
COVER FEATURE

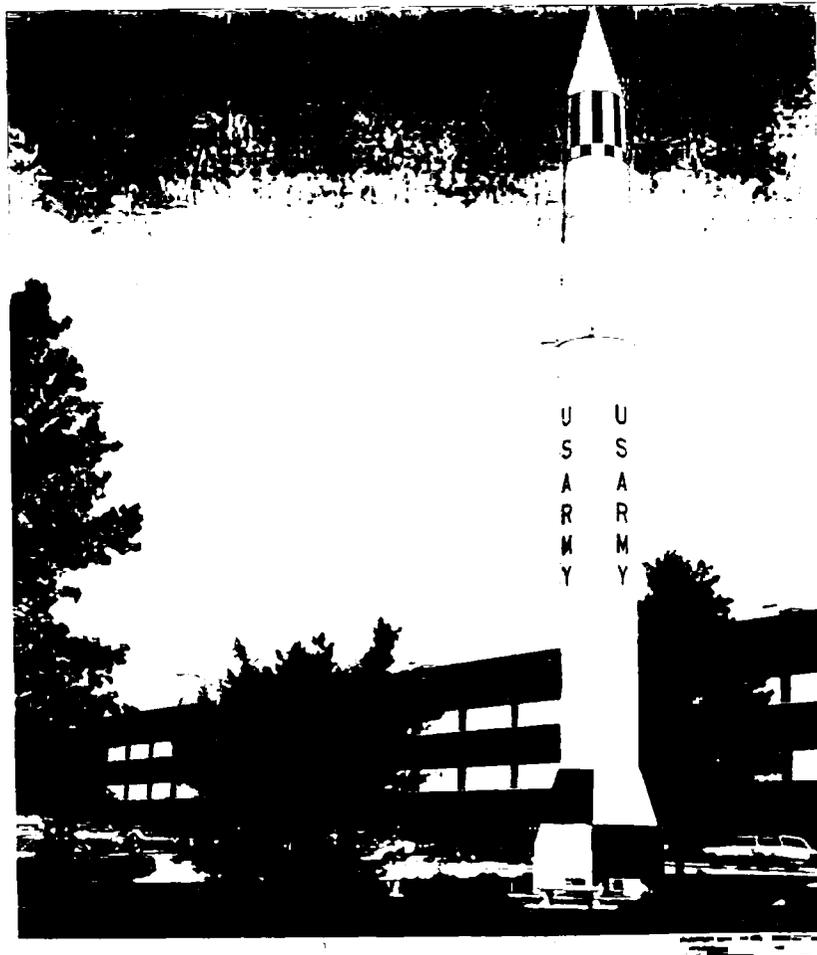
MICOM: Managers of U. S. Army Missile Sales

by

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INTRODUCTION

One of the good things about working for the U.S. Army Missile Command [MICOM] is the short drive for most of MICOM's 7,500 soldiers and Army civilians from their home to their workplace on Redstone Arsenal. For the relatively few personnel who staff overseas field offices in Kuwait City, Amman, and Cairo, commute time to the home office is far longer and the distance is much further. These cities are a few but not all the places where men and women from the Huntsville, North Alabama area sometimes find themselves doing their government's business.



A Redstone Rocket stands on display on the front of the Headquarters, U.S. Army Missile Command (MICOM), Redstone Arsenal, Huntsville Alabama.

They're all attached to MICOM's Security Assistance Management Directorate (SAMD), managing a myriad of activities associated with the foreign military sale of U.S. Army missiles. Through the efforts of SAMD and its workers in these field offices, U.S. Army missile systems are a mainstay of many allied armed forces.

Although home may be half a world away, field office workers play a significant role in the successful overseas sale of MICOM-managed systems. But field offices are only a part of the role SAMD plays in helping to accomplish MICOM's mission.

MICOM, a major commodity command of the U.S. Army Materiel Command, has its headquarters at the Redstone Arsenal in Huntsville, Alabama, and is responsible for missiles and rockets and the supporting equipment required to field them as weapon systems. The Command's mission includes research, development, engineering, testing, procurement, production, and logistics support of operational missile and rocket systems.

MICOM combines the facilities, personnel, and missions of several predecessor Army organizations which, at the same location, have directed the Army's expanding missile and rocket activities for 40 years. Its predecessors fielded the Army's first generation missile and rocket systems and made major contributions in the late 1950s to early American space exploration efforts, including the launching of the Western World's first scientific earth satellite.

MICOM's programs today include a full spectrum of weapon systems, ranging from manportable, ground-to-air, and anti-tank missiles, to longer-range missiles that can deliver nuclear warheads with great accuracy. Its research and development team pioneered the emerging technology of "smart," precision-guided munitions, artillery shells, bombs, rockets, and missiles that home on laser beams. Missiles and rockets, however, are not manufactured at Redstone Arsenal. Traditionally, the Army has turned to American industry and business for their manufacture, a task managed by MICOM.

Although the Command's responsibilities are worldwide, most of its team of soldiers and civilians are based at Redstone Arsenal. The Command's test ranges, laboratories, buildings, and highly-specialized equipment comprise a total investment of more than \$800 million. Its annual budget averages more than seven billion dollars.

MICOM AND FOREIGN MILITARY ASSISTANCE

MICOM's involvement with foreign military assistance began with the creation of the command in 1962. Missile systems are major components of any country's arsenal, and our allies have historically looked to the United States for the latest in weapons technology. It wasn't until the mid-1970s, however, that MICOM's foreign military sales program really took off. In 1970, the foreign military sales program at MICOM was valued at \$39 million. By 1975, that figure had grown to \$1.1 billion. Several factors affected this growth in sales, including international politics, major new policy decisions by the U.S. government affecting missile sales, and the progressive devaluation of the U.S. dollar. The latest in U.S. Army missile systems suddenly had more attractive prices.

Today, MICOM's SAMD manages \$8.8 billion in FMS missile systems cases for 49 different countries. The directorate has evolved from its relatively inauspicious beginnings as a branch-level organization within the U.S. Army Missile Command's Directorate for Supply and Maintenance to a principal component of MICOM.

During the days of the grant Military Assistance Program (MAP) in the 1950s and 1960s, the branch underwent several realignments and reorganizations, culminating in its elevation to a directorate staff office level in 1965. In 1966, the MAP office was redesignated the International

Logistics Office, and in 1971 it was placed within the Directorate for Materiel Management as the International Logistics Division (ILD). In 1973, there occurred another significant change as the ILD was transferred from a functional-oriented structure to a weapon systems-oriented structure. The division was separated into land combat and air defense branches, with a third branch assuming program review and other general functions. In 1976, ever-increasing business in foreign military sales led to the organization's elevation to directorate status, with a change in name designation to the International Logistics Directorate.

INTENSIVE MANAGEMENT OF FOREIGN MILITARY SALES

Early on, the directorate was required to handle FMS sales packages of such complexity and dollar value that a special management technique was developed. This technique is known as intensive management and it continues in operation at MICOM. Intensive management involves a totally dedicated organization of people for the overall program management of a particular weapon system sale in one or more countries. A determination is made between the U.S. Army Security Affairs Command and MICOM as to what new programs require such intensive management. This technique is required to assure the successful introduction of a weapon system into the respective country's force structure. This management system has recently been broadened to identify and assign a major subordinate command (MSC) the lead responsibility for centralized management, and is designed to further insure total package delivery and fielding. Other participating MSCs will work through the lead command in support of the system.

Intensive management, as experienced by MICOM, can be considered something of a mini-project office, since the dedicated team is responsible for the overall management of cost, schedule, and technical performance as these factors pertain to a particular country. This management approach fits within the project manager's structure, although the intensive management team works as an autonomous unit in the management of the weapon system for which the U.S. Army project manager has total responsibility.

The first missile sale requiring this intensive management concept was to Iran in 1972. Iran bought the Army's Improved Hawk air defense missile system "from the ground up," the first such purchase of its kind. The sale included the missiles and support equipment, spare parts, and the services of experts who could train Iranian soldiers in the firing and maintenance of the missile system. Iran later purchased add-on repair for the missile system, and eventually Iran purchased add-on equipment and other services for a total dollar case value, in 1976, of over \$600 million.

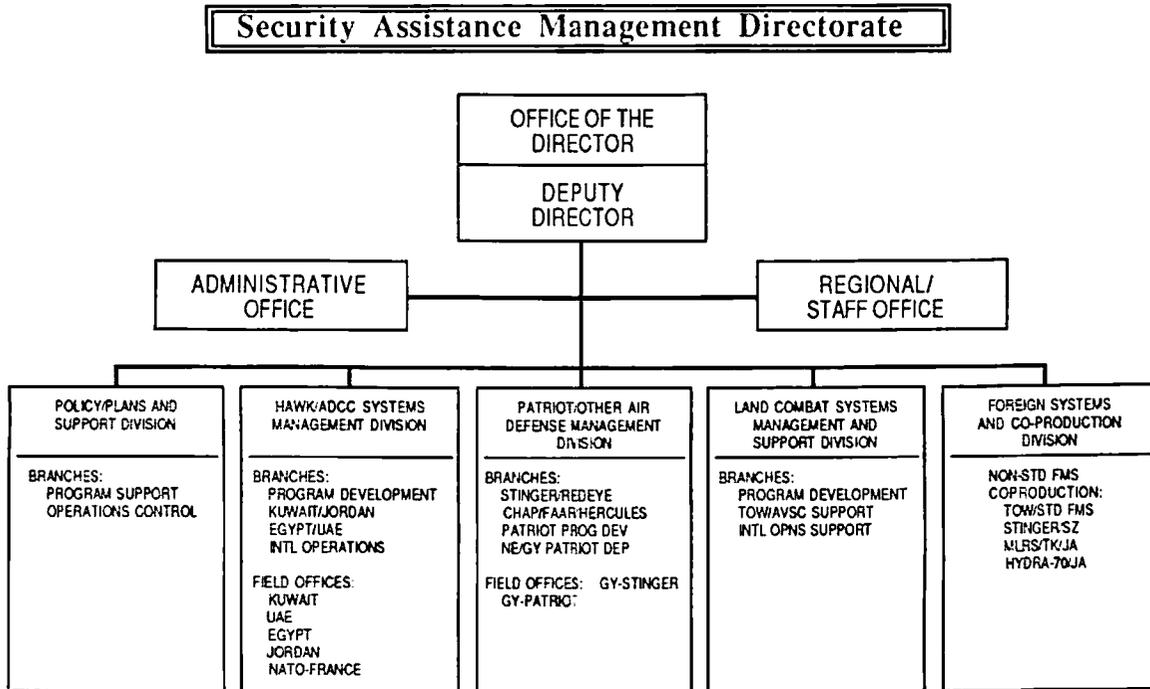
The intensive management concept employed in the Iranian sale led to the creation of several overseas field offices, with the first three established in Kuwait, Jordan, and Iran. Later, an office was opened in Egypt.

For over 20 years, foreign military sales had been handled by both the International Logistics Directorate and by separate project management offices. The primary reasons for the reorganization to a consolidated Security Assistance Management Directorate (SAMD) were to centralize international functions to maximize resource efficiency in view of an increasing workload, and to improve the international image of MICOM.

Paramount in the change was the assumption by the SAMD of the intensive management responsibilities for complex FMS system programs that had previously been performed in project management offices (PMOs). This change in mission responsibilities introduced a matrix management concept into SAMD. The spaces that were totally dedicated to FMS functions in program management offices were transferred to SAMD for the accomplishment of foreign military sales and co-production agreements with foreign countries. Co-development responsibilities remained within the project offices. The SAMD became the functional directorate responsible for

program management for project offices, while technical responsibility for missile systems remained with the respective project managers.

Global politics can change the face of security assistance management almost overnight. The experiences of MICOM personnel in Iran is a case in point. With the political upheaval in 1979 surrounding the exile of Shah Mohammad Reza Pahlavi and the impending return of Ayatollah Khomeini, MICOM workers in the Iranian field office were potential targets of terrorist acts. The U.S. Army worked quickly to get its civilian workers and soldiers out of Iran. The office was closed and family members in the United States were kept informed of the whereabouts of their loved ones until they made it home.



Today, the directorate has field offices in Kuwait, Jordan, Egypt, and the United Arab Emirates. There is also a liaison office in Paris in support of NATO, and two similar offices in the Federal Republic of Germany.

FMS CASE COMPLEXITY

To understand the tremendous complexity of some of MICOM's foreign military sales cases, it may be helpful to study a theoretical case from beginning to end. When a foreign country expresses interest in purchasing a weapon system from the United States, the Defense Department will often send a site survey team to that country, consisting of several people with a diversity of expertise. The team surveys all existing weapon support capabilities, including available facilities and the country's logistics system. When the team completes its survey, it reports its findings and recommendations to the Defense Department or the Department of Army.

In order to initiate the actual sale of a missile system to the country, the United States must present a letter of offer and acceptance (LOA) for a particular system based on the recommendations of the survey team. The country and the United States government then negotiate the LOA. When procurement, production, and training times are considered, it can take

up to four years from the time an offer is accepted by a country until the system is actually deployed in that country.

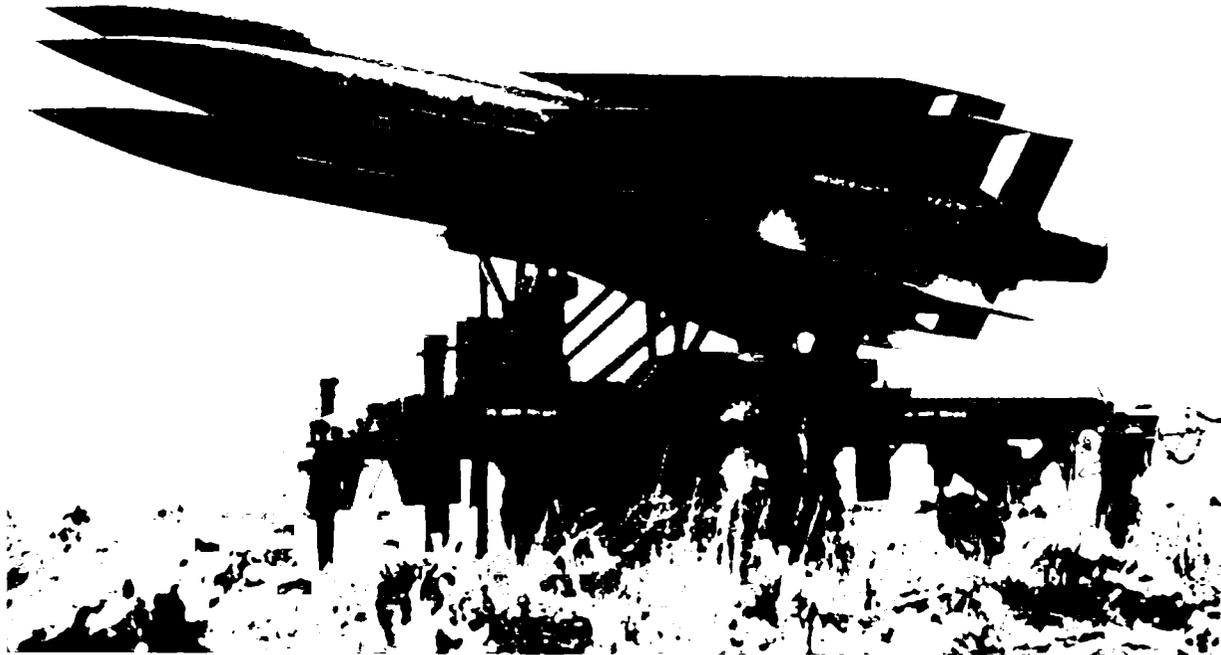
If the sale of a system is so large and complex that it requires intensive management, that usually means that a field office will be established in the country making the purchase. A field office serves as an extension of the MICOM program management office and is the command's day-to-day interface with the customer.

AN FMS CASE EXAMPLE: The Sale of Hawk Missiles to Kuwait

The history of the Hawk Program for Kuwait illustrates some of the obstacles which must be overcome in fielding a system in the Middle East. For a two-week period in 1972 a site survey team studied Kuwait's defense requirements which were based on the following objectives:

- Prevent hostilities by developing and maintaining a credible air defense posture for Kuwait;
- Preclude, to the degree possible, the element of surprise attack;
- Minimize damage to Kuwaiti forces from a surprise attack by employing an improved air defense force;
- Maintain air superiority for Kuwait for a minimum of three to four days.

Based on these objectives, it was recommended that Kuwait obtain a surface-to-air missile system. The U.S. Army's Improved Hawk missile system was selected.



A three-missile U.S. Army Improved Hawk missile battery

A medium-range, surface-to-air guided missile, the supersonic Hawk is designed to defend against low-to-medium altitude aircraft. The missile's high-explosive, proximity-fuzed warhead needs only to pass near a target to destroy it. Hawk is a proven system, having been in the field since 1960.

In 1974, a Letter of Offer for a number of Hawk firing batteries, support equipment, spare parts, and services was submitted to the government of Kuwait. The offer was accepted and the Kuwait field office was opened in 1977.

The establishment of a field office in a Middle Eastern country is not as simple as renting office space and filling it up with desks. Kuwait's state religion is Islam, and Islamic law is a principal source of national legislation. Doing successful business in a Moslem society requires respect for Islam and its religious holidays. Everyone, including Westerners, is expected to observe the accepted religious practices for feast and fast days while in public. Local customs can be another source of concern. For example, one should take care not to overly admire the personal belongings of one's host, lest the host should feel obligated, under the dictates of his upbringing, to make a gift of the object of admiration. This traditional practice finds its origin in Bedouin society.

There are numerous other hurdles when it comes to getting down to the task of providing, fielding, and supporting a particular weapon system, especially when it is as involved as the Hawk system. A Hawk battery doesn't just consist of missiles. The system is very complex, including two types of target acquisition radars, a high-powered target illuminator, and central information centers. The sale of these component items is handled through separate FMS cases which also include training and support services.

Training for Kuwait's Hawk soldiers has come from the U.S. Army's Training and Doctrine Command, as well as from civilian contractors, and also from personnel hired directly by the Kuwait Air Force.

It took four years from the time the U.S. recommendation was made to emplace Hawk in Kuwait until the first Hawk battery was fielded. This timeframe is not uncommon when the item being sold is as complex as a missile system. Production time often runs as long as two or more years. In addition, sites had to be constructed, and maintenance and depot facilities designed and tailored to maximize Kuwait's air defense capabilities against potential threats.

Today, Hawk batteries are operationally deployed at both hardened and non-hardened sites in Kuwait. Since deployment of the initial system, Kuwait's missile system has been upgraded to the Hawk Phase I and Phase II product improvement configurations.

CONCLUSION

Through a growing FMS program, MICOM has strengthened its position as a worldwide representative of the United States Army.

MICOM had 31 Letters of Offer and Acceptance in process at the beginning of fiscal year 1988, and by the end of the fiscal year another 254 requests for additional LOAs had been received. At the end of FY 1988, the FMS workload consisted of 1,276 active cases (both implemented and tentative) covering 23 different MICOM systems and programs. Currently, the biggest foreign customer of MICOM is the Federal Republic of Germany, with purchases totalling \$1.5 billion. Other countries with high-dollar purchases include: Egypt, \$1,066,450,000; United Arab Emirates, \$854,042,000; Taiwan, \$760,785,000; and the Netherlands, \$635,527,000.

MICOM has indeed become a principal operational element in the United States Security Assistance Program.

MICOM FMS Program

Number of Active Cases 1276

Total Dollar Value of Cases \$8.8 Billion

Systems/Programs Involved				24
AN/TSQ 38	HAWK	MULTI-SYSTEMS	SLEP	
AN/TSQ 73	HELLFIRE	NON-STANDARD	STINGER	
CALIBRATION	HONEST JOHN	NIKE HERCULES	TARGETS	
CHAPARRAL/FAAR	HYDRA-70 (2.75)	PATRIOT	THERMAL IMAGERY	
DRAGON	LANCE	PERSHING	TOW	
G/VLLD	MLRS	REDEYE	NIGHT SIGHT	

Countries/International Organizations Supported 49

ABOUT THE AUTHOR

Ms. Pam Rogers is a public affairs specialist in the Public Affairs Office of the U.S. Army Missile Command. She has a Bachelor of Arts degree in communications from the University of Alabama and reached her present position through the Army Materiel Command's Career Intern Program.