



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

MAR 7 2008

In reply refer to:  
USP003293-08

MEMORANDUM FOR DIRECTOR, NAVY INTERNATIONAL PROGRAMS  
OFFICE (ATTN:IPO-02C2M)  
DEPARTMENT OF THE NAVY

SUBJECT: MK 48 Guided Missile Vertical Launching System (GMVLS) Nonrecurring  
Cost (NC) Recoupment Charges, DSCA Policy Memo 08-06

The attached Finding, signed by the Director Defense Security Cooperation Agency, approves special nonrecurring cost (NC) recoupment pro rata charges for the sale, coproduction, or licensed production of the MK 48 GMVLS variants and components.

The NC charges listed in the Finding will be included in the next update of Appendix 1 of the automated version of the Security Assistance Management Manual (SAMM) found on the DSCA Web Page. DoD NC recoupment charges are required to be reimbursed to the Department of Defense within 30 days following delivery or purchaser acceptance (whichever comes first) of each item sold or produced; and all recoupments will be recorded under DSCA(Q) 1112 Report.

If you have any questions regarding this matter, please contact LTC Mark Barowski at (703) 604-6625; e-mail: [mark.barowski@dsc.mil](mailto:mark.barowski@dsc.mil) or Ms. June Squire at (703) 601-3833; e-mail: [june.squire.ctr@dsc.mil](mailto:june.squire.ctr@dsc.mil).

A handwritten signature in cursive script that reads "Jeanne L. Farmer".

Jeanne L. Farmer  
Principal Director  
Programs

Attachment:  
As stated



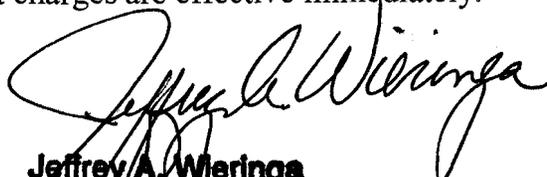
**FINDING**

As directed by USDP memo dated 7 Mar 2008, Subject: Waiver to DoD Directive 2140.2, I hereby approve special nonrecurring cost (NC) recoupment pro rata charges for the sale, coproduction, or licensed production of the MK 48 Guided Missile Vertical Launching System (GMVLS) variants and components as shown below:

**CATEGORY IV – Launch Vehicles, Guided Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs, and Mines**

<b>ITEM DESCRIPTION</b>	<b>APPROVED NC CHARGE</b>
MK 48 Mod 0-2 Launcher (Guided Missile Vertical Launching System (GMVLS) for the RIM-7)	\$299,977.27
MK 20 Mod 0 Canister (Guided Missile Vertical Launching System (GMVLS)) (RIM 7) (16 per launcher)	\$15,971.59
MK 48 Mod 4-5 Launcher (Guided Missile Vertical Launching System (GMVLS) Ordnance Alteration Kit for the Evolved Sea Sparrow Missile (ESSM))	\$735,625.00
MK 20 Mod 1 Canister (Guided Missile Vertical Launching System (GMVLS) Ordnance Alternation Kit for the Evolved Sea Sparrow Missile (ESSM)) (16 per launcher)	\$10,091.80
MK 48 Mod 0-2, Guided Missile Vertical Launching System (GMVLS) with 16 canisters	\$555,522.73
MK 48 Mod 4-5 Guided Missile Vertical Launching System (GMVLS) Ordnance Alternation Kit for the Evolved Sea Sparrow Missile (ESSM) with 16 canisters	\$897,093.75
MK 48 Mod 4-5, Guided Missile Vertical Launching System (GMVLS) with 16 canisters	\$1,452,616.48

These special NC recoupment charges are effective immediately.

  
**Jeffrey A. Wieringa**  
**Vice Admiral, USN**  
**Director**



THE UNDER SECRETARY OF DEFENSE  
2000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-2000

MAR - 7 2008

MEMORANDUM FOR PROGRAM EXECUTIVE OFFICER, NAVY INTEGRATED  
WARFARE SYSTEMS

SUBJECT: Waiver to DoD Directive 2140.2, "Recoupment of Nonrecurring Costs  
(NCs) on Sales of U.S. Items"

Reference your memorandum requesting a waiver of certain provisions of DoD Directive 2140.2 in support of the NATO Seasparrow Program, a cooperative program in existence since 1968. The requested waivers are required in order to establish and collect a pro rata nonrecurring charge on FMS transfers of items developed with non-U.S. partner contributions.

I hereby waive the 10 year limitation and direct DSCA to establish a pro rata nonrecurring charge for the MK 48 system to be collected on FMS transfers for a period of 10 years from the date of this memorandum. I do not approve the request for a waiver to establish a nonrecurring recoupment charge for the MK 25 Quad Pack Canister, with an aggregate investment of \$16M, because the \$50M dollar threshold cannot be waived by law (32 Code of Federal Regulation (CFR) Part 165).

My point of contact for this matter is Mr. Brion Midland, DSCA/STR/POL, (703) 601-3672, email: [brion.midland@dscamil](mailto:brion.midland@dscamil).

A handwritten signature in black ink, appearing to read "Eric S. Edelman".

cc:  
OSD(AT&L)  
OASD(C)(Investment)

Eric S. Edelman

