Above-the-line cost. Charges included within a materiel and/or services line and calculated into the net estimated cost of the letter of offer and acceptance (LOA). This term is a holdover from the rescinded LOA form (DD Form 1513) which contained a line dividing or separating the direct charges (contained in standard case lines) from the accessorial costs (normally collected as percentage-based charges on select case lines or the LOA’s net estimated cost).

Acceptance. The act of an authorized representative of a foreign national government or international government organization by which the representative assumes, as an agent of a government, ownership of existing and identified supplies tendered or approves specific services rendered as partial or complete performance of the contract on the part of the contractor. See also letter of offer and acceptance.

Acceptance date. The date that appears on the cover page of the LOA indicating the calendar date on which a foreign buyer agrees to accept the terms and conditions of transfer and articles and services provided in the exchange as contained in the FMS offer.

Accessorial cost. The costs of packing, crating, and handling (PC&H) and transportation, which are incidental to issues, sales, and transfers of materiel not included in the standard price or contract cost of the materiel, not applicable to working capital fund (WCF) items.

Accrued costs. The financial value of delivered articles and services and incurred costs reported to DFAS-IN via delivery transactions with incurred costs representing disbursements for which no physical deliveries have yet occurred; examples include progress payments and government furnished material/equipment (GFM/GFE) provided to contractors, and nonrecurring costs.

Act. The term for legislation once it has passed both houses of Congress and has been signed (enacted) by the President or passed over his veto, thus becoming law.

Actual cost. A cost sustained in fact, on the basis of costs incurred, as distinguished from forecasted or estimated costs.

Adjustment reply code (ARC). A code that identifies the type of action being taken in response to an FMS customer supply discrepancy report (SDR). ARCs are transmitted to DFAS-IN by an FMS case implementing agency in FMS delivery/performance Reports.

Administrative contracting officer (ACO). The U.S. government contracting officer who is assigned the responsibility for the administration of U.S. government contracts.

Administrative cost. A cost associated with the administration of the FMS program. The prescribed charge or percentage applied in determining each of these costs is explained in the LOA; these expenses do not include those charged directly to a case (i.e., line-item costs).

Administrative lead-time. The time interval between the initiation of a procurement action and the subsequent letting of a contract or placement of an order.

Aerospace Maintenance and Regeneration Group (AMARG). A joint service aircraft and aerospace vehicle storage, regeneration, reclamation, and disposal facility located at Davis-Monthan AFB.

Allocation. An authorization by a designated official of a DOD component making funds available within a prescribed amount to an operating agency for the purpose of making funding allotments (i.e., the first subdivision of an apportionment of funds).

Allotment. An authorization granted within and pursuant to an allocation for the purpose of incurring commitments, obligations, and expenditures in the accomplishment of an approved budget. Therefore, an allotment is a subdivision of an
appropriation that provides the funding authority to accomplish a specific function or mission.

**Amendment.** A revision of an FMS case that constitutes a scope change to an existing LOA.

**Apportionment.** A determination made by the Office of Management and Budget that limits the amount of obligations or expenditures that may be incurred during a specified time period. An apportionment may limit all obligations to be incurred during a specified period or it may limit obligations to be incurred for a specific activity, function, project, or a combination thereof.

**Appropriation.** A portion of an appropriation act that provides a specified amount of funds to be used for designated purposes. Each appropriation has a finite period of time during which obligations may be incurred.

**Appropriations Act.** Legislation initiated by the House and Senate Appropriations Committees that provides authority for federal agencies to incur obligations and to make payments out of the U.S. Treasury for specified purposes. An appropriation act is the most common means of providing budget authority, and there are normally 12 annual, regular appropriation acts passed in each fiscal year along with several supplemental appropriation acts.

**Armaments.** Military weapons and equipment.

**Armed Services Board of Contract Appeals.** A neutral, independent board established to hear and decide post-award contract disputes between the Department of Defense (and other other government agencies) and government contractors.

**Arms Export Control Act (AECA).** The basic U.S. law providing the authority and general rules for the conduct of foreign military sales and commercial sales of defense articles, services, and training. The AECA came into existence with the passage of the Foreign Military Sales Act (FMSA) of 1968; an amendment in the International Security Assistance and Arms Export Control Act of 1976 changed the name of FMSA to the AECA. Published as 22 USC Sec. 2751 et seq.

**Attrition.** The loss, temporary or permanent of a resource, including manpower or materiel, or the reduction in the strength or effectiveness of personnel or materiel; or, as defined in international training policies and regulations, the total destruction of a DOD capital asset (e.g., a training aircraft) when caused by a foreign student through loss of physical control or as a result of negligence.

**Attrition (international military training).** The total destruction of a DOD capital asset (e.g., a training aircraft) when a foreign student was in physical control of the asset or as a direct result of negligence, simple or gross.

**Audit.** The systematic examination of records and documents to determine one of the following:

- The adequacy and effectiveness of budgeting, accounting, financial, and related policies and procedures
- Compliance with applicable statutes, regulations, policies, and prescribed procedures
- The reliability, accuracy, and completeness of financial and administrative records and reports
- The extent to which funds and other resources are properly protected and effectively used

**Auditor (procurement).** A cognizant audit office or official designated by the Defense Contract Audit Agency (DCAA) or military service audit activity to review the records, budgets, procedures, processes, or policies of a contractor or federal organization for compliance with governing or applicable agreements, statutes, regulations, or policies.

**Authorization act.** Basic, substantive, legislation that establishes or continues the legal operation of a federal program or agency, either indefinitely or for a specific period of time, or that sanctions a particular type of obligation or expenditure.

**Back order (BO).** The quantity of an item requisitioned by ordering activities that is not immediately available for issue but is recorded as a stock commitment for future issue.

**Bandaria.** The imaginary country used by DSCU for illustrating an example security cooperation situation. This country is not located in any real region of the world, nor is it modeled after any real country. For training and related purposes, this fictitious country is represented by country code BN.

**Base year (BY).** A reference period that determines a fixed price level for comparison in economic escalation calculations and cost estimates; the price-level index for the base year is 1.000.
**Below-the-line-costs.** Accessorial fees and/or surcharges not included within an LOA line-item value, which may be referred to as “below-the-line” charges (e.g., transportation surcharge and packing, crating, and handling).

**Bill.** A legislative proposal originating in either the House or Senate, which, if passed in identical form by both houses and signed by the President, becomes an enacted law. Bills are designated by “HR” in the House of Representatives or “S” in the Senate, according to the house in which they originate plus a number assigned in the order in which they are introduced during the two-year period of a Congressional term. Appropriations bills always originate in the House.

**Bill (or billing) code.** A DFAS–IN country assigned code that divides FMS customer country billings into management levels lower than a U.S. implementing agency or in-country service. This code often correlates to an FMS customer paying office. It appears in Block 3 of the DD Form 645, and basic alpha codes are derived from the LOA.

**Billing statement.** The official claim for payment, represented by a DD Form 645 billing statement issued by the U.S. government for materiel and services furnished under a transfer agreement between a foreign purchaser and the USG (e.g., a letter of offer and acceptance). It also furnishes an accounting to the foreign purchaser for all costs incurred on behalf of the purchaser by the USG under each agreement.

**Blanket order case.** An agreement between a foreign customer and the U.S. government for a specific category of items or services (including training) with no definitive listing of items or quantities. This type of case specifies a dollar ceiling against which orders may be placed.

**Budget authority.** The authority Congress gives to government agencies, permitting them to enter into obligations that will result in immediate or future outlays (expenditures). Such budget authority does not include the authority to ensure the repayment of loans held by another person or government.

**Budget year.** The fiscal year following the current fiscal year, and for which the new budget estimate is prepared.

**Canceled case.** An FMS case that was not accepted or funded within prescribed time limitations or was accepted and subsequently terminated by the requesting country or the U.S. government prior to complete fulfillment. The U.S. government or purchaser initiating or otherwise responsible for the cancellation of a case prior to the delivery of defense articles or the performance of services, whether the cancellation is in whole or in part, shall be responsible for all termination costs.

**Capability.** Refers to a international partner’s ability to execute a given task, mission, or function.

**Capacity.** Refers to the depth, extent, amount, or number of times that a international partner is able to self-sustain and self-replicate a given capability.

**Carrier.** A military or commercial ship, aircraft, barge, train, truck, other conveyance, or commercial transport company that moves or is able to move material from one location to another.

**Case.** A binding agreement, along with all subsequent supporting amendments and modifications to the original agreement, for the transfer defense articles, services, and/or training from a Department of Defense (DOD) implementing agency to another eligible party. The eligible receiving or benefiting party may include a single foreign national government or group of foreign national governments, an international organization, or another DOD or U.S. government agency.

**Case description.** A short title specifically prepared for each FMS case by the implementing agency.

**Case designator.** A unique designator assigned by the implementing agency to each FMS case. The designator originates with the offer of a sale, identifies the case through all subsequent transactions, and is generally a three-letter designation, comprising the last element of the case identifier.

**Case identifier.** A unique six-digit code assigned to an FMS case for the purpose of identification, accounting, and data processing of each LOA. The case identifier consists of the two-letter country code, a one-letter code for the implementing agency, and a three-letter case designator.

**Case modification.** A change or revision to an accepted letter of offer and acceptance or established FMS or BPC case, which constitutes an administrative or price change to the current LOA or case, without revising its scope.

**Cash prior to delivery (FMS).** A term of sale in which the U.S. government collects cash in advance of the delivery of defense articles and/or the performance of defense services from DOD resources.
Cash with acceptance (FMS). A term of sale in which U.S. dollar currency, check, or other negotiable instrument is submitted by the customer concurrent with acceptance of an FMS sales offer for the full amount shown as the estimated total cost on the LOA.

Closed case. An FMS case for which all materiel has been delivered, all services have been performed, all financial transactions (including all collections) have been completed, and the customer has received a final statement of account.

Co-development. A joint development project between the U.S. government and foreign government to satisfy a common requirement.

Collections. Receipts in U.S. dollars, checks, or other negotiable instruments from a foreign purchaser to pay for defense articles, training, or services based on an accepted case or other transfer agreement.

Combatant Command Campaign Plan/Theater Campaign Plan. An official, written joint document developed by a functional or geographic combatant command to guide a series of related, major operations or investments aimed at achieving a strategic end state within given parameters.

Combating Terrorism Fellowship Program (CTFP). Formerly known as Counterterrorism Fellowship Program, and also currently known as the Regional Defense Combating Terrorism Fellowship Program, it is a DOD security cooperation tool that provides education and training to international security personnel as part of the U.S. global effort to combat terrorism. CTFP is authorized by section 2249C of Title 10, U.S. Code, which allows DOD to use up to $20 million per year to pay any costs associated with the attendance of foreign government personnel, including civilians, at selected DOD schools, conferences, centers, and other training programs or venues.

Combined Education and Training Program Plan. An annually prepared or revised plan created by each SCO in coordination with host country counterparts that consolidates the partner country’s training needs for the current budget year and the following planning year. Includes program objectives and justifications, which assist in determining and prioritizing country allocations of grant program assistance for defense training.

Commercial commercial sale. A sale of defense articles, training, or services made under a Department of State-issued license by U.S. industry directly to a foreign buyer and is not administered by the DOD through FMS procedures.

Commercial-type items. Any items, including those expended or consumed in use, which, in addition to military use, are used and traded in normal civilian enterprise and may be imported/exported through normal international trade channels.

Commitment. Any communication between a responsible U.S. official and a representative of any country or international organization that could reasonably be interpreted as being a promise that the U.S. will provide a foreign government or international organization with either funds, credits, loans, goods, services, or information; or, financially, a firm administrative reservation of funds based upon procurement directives, orders, requisitions, or authorizations to issue travel orders, requests, or similar agreements or documents that authorize the recipient to create obligations without further recourse to the official responsible for certifying the availability of funds. The act of entering into a commitment is usually the first step in the process of spending available funds.

Compatibility. The characteristic or ability of two or more defense system parts, components, weapons, or organizations to integrate and/or function as elements of a larger system or environment without mutual interference.

Competent Authority Approval (CAA). An approval from the agency responsible under a country’s national law for the regulation of hazardous materials transportation. For the U.S., the “competent authority” (CA) is the U.S. Department of Transportation.

Completed case. An FMS case for which all deliveries and collections have been completed but for which a final accounting statement has not been furnished to the purchaser.

Concurrent resolution. A resolution adopted by both houses of the U.S. Congress (the Senate and House of Representatives), which does not require the approval or signature of the President. Such resolutions are used to express the common, general opinions of Congress on various national policy issues, but do not carry the force of law.

Concurrent resolution on the budget. A resolution adopted by both houses of the U.S. Congress, which does not require the signature or approval of the President, setting forth, reaffirming, or revising specified congressional budget totals for the federal government for a fiscal year.
Concurrent spare parts (CSP). Spare parts programmed as an initial stockage related to the acquisition of a major item or system. CSPs are normally shipped in advance of the release of the major item or system.

Conference committee. A temporary, ad hoc panel composed of U.S. House and Senate conferees formed to reconcile differences in legislation that has passed each chamber. Conference committees are usually convened to resolve bicameral differences on major or controversial legislation.

Congressional amendment. A proposal by a member of Congress to alter the language, provisions, or stipulations in a bill or in another amendment. An amendment is usually printed, debated, and voted upon in the same manner as a bill.

Congressional Budget Justification for Foreign Operations. The document presented annually by the Executive Branch to Congress describing the President’s annual proposals for security assistance and other foreign assistance programs, along with the budgets for these programs, for the following fiscal year (budget year) as a request for the necessary authorizations and funding appropriations from Congress. The document is jointly produced by the DOD (DSCA) and DOS (PM), previously referred to as the Congressional Presentation Document (CPD).

Congressional committee. A congressional committee and subdivision of the House or Senate that is tasked to handle a specific duty or function of Congress. These groups prepare legislation for action by the parent chamber or makes investigations as directed by the parent chamber. Most standing committees are divided into subcommittees, which study specific types of legislation, hold hearings, and report bills, with or without amendments, to the parent committee that, in turn, may submit legislation to the House or Senate.

Consignee. The person or organization to whom a shipment is to be delivered, whether by land, sea, or air.

Constant year dollars. A method of relating dollar values for various years by removing the annual effects of inflation and showing all dollars at the value they would have had in a selected base year. See also “current year dollars.”

Constructive delivery (FMS). Completion of delivery of materiel to a carrier for transportation to a consignee or delivery to a U.S. post office for shipment to a consignee. Delivery is evidenced by completed shipping documents or listings of delivery at the U.S. Post Office. The delivery of materiel to the customer or the customer’s designated freight forwarder at a point of production, testing, or storage at dockside, at staging areas, or at airports constitutes actual delivery. Also referred to as physical delivery.

Consumption rate. The average quantity of an item consumed or expended during a given time interval, expressed in quantities by the most appropriate unit of measurement.

Continental United States (CONUS). United States territory, including the adjacent territorial waters, located within North America between Canada and Mexico. Does not include Hawaii or Alaska.

Continuing resolution (CR). Appropriations legislation enacted by Congress to provide temporary budget authority for federal agencies to keep them in operation when their regular appropriations bill has not been enacted by the start of the fiscal year.

Continuing resolution authority (CRA). The authority to obligate funds against the FMFP, IMET, ESF, or other related security assistance appropriation for the new fiscal year under a CR granted by Congress in a joint resolution making temporary appropriations available prior to passage of the regular appropriations act or in lieu of such an act. Normally, however, the CRA is for a designated period lasting less than a fiscal year, and it does not usually allow funding for the start of any new programs.

Contract. An agreement between two or more persons who are legally capable of making a binding agreement, which involves a promise (or set of promises); a consideration (i.e., something of value promised or given); a reasonable amount of understanding between the persons as to what the agreement means; and a legal means for resolving any breach of the agreement.

Contract administration. All the activities associated with the performance of a contract, from pre-award to closeout.

Contract administration services (CAS). All those actions accomplished in or near a contractor’s plant for the benefit of the U.S. government that are necessary to the performance of a contract or in support of the buying offices, system/project managers, and other organizations, including quality assurance, engineering support, production surveillance, pre-award surveys, mobilization planning, contract administration, property administration, industrial security, and safety.

Contract administration services (CAS) charge. A surcharge applied to all FMS purchases sourced from procurement
to cover the cost of contract administration, quality assurance and inspection, and contract audit. The percentage basis and elements included in this charge depend upon any contract administrative reciprocal agreements with a particular purchasing country.

**Contract authority.** Budget authority contained in an authorization bill that permits an agency of the federal government to enter into contracts or other obligations for future payments from funds not yet appropriated by Congress. The assumption is that the necessary funds will be made available for payment in a subsequent appropriations act.

**Contract award.** The official act of a contracting officer to grant a contract, by signing and distributing it, to a contractor.

**Contract field services (CFS).** Services performed for the USG by commercial or industrial companies. These services provide instruction and training on the installation, operation, and maintenance of DOD weapons, equipment, and systems.

**Contract requirement.** Any stated or acknowledged performance requirement, task, action, forebearance, good, or materiel that must be performed or provided by a specified party to a contract. These may be included in the statement of work, specifications, standards, and related documents, the contract data requirements list, management systems, and contract terms and conditions.

**Contract termination.** Cessation or cancellation, in whole or in part, of work under a prime contract, or a subcontract there under, for the convenience of, or at the option of, the U.S. government, or a foreign purchaser (FMS), or due to failure of the contractor to perform in accordance with the terms of the contract.

**Contracting officer (CO).** A person with the legal authority to enter into, administer, and/or terminate contracts and make related determinations and findings.

**Conventional arms transfers (CAT).** The transfer of non-nuclear weapons, aircraft, equipment, and military services from supplier states to recipient states.

**Cooperative logistics.** The logistics support provided a foreign government/agency through its participation in a United States Department of Defense logistics system, with reimbursement paid to the USG for the support provided.

**Cooperative logistics supply support arrangement (CLSSA).** Military logistics support arrangement designed to provide responsive and continuous supply support at the depot level for U.S.-made military materiel possessed by foreign countries and international organizations. The CLSSA is normally the most effective means for providing common repair parts and secondary-item support for equipment of U.S. origin that is in allied and friendly country inventories.

**Cooperative research and development.** A method by which governments cooperate to make better use of their collective research and development resources, including technical data exchanges and codevelopment of new weapons systems.

**Coordinating Authority.** A commander or individual with the power and responsibility to consult and coordinate specific functions or activities between two or more U.S. services, joint force components, or different forces or organizations within the same service or agency. Excludes the authority to compel agreement.

**Coproduction.** A program implemented by a government-to-government or commercial licensing arrangement that enables a foreign government or firm to acquire the technology or legal authority to manufacture, assemble, repair, maintain, and/or operate, in whole or in part, a defense item.

**Cost contract.** A contract that provides for payment to the contractor of allowable costs, to the extent prescribed in the contract, incurred in performance of the contract.

**Community liaison officer (CLO).** A U.S. citizen appointment-eligible family member (AEFM) of a direct-hire employee of a U.S. embassy charged with providing pre-arrival assistance, post-arrival orientation, morale and welfare services, crisis management and support services, and education and employment information and referrals to post employees and family members.

**Country liaison officer (CLO).** An officer or non-commissioned officer (NCO) of a foreign military establishment selected by his or her government and attached to a MILDEP or DOD agency for the primary purpose of helping to assist international military students from his or her home country.

**Country-specific security cooperation section (CSCS).** Subelement of a geographic combatant command (CCMD)
theater campaign plan that serves as the core organizing document for articulating precise, “tactical” DOD objectives for
security cooperation at the partner country level. Designed to inform and be informed by a corresponding integrated country
strategy (ICS) prepared for the same partner country by the Department of State. Each country-specific security cooperation
section will identify specific lines of effort that represent the significant security cooperation initiatives planned for the
country, and articulate specific, measurable, attainable, relevant, and time-bound objectives in support of such initiatives.

Country team. Group of senior representatives from select U.S. government agencies assigned to a U.S. diplomatic
mission overseas, and subject to the direction and supervision of the chief of mission (normally an ambassador). Normally,
such members meet regularly (i.e., weekly) to coordinate and supervise USG political, economic, and military activities
and policies in the host country.

Credit case (FMS). The use of U.S. government-appropriated funds from the FMFP account to finance a foreign
country’s FMS purchases of U.S. defense articles or services. Credit funds may be in the form of repayable loans or non-
repayable grants.

Credit guaranty. A pledge or promise to any individual corporation, partnership, or other recognized legal entity
doing business in the United States (excluding USG agencies other than the Federal Financing Bank) against political and
credit risks of nonpayment arising out of that party’s financing of credit sales of articles and defense services to eligible
countries and international organizations.

Cross-servicing. That function performed by one military service in support of another military service for which
reimbursement is required from the service receiving support.

Current fiscal year. The fiscal year in progress but not yet completed (i.e., the time between and including 1 October
and 30 September of the present period of time).

Current year. The fiscal year in progress. See also budget year.

Current-year dollars. Dollar values of a given year that include the effects of inflation (escalation) or deflation for
that year, or which reflect the price levels expected to prevail during the year at issue. Also referred to as escalated dollars
or then-year dollars.

D

Defense article. Any item designated on the U.S. Munitions List (USML), Section 121.1, of the International Traffic
in Arms Regulation, or, defined as a defense article by Section 644 of the Foreign Assistance Act (22 USC 2403) or
Section 47(3) of the Arms Export Control Act (22 USC 2794), or any technical data, model, mock-up, etc. that reveals
technology relating to the items designated on the USML or in the FAA or AECA. Includes weapons, weapon systems,
system components and parts, munitions, aircraft, vessels, vehicles, supplies, commodities, facilities, and tools used as or
supporting implements of war.

Defense attaché office (DAO). A DOD organization assigned to a U.S. diplomatic mission overseas for the purposes
of overt gathering of military information, representing the U.S. Department of Defense in the conduct of military liaison
activities, and performing as a component of the U.S. country team.

Defense Contract Management Agency (DCMA). An agency under the direction of the Under Secretary of Defense
for Acquisition, Technology and Logistics, which provides unified contract administration services to DOD components
and NASA for all contracts except those specifically exempted.

Defense industrial cooperation. U.S. activities performed in conjunction with selected foreign countries, which are
intended to stimulate the development of foreign defense industrial capabilities, particularly in emerging technologies, for
the mutual benefit of all participants.

Defense Logistics Agency. A DOD inventory management agency responsible for approximately 95 percent of consumable
items and approximately 85 percent of all spare parts in the DOD supply system.

Defense Security Cooperation University (DSCU). The centralized DOD school for the consolidated professional
education of personnel involved in security cooperation management. DSCU has locations at Arlington, Virginia and
Wright-Patterson Air Force Base, Ohio, and provides an array of resident and nonresident instruction for both USG and
foreign government military and civilian personnel as well as for defense contractor and industry personnel.

Defense institution building (DIB). Security cooperation conducted to establish or reform the capacity and capabilities
of international partner defense institutions at the ministerial, department, major staff, or service headquarters level, also called institutional capacity building (ICB).

**DLA Disposition Services.** An organization within DLA that provides redistribution and disposal services for the DOD.

**DLA Logistics Information Service.** An organization within DLA that serves as the U.S. National Codification Bureau (NCB) and also provides cataloging services in support of allied defense ministries.

**Defense Security Cooperation Agency (DSCA).** The DOD agency responsible for the administrative management, program planning, and operational function of U.S. security assistance programs executed by the DOD on behalf of the State Department as well as select security cooperation programs under the policy direction of the Assistant Secretary of Defense for International Security Affairs [ASD (ISA)]. DSCA provides financial and technical assistance; facilitates the transfer of defense matériel, training, and services to international partners, and, promotes military-to-military contacts.

**Defense service.** The furnishing of assistance (including training) to foreign persons, organizations, or forces in the design, development, engineering, manufacture, production, assembly, testing, repair, maintenance, modification, operation, demilitarization, destruction, processing, or use of defense articles; or, the furnishing to foreign persons, organizations, or forces of any technical data controlled under the International Traffic in Arms Regulation (ITAR), to include information provided through formal or informal instruction, correspondence courses, technical or educational courses, or information publications or media of any kind, or through the provision of training aid, orientation, or military advice or the conduct of exercises.

**Defense stock.** Defense articles on hand, which are available for prompt delivery. It also includes defense articles under contract and on order that would be available for delivery within a reasonable time from the date of order by an eligible foreign government or international organization without increasing outstanding contracts or entering into new contracts.

**Defense Transportation System (DTS).** A collection of transportation activities and carriers belonging to or under contract to the DOD. The DTS includes commercial and organic aircraft and ships, and commercial small package services under contract to the DOD, as well as U.S. military air and ocean terminals in and outside of the U.S.

**Defined order case.** A foreign military sales case characterized by orders for specific defense articles and services that are separately identified line items on the LOA.

**Definitization.** The process of tailoring a standard DOD system to the international partner’s operational requirements by making adjustments to the item configuration, the type and quantity of spare parts furnished, or the logistics support package.

**Delivery.** The constructive or actual furnishing, carrying to, or turning over of defense articles or the performance of defense services for the customer or requisitioner, to include accessorial services, when they are normally recorded in the billing and collection cycle immediately following performance.

**Delivery forecast.** A periodic estimate of contract production delivery used as a measure of the effectiveness of production and supply availability scheduling and as a guide to corrective actions to resolve procurement or production bottlenecks.

**Delivery term code (DTC).** A single-character code that represents the extent (usually measured in terms of distance or geographical relocation) of U.S. government responsibility for arranging the transportation of defense articles to an international customer.

**Dependable undertaking (FMS).** An excepted term and condition within the FMS case or LOA indicating the firm commitment by a foreign government or international organization to pay the full amount of a contract for new production or for the performance of defense services, which will insure the U.S. against any loss on such contract and to make funds available in such amounts and at such times as may be required by the contract, or for any damages or costs that may accrue from the cancellation of such a contract. The use or inclusion of this term in a case or LOA is dependent on a judgment by the DOD that there is sufficient likelihood that the foreign government or international organization will have the economic resources and political will to fulfill the commitment.

**Depot-level maintenance.** Maintenance performed on material requiring a major overhaul or a complete rebuilding of parts, assemblies, subassemblies, and end items, including the manufacture of parts, modification, testing, and reclamation as required. This involves more extensive shop facilities and equipment and personnel of higher technical skill than are
normally available at the lower levels of maintenance (i.e., organizational or intermediate-level maintenance).

**Designated government representative (DGR).** Someone duly authorized by a foreign government to act on behalf of that government to negotiate, commit, or sign contractual agreements and/or accept delivery of materiel.

**Diminishing Manufacturing Sources and Material Shortages (DMSMS).** The loss or impending loss of manufacturers of items, suppliers of items, or raw materials needed to support and maintain a system.

**Direct cite.** Citation of the FMS Trust Fund (Account 97-11X8242) as the financing source on documents leaving the DOD system, contracts, with commercial firms, the General Services Administration, the Department of Transportation, etc. The term “direct cite” is not valid if any DOD organization establishes a reimbursable order to a DOD appropriation account, stock fund, or industrial fund.

**Direct cost.** Any cost that is specifically identified with a particular final cost objective. Such costs are not necessarily limited to items that are incorporated into the end product as labor or material.

**Direct offset.** A general type of industrial or commercial compensation practice required by a purchasing government as a condition for the purchase of defense articles/services. This form of compensation, which generally offsets a specific percentage of the cost of the purchase, is directly associated with the items to be purchased and the offset is furnished, arranged, or agreed to by the industrial/commercial entity supplying the defense articles/services. An example would be the defense firm licensing, at no cost, the production of components of a major item in the purchasing country for installation in the end items purchased by that country.

**Disbursements (gross and net).** In budgetary usage, gross disbursements represent the amount of checks issued and cash or other payments made, less refunds received. Net disbursements represent gross disbursements less income collected and credited to the appropriated fund account, such as amounts received for goods and services provided. See also “outlays.”

**Disclosure authorization.** An authorization by an appropriate U.S. military department authority, which is required, prior to the disclosure of classified information to cleared foreign nationals.

**Domicile-to-duty transportation.** The use of vehicles owned or leased by the U.S. government or provided by the U.S. General Services Administration to transport an individual from his/her domicile (residence) to a work site.

**DOD component.** One of the subordinate organizations that constitute the joint military forces and key command elements of the U.S. Department of Defense. This term usually refers to the Office of the Secretary of Defense (OSD); the military departments; the Joint Chiefs of Staff (JCS or Joint Staff); the combatant commands; the Office of the DOD Inspector General; the defense agencies; and the DOD field activities.

**DSP-94.** A DOS publication, Authority to Export Defense Articles Sold Under the Foreign Military Sales Program, which must be filed with U.S. Customs along with a copy of an appropriate LOA in order for defense articles to be legally exported.

**Earmark (appropriations).** A provision inserted into a discretionary spending appropriations bill presented in the U.S. Congress that directs certain types/amounts of funding in the bill to a specific recipient or recipients, circumventing the merit-based or competitive funds allocation process. In foreign assistance, this allows Congress to establish its priorities among countries and programs in the allocation of funding.

**Economic order quantity (EOQ).** The most economical quantity of parts to order at one time to support a defined production rate, considering the applicable procurement and inventory costs.

**Economic support fund (ESF).** A USG security assistance program through which economic assistance is provided on a grant basis to selected foreign governments with significant political or military interests for the U.S. The funds may be used to finance imports of commodities, capital, or technical assistance in accordance with the terms of a bilateral agreement.

**Eligible recipient.** Any friendly foreign country or international organization determined by the President to be eligible to purchase or receive U.S. defense articles and defense services, or to participate in U.S. programs, unless otherwise ineligible due to statutory restrictions.

**End item (EI).** A final combination of end products, component parts, and/or materials, which is ready for its intended
use (e.g., an aircraft, truck, mobile generator, or rifle).

**Engineering change proposal (ECP).** A proposal to a responsible authority recommending that a change to an original item of equipment be considered, and the design or engineering change be incorporated into the article to modify, add to, delete, or supersede original parts.

**English comprehension level (ECL) examination.** A test designed to evaluate the overall proficiency of foreign military student in English language listening and reading.

**Environmental and morale leave.** A type of leave authorized for DOD personnel stationed at certain overseas locations where adverse environmental conditions require special arrangements for leave.

**Estimated actual charges.** A systematic and documented estimate of actual costs. The procedure is used in the absence of an established cost accounting system and is usually determined through a procedure sometimes referred to as a cost-finding technique.

**Excess defense articles (EDA).** 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. These include items (except construction equipment) that 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.

**Execution.** The carrying out a program as contained in the approved budget (budget execution). Also, the carrying out or putting into effect of a plan, order, or course of action.

**Executive Order.** A directive issued by the President, that is normally used to create or modify the organization or procedures of U.S. Executive Branch agencies or may have general applicability as law based on authorities expressed or implied in acts of Congress or powers granted under the U.S. Constitution. Under the Administrative Procedure Act (APA) of 1946, all executive orders must be published in the Federal Register.

**Expanded IMET (E-IMET).** Training funded under the IMET program with the following four objectives: proper management of defense resources, improving military justice systems in accordance with internationally recognized human rights, understanding the principle of civilian control of the military, and contributing to the cooperation between police and military forces for counternarcotics law enforcement.

**Expendable supplies and material.** Supplies that are consumed in use, such as ammunition, paint, fuel, cleaning and preserving materials, surgical dressings, drugs, medicines, etc., which lose their identity, such as spare parts. Sometimes referred to as consumable supplies and material.

**Expenditure authority (EA, as used in FMS).** A document or authority from DFAS–IN to an FMS case implementing agency that allows expenditures against obligations previously recorded for an FMS case. The disbursing activity must ensure that cash is available prior to processing the disbursement.

**Expenditure.** The actual spending of money as distinguished from the appropriation or administrative reservation of funds. See also “disbursements.”

**Extended training service specialists (ETSS).** DOD military and civilian personnel technically qualified to provide advice, instruction, and training in the installation, operation, and maintenance of weapons, equipment, or systems. ETSS are attached to an SCO rather than assigned, and they are carried on the Joint Table of Distribution (JTD) but are not provided as an augmentation to the SCO staff. ETSS may be provided for overseas assignments for periods of up to but not exceeding one year, unless specifically approved by DSCA.

**EX-number.** A classification of explosive hazard assigned by the U.S. Department of Transportation to commercial and military explosives, which determines how the explosive material may be stored and transported to comply with international safety regulations.

**Fair Share Sustainment Program (FSSP).** U.S. Army Aviation and Missile Command program designed to provide hardware, software, and technical support to international users of the HAWK and CHAPARRAL missile systems, which are no longer maintained in the U.S. Army inventory.
**Familiarization training.** Practical experience and job-related instruction or education on specific systems, subsystems, functional areas, or other procedures that require hands-on experience.

**Federal Acquisition Regulation (FAR).** The primary USG regulation governing the acquisition of supplies and services with appropriated funds. Supplemented by individual federal agency regulations, such as DOD’s Defense Federal Acquisition Regulation Supplement (DFARS).

**Federal budget.** A written, projected estimate and plan for the collection and spending of revenues for all agencies and activities of the U.S. executive, legislative, and judicial branches. The federal government’s budget for a particular fiscal year is transmitted in January to the Congress by the President in accordance with the Budget and Accounting Act of 1921.

**(Web) Federal Logistics Information System (WebFLIS).** An online catalog information system used by the Defense Logistics Agency (DLA) to offer essential details about DOD supplies, such as the as the stock and part numbers, names, manufacturers, and suppliers associated with specific stock items.

**Fence (legislative).** Explicit set of limitations (i.e., maximum or minimum spending amounts) established by Congress on the use of funds provided in an appropriations act. See also "earmark."

**Field Studies Program (FSP).** Congressional program that provides international military students and visitors with the opportunity to become familiar with U.S. society, culture, politics, economics, and government institutions while promoting awareness of the U.S. Government’s commitment to basic principles of democracy and internationally-recognized human rights.

**Fiscal year (FY).** An accounting period beginning 1 October and ending 30 September of the following year. The fiscal year is designated by the calendar year in which it ends. As an example, fiscal year 2020 began on 1 October 2019 and ended on 30 September 2020.

**Fixed cost.** An accounting and economic term used to refer to a business or manufacturing expense that does not fluctuate or depend upon the level of activity or production of the business or manufacturer. Examples of fixed costs include property taxes, certain types of insurance, facilities depreciation, and security.

**Fixed-price type contract.** A type of contract that generally provides for a firm price or, under appropriate circumstances, may provide for an adjustable price for the supplies or services being procured. Fixed-price contracts are of several types, and are so designed as to facilitate proper pricing under varying circumstances.

**Follow-on training.** Sequential training following and building upon an initial course or program of instruction.

**Force activity designator (FAD).** A Roman numeral designator between I and V assigned to international partner countries and to U.S. defense organizations, which determines the supply priorities that the requisitioner can use to order materiel from the DOD supply system.

**Foreign Assistance Act (FAA).** The basic law providing the authority and the general rules for the conduct of foreign assistance grant activities/programs by the USG. Published as 22 USC Sec. 2151 et seq.

**Foreign exchange.** An institution or system for evaluating and exchanging different national currencies in order to facilitate international trade and payments.

**Foreign internal defense (FID).** Participation by civilian agencies and military forces of a foreign government or international organization in any of the programs or activities undertaken by a host nation government to free and protect its society from subversion, lawlessness, insurgency, terrorist, and other security threats.

**Foreign liaison officer (FLO).** An official representative, either military or civilian, of a foreign government or international organization stationed in the United States normally for the purpose of managing or monitoring security cooperation or assistance programs.

**Foreign military sales (FMS).** That portion of U.S. security assistance authorized by the AECA and conducted on the basis of formal contracts or agreements between the United States government and an authorized recipient government or international organization for the transfer of defense articles, training, or services to the foreign recipient on a sale or lease basis. FMS includes government-to-government transfers sourced from DOD stocks or new procurement under DOD-managed contracts, regardless of the source of financing.

**Foreign military sales (FMS) case.** A United States government letter of offer and acceptance (LOA) or a “United
States Department of Defense Offer and Acceptance," which has been accepted by a international partner. May include not only the original LOA, but also subsequent amendments and modifications to that LOA.

**Financial Management Regulation (FMR).** A manual published by the Defense Finance and Accounting Service under the authority of DODI 7000.14, as DOD Regulation 7000.14-R. Volume 15 of this regulation (Security Assistance Policy and Procedures) establishes basic financial procedures for security cooperation/assistance activities involving management, budgeting, accounting, pricing, reimbursing to DOD appropriations accounts, revolving funds, auditing, international balancing of payments, etc the DOD budget.

**Foreign Military Sales Forecast Report.** A companion document to the Javits Report, this document provides a two-year projection by fiscal year (vice one calendar year for the Javits Report) but only addresses potential FMS sales.

**Foreign Military Sales Order (FMSO).** A term used to describe LOAs and earlier substitute agreements (e.g., DD Form 1513 sales agreements) that implement cooperative logistics supply support arrangements. See also FMSO I and a FMSO II.

**Foreign Military Sales Order I (FMSO I).** A foreign customer FMS request that provides for the pipeline capitalization of a cooperative logistics supply support arrangement in which the purchaser buys equity in the U.S. supply system for the future support of a specific weapons system.

**Foreign Military Sales Order II (FMSO II).** A foreign customer FMS request for support, following and related to the establishment of a FMSO-I, that both creates a requisition and pays for the replenishment of withdrawals of consumable items (repair parts, primarily) from the DOD supply system.

**Foreign service national (FSN).** Foreign nationals (i.e., persons who are not citizens of the United States) who provide clerical, administrative, technical, fiscal, and other support at U.S. foreign service posts abroad. FSNs typically work for SCOs and DAOs as budget analysts, international training managers, administrative assistants, or drivers. See also “locally employed staff.”

**Freight Forwarder.** A commercial import/export company registered with the Directorate of Defense Trade Controls and under contract to the FMS customer that arranges transportation of materiel from a point specified in the LOA to a final destination.

**Formal training (military).** Training (including special training) in an officially designated course. It is conducted or administered according to an approved program of instruction. This training generally leads to a specific skill in a certain military occupational specialty.

**Future years defense program (FYDP).** The official program summarizing plans and programs approved by the SecDef for the Department of Defense.

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**General English training (GET).** Defense Language Institute–English Language Center (DLIELC) courses designed to develop the English language capability of international military students (IMS) so that they can attend DOD schools.

**Generic code (GC).** A three-digit code identified in the Military Articles and Services List (MASL) and in Appendix 4 of the SAMM, which represents the type of materiel or services to be furnished according to a specific budget activity/project account classification.

**Government Accountability Office (GAO).** An agency of the legislative branch, responsible solely to the Congress, which audits all negotiated government contracts and investigates all matters relating to the receipt, disbursement, and application of public funds.

**Government furnished equipment (GFE).** Items in the possession of, or acquired by, the USG and delivered to or otherwise made available to a contractor.

**Government furnished material (GFM).** U.S. government property that may be incorporated into, or attached to, an end item to be delivered under a contract or that may be consumed in the performance of a contract. It includes, but is not limited to, raw and processed material, parts, components, assemblies, small tools, and supplies.

**Grant.** A form of assistance involving a gift of funds, equipment, and/or services which is furnished by the U.S. government to a selected recipient(s) on a free, nonrepayable basis.
**Grant aid.** Military assistance rendered under the authority of the FAA for which the United States government receives no dollar reimbursement.

**Harmonization.** The process or result of adjusting differences or inconsistencies to bring significant features into agreement or minimize redundant or conflicting standards or elements.

**Holding account.** An account established for an FMS purchaser for the purpose of recording and safeguarding unidentified and certain earmarked funds for future use.

**Host nation support.** Civil and military assistance provided by host nations to allied forces and organizations during peacetime, transition to war, and wartime.

**Human rights.** Moral and/or legal entitlements held by individuals, vis-à-vis states, or governments that are recognized by most governments and provide for the security of life, liberty, and privacy; rights to participate in government and to receive equal protections and fair trial under law; freedom of belief, opinion, and religion; freedom from discrimination; and freedom from torture and degrading treatment.

**Immunity from criminal prosecution.** A doctrine and standard of international law that exempts certain individuals from the criminal jurisdiction of specific states. This protection enables a diplomatic agent to avoid prosecution for criminal code offenses by a host country to which the diplomat is accredited, unless the diplomat’s home government waives this protection.

**Implementation date (FMS).** The date when supply action on an FMS case is initiated or directed by an implementing agency.

**Implementing agency (IA).** A military department or defense agency responsible for the execution of military assistance programs. With respect to FMS, the military department or defense agency assigned responsibility by the Defense Security Cooperation Agency to accept letters or memoranda of request, prepare LOAs, and implement and manage FMS/BPC cases. The implementing agencies are responsible for the overall management of the actions that will result in the delivery of the materials or services set forth in the LOAs that were issued by those agencies and accepted by the concerned international partners.

**Impoundment.** Any executive action to withhold or delay spending appropriated funds as intended by the U.S. Congress. There are two kinds of impoundments: deferrals and rescissions.

**In-country training.** Training offered within the geographic boundaries of a recipient partner country and conducted by members of DOD, other USG personnel, or contractors.

**Indirect cost.** Costs that are incurred for common or joint objectives and that are not as readily subject to treatment as direct costs. See also “direct costs.”

**Indirect offset.** A general type of industrial or commercial compensation practice required by a purchasing government as a condition for the purchase of defense articles/services. This form of compensation, which generally offsets a specific percentage of the cost of the purchase, is unrelated to the items or services to be purchased, and the offset is furnished, arranged, or agreed to by the industrial/commercial entity supplying the defense articles/services. An example would be the defense firm agreeing to directly purchase or market on behalf of the purchasing country certain agricultural products of that country.

**Industrial base.** The part of a country or regional economy that is involved in mass production, usually heavy manufacturing, through factories, maintenance facilities, processing plants, laboratories, etc. For the United States, this sector includes both privately owned and government-owned facilities and capital, and sometimes such facilities and capital in Canada that are closely connected to the U.S. government and U.S. economy. For U.S. defense considerations, this includes public sector facilities, academic institutions, and commercial companies that enable research, development, design, production, delivery, and maintenance of military weapons systems, subsystems, components, and parts in support of U.S. military requirements.

**Initial deposit (FMS).** Money transferred to the Treasurer of the United States or other authorized USG agent at the time an LOA is accepted as full or partial payment for defense articles, services, or training contracted for by an eligible
International partner.

**Initial operational capability (IOC).** The first attainment of the capability to employ effectively a weapon, item of equipment, or system of approved specific characteristics and which is manned or operated by an adequately trained, equipped, and supported military unit or force.

**Initial provisioning.** The process of determining or furnishing the range and quantity of items (i.e., spares and repair parts, special tools, test equipment, and support equipment) required to support and maintain an item for an initial period of service. Its phases include the identification of items of supply, the establishment of data for catalog, technical manual and allowance-list preparation, and the preparation of instructions to assure delivery of necessary support items with related end articles.

**Initial spares.** Item components or related materiel logistically procured to replace similar item components or materiel that become worn, lost, or damaged during a system’s initial period of operation.

**Integrated materiel management (IMM).** The exercise of total DOD management responsibility for a federal supply group or class, commodity, or item for a single agency. Normally includes the computation of requirements, funding, budgeting, storing, issuing, cataloging, standardizing, and procuring functions.

**Interchangeability.** The ability or condition that exists when two or more items possess such functional and physical characteristics as to be equivalent in performance, fit, and durability, and are capable of being exchanged one for the other without alteration of the items themselves or of adjoining items, except for adjustment.

**Interfund billing system (IBS).** An automated billing and reimbursement system managed by DLA that allows certain suppliers to pay themselves using funds designated in advance by customers, at the time of billing. It is normally used by DOD components for supply system sales and purchases of bulk petroleum, oil, lubricants, and aviation fuels.

**Internal defense.** The full range of measures taken by a national government to free and protect itself from subversion, lawlessness, insurgency, terrorism, and other threats to security.

**International armaments cooperation (IAC).** Programs or activities that promote rationalization, standardization, and interoperability (RSI). IAC is typically represented by specific bilateral or multilateral arrangements involving one or more shared projects or exchanges, with the parameters, requirements, and responsibilities for such cooperation defined in written agreements between all countries involved.

**International cooperative administrative support services (ICASS).** Shared administrative and logistical support provided on a reimbursable basis by the Department of State to its own elements and other USG agencies at overseas posts. This support is provided through set of interagency procedures and rules used to fund, distribute, and manage the services provided, which normally pertain to personnel management, budget, general logistical, medical, communications, and security functions.

**International logistics.** The planning, negotiating, and implementation of arrangements for the procurement/mobilization, maintenance, and/or transportation of military materiel, facilities, and/or personnel between nations, their forces, and agencies. It includes providing such services and support to, or receiving logistics support from, one or more friendly foreign governments, international organizations, or military forces, with or without reimbursement.

**International Logistics Communication System.** A fee-for-service telecommunications system established for international partners to communicate supply requirements directly to the DOD supply system through the Defense Data Network.

**International Logistics Control Organization.** An organization within each of the military departments that is dedicated to managing logistics support programs and transactions in support of foreign military sales and other security cooperation programs.

**International Military Education and Training (IMET) Program.** U.S. security assistance program managed by the Department of State and executed by DOD that provides formal and/or informal instruction to foreign military students, units, and forces or select foreign civilian officials on a non-reimbursable (grant) basis. Instruction may be administered by U.S. military personnel, DOD employees, or contractors, and instruction may include professional military education (PME); correspondence and distance learning courses; technical instruction; or the provision of informational publications or media. Instruction may be performed at U.S. government facilities in the United States or overseas, or at other locations overseas using mobile training/education teams.
**International military student** (IMS). A national of a foreign government, with military or civilian employee status associated with that government, who receives education or training or tours USG activities under the sponsorship of the security assistance training program (SATP).

**International military student office/officer** (IMSO). A U.S. military office or civilian military officer designated to provide administrative support for international military students while in training at a local facility or activity. The IMSO also manages and conducts the DOD Field Studies Program as it applies to the facility or activity.

**International narcotics control and law enforcement** (INCLE). Refers to counterdrug bureau/programs managed by the DOS, with materiel, services, and, training support that may be provided and managed by the DOD using SC assets and procedures.

**International Traffic in Arms Regulations** (ITAR). A U.S. government regulatory regime supported by a set of regulations prepared by the Directorate of Defense Trade Control (DDTC), Bureau of Political-Military Affairs, Department of State. It restricts and controls the import and export of defense articles, materiel, and technologies through vetting, licensing, and regulatory requirements. The ITAR also includes the U.S. Munitions List (see “munitions list”).

**Interoperability.** The ability of systems, organizations, or forces to exchange or mutually utilize materiel and services and/or work together coherently, effectively, and efficiently to achieve tactical, operational, and strategic objectives.

**Inventory control point** (ICP). An organizational unit or activity within a DOD supply system that is assigned primary responsibility for materiel management of a group of items, either for a particular military service or DOD as a whole. Specific management function of an ICP may include the computation of requirements, the initiation of procurement or disposal actions, distribution management, etc.

**Inviolability of person or premises.** Term introduced in Article 29 of the Vienna Convention on Diplomatic Relations and Optional Protocols of 1961 that refers to the primary protections enjoyed by diplomatic agents, designated diplomatic mission staff members, and accompanying family members. These protections prohibit such persons from being subject to search, arrest, or detention in the receiving or host state and require the receiving/host state to treat them with due respect and take reasonable measures to prevent attacks on them, their freedom, their dignity, and their premises. By extension, premises always refer to the office spaces, facilities, land, and residences occupied by these personnel, and premises is usually interpreted to include personal and official property, such as papers, baggage, or vehicles used by these designated individuals.

**Invitational travel order** (ITO). A written authorization (DD Form 2285) for international military students to travel to, from, and between U.S. activities for the purpose of training under an approved and funded IMET or FMS program.

**Item identification number.** A seven-character identifier assigned to each line of training in the MASL. The first character of this code that identifies the MILDEP offering the training (B-Army, P-Navy, D-Air Force); the following six characters are numbers that identify the specific type of training. This identification number is used in all FMS and IMET training programs and implementation documents.

**Item manager** (IM). An individual within the organization of an inventory control point or other such organization assigned management responsibility for one or more specific items of materiel.

**Javits Report.** The President’s estimate to the Congress of potential or proposed arms transfers during a given calendar year.

**Joint resolution.** A legislative resolution, designated H J Res (House) or S J Res (Senate), that requires the approval of both houses and the signature of the President and which has the force of law if approved. There is no practical difference between a bill and a joint resolution. Though, a joint resolution is generally used to deal with a limited matter such as a single appropriation. Congressional rejection of a proposed arms transfer, lease, third-country transfer, or proposed international cooperative project is normally accomplished by a joint resolution.

**Joint Security Cooperation Education and Training Regulation** (JSCET). A joint service regulation that prescribes policies, responsibilities, procedures, and administration responsibilities for the education and training of international military students by the U.S. Army, Navy, and Air Force (as well as the U.S. Marine Corps and Coast Guard) as authorized under U.S. law.
Joint Strategic Campaign Plan (JSCP). Five-year global strategic plan (reviewed every three years) that operationalizes the National Military Strategy (NMS). It is published by the Chairman of the Joint Chiefs of Staff (CJCS) to guide and direct the preparation and integration of joint force campaign and contingency plans. The JSCP establishes a common set of processes, products, priorities, roles, and responsibilities to integrate the global joint force operations, activities, and investments from day-to-day campaigns to contingencies. The JSCP also directs development of campaign, contingency, and support plans.

Language training detachment (LTD). A group of personnel from the Defense Language Institute, English Language Center (DLIELC), Lackland Air Force Base, Texas, providing instruction in English as a second language (ESL) and advice on managing and conducting ESL programs in foreign countries.

Lease (security assistance). An agreement for the temporary transfer of the possession and use of a non-excess defense article or articles to a foreign government or international organization, with the lessee agreeing to reimburse the USG in U.S. dollars for all costs incurred in the lease itself, and to maintain, safeguard, and restore, repair, or replace (as necessary) the article(s), in addition to covering any transportation expenses and depreciation costs accrued during the period of the lease.

Letter of offer and acceptance (LOA). A bilateral DOD agreement used by the U.S. government to transfer, directly (through a traditional LOA) or indirectly (through a BPC LOA), U.S. defense articles and services pursuant to the Arms Export Control Act (AECA). This agreement lists the items and/or services, estimated costs, and the terms and conditions of sale or transfer; it requires, in the case of a direct transfer to an international partner, the signature of an appropriate foreign government official to indicate acceptance, and, in the case of an indirect transfer or sale to another USG agency for grant transfer to the international partner (under an indirect transfer or BPC LOA), the signature of the USG agency providing the funds for the transfer.

Letter of Request (LOR). A request from an eligible FMS participant, regardless of the written format, for the purchase of U.S. defense articles and services.

Licensed production. The manufacture or assemble of a defense article under an agreement made by a U.S. commercial firm with an international organization, foreign government, or foreign commercial firm.

Life-cycle cost. The total costs to the government of acquisition and ownership of a system over its useful life. It includes the costs of development, acquisition, support, and, where applicable, disposal.

Line-item number. A three-digit alpha/numeric code that identifies a detail line item on an LOA. This code is also displayed on the customer’s bill.

Living allowance. An authorized allowance paid to an international military student while in training under the IMET program.

Loan. The temporary transfer of the right of possession and use of a defense article or articles to a foreign government or international organization, at no rental charge to the recipient partner. Also refers to the provision of materials, supplies, or equipment to a NATO or major non-NATO ally for the purpose of carrying out cooperative research, development, testing, or evaluation subject to and under the authority of section 65 of the AECA.

Locally employed (LE) staff. Foreign nationals and other local residents (including U.S. citizens) who work in various support positions at an overseas U.S. mission in their country of current residence. These personnel are subject to most local labor laws and normally compensated according to local wage scales and benefit plans.

Logistics. Planning and executing the movement and support of forces. Logistics may include the design, development, acquisition, construction, movement, furnishing, distribution, maintenance, evacuation, or disposition of materials; the acquisition, construction, operation, maintenance, furnishing, or disposition of facilities or real property; the acquisition or furnishing of services; or the movement, evacuation, support, or medical treatment of personnel.

Long-lead items/long-lead time materials. Those components of a system or piece of equipment for which the times to design and fabricate are the longest, and, therefore, to which an early commitment of funds may be desirable in order to meet the earliest possible date of system completion.
Maintenance. All actions, including inspecting, testing, servicing, or classifying related to ensuring the serviceability or undertaking the repair, rebuilding, or reclamation of materiel. Also, all supply and corrective actions taken to keep a force in a condition suitable for carrying out assigned missions; or, regarding facilities and real property, any routine, recurring work necessary to keep a facility/property in such condition that it may continue to be used at its original or designed capacity and efficiency for its intended purpose.

Maintenance plan. A detailed description of requirements and resources needed to maintain a specific piece of equipment or an overall system. This plan describes the overall concept for how maintenance will be sourced and implemented and explains the technical requirements associated with where the maintenance will be performed and the methods used; lists the significant maintenance tasks that will likely be required for the system or equipment during its life cycle; and describes the significant consumable items, facilities, tools, and other resources that will likely be required for supply, maintenance, recovery, repair, and disposal.

Major defense equipment (MDE). Any item of significant military equipment on the United States Munitions List having a nonrecurring research and development cost of more than $50 million or a total production cost of more than $200 million.

Major line item. A program line for which the requirement is expressed quantitatively as well as in dollars. These lines are identified by a unit of issue (XX) other than dollar value.

Major non-NATO ally (MNNA). Designation given by the U.S. government to partner countries that have close, strategically important working relationships with the U.S. military but are not members of the North Atlantic Treaty Organization (NATO). This list of countries currently includes Afghanistan, Argentina, Australia, Bahrain, Brazil, Egypt, Israel, Japan, Jordan, Kuwait, Morocco, New Zealand, Pakistan, the Philippines, South Korea, Taiwan, Thailand, and Tunisia.

Materiel management. The direction and control of those aspects of logistics that deal with materiel, including the functions of identification, cataloging, standardization, requirements determination, procurement, inspection, quality control, packaging, storage, distribution, disposal, maintenance, mobilization planning, industrial readiness planning, and item management classification; encompasses materiel control, inventory control, inventory management, and supply management.

Memorandum of agreement (MOA) or memorandum of understanding (MOU). A written agreement between governments or a government and international organization signed by authorized representatives and signifying an intent to be legally bound.

Military articles and services list (MASL). A catalog of materiel, services, and training used in the planning and programming of the International Military Education and Training (IMET) Program and Foreign Military Sales (FMS). Separate MASLs are maintained for IMET and FMS training that provide data on course identification, course availability, price, and duration of training.

Military Assistance Advisory Group (MAAG). One of several country-specific titles for select security cooperation organizations (SCOs). The term MAAG usually refers to a small joint service organization focused on security cooperation/security assistance planning and programming in its host nation.

Military assistance program (MAP). An inactive U.S. security assistance program designed to provide defense articles and services to eligible foreign recipients on a nonreimbursable (grant) basis. Funding for MAP was consolidated under the Foreign Military Financing (FMF) Program beginning in fiscal year 1990.

Military Assistance Program Address Directory (MAPAD). A directory containing the clear text addresses of country representatives, freight forwarders, and customers-within-country required for releasing FMS and grant shipments processed in accordance with military standard requisitioning and issuing procedures (MILSTRIP). These addresses are required for forwarding critical shipping information.

Military civic action. Projects and activities undertaken by primarily indigenous military forces (sometimes with advice or other minor support from deployed U.S. forces) for the benefit of local civilian populations. These projects/activities are normally related to providing or improving social development, education, job skill training, public infrastructure, agriculture, or public health/sanitation. A close secondary purpose is to improve the image and standing of these military
forces with their respective country populations.

**Military Department (MILDEP).** One of the departments within the Department of Defense created by the National Security Act of 1947, which include the Department of the Air Force, the Department of the Army, and the Department of the Navy.

**Military Service (MILSVC).** A branch of the Armed Forces of the United States, established by act of Congress, in which persons are appointed, enlisted, or inducted for military service, that operates and is administered within a military or executive department. The Military Services are as follows: the United States Army, the United States Navy, the United States Air Force, the United States Marine Corps, the United States Coast Guard, and the United States Space Force.

**Military standard billing system (MILSBILLS).** A Defense Enterprise Business system that provides data elements, codes, procedures, and formats for use by DOD components for billing, collecting, and related accounting.

**Military standard requisitioning and issue procedures (MILSTRIP).** A uniform procedure established by the Department of Defense to govern the requisition and issue of materiel within standardized priorities.

**Mobile education team (MET).** A team of U.S. DOD personnel on temporary duty in a foreign country for the purpose of educating foreign personnel professional subject areas such as resource management, acquisition, civilian control of military forces in a democracy, international norms of human rights, developing policy and doctrine, etc. Such teams are normally paid for using IMET or Expanded IMET funds.

**Mobile training team (MTT).** A team of U.S. DOD personnel on temporary duty in a foreign country for the purpose of training foreign personnel, usually in skills or subject areas related to the operation, maintenance, or other use or support of weapons systems, or, in tactical or operational military skills, or, to develop self-training capabilities in particular defense-related skills. MTTs are typically funded through FMS or the IMET Program.

**Modification.** A minor administrative or price-related change to an existing FMS case that does not effect the scope of the case.

**U.S. Munitions List (USML).** A list enumerating articles, materials, services, and technologies subject to export and temporary import controls and under the jurisdiction of the Department of State. This list is contained in Part 121 of the International Traffic in Arms Regulations (ITAR) and delineates those defense items classified as significant military equipment (SME).

**National Defense Strategy (NDS).** A strategic defense guidance document of the United States published by the Secretary of Defense that creates specific guidance for the development of the National Military Strategy (NMS) as well as DOD campaign and contingency planning, force development, and intelligence activities linked to the priorities of the President’s National Security Strategy (NSS). The NDS is published for use both internally, within DOD, and externally, in facilitating coordination with other U.S. government agencies. The NDS is usually reviewed/updated in response to the creation or revision of an NSS.

**National Military Strategy (NMS).** A strategic defense guidance document of the United States published by the Chairman of the Joint Chiefs of Staff (CJCS) that provides targeted guidance to the armed forces for distributing and applying military power to implement the National Defense Strategy (NDS) produced by the Secretary of Defense. The NMS is specifically designed to create mutually supporting, coordinated service and combatant command plans and to identify and assess the current capabilities of U.S. military forces to carry out the NDS and other strategic guidance. By law (Title 10, Section 153), the NMS should be reviewed/updated in February of each even-numbered calendar year.

**National Policy and Procedures for the Disclosure of Classified Military Information to Foreign Governments and International Organizations (normally referred to as the National Disclosure Policy [NDP-1]).** An interagency document published by the Secretary of Defense, in coordination with the Secretary of State, Secretary of Energy, and Director of Central Intelligence, which governs the disclosure of U.S. classified military information (CMI) to foreign governments and international organizations. This policy document is used to implement National Security Decision Memorandum (NSDM) 119.

**National Security Strategy (NSS).** A strategic defense and security document issued by the President that provides very broad policy guidance to Congress and the Executive Branch on the national security values and interests of the current administration. This document serves as the origin point for all national defense and security planning in the United States.
States and serves as the foundation for creating the subordinate plans of the Department of Defense, Department of State, and other cabinet-level agencies. By law (the Goldwaters-Nichols Act of 1986), the NSS should be published annually.

**National stock number (NSN).** A thirteen-digit stock number consisting of a four-digit federal supply classification code and a nine-digit national item identification number.

**NATO Codification System (NCS).** A supply codification system developed by the U.S. and adopted by NATO and non-NATO partners. The NCS standardizes item identification processes to permit item interchangeability between international partners and contributes to systems interoperability.

**Net case value (NCV).** The total cost figure produced as a sum of all of the line items of an LOA, which generally reflect the direct or basic costs of the goods and services furnished by implementing agencies. This figure, also referred to as the net case value (NCV), is shown on Line 8 of each LOA (or Line 21 of the former LOA form, DD Form 1513).

**Nonexpendable supplies and materiel.** Items not consumed in use and retain their original identity, such as weapons, machines, tools, and equipment.

**Nonrecurring costs (NRC or NC).** Those costs funded by an RDT&E appropriation to develop or improve a defense-related product or technology. These are one-time costs incurred in the initial or original creation of a specified model and those costs incurred in support of a total projected production run.

**Nonrecurring demand.** A one-time requisition from a customer that is not used to compute demand-based requirements.

**Nonrepayable credits/loans.** Grant funds appropriated by Congress for use in the Foreign Military Financing (FMF) Program by select countries to finance FMS acquisitions (and on a limited, exceptional basis, certain DCS acquisitions) of defense articles, services, and training under the authority of section 23 of the AECA.

**Nonstandard article.** For FMS purposes, a defense item that the DOD does not manage, either because it has been retired from DOD inventories or because it was never purchased or officially adopted for a DOD component.

**Nonstandard service.** For FMS purposes, a defense service that the DOD does not routinely provide for itself or for purchase by outside agencies or international partners.

**Notice of Availability (NOA).** A written notification that material requiring special handling is ready to be shipped. The NOA is sent by the shipper to the purchaser or freight forwarder for oversized, hazardous, explosive, classified, or perishable material and requires a response from the recipient with delivery instructions.

**Obligation.** A duty to make a future payment of money. This duty is normally incurred when a USG order is placed or a contract is awarded for the delivery of goods and the performance of services. An obligation legally encumbers a specified sum of money, which will require an outlay or expenditure in the future.

**Obligational authority (OA, as used in FMS).** An authority, documented in writing or through other means, that is passed from DFAS–IN to an implementing agency or similar DOD component that allows obligations to be incurred against a given FMS case in an amount not to exceed the value specified in the obligational authority.

**Observer training (OBT).** Special training conducted to permit international military students to observe U.S. military techniques and procedures.

**Offer date.** The date that appears on the offer portion of an LOA and that indicates the date on which an FMS offer is made to a foreign buyer.

**Offset agreement.** An arrangement or understanding between a U.S. supplier of defense articles or services and a foreign country under which the supplier agrees to purchase, acquire, or promote the purchase or acquisition by others, of goods or services produced, manufactured, grown, or extracted, in whole or in part, in that foreign country in consideration for the purchase by the country of defense articles or services from the supplier. May also involve the furnishing of other goods, services, technologies, or rights by the supplier in consideration of the purchase. See also “direct offset” and “indirect offset.”

**On-the-job training (OJT).** A DOD training program whereby international military students (IMSs) acquire knowledge and skills through the actual performance of duties under competent supervision and in accordance with an approved training plan.
**Operation and maintenance (O&M) cost.** An expense associated with equipment, supplies, or services required to train, operate, or maintain forces.

**Oral proficiency interview (OPI).** A test designed to evaluate and rate the English language speaking proficiency of international military students. Certain DOD courses require an OPI test be taken and a specific OPI score to be met before an IMS can attend the course.

**Ordering activity.** An organizational entity that originates a requisition or order for procurement, production, or performance of work from another activity.

**Ordnance.** Explosives, chemicals, pyrotechnic and similar stores (e.g., bombs, ammunition, flares, smoke grenades, and napalm).

**Orientation tour (OT).** A visit arranged for key foreign personnel, normally paid for through FMS or IMET funds, to acquaint such personnel with U.S. organizations, equipment, facilities, or methods of operation.

**Outlays.** Actual expenditures made via issued checks, accrued interest on debt, or other forms of fund release or disbursement. Total budget outlays consist of the sum of the outlays from appropriations and other funds in the budget, less receipts (i.e., refunds and reimbursements).

**Outside of CONUS (OCONUS).** Refers to all geographic areas, including Hawaii and Alaska, not within the territorial boundaries of the continental United States. See also “CONUS.”

**Overseas training.** Training provided at training installations outside the U.S.

**Packing, crating, handling, and transportation (PCH&T).** The resources, processes, procedures, design considerations, and methods used to ensure that all system, equipment, and support items can be preserved, packaged, handled, manipulated, and transported properly, and which factor in environmental, legal, weight, content, mass, and other considerations.

**Paramilitary forces.** Armed forces or groups that are distinct from the regular or conventional armed forces of a country or other area, but share similarities in organization, equipment, training, or missions.

**Payment on delivery (FMS).** An FMS term of sale in which the U.S. government issues a bill to the FMS purchaser at the time of delivery of defense articles or the rendering of defense services. This term may only be used pursuant to a written statutory determination and may be modified, through presidential action, to require payment up to 120 days after delivery.

**Payment schedule.** A listing of dollar amounts, to be paid at stated intervals, which are due from a foreign purchaser as payment on an FMS case and normally specified in the LOA. After acceptance of the LOA, the payment schedule generally serves as the basis for customer billing, with any changes in the original estimated costs of the LOA requiring revisions to the payment schedule.

**Performing activity.** Any organizational entity responsible for executing contracted or agreed upon work, to include the production or furnishing of goods and/or the performance of services.

**Performance-based logistics.** A DOD strategy that links purchases to systems readiness and performance outcomes versus demand; under this approach, the DOD focuses on contracting with manufacturers responsible for ensuring optimal system performance by continuing to provide comprehensive logistical support to customer post-procurement.

**Planning, programming, budgeting, and execution.** The annual DOD process used for translating strategic guidance into resource allocation decisions. This process serves as the framework for making funding decisions regarding programs and force structure requirements based on strategic objectives.

**Port of debarkation (POD).** A military or commercial air or ocean terminal at which cargo and/or personnel is offloaded. Also referred to as a port of discharge.

**Port of embarkation (POE).** A military or commercial air or ocean terminal from which a carrier departs to transport and deliver cargo and/or personnel to a consigned destination. This is also referred to as the port of exit.

**Price and availability (P&A) data.** Information requested by a international partner to evaluate the potential purchase
of defense articles or services via an FMS case. This data is prepared and furnished by an implementing agency for rough planning purposes only and is not necessarily valid for the preceding construction of the LOA, nor does furnishing this information constitute a commitment by the U.S. government to offer for sale the articles and services associated with the provided data.

**Procurement lead time.** The interval of time, stated in months, between the initiation of procurement action and receipt into the supply system of the production model (excluding prototypes) purchased as the result of such actions. Procurement lead time is composed of two elements, production lead time and administrative lead time.

**Procuring contracting officer (PCO).** An individual authorized to enter into contracts for supplies and services on behalf of the government by accepting or soliciting bids and negotiating purchase contracts. This officer is responsible for overall procurement under such contracts.

**Production lead time.** The time interval between the placement of a contract and receipt into the supply system of materiel purchased.

**Professional military education (PME).** Career training designed to provide or enhance the leadership and management skills of the recipient to conduct military planning, programming, budgeting, and force development.

**Program management review (PMR).** A management-level review held by a systems program office or systems program manager to determine the status of an assigned system. PMRs are designed as tools to identify problems, if any, and to develop appropriate follow-up actions as required.

**Progress payments.** Those payments made to contractors or DOD industrial fund activities for work progress accomplished under an active but incomplete contract. Payments are made on the basis of costs incurred or the percentage of work completed at a particular stage of contract execution prior to actual delivery and acceptance of all contracted products and services.

**Quality assurance (QA).** A process or state related to a planned and systematic pattern of action necessary to provide confidence that products and services conform to established technical requirements, and that satisfactory performance has been or will be achieved.

**Ratification.** The formal action of the President in giving effect to a treaty that has been approved by the Senate. The treaty, then, is officially proclaimed and becomes legally enforceable. Also refers to any action taken to sign or give formal consent to any contract or agreement, making it officially or legally valid.

**Rationalization, standardization, and interoperability (RSI).** A combined term that refers to any actions, efforts, events, undertakings, or accomplishments that promote or enhance the efficiency, effectiveness, and integration of U.S. military cooperation with international partners. Rationalization specifically refers to any action that increases the effectiveness of combined forces through the efficient and skillful use of defense resources; standardization specifically refers to the process or condition of achieving close, practical multinational cooperation by eliminating redundancies and creating or using uniform quality, capacities, or measures; and, interoperability relates to achieving compatibility and harmony among international forces through the use of similar technologies, doctrine, procedures, etc.

**Reapportionment.** The revision of an annual apportionment of funds, accomplished within the fiscal year for which the original apportionment applied.

**Reappropriation.** Congressional action to carry over funds unused in one fiscal year to the following fiscal year.

**Reciprocal defense procurement.** Procurement actions that are implemented under memoranda of understanding/memoranda of agreement (MOUs/MOAs) between the U.S. and one or more other international partners whereby the participants agree to undertake complementary acquisitions of defense articles from each other’s country or countries.

**Recoverable item.** An item that is normally not consumed in use and is subject to return for repair or disposal. See also “reparable item.”

**Reimbursable expenditure.** An expense incurred or paid for another agency, fund, appropriation, or private individual, firm or corporation, which, subsequently, will be recovered.
**Reimbursement.** An amount received by an activity for the cost of material, work, or services furnished to another activity or party, for credit to an appropriation or fund account.

**Reorder point.** The point at which time a stock replenishment requisition is submitted to maintain a predetermined supply objective.

**Repair and replace (FMS).** A program support concept through which an eligible cooperative logistics supply support arrangement (CLSSA) participant may return an eligible nonconsumable item to DOD and receive a serviceable item without waiting for the repair and return of that specific item; this concept allows the customer to more quickly replace the unserviceable item with a similar item already available in existing customer-supported CLSSA stocks held by the U.S. government. The customer is initially charged an estimated repair cost based on an evaluation of the item initially turned in for repair, with later adjustments to billing based upon completion of repairs to the specific item returned.

**Repair and return.** A program support concept through which an eligible international partner may return an unserviceable repairable item to DOD; upon completion of repairs, the same item is returned to the country and the actual cost of the repair is billed to the country.

**Reparable item.** An item that can be reconditioned or economically repaired for reuse when it becomes unserviceable.

**Replenishment spare part.** An item or piece of equipment, repairable or consumable, purchased by an inventory control point to replace on-hand stocks for use in the maintenance, overhaul, and repair of equipment such as ships, tanks, guns, aircraft, engines, etc.

**Reprogramming.** Refers to the transfer of funds between program elements or line items within an appropriation.

**Rescission of budget authority.** The cancellation of budget authority previously provided by Congress using a rescission proposal passed by both chambers of Congress.

**Research and development.** The systematic study and application of knowledge towards the production of useful materials, devices, systems, or methods. May include functions such as data gathering, experimentation, design, the initial creation and improvement of prototypes, and testing.

**Resolution.** Legislation introduced in either the U.S. House of Representatives or the U.S. Senate similar to a bill but that may have a more limited effect (i.e., may only be applicable to Congress itself or one of its chambers). May be introduced in one of three forms: 1) a joint resolution; 2) a simple resolution; or 3) a concurrent resolution. See also “concurrent resolution” and “joint resolution.”

**Retainable Instructional Material (RIM).** Unclassified books, pamphlets, maps, charts, or other course material issued to and retained by international military or U.S. students in DOD educational or training programs.

**Revolving fund.** A fund established to finance a cycle of operations to which reimbursements and collections are returned for reuse in a manner that will maintain the principal of the fund (e.g., working capital fund and industrial fund).

**Rule of Law.** The restriction of the arbitrary exercise of power by subordinating it to well-defined and established laws. In democratic societies, this is usually manifested in through a system of checks and balances in and on government, such as the division of powers between different levels and branches of government, free and regular elections, independent judiciaries, and constitutions with bills expressing and/or guaranteeing certain citizen rights.

**Safety level.** The quantity of materiel, in addition to the operating level of supply, required to be on hand to permit continuous, uninterrupted, and unimpaired operations.

**Security assistance (SA).** A group of programs authorized by the Foreign Assistance Act (FAA) of 1961, as amended, and the Arms Export Control Act (AECA) of 1976, as amended, or other related statutes by which the United States provides defense articles, military training, and other defense-related services via grant, loan, cash sale, or lease, in furtherance of national policies and objectives. These programs are generally codified under Title 22 of the United States Code and are overseen and regulated by the Department of State. Those SA programs that are largely executed by the DOD on behalf of the State Department are considered to be both security assistance and security cooperation programs.

**Security Assistance Management Manual (SAMM).** A manual published by the Defense Security Cooperation Agency that sets forth the responsibilities, policies, and procedures for the administration of security assistance within the department.

**Security assistance management review (SAMR).** A management review led by a security assistance organization for the purpose of determining the status of one or more specific programs.

**Security assistance network (SAN).** A web-based network (also known as the SANweb) that hosts various security cooperation/security assistance applications focused on international training management and related budget, planning, and programming data. A version of the SAN called the International SAN (ISAN) provides limited access to the SAN for authorized partner countries.

**Security Cooperation (SC).** Any Department of Defense program, activity, or interaction with foreign security establishments designed to 1) build security relationships that promote U.S. interests; 2) develop allied or other international partner military and security capabilities for self-defense or participation in U.S.-sanctioned multinational operations; or 3) provide U.S. forces with peacetime/contingency access to allied and international partners. Security cooperation may be authorized under Title 10 or Title 22 of the United States Code, or under temporary (non-codified) U.S. laws.

**Security Cooperation Education and Training Working Group (SCETWG).** An annual geographic combatant command conference conducted for the purpose of establishing the SA/SC training program for each eligible partner country in the command’s area of operations (AOR). Attendees generally include the CCMD’s SCO training manager and representatives from DSCA, the MILDEP, training agencies, the regional SCO representatives, and other key SC training management personnel. This conference is used to submit, refine, and approve SCO training plans, known as combined education and training program plans (CETPPs), and disseminate training management policy updates, training, and other information.

**Security Cooperation Information Portal (SCIP).** A DOD-managed, web-based system that provides international partners, partner agents, and USG agencies with access to FMS case, line, requisition, and supply data, supply-related transactions or functions, end-use monitoring and third-party transfer data and functions, and other SC/SA management capabilities and community links.

**Security cooperation organization (SCO).** A DOD organization, usually under the authority and assigned as part of a U.S. diplomatic mission, which is located in a foreign country to carry out country-level SA/SC management functions.

**Security Cooperation Officer Token Administrator.** A SCO member, designated in writing by the SCO chief, to manage and maintain accountability for SCIP tokens assigned to a security cooperation organization.

**Security forces.** The duly constituted military, paramilitary, police, constabulary, customs, border, or other forces of a state.

**Security force assistance (SFA).** DOD activities that support the development of the capacity and capability of foreign security forces (FSF) and their supporting institutions.

**Security Risk Category (SRC).** A numerical value assigned to sensitive arms, ammunition, and explosive devices/material indicating the level of risk associated with transporting, storing, or securing these items. This risk factor is based on the capability, portability, volatility of the item and the casualty or damage effect that may be caused by its use or misuse. SRC 1 represents the greatest category of risk, while SRC 4 represents the lowest or safest category.

**Security Sector Assistance (SSA).** The policies, programs, and activities used by the U.S. government’s interagency community to engage and support a foreign state or similar partner in the establishment, improvement, or sustenance of legitimate and effective institutions to provide security, safety, and justice for itself or to enable it to address shared international security challenges.

**Security sector reform (SSR).** A comprehensive set of programs and activities undertaken by a host nation to improve the way it provides internal and/or external safety, security, justice, and defense.

**Senior defense official/diplomat attaché (SDO/DATT).** The principal DOD official and diplomatic representative assigned to a U.S. embassy. This person, usually a U.S. military officer, serves as the principal military advisor to the chief of mission and is in charge of both the DAO and SCO, while exercising coordinating authority over other DOD elements under chief of mission authority.

**Sensitive.** Refers to an agency, installation, person, position, document, material, or activity requiring special protection from disclosure that could cause or initiate embarrassment, compromise, or a threat to the controlling or sponsoring entity.
associated with that agency, installation, person, position, document, material, or activity.

**Sequestration.** Refers to a provision in U.S. law, or its use, that is associated with an across-the-board reduction or cancellation in certain types of federal spending. Sequestration is exercised by the President to impose hard limitations on government spending related to broadly defined categories of the national budget.

**Service.** For SC/SA purposes, this refers to one of two meanings: 1) any form of assistance, advice, or training provided to a foreign person or party, whether that person or party is in the United States or abroad, related to the design, manufacture, installation, maintenance, repair, improvement, movement, operation, or disposal of a defense article or providing defense-related technical data; 2) a branch of the Armed Forces of the United States, established by act of Congress, into which persons are appointed, enlisted, or inducted for military duty or application. The current U.S. military services are the U.S. Army, U.S. Navy, U.S. Air Force, U.S. Marine Corps, U.S. Coast Guard, and U.S. Space Force.

**Shipper.** A commercial or military manufacturer, vendor, supply depot, or repair facility that ships material in support of security cooperation programs on behalf of the DOD.

**Significant military equipment (SME).** Defense articles for which special export controls are warranted because of the capacity of such articles for substantial military utility or capability. These items are identified on the United States Munitions List in the *International Traffic in Arms Regulations* (ITAR) by an asterisk preceding the item category listing.

**Single Vendor Integrity (SVI).** A requirement or condition, designed to assure the quality, cost, or availability of an item, service, or material, whereby a customer relies on a specific supplier or manufacturer.

**Site survey.** A team of U.S. personnel who assess an FMS customer’s logistics capabilities and shortfalls to determine the optimum type and quantity of logistics support to be included in the total package approach to acquisition.

**Sole source acquisition.** A contract for the purchase of supplies or services that is entered into or proposed to be entered into by an agency after soliciting and negotiating with only one source.

**Solicitation.** A formal document used in negotiating acquisitions to communicate government requirements to prospective contractors and to solicit proposals.

**Source selection.** A process wherein the requirements, facts, recommendations, and government policy relevant to an award decision in a competitive procurement of a system/project are examined and the decision made.

**Spare parts.** An individual part, subassembly, or assembly supplied for the maintenance or repair of systems or equipment.

**Special Assignment Airlift Mission (SAAM).** The use of a dedicated U.S. military aircraft to deliver sensitive, classified or explosive defense articles to a specific customer location, when no commercial delivery capability exists.

**Specialized English training (SET).** A nine-week course at the Defense Institute English Language Center at Lackland Air Force Base, Texas, which is designed to provide international military students with intensive practice in functional English language skills and introduce them to technical/professional terminology utilized in the U.S. military. This training is used to prepare international military students for follow-on DOD courses.

**Staging cost.** The cost incurred by DOD to consolidate materiel prior to shipment to an FMS customer. The charge for this cost may specifically include expenses related to storage, control, handling, security, or any other incidental services required for the merger of shipments and the pause or break in transportation required to accomplish the merger.

**Standardization.** Refers to the process or condition of achieving close, practical multinational cooperation by eliminating redundancies and creating or using uniform quality, capacities, or measures.

**Standardization agreement (NATO).** A formal, written agreement among several or all member nations of NATO to adopt like or similar military equipment, ammunition, supplies, stores, or operational, logistical, or administrative procedures.

**Standardized training list (STL).** A list and/or status report of all of the SC/SA courses requested by a partner country from DOD.

**Supplemental appropriations.** An act appropriating funds in addition to those provided for in the annual appropriations acts. Supplemental appropriations provide additional budget authority beyond the original estimates for programs or activities (including new programs authorized after the date of the original appropriations act) in cases where the need for
funds is too urgent to be postponed until enactment of the next regular appropriations bill.

**Supply Discrepancy Report (SDR).** Refers to the document or process used by FMS customers to file and record complaints with DOD-related to product losses, deficiencies, damages, and other problems.

**Surface Deployment and Distribution Command (SDDC).** The U.S. Army organization, formally referred to as the United States Army Military Surface Deployment and Distribution Command, that serves as the single DOD manager for military traffic, land transportation, and common-user ocean terminals. The SDDC provides transportation planning and support for both CONUS/OCONUS surface movement of passengers and cargo within the Defense Transportation System.

**Systems acquisition process.** A management process, defined by a series of phases, through which a defense technology need is defined and a proposed solution is created and matured into a viable concept.

**System Support Buyout.** An opportunity for international partners to make a final purchase of major items and associated spares and support equipment linked to a major system that is being terminated in the DOD inventory, prior to the contracts or production being discontinued.

**Technical assistance field team (TAFT).** A team of DOD personnel, deployed to a foreign country (usually for one year of longer as part of a permanent change of station), to provide advice and training to foreign military personnel in the installation, operation, and maintenance of specific defense equipment.

**Technical assistance team (TAT).** A team of DOD personnel, deployed to a foreign country (usually for 179 days or less as part of a temporary change of station), to install, operate, maintain, and/or repair specific equipment provided under FMS or other select security cooperation programs.

**Technical Coordination Group (TCG).** A U.S. Air Force organization that provides operational and logistical assistance to FMS users of Air Force aircraft or engines.

**Technical data (TD).** Recorded information of a scientific or technical nature, regardless of form or characteristic. Examples of technical data packages include research and engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications, and related information and computer software documentation.

**Technical data package (TDP).** A set or collection of technical design and manufacturing information that, in itself, provides data sufficient to enable the construction or manufacture of a defense item, a component modification, or the performance of certain maintenance or production processes. It may include blueprints, drawings, plans, or instructions that can be used or adapted for use in the design, production, manufacture, or maintenance of defense items or technology.

**Technical manual.** A publication containing instructions designed to meet the needs of personnel responsible for (or being trained in) the operation, maintenance, service, overhaul, installation, and inspection of specific items of equipment and materiel.

**Test control officer (TCO).** For security cooperation purposes, this refers to a U.S. military or civilian person designated to administer, supervise, and control ECL testing and test materials. This individual must be a U.S. citizen and a service member, employee, or contractor working on behalf of and representing the interests of the U.S. government.

**Third-country/party transfer.** The transfer from its current owner or recipient to a foreign government, international organization, or any private entity of U.S. defense articles, services, training, or information originally acquired from the United States by a foreign government or international organization. As a condition of any USG-authorized sale, lease, loan, or grant, the divesting party must agree to obtain prior written consent from the Department of State before providing access, use, title or registration, or temporary or permanent transfer or possession to a third party, which is defined as anyone who is not an officer, employee, or agent (limited to freight forwarders only) of the divesting party or the USG. This term also applies to the modification, change in end-use, or disposal of any such articles, data, services, or training.

**Total obligational authority (TOA).** The total amount of funds available for programming in a given year, regardless of the year the funds are appropriated, obligated, or expended. TOA includes new obligational authority, unprogrammed, or reprogrammed obligational authority from prior years, reimbursements not used for replacements of inventory in kind, advanced funding for programs to be financed in the future, and unobligated balances transferred from other appropriations.

**Total package approach (TPA).** A methodology or concept through which the U.S. government ensures that FMS
customers are aware of and given the opportunity to plan for/obtain those support items, training, and services required to introduce and operationally sustain major items of equipment or systems.

**Training management system (TMS).** A computer program developed by DSCU for use in managing DOD-sponsored training for international military students. TMS uses STL and MASL data downloaded from the SA to produce IMET and FMS management reports, invitational travel orders, and other training management documents.

**Training/training support.** Formal or informal instruction provided to international military students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including civilian institutions), or by correspondence courses, technical, educational, or informational publications and media of all kinds, utilizing training aids, orientations, training exercises, and military advice.

**Tranche.** A portion of an appropriation to be allocated to an international partner under a security cooperation or other assistance program. This refers more specifically to the allocation or division of available funds, as directed by Congress, in two or more portions, usually according to timetables and under certain other conditions imposed by Congress.

**Transportation Plan.** A document that details the transportation and security arrangements for moving classified or sensitive material, and identifies individuals responsible for providing security at various points during transportation.

**Travel and living allowance (TLA).** For security cooperation purposes, an authorized payment by the U.S. government to an international military student for costs related to transportation, excess baggage, and general living expenses while participating in a DOD training program sponsored by IMET or a similar grant program.

**Treaty.** A formal agreement between the governments of two or more countries, or between countries and international organizations. Treaties having only two signatories are called bilateral whereas those with more than two parties are multilateral.

**Trust fund.** For security cooperation purposes, a fund credited with receipts which are earmarked by law and held in trust, or in a fiduciary capacity, by the government for use in carrying out specific purposes and programs in accordance with an agreement.

**Type of address code.** One of several codes used in the MAPAD to identify a plain language address that may be used as a shipping destination for a specific category of documents or material.

**Type of assistance code.** A code used to reflect the type of assistance (if any) and/or the planned source of supply for items/services identified in an LOA. Also known as a type of finance code.

**U**

**Unaccepted case.** An FMS offer not accepted or funded within the prescribed time authorized by the USG.

**Uniform Materiel Movement and Issue Priority System (UMMIPS).** A DOD system for ranking materiel requirements and time standards used in requisition processing and materiel movement. It utilizes a two-digit priority designator that identified the relative importance of each requisition.

**Unified command.** A command with a broad continuing mission under a single commander and composed of significant assigned components of two or more U.S. services, which is established and so designated by the President, or, when so authorized by the Joint Chiefs of Staff, by the commander of an existing unified command established by the President. More commonly referred to as a combatant command, which can be either a geographic combatant command or a functional combatant command.

**U.S. Army Corps of Engineers (USACE).** The U.S. Army’s principal engineering design, construction, research, and development organization. USACE is an implementing agency responsible for accepting LORs and developing LOAs related to FMS construction and related services.


**V**

**Veto.** Disapproval by the President of a bill or joint resolution (other than one proposing an amendment to the
Constitution). When Congress is in session, the President must veto a bill within ten days (excluding Sundays) of receiving it; otherwise, the bill becomes law without the President’s signature. When the President vetoes a bill, it must be returned to the house of origin with a message stating the President’s objections.

**War reserve stocks (WRS).** Any collection of defense articles, supplies, or commodities held in reserve at a pre-positioned storage location to be used, if required, during wartime.

**Worldwide Warehouse Redistribution Service (WWRS).** A tri-service program that redistributes excess spare parts and support equipment acquired by FMS customers for resale to other FMS customers.