
f. Has the ODC, at least once a year, randomly reviewed the recipient government's records of monthly, two-man verifications? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)
g. Has the ODC inspected the missile storage area and security system to ensure it meets requirements?
h. Has the ODC forwarded its findings to USEUCOM (ECJ4-ID) and US Air Force (SAF/IA) with an information copy to DSCA? (SAMM, Chapter 5, Table C5.T5; Chapter 8, Section C8.3.3)

ANNEX E (NIGHT VISION DEVICES Procedures/Requirements) to ED 90-5

1. Night Vision Devices (NVDs) Policy. The Under Secretary of Defense (Policy) memorandum dated 23 January 1990 and revised on 23 July 1990, "DoD Policy Regarding International Transfer and Export Control of Image Intensifier Night Vision Devices" provides policy for the case-by-case review of all requests for the international transfer of man-portable Night Vision Devices (NVDs) through Foreign Military Sales (FMS) or direct export licensing and that each review will fully consider input from the Military Departments, the acquisition community, and the Joint Chiefs of Staff. The Defense Technology Security Administration (DTSA) is responsible for the formulation and management of this policy.

2. Security Requirements.

a. When not issued for use, the unit commander will provide NVDs controlled-access, double barrier protection. Examples of double barrier protection include:

- A locked, built-in or free-standing steel container, which is secured to a locked or guarded building, enclosed van, trailer or armored vehicle;
- A locked steel cage or vault secured in a locked or guarded structure.

b. When in use, individuals issued NVDs will secure the devices and be responsible for maintaining control of the devices at all times. NVDs may be secured inside a locked enclosed van, trailer or armored vehicle if these vehicles remain under constant surveillance.

c. When not issued for use, the unit commander or his designated representatives will conduct monthly 100% physical count inventories and quarterly 100% inventories by serial number of the NVDs. Records of these inventories will be kept until after the completion of the next inventory.

d. While issued for use, the unit commander or his designated representatives will perform a daily visual inventory of NVDs.

3. Host Country Responsibilities.

a. Agrees to secure the night vision devices (NVD) against loss, theft or unauthorized access and perform routine inventory checks.

b. Agrees to adhere to a written physical security and accountability control plan, IAW the physical security notes contained in each LOA or MOU.

c. Inventory and accountability records maintained by the purchaser shall be made available for review upon USG request.

d. In case of the loss, theft or unauthorized access of any NVD listed in this offer, the host country agrees to report the incident immediately to the USG. The purchaser agrees to provide a follow-up written report with details of the incident within 30 calendar days to the USG. This report will include the steps being taken both to recover the equipment (if applicable) and to prevent recurrence.

e. Under exceptional cases where there is an increased risk of loss, theft, misuse or unauthorized transfer, the USG shall be permitted to conduct routine inspections and inventories by serial number upon request, on a mutually agreed-upon schedule.

4. ODC/DATT Responsibilities.

a. Except for NVDs deployed to hostile areas, the ODC/DATT will physically inventory in-country NVDs annually, when so authorized by specific security notes in the transfer document (LOA). The exact percentage required for each inventory will be stipulated in the security notes, since each LOA's security notes may differ by country/case.

b. When directed by DSCA/EUCOM/DTSA, the ODC/DATT will arrange with the recipient to verify receipt in-country of the NVDs, and other essential components, by serial number, except for NVDs deployed to hostile areas.

c. Obtain a copy of the recipient country's NVD Inventory Report annually.

d. When directed, make spot inspections of NVD equipment to insure proper utilization, maintenance, and security.

e. Inventory results (initial and annual reports) are due to USEUCOM (ECJ4-ID) with info copy to US Army (DASA-DEC) NLT 15 November annually. (See Annex H for the Annual Inventory Report form – email the attachment to ECJ4-ID). f. In the case of any loss, theft, or unauthorized access of NVDs, the ODC/DATT, through the country team, will provide a written report within 30 calendar days of being notified of any such incident to EUCOM.

g. Reportable instances will be investigated and proposed corrective measures developed to ensure that there is no recurrence. Within 15 days of the completed investigation, the ODC/DATT will forward these investigative results and proposed corrective action to USEUCOM (ECJ4-ID), DSCA, DTSA, and U.S. Army (DASA-DEC).

5. NVD Checklist.

a. Has the US Army provided the ODC/DATT a copy of the LOA? (Chapter 5, Table C5.T5 – LOA Notes)
b. Has the US Army notified the ODC/DATT when delivery of the night vision devices has begun? Were serial numbers provided to the ODC/DATT for night vision devices received by the foreign government? (Chapter 5, Table C5.T5 – LOA Notes)
c. Has the ODC/DATT arranged with the purchasing government to verify by serial number the receipt in country of the night vision devices? (Chapter 5, Table C5.T5 – LOA Notes)
d. Did the ODC/DATT conduct the first physical inventory after the US Army notified the ODC/DATT of final delivery of night vision devices? (Chapter 5, Table C5.T5 – LOA Notes)
e. Do physical inventories consist of at least 5 percent physical inventory by serial number of night vision devices?

f. Has the ODC/DATT, at least once a year, randomly reviewed the recipient government's inventory accountability records? (Chapter 5, Table C5.T5 – LOA Notes)

g. Has the ODC/DATT forwarded its findings to USEUCOM (ECJ4-ID) and the US Army (DASA-DEC) with an information copy to DSCA (Chapter 5, Table C5.T5 – LOA Notes)

ANNEX F (Disposition of Military Assistance Program Properties) to ED 90-5

- Ref: (a) Security Assistance Management Manual (SAMM), DoD 5105.38-M, Chap 11
(b) DSCA Policy Memorandum number 02-43
(c) Defense Materiel Disposition Manual, DoD 4160.21M
(d) Defense Demilitarization Manual, DoD 4160.21-M-1

1. Purpose. The purpose of this annex is to amplify the provisions of references (a) and (b) concerning the U.S. European Command's policies and procedures for the disposition of Military Assistance Program (MAP) property. This annex replaces the old ED 90-5 on MAP property.

2. Background.

a. Prior to FY 1982, defense articles and services provided to allied governments or international organizations by grant aid were administered through the Military Assistance Program (MAP). MAP procedures are different from those used for sales of defense articles and services. Since FY 1982, grant funds are part of the Foreign Military Financing (FMF) program and are not provided under MAP. There are still open FMS cases that use "MAP" or "MAP Merger" funds. The policy/procedures in this section apply to those cases.

b. One aspect of the EUCOM EUM program is management of Military Assistance Program (MAP) defense articles delivered prior to 1985. As a general policy, MAP property accountability will be programmed in a manner that will assure practical, economical, and timely disposition in accordance with Department of Defense (DoD), Defense Security Cooperation Agency (DSCA), Defense Logistics Agency (DLA), and Military Department (MILDEP) instructions to:

- (1) Establishes standards for identifying high-risk exports for end use verification.
- (2) Allows the United States Government (USG) to verify possible AECA violations.
- (3) Requires purchaser agreement to proper use and permits observation of the end use of articles, services and training.
- (4) Requires overseas management of assistance and sales programs.
- (5) Requires agreements for the sale or lease of articles on the United States (U.S.) Munitions List (made after 29 Nov 99) state that the USG retains the right to verify credible reports that the article(s) has been used for a purpose not authorized under AECA Section 3.
- (6) Transfer redistributable MAP property for valid MAP requirements in other countries. In this regard, note that many lesser developed nations are readily willing to accept equipment which may be considered obsolete for U.S. military or other developed nations' application. Consequently, SAOs should be alert for excess MAP property that may be redistributable and report these items for screening.
- (7) Permit authorized cannibalization and/or retention of disposable MAP property to

satisfy valid MAP requirements.

(8) Obtain monetary return to the USG for disposable MAP property sold.

c. Reference (a) is the Security Assistance Management Manual (SAMM), DoD 5105.38-M, Chapter 11, which contains the basic policies and instructions for the redistribution, reutilization, and disposal of MAP property. Reference (b) provides DSCA policy guidance and outlines basic EUM duties and responsibilities for the security assistance community. Reference (c) governs the disposition and sale of disposable MAP property by DLA through the various offices of the Defense Reutilization and Marketing Service International, Pacific (DRMS IP). Reference (d) contains guidelines for demilitarization (DEMIL) of Munitions List Items (MLI).

3. Definitions

a. Cannibalization. The removal of serviceable parts from one MAP item for installation on another MAP item.

b. Component. An integral part of a complete (end) item. A component may consist of a part, assembly, or subassembly.

c. Condition Code. General Services Administration (GSA) condition codes have been replaced by federal condition codes containing two characters. The first character is a supply condition code assigned by the generating activity (SAO); the second is a disposal condition code normally assigned by DRMO. These codes are listed in enclosures (8) and (9). See DoD Operating Manual 4160.21-M for specific definitions.

d. Consumable Supplies and Material. Supplies, which are consumed in use such as ammunition, paint, fuel, cleaning and preserving materials, surgical dressing, drugs, medicines, etc., or items such as spare parts, which lose their identity when used.

e. Demilitarization. The act of destroying the military offensive or defensive purposes inherent in certain types of weapons, equipment or materiel. The term includes mutilation, dumping at sea, scrapping, melting, burning, or alteration designed to prevent the further use of this equipment and materiel for its originally intended military or lethal purpose.

f. Disposable MAP Property. See paragraph 4c(2) for definition. The term “disposable MAP property” is not synonymous with the term “Excess Defense Articles (EDA)” since EDA applies only to DoD assets and not MAP assets.

g. Disposition. This term encompasses the variety of actions that can occur with MAP property and includes redistribution, disposal, sale, cannibalization, retention, abandonment, reversion, etc.

h. Excess Defense Articles. Defense articles owned by the United States Government which are neither procured in anticipation of military assistance or sales requirements, nor procured pursuant to a military assistance or sales order. EDA are items (except construction

equipment), which are in excess of the Approved Force Acquisition Objective and Approved Force Retention Stock of all Department of Defense Components at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations.

- i. Excess MAP Property. MAP property, which the recipient government has declared as no longer needed by its armed forces for the purpose initially, furnished.
- j. Grant Aid Detail Listing (RCS 1000 Report): A master listing of all MAP materiel, furnished by DSCA. The report is available by year, with the items listed by Record Control Number (RCN), National Stock Number (NSN), or generic code. It is a historical record of equipment furnished. This listing does not, however, reflect the deletion of items, for whatever reason, that are no longer part of the active inventory (it should!). Furthermore, it does not identify substitute items that were shipped, unless a program deviation has been submitted.
- k. Line Item. A single line entry on a reporting form, which indicates a quantity of property, located at any one activity having the same description, condition code, and unit cost.
- l. Line Item Value (For Reporting Purposes). Quantity of a line item multiplied by the unit price. Also known as extended line item value.
- m. Major Item. A major item of materiel is identified in the Military Articles and Services List (MASL) by a unit of issue other than dollars (XX). This information can be located in the unit of issue and unit price columns of the Grant Aid Detail Listing (RCS 1000).
- n. Proceeds. Any profit resulting from the item disposal. All proceeds must be returned to the USG unless a waiver has been granted by the Department of State.
- o. Redistributable MAP Property. Excess MAP property meeting the criteria for reutilization screening as prescribed in reference (a) and discussed in paragraph 4 c(1) below. Also, property or materiel furnished to any country or international organization on a grant aid basis, which is no longer required by that country but is being redistributed on a grant aid basis to another country with an active Military Assistance Program.
- p. Retention. The retention of MAP property for an indefinite period for the purposes of display, training, decoy, etc.
- q. Scrap. Property discarded for use and which has no value except for its basic material content.
- r. Screeners. A term used to describe authorized persons who either screen(s) and/or freeze(s) excess property at DRMOs. These personnel are identified and cleared by the DRMO and, in the case of third country nationals, through the American Embassy.
- s. Secondary Item. A dollar value line in the MASL encompassing items of equipment (e.g., other support equipment) as distinct from a dollar value line encompassing commodities or

components, parts and accessories. Unit of issue is stated in dollars (XX).

t. Waste Material. Items, residues, by-products, sludge's, and other materials which have no known utility or sale value and must, therefore, be discarded.

4. Responsibilities

a. SAOs are responsible for:

(1) Establish inventory-reporting procedures with the host nations for all Enhanced EUM items, including major defense equipment such as aircraft, ships, weapons systems, etc.

(2) Assist in the identification, administration, and disposition of accountable and reportable EEUM, which includes MAP property, when requested by the recipient country.

(3) Obtain a copy of the recipient country's MAP Property Inventory Report for Major Items (listed in enclosure (4)) by 30 September, annually. The annual MAP Property Inventory Report will be requested in writing. The request will specify that MAP property be reported by location, identification number, and categorized as: serviceable, unserviceable, or excess. Additionally, the recipient country will be requested to provide a projection as to when items will become excess to their needs.

(4) Make spot inspections of major items of MAP property to insure proper utilization, maintenance, and security. The SAO will conduct MAP property inspections where and when conditions allow. Recommend combining MAP property inspections with other routine Security Assistance events.

(5) Review recipient country declarations of excess MAP property to validate material description, quantity, unit price, and assign condition code (supply condition code and, when required, the disposal condition code).

(6) Screen excess MAP property declarations against requirements of other services of the recipient country and authorizing reallocations for continued use, when appropriate (not sure what this means, what is the intent?).

(7) Classify excess MAP property as either disposable MAP property or redistributable MAP property based on the definition outlined in this instruction.

(8) Coordinate with the recipient country for the reporting and delivery MAP property to DRMOs.

(9) Report redistributable MAP property to MILDEPs for reutilization screening.

(10) Assist DRMS IP in coordinating sales in-place of MAP property at recipient country installations and obtaining visit clearances.

(11) Obtain verification of compliance with demilitarization and trade security control requirements for property released for recipient country retention or final disposal.

(12) Maintain records that document the following transactions for major items (at a minimum):

- (a) Annual MAP Inventory Reports or requests for them.
- (b) Inspections of MAP end item utilization.
- (c) MAP property transfers.
- (d) Cannibalization and disposal of MAP property.

(13) Forward to USEUCOM (J4-ID) recommended changes to references (a) and (b), and this ANNEX.

5. Procedures for Reporting and Screening Excess MAP Property

a. When MAP property is no longer required by the armed forces of the recipient country for the purpose for which it was intended or the property becomes excess to the recipient country's needs for any other reason (such as unserviceability), the recipient country will report excess MAP property in accordance with reference (a). The following is the information required on the excess MAP property declaration:

- (1) NSN (when assigned) or best available identifying data to include the Federal Supply Group (FSG).
- (2) Nomenclature (Item Identification).
- (3) Quantity.
- (4) Unit acquisition cost or estimated unit acquisition cost.
- (5) Serial number(s), if applicable.
- (6) Condition code.
- (7) Weight and cube, if readily available, or estimate.
- (8) List of component parts (and value thereof) that have been removed, if applicable; where the majority of component parts have been removed, the report may state that item consists of only selected components of the primary item such as "truck, consisting of frame and chassis only."
- (9) Demilitarization code.
- (10) Location of property.

(11) The recipient country's requests and justifications for additional use of the excess MAP property, such as a requirement of another service, cannibalization, reclamation of components or spare parts, retention for training or static display, etc.

b. The SAO, upon receipt of a declaration of excess MAP property from the recipient country, will validate the data to ensure accuracy and completeness. Whenever feasible, the SAO will verify the property condition by physical inspection, unless the SAO under the authority of paragraph C11 in reference b authorizes recipient country authorities to classify (condition code) excess MAP property. In such cases, spot checks of recipient country classifications will be made to ensure that condition codes assigned reflect the true condition of the property. SAOs may authorize the transfer of excess MAP property between recipient country services to meet valid requirements. The transfer will be at no expense to the USG. SAOs are not authorized to approve recipient country requests for cannibalization or retention of property. Such requests will be processed in accordance with paragraph 7 below.

c. If excess MAP property is not redistributed within the recipient country, the SAO will determine whether the property is redistributable MAP property or disposable MAP property as follows:

(1) Redistributable MAP Property:

(a) Major items in supply condition codes A through E.

(b) Other major items in supply condition codes F and G (when repairs are estimated to be 40% or less of acquisition cost).

(c) All secondary items with a line item value of \$1500 or more (note the definition in paragraph 4 above) and in supply condition codes A through E or F and G (when repairs are estimated to be 40% or less of acquisition cost).

(d) The reporting criteria established above are minimum condition codes and dollar values above which must be reported for reutilization screening of redistributable MAP property. If, in the opinion of the SAO, excess MAP property with condition codes or dollar values below those specified above has reutilization potential, it may be considered redistributable MAP property and reported for reutilization screening.

(2) Disposable MAP Property:

(a) Property in condition codes H and S and F and G (when repairs are estimated to exceed 40% of acquisition cost).

(b) Secondary items with a line item value of less than \$1500.

(c) Redistributable MAP property which has completed reutilization screening and for which the MILDEPs have determined there was no additional utilization requirement.

- (d) Consumable property.
- (e) Furniture.
- (f) Perishables.
- (g) Residue from approved cannibalization.
- (h) Residue not identifiable as an item of issue (scrap).
- (i) Property, which cannot be identified sufficiently to determine its usage value.
- (j) Other scrap and waste.

d. Excess major end items and secondary items with a line item value of \$1500 or more not redistributed within the holding country will normally be reported to MILDEPs using the Report of Excess Personal Property (SF 120) as outlined in enclosure (2). A copy will be provided to USEUCOM (J4-ID), the appropriate component commander and the Comptroller, Defense Security Cooperation Agency (DSCA-Compt). A message report may be used if the situation warrants, but all data required on the SF 120 must be provided. USEUCOM (J4-ID) will conduct a theater screen for possible redistribution within the USEUCOM (J4-ID) area of responsibility and make a recommendation on redistribution to the MILDEP upon completion of the screen. Redistribution instructions will be provided by the MILDEP if a requirement is identified. If no requirement exists, the items will be declared disposable MAP property.

e. Disposable MAP property will be processed in accordance with paragraph 6 below.

f. When a complete major system is being phased out of a country's inventory, that system will be reported in its entirety (including equipment and spares) for a one-time reutilization screening.

6. Cannibalization and Retention of Excess MAP Property

a. Cannibalization:

(1) Requests for cannibalization of MAP property will be submitted jointly to DoS PM/RSAT and DSCA.

(2) Requests for cannibalization will include property descriptions, condition code, DEMIL code, quantity, acquisition cost, total cost, justification for the cannibalization including a statement of the specific intended use of items derived from cannibalization, and SAO recommendations.

(3) PM/RSAT, in coordination with DSCA will transmit approvals or disapprovals of cannibalization requests to the U.S. mission in the country concerned. The SAO will advise the recipient country authorities that approved cannibalization should be accomplished as soon as possible. Delays in completing cannibalization action may require revocation of the approval in

which case the excess MAP property will be processed for redistribution/disposal action.

(4) The SAO will establish procedures to ensure that all residue of cannibalization is further processed as disposable MAP property in accordance with procedures of paragraph 6 below.

(5) Some recipient countries may have repetitive or continuous requirements for cannibalization of similar type items over an extended period of time (e.g., in overhaul or rebuild programs or to provide support for obsolete equipment, particularly when such equipment is being phased out of inventory). When it is determined that repetitive cannibalization is an essential element of a recipient country's overhaul, rebuild, and maintenance program, the SAO will forward a request to PM-RSAT and DSCA, info EUCOM (J4-ID), for approval of the recommended scope of cannibalization anticipated. Requests for advance approval of anticipated repetitive cannibalization programs will include, at a minimum, the following:

(a) Item descriptions, generic codes, NSNs, anticipated condition, and acquisition cost of items to be cannibalized.

(b) Anticipated period over which cannibalization is to extend and estimated rate of cannibalization.

(c) Description and estimated quantities of components, spares, etc., expected to be removed from the major or primary item.

(d) Justification including a statement of the specific intended use of items derived from cannibalization.

(e) Methods proposed to control the cannibalization so that the SAO is apprised of deletion of reportable items from the recipient country's inventory and all residue of cannibalization is reported to the SAO for disposal in accordance with this instruction.

b. Retention For Purposes Other Than Those For Which Originally Furnished:

(1) All requests for retention of MAP property by host countries for training or static display purposes will be addressed jointly to PM/RSAT and DSCA.

(2) Upon receipt of retention approval, the SAO may authorize retention by the recipient country with the stipulation that the MAP property will be reported to the SAO for disposition when no longer needed for training or display.

7. Disposition of Disposable MAP Property

a. Section 505(f) of the Foreign Assistance Act of 1961 requires that the net proceeds of any sale by a MAP recipient of defense articles furnished to that country on a grant basis be paid to the United States Government. Disposable MAP property will normally be reported to the DRMO designated in enclosure (7) on DD Form 1348-1A in accordance with instructions

contained in enclosure (1). Except as discussed in subparagraph 6b below, proceeds from the sales are to be deposited as follows:

(1) Net proceeds arising from disposal of MAP equipment by the USG through DRMO are returned to the MAP general account and are used to augment appropriated MAP funds in accordance with Section 605(d) of the Foreign Assistance Act. Cite II-/*1080 C34 503711. The third digit (-) will be the last digit of the current fiscal year (FY) and the fifth digit (*) will be the last digit of the fiscal year 2 years removed. For example, for FY88 the fund cite would be 118/01080; for FY89 it would be 119/11080. The DD 1348-1 must contain a statement to credit the appropriation cited. If accounting systems require a subhead or limitation to follow the appropriation (II-/*1080) a subhead of **.OXXO** (XX equals country code i.e., KS, JA, etc.) may be inserted without affecting DSCA accounting records.

(2) Net proceeds received by the USG arising from sale by a MAP recipient of MAP equipment is credited to the Miscellaneous Receipts Account of the U.S. Treasury. Cite 97R2651.

b. Section 123(b) of the FY86 Foreign Aid Authorization Bill (PL 99-83) amended section 505(f) of the Foreign Assistance Act of 1961 (FAA) to add: "in the case of items which were delivered prior to 1975, the President may waive the requirement that such net proceeds be paid to the United States Government if he determines that to do so is in the national interest of the United States."

(1) In general, requests for such waivers will normally be considered only for those countries listed as potential recipients of military assistance in the most recent Congressional Presentation Document (CPD). Potential recipients would include all countries for which the CPD requests either MAP or FMS credits at concessional rates.

(2) Requests for waivers of net proceeds to the USG under section 505(f) will be referred to the Department of State (PM-RSAT), information copies to Department of Defense (DSCA) and USEUCOM (J4-ID).

(3) There is no authority to waive reimbursement to the USG for MAP equipment delivered in 1975 and subsequent years.

c. Bilateral agreements implementing security assistance legislation give the U.S. Government the right, but not obligation, to accept title to MAP-furnished items declared excess by a recipient country. When it is determined that disposal of excess items would be unprofitable to the USG, title may be relinquished by the USG. The recipient country will then be encouraged to accept financial responsibility for demilitarization and disposal. In these cases, an authorized recipient country official should certify to the SAO that appropriate trade security control and demilitarization requirements will be complied with. If the recipient country declines to accept this financial responsibility, the SAO should request instructions from DSCA. The request should: specify type, amount, and estimated dollar value of items involved; summarize the capability of recipient government and commercial firms for demilitarization and disposal; estimate the cost to the recipient country of demilitarization and disposal; state all efforts made to induce the recipient country to accept responsibility; and recommend a course of

action. The SAO should not accept title to items involved without prior approval of DSCA. Acceptance of the Report of Declaration of Excess from the recipient government does not constitute acceptance of title by the USG.

d. As a requisite for receiving MAP property, recipient countries have agreed to be responsible for the shipment of all disposable MAP property, except for aircraft and ships, to the U.S. designated property disposal activity at no cost to the USG. In certain cases, it may be mutually beneficial to the USG (DRMO) and the recipient country to process disposable MAP property for sale in-place in the facilities of the recipient country. In such cases, the SAO, in coordination with DRMO, will negotiate a mutually acceptable Memorandum of Understanding (MOU) with the recipient country. Copies of the MOU will be provided to USEUCOM (J4-ID) for coordination prior to signing in accordance with reference (e). At a minimum, such agreements will include the following:

(1) Consideration of the savings to the recipient country for not having to provide packing, crating, handling, and transportation (PCH&T).

(2) The recipient country's responsibilities for custody, security and care of the property.

(3) Guaranteed access of screeners and DRMO personnel to the recipient country's facilities for sales preparation of the property.

(4) Guaranteed access to qualified bidders for property inspection prior to sale and to successful bidders for removal of property.

(5) Responsibilities for providing loading and handling services when available and the release of property to the successful bidder.

(6) Guarantee of customs-free transactions when property is sold for export.

e. Where existing country-to-country agreements provide for the disposition of disposable MAP property by the recipient country, disposition will be in accordance with the procedures established pursuant to such agreements. The SAO will retain a copy of such agreements on file and provide copies to DRMS IP and USEUCOM (J4-ID).

8. General U.S. Policy on MAP.

a. What CAN Be Purchased Using MAP Funds? MAP funds are to be used solely for purchases from the USG made under the AECA. The funds are used to: (1) finance portions of LOAs that specify MAP funding; (2) liquidate arrearages of 90 days or more on purchaser DD Form 645 FMS Billing Statements (only at the specific direction of DSCA (Comptroller)); or (3) pay for amounts due on DD Form 645 FMS Billing Statements (only at the specific direction of DSCA (Comptroller)).

b. What CANNOT Be Purchased Using MAP Funds? MAP funds may not be used for funding direct commercial purchases, or financing interest or repayments of principal or

guaranty fees with respect to Federal Financing Bank (FFB) loans.

c. MAP Financing. MAP funds must be obligated within the period of availability prescribed in the annual appropriations act or the Continuing Resolution Authority.

d. MAP Pricing. Chapter 9 of SAMM provides detailed guidance on pricing Letters of Offer and Acceptance (LOAs). Pub. L. 99-83 amended FAA, Section 503(a) to eliminate the cost of military pay and entitlements if the case is totally financed by MAP. Effective 1 October 1985, services provided under AECA, Sections 21, 22, or 29 are priced to exclude military pay and entitlements (including retired pay accrual) for those cases citing MAP funds as the exclusive method of funding on the LOA. This pricing applies when services are performed regardless of the date of the LOA. Any subsequent Amendment or Modification to reduce the MAP method of funding below 100 percent of the case value must be re-priced to add military pay and entitlements to the entire case. This guidance does not apply to FY 1981 and prior MAP programs, to those general costs funds programmed in FY 1982 and subsequent years which are intended for the close-out of those programs, or to emergency drawdowns authorized by FAA, Section 506(a).

e. Title Transfer of MAP Items. Title transfer for items transferred under the FAA will be the same as for items transferred under the AECA. Reversionary title rights will not accrue to the United States on any defense article sold under FMS procedures even when merger funds have been used to finance the purchase in whole or in part. Accordingly, recipient countries will not be required (as they are under FY 1981 and prior year MAP as well as FAA, Section 516 (or its predecessor sections)) to return the article to the United States when the article is no longer needed.

f. FMS/DCS Cash/MAP Merger/FMF Grant Items. Title to FMS Cash/MAP merger/FMFP Grant/Cash DCS procured defense articles is retained by host nation. Net proceeds of approved transfers revert to host nation.

g. FMS Credit/FMF Credit Items. Title to items purchased with FMS Credit or FMF reimbursable credit funds transfers to the recipient nation upon settlement of the loans applicable to that sale. The loan status should be verified in preparing the transfer application. The same restrictions on transfers to a third party apply as apply for defense articles and services sold under FMS.

(1) The Department of State, on behalf of the President, must consent to the transfer of defense articles or services originally provided under MAP.

h. Use and Disposal of MAP Materiel. This section applies to material furnished under: (1) the FAA of 1961, as amended, (including materiel furnished under MAP orders prior to FY 1982); (2) FAA, Section 506(a) emergency draw down authority and similar grant DoD draw down authorities; and (3) FAA, Sections 516, 517, 518, or 519. It does not apply to materiel purchased as a result of transfer of MAP funds to the FMS trust fund.

(1) End Use of MAP-Provided Articles/Services. MAP recipients must (1) use articles/ services provided under this program only for the purposes for which they were furnished as

identified in FAA, Section 502; (2) agree to return the materiel to the USG without charge when no longer needed for the purposes for which furnished; and (3) agree not to transfer such materiel to anyone not an officer, employee, or agent of the recipient's government. DSCA, the Combatant Command, or the SAO do NOT have the authority to consent on behalf of the President to waive these requirements. Controlled use of components (cannibalization) is an authorized use for these items.

i. MAP Accountability and Disposal Process. Chapters 5 and 6 of SAMM provide information on LOAs and deliveries of articles/services to purchasers. Those procedures also apply to MAP articles/services.

j. Summary of Transfers Requiring Prior USG Approval. The following types of transfers/disposals of U.S. origin defense article require prior USG approval:

(1) Any transfer to a third-party of title to FMS or DCS purchased export licensed U.S. origin USML defense articles.

(2) Any transfer of physical control or possession of FMS or DCS purchased export licensed U.S. origin USML defense articles to a third party

(3) Any change of end use of U.S. origin USML defense articles.

(4) Any transfer of DCS purchased U.S. origin Commerce Control List-licensed (CCL) defense articles, which have, retransfer restrictions based on CCL class of the items.

k. Options for Disposal of Defense Articles Excess to Host Nation Requirements. The below list does not necessarily include all possible disposal options:

(1) Third party transfer to a government or international organization eligible for U.S. defense transfers.

(2) Demilitarization and disposal within the host nation military structure.

(3) End-use change and transfer to another official government agency.

(4) Third-party transfer to a private entity (Least desired disposal option and subject to significant policy).

(5) Disposal/transfer of MAP equipment in accordance with MAP disposal regulations.

l. End Use and Retransfer Assurances. Regardless of whether a proposed transfer is to a currently eligible recipient or an exception to policy for a currently non-eligible recipient, the request for transfer normally must be supported by end use and retransfer assurances from the proposed recipient.

m. Policy on Transfers of Significant Military Equipment (SME) to Private Entities. The general policy of USG is to not normally approve requests to transfer SME to private entities. Under exceptional circumstances and on a case-by-case basis, a request for an exception to this policy is approved.

ANNEX G (LOA Development Considerations for Missile Purchase)

1. Is the SAO familiar with host military capabilities to employ and maintain the missiles being requested? (DoD 5132.3, paragraph E 10 b and SAMM, Chapter 8, para C8.3).
2. Are request channels for price and availability (P&A) data and Letters of Offer and Acceptance (LOAs) understood and followed? Are requests for significant military equipment (SME), which originate in country transmitted by the US embassy rather than by the SAO or similar military element of the embassy? (SAMM, Chapter 5, para C5.1).
3. Does the SAO ensure that host country Letters of Request (LOR) are clear and complete prior to submission to the appropriate DoD agency for action? (SAMM, Chapter 5, para C5.1).
4. Does the SAO have a copy of the checklist for Letters of Request? Is the SAO ensuring the standards in the checklist are applied to LOR processing? (SAMM, Chapter 5, Table C5.T3).
5. Does the SAO refer to the host nation's letter or message requesting data when transmitting the LOR? (SAMM, Chapter 5, para C5.1).
6. Are P&A data received within 45 days of receipt of the LOR? Is IA acknowledgment of receipt sent within five days? (SAMM, Chapter 5, para C5.3).
7. If the host nation's representative in the US has made a request for Major Defense Equipment to an IA, has the IA provided the SAO a copy or details of the request? (SAMM, Chapter 5, para C5.4).
8. Did the host nation request that a defense article or service be provided by a particular source? Has the SAO reviewed the request, advised the country of any necessary changes, and forwarded the original request with any necessary comments or recommendations to the appropriate MILDEP for approval? Does the sole source request provide the basis and justification? (SAMM, Chapter 6, Table C6.T2).
9. Has the SAO advised the host nation, at the time the sole source designation is made, of potential expenses they might have to bear? (SAMM, Chapter 6, Table C6.T2).
10. Does the SAO immediately notify by priority message DSCA, DFAS, and MILDEPs after LOA acceptance or rejection by the host nation? (SAMM, Chapter 5, para C5.4.17.2).
11. Are case files orderly and do they contain all relevant FMS documents (i.e., LOR, P&A Data, Country Team/EUCOM review of Significant Military Equipment requests, and Letters of Offer and Acceptance (as amended))?
12. Are the files sufficient to provide an audit trail for FMS management reviews, LOA closures and other management actions?
13. For those FMS cases requiring assignment of PCS personnel to the host nation, has the SAO coordinated with and obtained US Chief of Mission permission? Has the SAO reported PCS personnel support costs, as well as obstacles to their acceptance or support to the implementing agency?
14. Has the SAO made inventory management guidance (for example, proper assignment of

Issue Priority Designators (IPD), timing of requisitions to balance inventories and avoid out of stock conditions, and requisitioning in economical quantities) available to the host nation so they can use the requisition process effectively?
15. Does the SAO coordinate offload of FMS shipments at destination, ensuring that customer follows proper receipt procedures and also submits transportation discrepancy reports for in transit loss or damage? (AR 12-1, paragraph 2-3f)
16. Does the SAO assist the host nation in determining the status of undelivered material? How?
17. Proper use of US-origin Items. Has the SAO, consistent with its resources and the situation prevailing in country, supervised and reported on the utilization by the foreign government of defense articles and services acquired through FMS or leased to the recipient by the USG?
18. Does the SAO provide a reasonable assurance that the Host Nation complies with USG requirements with respect to the use, transfer, and security of defense articles and defense services and that such articles are being used for the purpose for which provided? (SAMM, Chapter 8. para C8.1).
19. Is reporting accomplished through established security assistance channels?
20. Are records kept on file in the SAO?
21. Are SAO-led post-delivery sample checks of US-origin items conducted as a result of any of the following: (SAMM, Chapter 8, para C8.5). <ul style="list-style-type: none"> • An AECA Sec 40A violation. • Indications ties are developing with countries to which US defense exports are prohibited? • Occurrence of or imminent possibility of political or military upheaval? • Indications that countries unfriendly to the US are seeking US equipment or support items of the types held by a legitimate user? Substantial problems found during a General Security of Military Information Agreement (GSOMIA) security survey?

ANNEX H (Annual Missile Inventory Report Form)

Annual Missile Inventory Report Form for (Identify):	
1. STINGER/MANPADS 2. JAVELIN Missile 3. TOW-2B 4. AMRAAM	
1. Country:	2. Inventory Completion Date (dd/mo/yr):
3. Projected Inventory Dates for next year:	4. Transfer Source: FMS: MOU:
5. QTY On Hand from previous year: a. Missiles – b. Gripstocks/CLUs -	6. QTY of Missiles Delivered (since last report): a. Missiles - b. Gripstocks/CLUs -
7. QTY of Missiles and/or Grip Stocks Received (since last report from all sources. For example, missiles returned from maintenance): a. Missiles – b. Gripstocks/CLUs -	
8. How Missiles and/or Gripstocks/CLUs Expended (since last report): a. Operational: b. Training: c. Other:	
9. QTY surveyed by SAO since last report: a. Missiles (number and percentage) - b. Gripstocks/CLUs (number and percentage) -	
10. Total QTY on-hand as of this report (#5 + #6 - #10 = O/H Qty) a. Missiles b. Gripstocks/CLUs	
10. Resources Used for Compliance of the Report: a. Man-hours Required: b. TDY Expenses: c. Other:	

11. SAO Comments:	
Reported by (Name/Rank/Organization)	Date

ANNEX I (General Guidance for MANPADS Inventory and Compliance Inspection)

<p>GENERAL GUIDANCE FOR MANPADS INVENTORY AND COMPLIANCE INSPECTION.</p>	<p>REMARKS</p>
<p><u>REFERENCES:</u></p> <ol style="list-style-type: none"> 1. DoD 5100.76-M “Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives” 2. DoD 4140.1-R “DoD Material Management Regulation” 3. AR 190-11 “Physical Security of Arms, Ammunition, and Explosives” 4. Letter of Agreement under which the MANPADS was sold <p><u>STINGER MISSILES:</u></p> <ol style="list-style-type: none"> 1. SECURITY: Since this is a CAT 1-missile/explosive, it must be secured and inventoried IAW the references. <ol style="list-style-type: none"> A. <u>DEPOT, POST, INSTALLATION STORAGE—</u> General Requirements Follow: <ol style="list-style-type: none"> 1.) 2 high security padlocks. 2.) 2 person rule-each person is authorized on a specific access roster for a specific key only. The same person cannot be on the access roster for both keys. Thus it should require 2 persons to unlock the door. Ask to look at the access rosters. 3.) Chain link fence 6ft high with a 1 foot slanted barbed wire overhang. 4.) Real estate permitting, 12ft free zone outside & 30ft inside. 5.) Minimum gates. If not guarded, secured with adequate locking devices. Underground drains, etc barred if > 96 sq in. 6.) Lights. Lights around perimeter and over door must be adequate to detect unauthorized personnel. Light switches must be controlled. 7.) Storage bunker must have an intrusion detection system (IDS), closed circuit television, or constant, on site guard with radio/communications. If IDS is used does someone call in before going into the magazine, if not, does a reaction force respond as though this was an unauthorized intrusion? 8.) Missiles will typically be stored in original containers, sealed and banded together. 	<p>Note the LOA requires 2 high security padlocks, but US regulations require one with a second low to medium security padlock in lieu of a second hi-security padlock. Make note of which method the host nation is using.</p>

B. UNIT STORAGE-Unit storage is for those missiles, which are stored in a tactical or operational environment. Storage requirements are much the same as for missiles stored in a depot, but commanders may post a letter in the storage facility that indicates they have chosen for operational reasons to store the missiles in an alternate security location. When this happens the minimum security requirements apply:

1.) Missile containers/boxes will be banded together in a manner that easily shows signs of tampering.

2.) Stored in an approved container such as a SEAVAN, MILVAN, or stored in a totally enclosed building.

3.) Doors must be secured with two padlocks (medium or low security padlocks.)

4.) Two-person access rule must be maintained.

5.) Must have 24hrs armed guard surveillance and the guard must have communications. (When these types of storage facilities are used, IDS or closed circuit TV cannot be a substitute for the 24hr armed guard surveillance.)

6.) Note MANPADS missiles cannot be left in vehicles, aircraft, or ammo holding areas.

C. WAIVERS/EXCEPTIONS/COMPENSATORY MEASURES: When compliance is not met, ask for any approved waivers or exceptions and the compensatory measures that are used/in effect.

2. MISSILE INSPECTION:

A. The missile could be in a metal container or wooden wire bound box common to a lot of ammo. The box will have the serial number on the outside.

B. There must be a seal on any one of the latches (metal box) or any one of the bent wire closures (wooden box). The small round lead or aluminum seal should be crushed and may or may not have the letters of a U.S. depot or manufacturer stamped in the soft metal. If the seal is crushed using a pair of pliers, it is still considered a good viable seal. If the seal is not crushed allowing the wire to be slipped back and forth, it is cause for concern of tampering. Look inside for signs of tampering and verification of missile serial number.

NOTE: The easiest way for anyone to tamper with a missile and the seal remain untouched is to cut the bounding wire on the bottom, remove the missile and return the missile packing to the wooden crate, and put the crate on the middle of a stack with the cut wire down.

C. SIGNS TO LOOK FOR TO SEE IF A MISSILE HAS

<p>BEEN REMOVED FROM A BOX AND THE BOX RETURNED TO A PALLET. Although not fool proof, the following are things to look for:</p> <ol style="list-style-type: none"> 1.) Lightweight boxes. 2.) Look at the ends of either metal or wooden boxes. Each will have a window that should show a humidity indicator. If the indicator is missing or cannot be seen or if the indicator shows an unacceptable level of humidity (pink shades of color indicates level of humidity), it is an indication that the missile is missing or that the packaging and desiccant is unserviceable and must be opened and repackaged and desiccant replaced anyway. 3.) Broken seals. Seals are easily broken accidentally. If the seal is broken, open the canister to inventory the missile. If in a wood wire bound box, remove the inner plastic sealed cardboard box from the wooden box and check for cuts or unusual sealing techniques in the sealed wrapping. If all feels and looks original and normal, assume the missile is inside and replace in the wire bound box and reseal. If it looks questionable or its weight is light, the plastic must be removed and the missile physically inventoried. 	
<p>INVENTORY AND COMPLIANCE CHECKLIST FOR MANPADS ON HAND OVER 12 MONTHS.</p>	
<p>1. Does the SAO have a copy of the LOA which contracted the sale of the Stinger Missiles and MANPADS components?</p>	
<p>2. Does the SAO have a copy of all the serial numbers and model numbers for Stinger missiles and grip stocks sold to the host country? If not what actions has the SAO taken to obtain the list?</p>	
<p>3. Has the SAO read and understand the security requirements as indicated in the LOA for the Stinger missiles and grip stocks? If understanding is not complete, what actions has the SAO taken to resolve any questions?</p>	
<p>4. Has an inventory of all serial numbers of Stinger missiles and grip stocks been conducted within the last 12 months by matching the serial numbers on the known list with the serial numbers on the MANPAD component or from the outside of its sealed container? If not what are the reasons?</p>	
<p>5. Were all serial numbers accounted for? If not was a report of the loss provided by the SAO/host nation (as appropriate) and forwarded to the Army and DSCA?</p>	
<p>6. Were there indications of intrusion to the box/container or compromise of the items?</p> <ol style="list-style-type: none"> A. Wire lead/aluminum seal broken on the container or box 	

<p>B. Humidity indicator a light, medium or dark pink C. Lighter than normal weight of boxes/containers D. Lack of serial numbers on the outside of the box</p>	
<p>7. Was the container opened and the physical serial number presence of the MANPADS components verified if any of the indicators of intrusion or compromise to the container found?</p>	
<p>8. Did the SAO, review the recipient government's records of monthly, quarterly and/or semi-annual two-man verifications? If they were not available what was the reason?</p>	
<p>9. Does the SAO have a copy of the last serial number inventory on file?</p>	
<p>10. What were the actions taken to correct discrepancies noted in the last inventory and last observations of physical security deficiencies?</p>	
<p>FOR MANPADS OR COMPONENTS ARRIVED WITHIN THE PAST 12 MONTHS ADD THE FOLLOWING:</p>	
<p>1. Did the US Army notify the SAO when delivery of the missiles began?</p>	
<p>2. Were serial numbers provided to the SAO for missiles and grip stocks, shipped to and received by the foreign government?</p>	
<p>3. Did the SAO conduct the first physical inventory within 30 days after the US Army notified the SAO of final delivery of missiles? If not explain.</p>	
<p>COMPLIANCE INSPECTION OF THE SECURITY FACILITIES AND ARRANGEMENTS USED FOR THE MANPADS</p>	
<p>MISSILE SECURITY COMPLIANCE CHECKLIST</p>	
<p>1. Were the following security requirements taken from the LOA complied with?</p>	
<p>A. Guards-Is there a full time guard force. B. Fencing- Chain link fence 6ft high with a 1 foot slanted barbed wire overhang at the top. Real estate permitting, 12ft free zone outside the fence & 30ft inside. C. Is lighting provided to illuminate the magazine/arms room/vault door during the hours of darkness or reduced visibility? Is lighting provided along the perimeter of the fence line for the missile storage area? D. Building/magazine-The requirement is for a reinforced concrete, arch type, earth covered magazine. Storage in other types of structures may be permitted if the structure used would provide the same time delay equivalent as the earth covered magazine or igloo.</p>	<p>Make a special note for Army if any structure other than an earth covered magazine or igloo is</p>

<p>E. Door of Class V steel vault specifications- Steel used on these doors is approximately twice the thickness of a good steel wall locker. It should be of double wall construction with reinforcing in between. It should not be easy to open with an axe or other such cutting tool.</p> <p>F. Shrouded Hasps used for the hi-security padlocks-Hasps which have a heavy metal cover over and around the top of the hasp which when in place prevents easy access to the cutting of the pad lock's shank.</p> <p>G. 2 Hi-security Pad Locks must be used that are operated by key.</p> <p>H. 2 person Key Control- Are two persons required to open the door and are they continuously present? Lock & key procedures need to be in place to insure no single person can obtain access to the storage site. EXAMPLE OF QUESTIONS TO ASK TO DETERMINE IF A GOOD LOCK & KEY PROCEDURE IS IN PLACE: Is a key/lock inventory list being maintained which depicts a list of all keys/locks, key/lock serial numbers and the number of keys maintained for each lock? Do all keys have a serial number stamped or inscribed on them? Are master keyed or multiple keyed systems used (not allowed?)? Is the key depository located in a room where it is kept under 24-hour surveillance around-the-clock or in a room that can be (and is) locked during non-duty hours? Is each person of the two person team necessary to open the doors kept on separate rosters and allowed to have access to only one each of the two keys necessary to open the door (secured by two different hi-security pad locks?)</p> <p>I. Seals on containers/boxes intact?</p> <p>J. Is the intrusion detection system (IDS) or closed circuit television operational, or is the magazine/arms room/vault under 24-hour surveillance by a guard?</p> <p>K. Were compensatory measures used or considered when full compliance with the LOA security measures not met? If so, what were the compensatory measures?</p> <p>L. If all security requirements are not to standard has a request for exception/waiver regarding structural or security deficiencies been submitted if required? If a waiver/exception has been granted, is it available and reviewed as required, and is the unit complying with any required compensatory measures?</p>	<p>used. Beyond the security issue of using other structures, there could be an explosive safety issue.</p>
<p style="text-align: center;">GRIP STOCK SECURITY COMPLIANCE CHECKLIST</p>	<p>Note the grip stock is a Category III weapon. Security requirements are not spelled out in the LOA but customer nations</p>

	are required to meet the Army's minimum-security requirements.
1. Are grip stocks stored in an enclosed room, with a metal door or metal covered solid wood door, and two padlocks? Door hinges on the inside? Windows barred? Is there security lighting over the door?	
2. Is there controlled access to the keys and entry to the storage facility?	
3. Are the grips stocks secured in a metal secondary container inside the room? If the container with grip stocks inside weighs less than 500lbs is it secured to the floor or walls with chain and locks?	