

\*\*\*\*\*

# The Ship Transfer Process at SPCC

By

Mr. David A. Piekut  
Director, International Major Systems Division, SPCC

As the U.S. Navy continues to downsize, more and more ships are removed from the active fleet and become candidates for transfer to foreign governments. Since these ships can offer attractive alternatives to costly new construction programs, the volume of ship transfers has steadily increased since 1989, and now represents a significant portion of the U.S. Navy's International Logistics business.

Ship transfers support U.S. foreign policy objectives by satisfying defense requirements of allied navies, and by strengthening mutual defense arrangements. Ships are transferred through either Foreign Military Sales (FMS) or Foreign Military Lease (FML) procedures, and are coordinated with the Chief of Naval Operations, the Secretary of Navy, and the Secretary of Defense. Congressional notification is always required.

It is U.S. Navy policy to transfer ships using the "total package approach," which emphasizes the support items, training, and services required to efficiently introduce and operationally sustain a weapon system. As the U.S. Navy's program support inventory control point for ship-related weapon systems, SPCC has direct involvement in two key elements of the total package approach—initial and follow-on support.

Initial support includes determining the spare and repair parts and support equipment required for both shipboard and backup shorebased stockage. SPCC participates in the shipboard

---

equipment validation process of identifying exactly what is installed, the results of which are processed through SPCC's allowance determination programs. Recommended allowances are then requisitioned from the U.S. Supply System using normal FMS procedures, and are satisfied with available, on-hand assets or through purchase actions. The volume of requisitions involved can be sizable. A recently completed transfer program of seven ships totaled 65,000 spare part requisitions with a total value of \$25 million.

SPCC's role in follow-on support includes the processing of replenishment requisitions and repair of repairables transactions, and the maintenance of shipboard configuration records. Replenishment requisitions are most often submitted through open-ended, blanket order FMS cases, including DRP and CLSSA. SPCC processes requisitions for ship-related spare parts and for all non-standard (i.e. , not catalogued) items. Items which cannot be repaired in-country are returned to the United States for repair under an FMS Repair of Repairables case. SPCC is responsible for the repair of ship-related repairable components. SPCC also offers ship transfer recipients a system of maintaining shipboard equipment configuration records in U.S. Navy data files. This system is mutually beneficial to both the customer country and the U.S. The U.S. benefits by knowing how and where U.S. weapon systems are installed and maintained, and the customer country benefits by receiving various cataloging, allowance and maintenance information, helpful in maintaining in-country configuration and inventory records.

Since 1989, SPCC has been involved in the transfer of 22 ships to countries in South America, Europe, and Asia. Two additional programs for seven total ships will be completed in 1993. At least 31 ship transfer offers are now pending to twelve countries. SPCC is proud of its past role in ship transfers and anticipates a continued role in all future transfer programs.

\*\*\*\*\*