
FEATURE ARTICLE

Only Yesterday: Security Assistance Over The Past Twenty Years

By

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On a cold Monday on January 17, 1977, the newly-formed Defense Institute of Security Assistance Management (DISAM) opened its doors to its first Security Assistance Management class. Looking back, *twenty years* have now passed since DISAM's first class—yes, twenty full, lively years of presidential policies, statutory modifications, reorganizations, changing program directions, budget ups-and-downs, new initiatives, systems enhancements, and other miscellaneous events with special meanings for the security assistance community.

Some may regard this twenty-year period as a long time, while others, this author included, wonder where the years went so quickly. This article reflects and reminisces on just a few of the trends and events which happened roughly over the period of the past two decades. The author makes no pretense for balance or comprehensiveness, for the scope of the subject, over even a twenty year period, is just too vast, and memories fade. Still, those who have been associated with security assistance for all or a good part of this twenty-year window will probably identify with several of the topics which follow. Moreover, those relatively new to security assistance may even discover some new and interesting things about our nation's security assistance past.

POLICIES AND EVENTS

The Mid-1970s

Just over twenty years ago, U.S. foreign and national security policy was in a phase of adjustment following in the wake of American involvement in the Vietnam War. An issue which proved to be a fertile ground for those interested in studying the American governmental process was the recurring drill of sorting out the Presidential and Congressional powers in the area of foreign affairs.¹ While it is self-evident to most Americans that the President speaks for the nation in foreign policy, the old adage—the President proposes and Congress disposes—was especially descriptive of the post-Vietnam years inasmuch as Congress was bent on setting limits on permissible executive branch behavior.² During the early to mid-1970s, Congress had demonstrated its continuing interest in knowing more about foreign policy matters, including U.S. security assistance and defense sales to foreign governments. This interest particularly

¹ U.S. Congress, House of Representatives, Committee on International Relations, *Congress and Foreign Policy*, 94th Cong., 2nd sess., U.S. Government Printing Office, Washington, DC, January 2, 1977, p. 1; see also James S. Sundquist, *The Decline and Resurgence of Congress*, Washington, DC: The Brookings Institution, 1981, p. 16.

² U.S. Congress, *Congressional Record*, July 17, 1989, p. S 8029; see also Charles W. Kegley, Jr., and Eugene R. Wittkopf, *American Foreign Policy: Pattern and Process*, New York: St. Martin's Press, 1987, p. 415.

spread to the policy rationale behind arms sales as well as to the very process by which such decisions were made.³

Predictably, the mood of the Congress was expressed in the legislation which it passed. The International Security Assistance and Arms Export Control Act of 1976 not only changed the name of the previously-titled Foreign Military Sales Act (FMSA) to the *Arms Export Control Act (AECA)* but continued what was a growing trend toward greater Congressional oversight and control of conventional arms transfers and other security assistance programs. The AECA (and earlier the FMSA) requirement for "Section 36(b) notifications" of proposed foreign military sales, exceeding \$7 million of major defense equipment or \$25 million overall, had only been in effect since 1974 and the 1976 statute tightened things up a bit more.

The direct commercial sales community was also effected by the 1976 statute's provision to bring commercial sales under the authority of Section 38 of the AECA, thereby repealing an earlier controlling section in the Mutual Security Assistance Act of 1954. The 1976 statute further contained a Congressional flip-flop relative to a preference toward a conventional arms sales mode. In this regard, Congress in 1973 had passed a provision initiated by Senator J.W. Fulbright which expressed the preference of Congress that defense sales should be made through commercial, as opposed to FMS government-to-government, channels.⁴ However, within the 1976 statute, Congress reversed itself by repealing the so-called Fulbright amendment and even specifying that certain high-dollar items sales could only be sold through the FMS channel.⁵ Moreover, the 1976 law reflected the sense of the Congress that the aggregate value of direct commercial and FMS transfers "in any fiscal year should not exceed current levels."⁶ In essence, coming into 1977, Congress as an institution felt that the time had come to pay greater attention to matters involving defense trade.

Carter Era

Those members of Congress who felt that U.S. arms transfers warranted greater control and scrutiny initially found an important ally in the executive branch in 1977. During his election campaign, presidential candidate Jimmy Carter spoke of the "almost completely unrestrained" environment associated with conventional arms sales, describing it as "cynical and dangerous."⁷ Moreover, Candidate Carter had further insisted that America should be the world's granary, not its arms supplier.⁸

In May 1977, President Carter declared a new, official policy relative to conventional arms transfers. The public statement which was released attendant to Presidential Directive

³ Congressional Research Service, Library of Congress, *Executive-Legislative Consultation on U.S. Arms Sales*, Congress and Foreign Policy Series No. 7, Washington, DC: U.S. Government Printing Office, 1982, p. 1.

⁴ U.S. Senate, Committee on Foreign Relations, *Foreign Military Sales and Assistance Act*, Washington, DC: Government Printing Office, 1973, p. 5.

⁵ Between 1976 and 1980, the ACEC, Section 38(b)(3), specified that major defense equipment having a value of more than \$25 million (raised to \$35 million in 1979 and to \$100 million in 1980) could only be sold through government-to-government channels, with exemptions for NATO members, Australia, Japan, and New Zealand. Then, in 1981, at the initiation of Senator John Glenn (D-OH), this requirement was eliminated. See U.S. Congress, Joint Committee Print of the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations, *Legislation on Foreign Relations Through (Years 1977 to 1981)*, for the full history of the changes.

⁶ President Gerald Ford vetoed a predecessor version of the 1976 Act because it attempted "to impose an arbitrary and unwieldy annual ceiling on the aggregate value of government and commercial sales." See Statement by the President on Signing H.R. 13680 Into Law, July 1, 1976.

⁷ Andrew J. Pierre, *Arms Transfers and American Foreign Policy*, New York: New York University Press, 1979, p. 3.

⁸ Anthony Sampson, *The Arms Bazaar*, New York: The Viking Press, 1977, p. 374.

(PD) 13 indicated that arms transfers would henceforth be viewed as an “exceptional foreign policy instrument,” and that this policy objective would be implemented both through an annual ceiling on U.S. arms transfers and through multilateral discussions with other supplier and recipient countries.⁹ Although the Carter policy had multiple features, in hindsight, there are a couple that are especially memorable.

The first involved the annual *ceiling* itself. Starting in fiscal year 1978, President Carter established a ceiling for weapons and weapons-related defense items totaling \$8.551 billion to non-exempt countries (i.e., all countries except NATO nations, Japan, Australia, and New Zealand). The fiscal years 1979 and 1980 annual ceilings were \$8.434 billion and \$9.2 billion, respectively.¹⁰ The presence of an annual ceiling obviously raised a lot of issues in the eyes of the press and other interested foreign policy watchers, begging such questions as “How large should the ceiling be?” or “Should the United States even have a ceiling at all?”

For the security assistance community members who had a part in seeing that the ceiling policy was properly implemented, the issues were much more mundane and dealt with: ok, how do we do it? Since a substantial amount of U.S. foreign military sales involve equipment and services which are not weapons-related, a system had to be developed by which all FMS line items could be categorized and tracked. As it turned out, the mechanism for telling those DoD personnel who prepared letters of offer or tracked the cumulative fiscal year totals was—guess what?—the good old Military Articles and Services List (MASL). Buried within the MASL coding was a one-digit number which characterized a particular defense item. If that number was a “1”, it meant that the item was “weapons and weapons related”; conversely, a “0” meant that it was not weapons-related and, therefore, should not be counted against the ceiling totals. The “1-0” binary approach was a down to earth, yet practical, method of tracking a major Presidential policy initiative, and was something that could be taught in a straight-forward manner from the DISAM podium.

A second memorable policy feature was closer to home to overseas security assistance organizations (SAOs) and American embassy staffs. This issue related to the interpretation concerning how American missions overseas were to respond relative to requests for assistance from U.S. business representatives who were *marketing* defense products to foreign governments. The policy specified that “embassies and military representatives abroad will not promote the sale of arms” Accordingly, there had to be a sorting out of which services were appropriate and which ones were not. In retrospect, this aspect of the Carter administration policy caused no end to discussion and debate. On one hand, those who believed that the administration’s policy was theoretically sound were often nonetheless critical that the administration was not doing enough to promote the restraint principles of the policy. Some witnesses testified before Congress that “unauthorized promotion does continue” and that the implementing regulations were “widely skirted” and had proven “toothless.” Reacting to such testimony, the Senate Committee on Foreign Relations urged “the Administration to make every effort to enforce these controls in an effective manner.”¹¹ On the other side of the equation, the American defense industry community loudly complained about this part of the Presidential policy, calling it (and the implementing communications from the administration to American embassies) the “leprosy cable,” playing on the analogy that contractors were treated

⁹ Defense Institute of Security Assistance Management, *The Management of Security Assistance*, 1980, pp. 2-64 and 2-65.

¹⁰ U.S. Department of State, *Congressional Presentation for Security Assistance Programs, Fiscal Year 1980*, Washington DC, 1979, p.445; U.S. Congress, *Congressional Record*, April 29, 1980, p. E-2104.

¹¹ U.S. Congress, Committee on Foreign Relations, Report to the Senate, *U.S. Conventional Arms Transfer Policy*, U.S. Government Printing Office, Washington DC, June 1980, p. 10.

like the leper outcasts of the biblical past and that American manufacturers were placed at a competitive disadvantage vis-à-vis their international competitors.¹²

While the Carter administration's arms transfer policy attracted a lot of attention, it may be argued that the President's personal involvement in the *Middle East Peace Process*, leading up to the signing of the so-called Camp David accords in 1979, was of much greater historical significance. The Egyptian-Israeli Peace Treaty, which resulted from the Camp David talks, certainly has had a long-standing impact on American foreign policy and foreign aid budget requests. As evidence of this, an official of the Clinton administration testified before a Congressional committee in 1996 that "Supporting the Middle East Peace Process remains one of our highest priority national security and foreign policy goals." Over the years, Congress has earmarked a substantial portion of the Foreign Military Financing Program for Israel and Egypt. In more recent times, Jordan, too, concluded a peace agreement with Israel, contributing further to the peace process in that region of the world.¹³

Reagan Era

In July 1981, President Ronald Reagan formally approved his administration's policy concerning the transfer of conventional arms. Whereas the Carter policy regarded arms transfers as an exceptional implement, the Reagan policy viewed the transfer of conventional arms and defense equipment "as an essential element of its global defense posture and an indispensable component of its foreign policy." Indicating that the United States retained a genuine interest in arms transfer restraint, unilateral restraint was nevertheless downplayed as a means toward that end. In superseding the Carter policy, the Reagan policy was also widely known by its concluding sentence which read, "We will deal with the world as it is, rather than as we would like it to be."¹⁴

A July 1981 State Department message, which disseminated the new Reagan administration policy to American embassies, directly addressed the issue of the so-called leprosy cable. In this regard, the message, which was later incorporated into a State Department *Munitions Control Newsletter*, noted that "American diplomatic and military personnel abroad have already been instructed to provide the same services to representatives to American firms with valid munitions control licenses as they would to U.S. firms promoting the sale of other types of products."¹⁵

While President Reagan's policy set the tone for his administration, there was another event during his administration which dealt with the role between the executive branch and the Congress with regard to the oversight of conventional arms transfers. By the early 1980s, the security assistance community was quite familiar with the "Section 36(b)" notification process. Although there had been instances where members within the House or Senate had introduced *concurrent resolutions* to try to stop the Ford and Carter administrations from proceeding with defense equipment sales, none of these resolutions had come to a full vote until October 1981. It was then that a concurrent resolution of Congress opposing to the sale of AWACS aircraft to Saudi Arabia, just missed being passed by a narrow margin in the Senate (48-52).¹⁶

¹² Paper prepared by the American League for Exports and Security Assistance, Inc., 1980.

¹³ Walter B. Slocombe, Under Secretary of Defense for Policy, Statement Before the House Appropriations Committee, April 30, 1996, reprinted in *The DISAM Journal of International Security Assistance Management*, Vol. 18, No. 4, Summer 1996, pp. 63-64.

¹⁴ Defense Institute of Security Assistance Management, *DISAM Newsletter*, Vol. 4, No. 1, Fall 1981, pp. 1-24.

¹⁵ U.S. Department of State, Office of Munitions Control, *Munitions Control Newsletter*, No. 90, 8/81, p. 6.

¹⁶ I. M. Destler, "Reagan and Congress--Lessons of 1981," *The Washington Quarterly*, Spring 1982, pp. 3-14.

STATEMENTS IN TIME

- “Based on the current mix of sales of weapons, services, and construction, an \$8 billion sales program would on the average generate \$560 million in savings annually.” (Congressional Budget Office, *Budgetary Cost Savings to the Department of Defense Resulting from Foreign Military Sales*, May 24, 1976, p. 1.)

- “This bill recognizes that security assistance has been and remains a most important instrument of United States foreign policy.” (President Gerald Ford, Statement on Signing the International Security Assistance And Arms Export Control Act of 1976, July 1, 1976)

- “The basic purpose of the security assistance program is to enhance the security of the United States. For almost three decades, this assistance program has been a vital tool of U.S. foreign policy.” (House of Representatives, Committee on Foreign Affairs, Report No. 96-70, March 24, 1979, p. 4)

- “Security assistance, an important instrument of national security policy, is an integral element of the DoD mission. The development and execution of the program shall be accorded the same high degree of attention and efficiency as other DoD programs.” (DoD Directive 5132.3, March 10, 1981)

- “Support for foreign assistance has broken down and polarized as greater numbers of advocates for military or economic assistance oppose rather than support each other. This has been exacerbated by budgetary limitations, which have forced difficult trade-offs among domestic and international programs.” (A Report to the Secretary of State by The Commission on Security and Economic Assistance, chaired by Frank C. Carlucci, President, Sears World Trade, Inc., 1983, p. 1)

- “Security assistance programs are of great importance, and we must get rid of the endless restrictions placed on the dwindling amounts of available funds. A case can be made that a dollar spent on security assistance buys more security for the United States than a dollar spent anywhere else.” (Report of the Commission on Integrated Long-Term Strategy, co-chaired by Fred C. Ikle and Albert Wohlstetter, *Discriminate Deterrence*, January 1988, p. 61)

- “Through training programs, combined exercises, military contacts, interoperability and shared defense with potential coalition partners, as well as security assistance programs that include judicious foreign military sales, we can strengthen the local self-defense capabilities of our friends and allies.” (The White House, *A National Security Strategy of Engagement and Enlargement*, February 1996, p. 15)

What was to happen next in the murky world of Congressional resolutions came as a surprise to many watchers. In fact, it was one of those rare moments when a Supreme Court decision has had a direct impact on the security assistance process. In June 1983, the Supreme Court ruled in a relatively obscure case, *Immigration and Naturalization Service v. Chadha*, that the concurrent resolution mechanism (or “legislative veto”) could no longer be used by Congress to challenge executive branch actions. Prior to Chadha, Section 36(b) of the AECA held that a concurrent resolution passed by the House and Senate could stop a prospective arms sale. In effect, the executive branch could not, in turn, “veto the legislative veto.”¹⁷ Subsequent to Chadha, Congress revised Section 36(b), plus various other sections of the AECA, to replace the concurrent resolution with an acceptable constitutional alternative: the *joint resolution*.¹⁸

Characterized as an epic decision, the Chadha case would have a significant procedural effect during any subsequent disagreements between the executive branch and the Congress as to whether a particular arms sale should be allowed to proceed. Only three years after the Supreme Court ruling, Congress passed a joint resolution of disapproval relative to a proposed sale of missiles to Saudi Arabia. President Reagan, in turn, vetoed the joint resolution—a course of action which would not have been available to him in 1981, had it been necessary, with the concurrent resolution procedure. Unable to obtain a two-thirds majority, the Senate, by a single vote (66-34) on June 5, 1986, sustained the President’s veto.¹⁹

While it is the nature of the American political process for there to be occasional differences of opinion between the executive branch and the Congress, history has shown that the aforementioned concurrent and joint resolution episodes do not represent the norm as to how differences are resolved between the two branches of government. On the contrary, safety mechanisms have long existed to early identify and hopefully defuse potential disagreements. Starting in the 1970s, guidance was published in the *Military Assistance and Sales Manual (MASM)* and continued in its successor document, the *Security Assistance Management Manual (SAMM)*, to provide Congress with a 20-day advance, informal notification which preceded the formal, statutory notification required by Section 36(b). In addition, there often are verbal consultations between the State Department and the cognizant Congressional committees even before the informal notifications are submitted. On the whole, the past two decades are characterized by a relatively high level of consensus between the Congress and the executive branch with regard to most proposed arms transfers.

Bush Era

The Bush administration did not issue a distinctive conventional arms transfer policy. Rather, it continued the policy earlier promulgated under the Reagan administration in 1981. Illustrative of this similar policy approach is a statement from the Congressional Presentation prepared in 1991 by the Bush administration, which noted that “security assistance has long been an *indispensable* element in U.S. policy”²⁰

In April 1990, President Bush issued a significant policy concerning a special phenomenon long associated with defense trade: *offsets*. As a matter of background, it had been DoD policy

¹⁷ *Congressional Quarterly Weekly Report*, July 9, 1983, p. 1406; U.S. Congress, Senate, Hearings, *Legislative Veto: Arms Export Control Act*, 98th Cong., 1st Sess., Washington DC, 1983, p. 20.

¹⁸ Richard F. Grimmett, Congressional Research Service, *Congressional Procedure for Considering Legislation Opposing Arms Sales*, Report No. 85-202F, Washington DC, October 4, 1985, p. CRS-3.

¹⁹ For a more complete discussion, see Larry A. Mortsof and Louis J. Samelson, “The Congress and U.S. Military Assistance”, in *Military Assistance and Foreign Policy*, Craig M. Brandt, ed., AFIT Press, 1990, pp. 147-183.

²⁰ U.S. Department of State and the Defense Security Assistance Agency, *Congressional Presentation for Security Assistance Programs, Fiscal Year 1992*, Washington DC, 1991, p. 38.

since May 1978 (dating back to the Carter administration) not to enter into government-to-government offset agreements because of the difficulties attendant to implementing such arrangements.²¹ The Bush offset policy provided more explicit principles and guidance, and stated that any policy exceptions must be approved by the President through the National Security Council. Essentially, the President's policy recognized that offsets had become a common feature of international trade and that this industrial and commercial compensation practice belonged within the realm of private industry. In this latter respect, the policy delineates that "No agency of the U.S. Government shall encourage, enter directly into, or commit U.S. firms to any offset arrangement in connection with the sale of defense goods or services to foreign governments."²² Two years later, the Bush administration's offset policy was incorporated within the Defense Production Act Amendments of 1992 as an uncodified declaration of Congressional policy.

More than any policy declarations, the global event that immediately comes to mind relative to security assistance in the Bush administration is the Gulf War of 1990-91. *Operation Desert Storm* demonstrated the effectiveness of American military might in a coalition environment. It also validated the effectiveness of the U.S. security assistance program. For many years prior to Desert Storm, the United States had built up strong security relationships with friendly governments in the Persian Gulf as well as with other nations that were to join in the United Nations coalition. Following the Gulf War, the Executive Branch pointed out in testimony and written statements to Congress that several coalition members had experienced U.S. education and training under the FMS or International Military Education and Training (IMET) programs, thereby enhancing compatibility in language, doctrine, and technical proficiency. Also, many of these countries had built inventories of U.S. equipment which supported interoperability.²³ Further, the DoD security assistance infrastructure performed admirably during the crisis, in such efforts as expediting equipment orders and deliveries and in processing over 300 new FMS cases with friendly countries to support Desert Shield/Storm operations.

Clinton Era

February 1995 heralded yet another Presidential policy concerning conventional arms transfers. President Bill Clinton and his administration's policy did not represent a dramatic break with the written Reagan policy nor with President Bush's continued practice of that policy. In essence, the Clinton policy reinforced the concept that the transfer of conventional arms is a "legitimate instrument of U.S. foreign policy," which is deserving of U.S. government support in cases where it enables the United States to help allies and friends, as well as help support the U.S. industrial base. The policy, as described in a State Department message, gives increased weight to specific conditions in each region, following the changed environment of the post-cold war era.²⁴

However, there is a second side to the Clinton policy: restraint. The White House fact sheet on the policy notes that "U.S. conventional arms transfer policy promotes restraint, both by the U.S. and other suppliers, in transfers of weapons systems that may be destabilizing or dangerous to international peace." The centerpiece of the multilateral restraint effort has been

²¹ *Department of Defense Federal Acquisition Regulation Supplement*, printed by Commerce Clearing House, Inc., Chicago, 1990, para. 34.010.

²² "Presidential Policy on Offsets in Military Exports," April 16, 1990, reprinted in *The DISAM Journal of International Security Assistance Management*, Vol. 12, No. 4, Summer 1990, pp. 46-47.

²³ Congressional Presentation, 1991, op. cit., p. 5.

²⁴ "U.S. Conventional Arms Transfer Policy", *U.S. Department of State Dispatch*, Vol. 6, No. 9, February 27, 1995, pp. 155-156; this policy statement is further reported in Defense Institute of Security Assistance Management, *The DISAM Journal of International Security Assistance Management*, Vol. 17, No. 3, Spring 1996, pp. 35-43.

the administration's efforts in working with allies and friends to establish a successor regime to the Coordinating Committee for Multilateral Export Controls, widely known for many years by its acronym, COCOM. Following in the wake of COCOM was the New Forum, followed by the Wassenaar Arrangement on Export Controls For Conventional Arms and Dual-Use Goods and Technology.

SECURITY ASSISTANCE PROGRAMS

Military Assistance Program (MAP)

In its heyday, MAP was a big, big program. Over \$57 billion of equipment was programmed for delivery since 1950 under combined MAP and emergency drawdown authority, the majority of which has been programmed MAP.²⁵ Still, by the time DISAM opened in 1977, MAP was then characterized as a program which was being phased out. Witness the following quotation in May 1975 by Lieutenant General Howard Fish, USAF, then Director of the Defense Security Assistance Agency:

Probably the most significant trend in arms transfers is the declining use of grant aid to supply the needs of our friends and allies, and the increasing reliance upon Foreign Military Sales (FMS) credit and cash sales. The grant military assistance program has been reduced from \$5.7 billion in 1952 to \$600 million or less in recent years.²⁶

In retrospect, MAP continued for several more years albeit at declining levels. In discussing MAP, some clarification is in order. There were two types of MAP: "Old MAP" and "New MAP." *Old MAP* referred to grant military equipment being provided to selected foreign governments. Such equipment was furnished under a MAP Order which provided the necessary funds to the acquiring military service. From the recipient country's perspective, it meant equipment, services, or training (until the International Military Education and Training Program was established). There was also an accountability feature associated with Old MAP. Countries holding MAP materiel had to have a property accountability process to ensure such items were periodically inventoried and disposed of properly. Several countries also purchased Old MAP items under an FMS case.

In the early 1980s, Old MAP was out and New MAP was in, seemingly with a new lease on life. *New MAP* meant that grant funds, rather than specific equipment, were to be allocated for various countries' use under the FMS program. These New MAP funds were merged into the FMS Trust Fund, hence giving New MAP its more familiar name: *MAP Merger*. When the program was initially established, it was also informally referred to as the "FMS Gift Certificate Program," since it allowed recipients to pay their FMS bills with MAP funds.²⁷ The MAP Merger program continued between 1981 and 1989, with this latter year marking the end of MAP Merger appropriations.²⁸ All that remained of MAP from that point forward was the utilization of any unexpended prior-year MAP Merger funding allocations.

²⁵ U.S. Defense Security Assistance Agency, *Foreign Military Sales, Foreign Military Construction Sales and Military Assistance Facts*, as of September 30, 1995, p. 119.

²⁶ Lieutenant General H.M. Fish, USAF, "Foreign Military Sales," *Commanders Digest*, Vol. 17, No. 22, May 29, 1975, p. 2.

²⁷ Glenn A. Rudd, "Financial Management of Security Assistance in the 1980's," *DISAM Newsletter*, Vol. 3, No. 1, Fall 1980, p. 54.

²⁸ \$467,000 was appropriated in fiscal year 1989. U.S. Department of State, *Congressional Presentation for Promoting Democracy, Fiscal Year 1995*, Washington DC, p. 225.

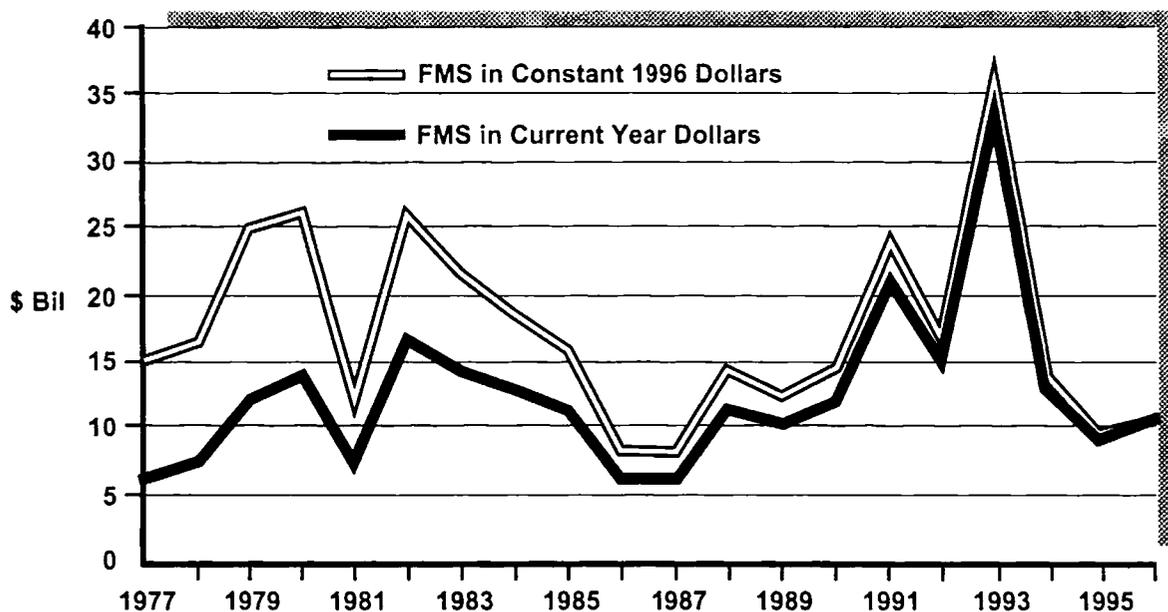
Foreign Military Sales (FMS)

In 1977, FMS—a government-to-government method of transferring defense articles, services, and training to allies and friendly foreign governments—was the largest of the several security assistance program elements. In fact, the growth of the FMS program in the 1970s was one of the top reasons that DISAM came into being.

At that time, the FMS agreement was known as a *United States Department of Defense Offer and Acceptance (DD Form 1513)*. Since June 1, 1992, the DD Form 1513—which provided the security assistance community many, many years of good and loyal service—was semi-retired, only continuing to serve where it still had work to do, i.e., to support open FMS cases which were signed before the 1992 changeover date. Once all these pre-1992 cases are closed, the DD Form 1513 will undoubtedly be retired with full honors. The document which replaced the DD Form 1513 in 1992 was the *United States of America Letter of Offer and Acceptance (LOA)*, which today has the proud distinction of still being a widely-used government form without an all-pervasive form number.

New, annual FMS agreements, in terms of dollar levels during fiscal years 1977 through 1996, are depicted in Figure 1.²⁹ The bottom graphical line represents FMS agreements in current or then-year dollars, whereas the top line represents these annual agreement levels in constant 1996 dollars.³⁰ In examining the data, the following aspects are considered noteworthy.

Figure 1
FMS AGREEMENTS (FYs 1977-1996)



²⁹ The data used in this and other related graphs is contained in the annual series of publications prepared by the U.S. Defense Security Assistance Agency, titled *Foreign Military Sales, Foreign Military Construction Sales and Military Assistance Facts*. The most accurate data for any given year is in the latest publication addressing that year, since FMS agreement levels are adjusted as cases mature and eventually move into the closure phase.

³⁰ Using constant 1996 dollars is a means of adjusting for the effects of inflation over a twenty-year period. In this regard, 1996 has an inflation index of 1.0000 since it is the base year. By contrast, 1987 has an index of 0.7547 and 1977 has an index of 0.4105. As an illustration, \$100,000 in constant 1996 dollars, when adjusted for inflation, has a value of \$243,605 (or \$100,000 divided by .4105) in 1977. The inflation indices were provided by DSAA.

- **Variations in Annual Sales Levels.** The data are not necessarily consistent from year to year; rather the sales levels jump around. For example, new FMS agreements went from \$7.3 billion in 1981 (the year of a new Presidential administration) to \$16.5 billion in 1982, then gradually went down to the \$11-14 billion level during 1983-85, only to dramatically drop to \$6.1 billion in 1986-87—or close to 50 percent of the 1985 total. In 1991, a dramatically different picture emerges with sales jumping to \$20.8 billion, and then increasing to \$32.9 billion in 1993. Then, sales average out at about \$10 billion in 1995 and 1996. An outside observer might wonder: what's going on?

This zigzag effect in annual FMS agreement levels is likely due to several factors, to include: (1) world events (the Gulf War); (2) other nations' budget priorities and realities (upsizing, downsizing); (3) the U.S. Government review and approval process (election years); (4) the variance in the levels of annual major system sales (expensive vs. less expensive systems); and (5) the understandable, yet somewhat artificial, practice of tallying sales by the U.S. fiscal year cycle (legislators and budget analysts like fiscal years). FMS deliveries, of course, are more stable from year to year and represent a more accurate measure of FMS performance.

- **Averaging Using Constant 1996 Data.** Average annual sales in current (i.e., then-year) dollars equates to \$12.4 billion between 1977 and 1986. However, to allow for the effects of inflation, it is more meaningful for comparative purposes to use *constant year* data. In this latter regard, using constant year 1996 dollars, the annual average becomes \$17.2 billion. If one looks at the sales levels *after* 1993 in constant dollars, it is easy to detect a declining sales trend from the \$17.2 billion annual average, i.e., \$13.7 billion, \$9.4 billion, and \$10.5 billion in 1994, 1995, and 1996, respectively.

- **1977-86 Sales > 1987-96 Sales.** In constant 1996 dollars, FMS agreements dropped about 14 percent between the first and second decades. This occurred despite the record-breaking sales level of \$32.9 billion in 1993 dollars (which, in turn, equates to \$35.6 billion in constant 1996 dollars). In an aggregate sense, the 1977-86 period total was \$184.4 billion as compared to the 1987-96 period total of \$158.8 billion. In addition, there is a widely accepted consensus within the security assistance community that the sales mix has changed. In this regard, high-dollar-value major systems are currently said to account for a lesser proportion of overall FMS agreements than they did in earlier years. Conversely, follow-on logistics support and training account for proportionately more of current-year sales than was the case in the late 1970s through the mid 1980s.

- **U.S. is Still the Leading Supplier.** Looking back over the past twenty years, the United States began as the preeminent exporter of military equipment, accounting for about 35 to 40 percent of the world export total in the mid-1970s. The U.S. share was even higher in earlier years; data from the Arms Control and Disarmament Agency (ACDA) demonstrate that the United States accounted for 49 percent, compared to the Soviet Union's 29 percent, of the *world total* during the 1965-74 period.³¹ But, as has been shown in various places in this paper, things change over time. The Soviet Union nudged the United States out of first place in 1978, with the Soviet share being just over 33 percent and the U.S. share just under 28 percent.³² During the period 1979 to 1989, the Soviet Union retained the top position every year but one (i.e., 1983, when the United States led by a two percent margin with over 28 percent of the world export total). The two countries tied for first place in 1990, each sharing 33 percent of

³¹ U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers 1965-1974*, U.S. Government Printing Office, Washington DC, p 73.

³² U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers 1985*, U.S. Government Printing Office, Washington DC, August 1985, p 20.

REMEMBERING WHEN

- In 1975, the House of Representatives *Committee on Foreign Affairs* changed its name to the *Committee on International Relations*, then changed it back to the *Committee on Foreign Affairs* in 1979, and then back to the *Committee on International Relations* in 1995.
- In 1976, Section 608 of the International Security Assistance and Arms Export Control Act granted an extension of the airport at Pinecreek, Minnesota.
- In 1977, the FMS administrative surcharge was raised from 2 to 3 percent.
- In the mid 1970s until 1994, the presentation document containing the security assistance program was called the *Congressional Presentation for Security Assistance Programs*. Security assistance for the fiscal year 1995 CPD appeared in the *Congressional Presentation for Promoting Peace* and the *Congressional Presentation for Promoting Democracy*. Now, it's in the *Congressional Presentation for Foreign Operations*.
- Over twenty years ago, the document used by the international customer for reporting discrepancies was called a *Report of Item Discrepancy (ROID)*. ROID was changed a few years later to *Report of Discrepancy (ROD)*. In 1996, ROD was changed to *Supply Discrepancy Report (SDR)* or *SDR (ROD)*.
- The DSAA policy manual was called the *Military Assistance and Sales Manual (MASM)* over twenty years ago. In 1984, DSAA canceled the MASM and named its successor the *Security Assistance Management Manual (SAMM)*. The *Foreign Military Sales Financial Management Manual (DoD 7290.3-M)*, issued by the DoD Comptroller Office in 1981, became the *Department of Defense Financial Management Regulation (DoD 7000.14-R), Volume 15, Security Assistance Policy and Procedures* in 1993.
- In 1990, most Stock Fund items became known as *Defense Business Operations Fund (DBOF)* items.
- Since 1993, the annual Foreign Operations Appropriations Acts have required the withholding of U.S. assistance funds from countries whose diplomats owed parking fines to the District of Columbia. This provision was commonly known as "meter maid diplomacy" and "U.S. deadbeat foreign parking policy."
- Between 1986 and 1996, the Congress did not pass a separate Foreign Assistance authorization bill. However, in 1996 Congress passed multiple security assistance amendments in a 22-page act with a 44 word title.

the market. From 1991 to 1994, the United States has been the dominant supplier by a relatively large margin over the other supplier nations.³³

Still, as has been shown in the analyses of FMS data, U.S. sales in constant dollars have dropped over the past ten years. How does one reconcile this drop with the U.S. preeminence in military exports? Quite simply, the overall pie is smaller today than it was ten or so years ago. The 1996 ACDA report noted that a "downward trend in world military spending continued in 1994 with a 5 percent drop to \$840 billion, the lowest level since 1966 and 35 percent below the all-time peak of \$1.3 trillion in 1987." Reduced military spending, or course, generally means reduced worldwide military exports. In this regard, ACDA reports that world arms exports declined in value by almost 73 percent since the beginning of the 1984-94 decade. However, notwithstanding this dramatic budgetary downturn, the United States provided one half of the *world total* in 1992-94 and 56 percent in 1994.³⁴ Thus, compared to other suppliers, the United States in recent years has taken a proportionally bigger slice out of the smaller worldwide defense exports pie.

When the data totals are examined from a more selective focus and an additional year is considered, the picture of U.S. dominance is mellowed somewhat. A Congressional Research Service study, which examined arms transfers to *developing nations*, shows that during the 1988-95 period, the United States ranked first in arms transfer agreements with developing nations with about 36 percent of the total. However, Russia outstripped the United States in 1995. In that single year, Russia accounted for almost 39 percent (compared to the U.S. share of close to 25 percent) of total agreements with developing nations.³⁵

Direct Commercial Sales

Direct Commercial Sales (DCS), or commercial exports of items on the United States Munitions List, are another means for countries to acquire American defense equipment. The long standing policy regarding such sales is that the U.S. government is generally neutral as to whether a country chooses to fill its valid defense needs through FMS or commercial channels.³⁶ Review of the FMS and DCS delivery data over the past twenty years reveals some interesting findings.

- **Data Consistency and Predictability.** In contrast to the FMS agreement data in Figure 1, the FMS delivery levels in Figure 2 are more consistent and predictable from year to year. That is to say that there are less abrupt rises and declines in the annual data levels. The same could reasonably be said of annual commercial export license levels vis-à-vis actual DCS deliveries in a given year.

- **Relationship of DCS to FMS Levels.** In the late 1970s, commercial export deliveries were only about one-fifth of FMS deliveries (see Figure 2). During the 1984-1989 period, matters changed dramatically: commercial exports experienced a relatively steep climb, accounting for about 60 percent of FMS deliveries. Additionally, while DCS levels went up, FMS deliveries declined slightly from the previously high peak in 1983. In 1989, DCS deliv-

³³ U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers 1995*, U.S. Government Printing Office, Washington DC, April 1996, pp. 1 and 15.

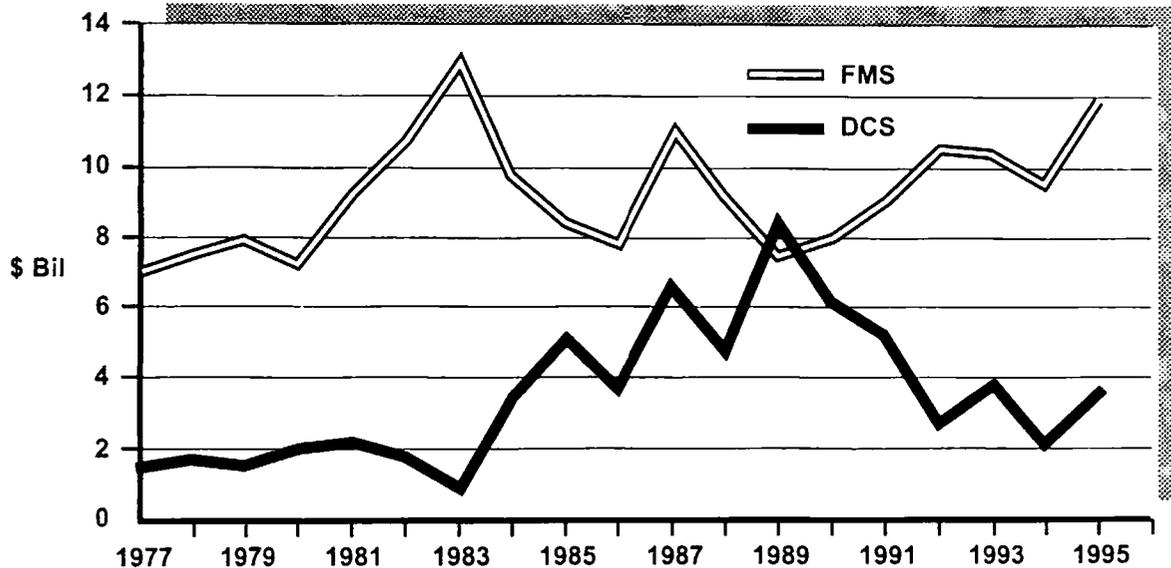
³⁴ *Ibid.*

³⁵ Richard F. Grimmett, Congressional Research Service, "Conventional Arms Transfers to Developing Nations, 1988-95," August 15, 1996, from extract reprinted in *The DISAM Journal of International Security Assistance Management*, Vol. 19, No. 1, Fall 1996, p. 94.

³⁶ Defense Security Assistance Agency, *Security Assistance Management Manual* (DoD 5105.38-M), para. 60602.C.2.

eries in the amount of \$8.4 billion exceeded FMS deliveries for the first and only time, albeit by a margin of less than \$1 billion; coincidentally, 1989 turned out to be one of the lower dollar-value years for FMS deliveries.

Figure 2
FMS AND DCS DELIVERIES (FYs 1977-1995 IN CURRENT DOLLARS)



Then, an opposite pattern occurs. Between 1990 through 1995, commercial exports started to decline while FMS deliveries began to swing up again, with commercial exports averaging out at about 40 percent of FMS deliveries. The rising levels of FMS deliveries may be explained, in part, by: (1) increased FMS agreement levels following Desert Storm, and (2) increased FMS delivery postings resulting from the DoD emphasis on *accelerated FMS case closure* procedures. As to why DCS deliveries declined immediately following the Desert Storm period, while FMS levels went up, the potential reasons are less clear. This phenomenon might be partially explained by budget limitations (i.e., purchaser countries just can't afford to have high FMS and commercial purchases at the same time). This budget-limitation hypothesis might also apply to the DCS-FMS data relationship from 1983 to 1989. However, one must guard against any oversimplifications—such as the presence of an *inverse relationship* between DCS and FMS export levels—because it is likely that several factors are involved from a purchaser nation's perspective: budget levels, threat perceptions, modernization plans, and so forth. Data aberrations are further masked by delivery lead-times on the part of the United States, with equipment deliveries normally occurring after advance cash collections have been received from the customer countries. Finally, one cannot rule out coincidence when examining the DCS and FMS data trends.

In the 1990s as in the 1970s, it can be concluded that FMS is the larger program of the two, but the margin has narrowed. Clearly, commercial exports have played an increasingly larger role in international customers' purchasing decisions starting in the early to mid-1980s and continuing into the 1990s.³⁷ In 1977, it was mentioned by guest speakers and knowledgeable, experienced students at DISAM that some countries may wish to buy certain major items through commercial channels but receive follow-on logistics support through FMS.

³⁷ As earlier stated in an explanatory footnote in this article, individual commercial exports were capped at specified dollar limits from 1976 to 1980. This cap could have had a bearing on the fact that commercial exports did not experience a steady rise until after 1983.

Guest speakers and students from both industry and DoD still say that in 1997, but they also say that foreign purchasers are becoming more sophisticated and have greater expectations in terms of price, quality, and customer service. Several countries today consider FMS and DCS as two sources of supply which must be evaluated by their internal acquisition infrastructure. Yet, in the larger U.S. national picture, FMS and direct commercial sales can be viewed as parts of a mutually-reinforcing relationship. Both sales methods support friendly foreign nations' legitimate defense needs and, at the same time, help sustain the American defense industrial base.

International Military Education and Training (IMET)

When DISAM students asked in 1977—What is the U.S. government's most cost-effective security assistance program across the board?—the answer was: the IMET program. In fact, the Fiscal Year 1980 Congressional Presentation, which was written in 1979, has this to say: "IMET has lasting value to the United States and is, dollar for dollar, one of our most important investments."³⁸ The Fiscal Year 1997 Congressional Presentation describes IMET as "a key component of U.S. security assistance,"³⁹ and this sentiment is echoed in the 1996 Annual Report by the Secretary of Defense which states that "The IMET program remains one of DoD's highest priority military assistance programs."⁴⁰

Why all the plaudits for IMET over the years? Largely, because it is a people-to-people program, the type that creates lasting relationships. Under IMET, international students are brought to the United States and have the opportunity to go to class side-by-side with DoD students. The IMET program exposes our international visitors to our professional military establishment and to the American way of life, including our regard for democratic values. Later, on a professional military-to-military scale, the valuable friendships and improved channels of communication which are created can pay great dividends.

Despite all these benefits, IMET has decreased in program value over the twenty year span (see Figure 3). The 1977-86 total for IMET is \$628.4 million in constant 1996 dollars whereas the 1987-96 amount is only \$475.5 million, representing a decrease of 24 percent between these two ten-year periods. This decrease may be attributed to both declining overall budgets in the face of the national deficit and to the fact that the IMET took a nose dive in fiscal year 1994, plunging from its prior year level of \$46.1 million to \$23.5 million. However, there is a bright light glowing ahead. The fiscal year 1997 IMET appropriation provides \$43.5 million and the fiscal year 1998 executive branch request is for \$50 million, demonstrating that IMET is continuing to rebound from its precipitous drop in fiscal year 1994.

Aside from the funding issue, the major news about IMET is its change in direction which began in 1991. In this regard, the Foreign Operations, Export Financing and Related Programs Appropriations Act, 1991, expanded the scope and purposes of the IMET program as we knew it in 1977 and up to the 1991 law. This new focus is referred to as *Expanded IMET* because it initially expanded the program to include foreign military and civilian officials from ministries other than Defense, such as the Foreign Ministry. In 1992, foreign legislators were added to the eligibility list, and civilians who are not members of their government (i.e., non-govern-

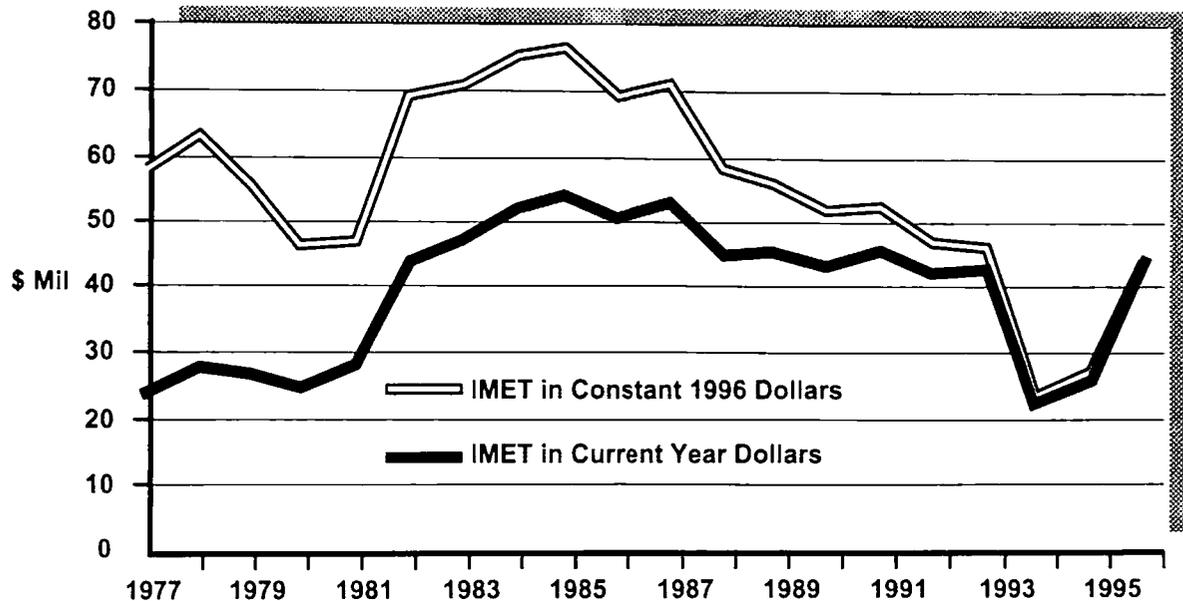
³⁸ U.S. Department of State, *Congressional Presentation, Security Assistance Programs*, FY 1980, Washington, DC, 1979, p. 17.

³⁹ U.S. Department of State, *Congressional Presentation for Foreign Operations, Fiscal Year 1997*, Washington DC, 1996, p. 145.

⁴⁰ Secretary of Defense, *Annual Report to the President and the Congress*, Pentagon, Washington, DC, March 1996, p. J-2.

mental organization, or NGO, members) were included in 1995. The educational emphases are on fostering respect and understanding relative to the principle of civilian control of the military, improving military justice systems in accordance with internationally recognized human rights, and increasing the professionalism of defense resource management.⁴¹

Figure 3
IMET (FYs 1977-1996)



Unfortunately, those who strongly believe in the benefits of IMET and other security assistance programs frequently find themselves going in the opposite direction of American public opinion. The American public has traditionally been less than supportive of both economic and military aid in public opinion polls. For instance, the Chicago Council on Foreign Relations found in a 1982 survey that when foreign assistance is prioritized along with other domestic programs, the public would rather see the U.S. government invest in social programs (education, social security, highway expenditures) rather than defense or foreign assistance. In fact, foreign economic and military assistance were cited as programs which most of the public would rather see cut back.⁴²

This cost-cutting mood still persists in the 1990s, along with some substantive public misperceptions concerning the relative size of the foreign assistance program. In 1996, the State Department noted that although foreign assistance is a real bargain for American taxpayers, recent polls suggest that the American people think that up to 25 percent of federal spending goes to foreign assistance. Their solution: cut it to a maximum of 8 percent. In reality, less than one percent of the total federal budget is spent annually on foreign assistance.⁴³

⁴¹ U.S. Department of State, *Congressional Presentation for Security Assistance Programs, Fiscal Year 1993*, Washington, DC, 1992, p. 22.

⁴² John E. Rielly, Ed., *American Public Opinion, U.S. Foreign Policy 1979*, Chicago: The Chicago Council on Foreign Relations, 1983, p. 10.

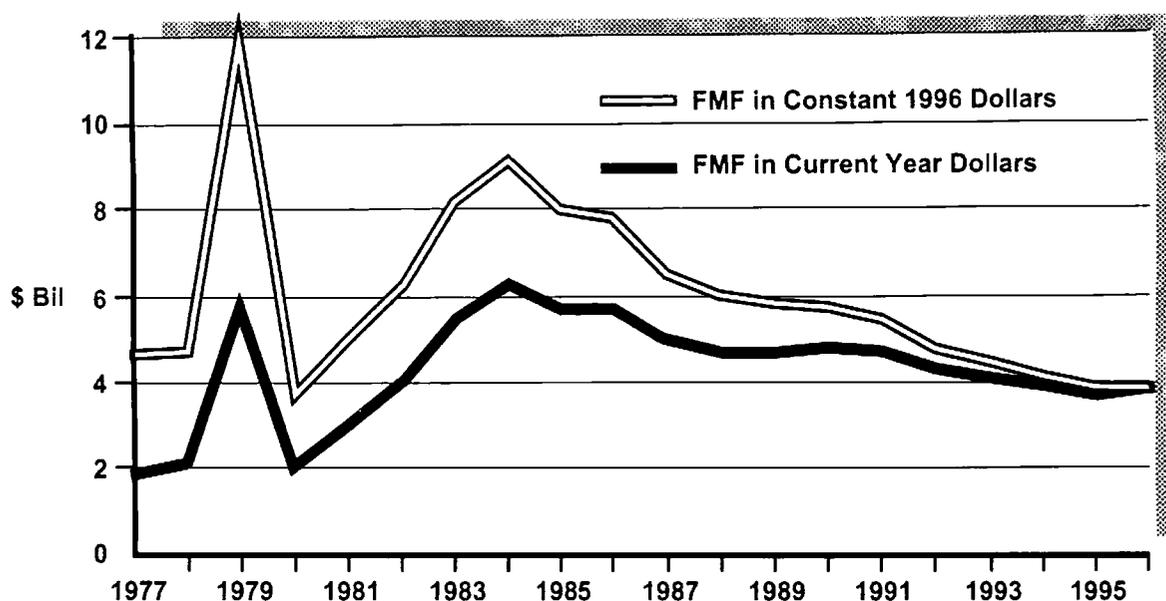
⁴³ U. S. Department of State, "The International Affairs Budget: A Sound Investment in Global Leadership", a list of questions and answers released by the Bureau of Public Affairs and reprinted in *The DISAM Journal of International Security Assistance Management*, Vol. 18, No. 3, Spring 1996, p. 69.

Foreign Military Financing (FMF)

The FMF program, earlier known as FMS Credit, was said to have been initially developed as a transition bridge between the grant Military Assistance Program (MAP) of the 1950s and the FMS (cash sales) program which essentially came into view in a meaningful way in the 1960s.⁴⁴

The FMF program is still around as we prepare for fiscal year 1998. However, like IMET, it has gone down in value. In the 1970s and the 1980s, multiple countries received some FMS Credit financing, principally through the DoD Guaranty program. In 1996, only a handful of countries receive any FMF, with the principal recipients being Israel and Egypt. Between the two periods 1977-86 and 1987-96, FMF and MAP Merger have collectively dropped in constant dollars by about 27 percent (see Figure 4).⁴⁵

Figure 4
FMF (INCLUDING MAP MERGER)
FYs 1977-1996



Aside from the unusually high level of FMF funding in 1979 as a result of the Camp David accords, FMF hit its zenith in 1984 when combined FMF and MAP Merger totaled \$6.3 billion (or \$9.1 billion in constant 1996 dollars). Looking at it another way, the 1996 FMF level is only about 42 percent of the 1984 level in constant dollars. However one may analyze it, the point is that FMF has declined in value over the past several years.

⁴⁴ In the late 1960s, some defense sales were financed by the Export-Import Bank. See Philip J. Farley, "The Control of United States Arms Sales," in *Congress and Arms Control*, edited by Alan Platt and Lawrence Weiler, Boulder, CO: Westview Press, Inc., 1978, pp. 114-115.

⁴⁵ MAP Merger is included since it allowed countries to apply such funds to FMS purchases, much like grant FMF. The last year for MAP Merger was Fiscal Year 1989.

MANPOWER AND ORGANIZATIONS

Manpower Levels

In the late 1970s and early 1980s, security assistance manpower levels were significantly higher than they are today. For instance, an article written by the DSAA staff in 1982 indicated that about 13,000 full time DoD personnel (4,000 military and 9,000 civilian) were involved in security assistance. If part time personnel were included, the DoD then devoted about 23,000 man years (6,000 military and 17,000 civilian) to the program. All told, about 43,000 personnel were involved either full time or part time.⁴⁶

By contrast, in 1996, there were close to 8,000 full time DoD personnel assigned to security assistance positions which were funded from various sources. About 7,000 of these positions were in CONUS. The FMS administrative budget (sometimes informally known as the 3 percent administrative surcharge account) is the largest generator of funds to pay FMS federal service salaries and other expenses. As shown in the *Congressional Presentation for Foreign Operations*, \$355 million of FMS administrative costs equated to over 5,600 work years in fiscal year 1996.⁴⁷ Other funding sources include FMS program management lines; direct charges from FMS service or training cases; and revenue from transportation and packing, crating, and handling accessorial charges. In addition, some salaries and operating expenses are funded by the Foreign Military Financing (FMF) Defense Administrative Cost account, with just over \$23 million in fiscal year 1996 appropriations. About three-fourths of this latter account goes to fund a portion of the administrative expenses of the overseas security assistance organizations (SAOs), with the remainder funding departmental and headquarters administrative expenses (e.g., administration of the IMET program).⁴⁸

Why have the manpower levels gone down so dramatically over the past twenty years? There are at least a couple of plausible reasons. First, as was earlier shown, overall FMS agreements have decreased in constant dollar value between the 1977-86 and 1987-96 periods. Second, even if sales had stayed the same or even mildly risen on an average basis in constant dollars, the manpower levels would still have dropped because a million dollars in 1977 funded more members' salaries than a million dollars in 1996. This is because salary scales have been adjusted over the years to compensate, in part, for the effects of inflation. Just as annual FMS levels have decreased in terms of constant dollars, DoD security assistance manpower levels have logically and necessarily followed suit.

Overseas Security Assistance Organizations

Due to declining budgetary resources and Congressional pressures to decrease overseas military presence, SAOs have undergone relatively large staffing cuts between 1977 and 1996. In fiscal year 1977, there were close to 1,500 military, U.S. government civilian, and local nationals in SAO positions. In 1996, the total was about half that: 736 personnel positions.⁴⁹

⁴⁶ "The Defense Security Assistance Agency," *DISAM Newsletter*, Vol. 4, No. 3, Spring 1982, p. 7.

⁴⁷ U.S. Department of State, *Congressional Presentation for Foreign Operations, Fiscal Year 1997*, Washington DC, 1996, p. 459.

⁴⁸ *Ibid.*, p. 161.

⁴⁹ *Ibid.*, p. 470.

SOME SECURITY ASSISTANCE ORGANIZATIONAL CHANGES

In late 1976, when DISAM was preparing for its first class in January 1977:

- The Navy International Program Office (Navy IPO) did not exist. The forerunners of Navy IPO were the Chief of Naval Operations, Security Assistance Division (CNO OP-63) and the Navy Office of Technology Transfer and Security Assistance (NAVOTTSA).
- The U.S. Army International Logistics Command (USAILCOM) existed. It later became incorporated into the U.S. Army Security Assistance Command (USASAC).
- The Defense Logistics Agency (DLA) was still the Defense Supply Agency (DSA).
- There was no Office of the Deputy Under Secretary for International Affairs, Department of the Air Force, which coordinated security assistance policy. But, there was a security assistance office on the Air Staff known as HQ USAF/LGF, which later became HQ USAF/LEF, which even later became HQ USAF/PRI.
- The Navy International Logistics Control Office (NAVILCO) was located in Bayonne, NJ. Soon thereafter, it moved to Philadelphia. Today, NAVILCO's former functions are under the supervision of the Deputy Commander, International Programs, Naval Inventory Control Point (NAVICP-OF).
- The Air Force international logistics control function was accomplished by the Air Force Logistics Command (AFLC/MI). This function later transferred to the Air Force Acquisition Logistics Division (AFALD/MI), then to the AFLC International Logistics Center (ILC), and later to the Air Force Security Assistance Center (AFSAC).
- The Defense Finance and Accounting Service - Denver Center, with its Deputate for Security Assistance (DFAS-DE/I) was an unknown entity. However, security assistance billing functions were in the process of being consolidated into the Joint Financial Management Office/Security Assistance Accounting Center (JFMO/SAAC) located at the Air Force Finance and Accounting Center, Denver.
- The State Department office that DISAM drew its first guest speaker from was the Office of Security Assistance and Sales, Bureau of Politico-Military Affairs (PM/SAS). Today, the roughly equivalent State Department office is called Arms Transfer and Export Control Policy (PM/ATEC). Direct commercial sales licensing within the State Department is today accomplished by Defense Trade Controls (DTC), which superseded the Office of Munitions Control (OMC).

While the generic title *security assistance organization*, with its SAO acronym, came to identify the organizations that provided advice and assistance to the U.S. ambassador and maintained liaison with foreign defense organizations, the precise names in each country have undergone a scrub. In 1977, it was common to have the words Military Assistance Advisory Group (MAAG) or Military Group (MILGP) in SAO country-specific titles, and the term Office of Defense Cooperation (ODC) was just coming into vogue. Today, about twenty SAOs call themselves ODCs—Botswana, Uruguay, Belgium, and Tunisia, just to name a few.

Beginning in August 1977, SAO personnel were supposed to perform four primary functions as prescribed in the Foreign Assistance Act of 1961, as amended. Included were logistics management, transportation, fiscal management, and contract administration of country programs.⁵⁰ In 1981, Section 515 of the FAA/61 was changed to essentially reflect most of the seven functions that now appear. However, change always marches on. For instance, Section 515 was modified as late as 1996 to now authorize SAO personnel to promote rationalization, standardization, and interoperability (RSI) *with any country*, whereas the previous list included only NATO, Australia, New Zealand, and Japan. This change recognizes, in part, that SAOs in the more developed industrial countries have been assigned an international armaments cooperation liaison role. In such countries, security assistance may constitute a lesser proportion of the time allocated toward other programs.

CONUS Security Assistance Activities

If one were to go through the list of DISAM students' organizations in 1977, he or she would quickly discover that there were some organizational names that would be unfamiliar to a new security assistance practitioner in 1997. For instance, the *International Logistics Control Office or Organization (ILCO)* has gradually disappeared from current organizational terminology usage, except as a generic descriptor of functions that are performed. In the mid-1970s, several organizations used to have the words *international logistics* in their title, e.g., the U.S. Army International Logistics Command (USAILCOM), the Air Force Logistics Command - International Logistics Center (ILC), and the U.S. Navy International Logistics Control Office (NAVILCO). Their functions obviously are still performed, but by organizations with different names (including some with the words *security assistance* in their title) and generally with fewer people following restructuring and downsizing efforts.

Moreover, there appears to be a trend toward greater centralization and policy integration, especially at the headquarters and staff levels. Examples of this include the creation of offices that did not exist in 1977, such as the Office of the Deputy Under Secretary of the Army (International Affairs), the Navy International Programs Office, and the Office of the Deputy Under Secretary for International Affairs, Department of the Air Force (SAF/IA). These offices must take a broad vision relative to security assistance and how it interacts with other international cooperation programs.

DISAM DEVELOPMENTS

DISAM's Beginnings

Notwithstanding any tales to the contrary, DISAM did not just magically rise out the dust one day. Rather, DISAM evolved as the result of a deliberative review and planning process.

DISAM has its roots in various studies that were conducted during 1974 and 1975. These include the Air Force "Security Assistance Impact Study" in 1974, and the Joint Chiefs of

⁵⁰ Refers to the International Security Assistance Act of 1977 (Public Law 95-92), August 4, 1977, which modified Section 515 of the Foreign Assistance Act of 1961, as amended.

Staff and OASD (Manpower, Personnel, and Logistics) “Worldwide MAAG” studies in 1975. Basic to all of these studies was the recognition of the need for improved security assistance management throughout the world, and the establishment of an institute singularly dedicated to such improvement.

As a consequence of these studies and their recommendations, in September 1976, Mr. William P. Clements, the then Deputy Secretary of Defense, directed that DISAM be established. The Department of the Air Force, designated as the executive agency, nominated Wright-Patterson Air Force Base as the site for the institute and this was approved by both Lieutenant General Howard Fish, Director, DSAA, and Deputy Secretary Clements. Reflecting a sense of urgency, Deputy Secretary Clements’ tasking required that DISAM develop a curricula and present a pilot course not later than January 1977. Under the leadership of Major General Frank Simokaitis, USAF, the first DISAM Commandant (who was also double-hatted as the Commandant of the Air Force Institute of Technology); Colonel Ronald Shackleton, USA, the first Deputy Commandant; Mr. Robert Trapp, the first Director of Academic Affairs and the person recognized as the *Father of DISAM*; and Major Bill McGovern, the first SAM-C Course Director; plus the help of dozens of guest speakers, DISAM started its first course in January 1977.

Educational Program

The first DISAM class consisted of 30 eager students—including Colonel Gary Ellis, USA, from the Defense Security Assistance Agency (DSAA), who was the class leader; Hank Garza, from the Army Training and Doctrine Command; Joe Jennings from the Naval Air Systems Command; Freda Lodge from Headquarters, United States Marine Corps; and Major John Carr, USAF, who was on his way to an overseas assignment.

DISAM started out in 1977 with just two courses in its curriculum: the Security Assistance Management Core Course (SAM-C) and the Overseas Course (SAM-O). The *Core Course*, which was 18 days long, was so named because it served as the security assistance curriculum foundation for both CONUS and overseas SAO students. A seven-day Overseas Course (SAM-O) directly followed the Core Course and a SAO member had to complete both courses—five weeks total at DISAM! SAM-O only covered regional studies, cross-cultural communications, and other SAO specific topics.

Things gradually changed over time in response to the needs of the security assistance community. Once DISAM acquired its target faculty strength and grew in experience, it began to take on additional functions. In fiscal year 1979, the Foreign Purchaser (SAM-F), Executive (SAM-E), and Training Officer (SAM-TO) courses were added. Also, that same year, DISAM accomplished its first two mobile training team courses—one in Australia and another in Korea.

In fiscal year 1982, DISAM added the Case Management (SAM-CM) and Financial Management (SAM-CF) courses, with the Training Management (SAM-TM) course arriving on the scene in fiscal year 1984. The SAM-CF and SAM-CM courses were designed to capitalize on the fundamentals that students assimilated through their earlier attendance in SAM-C. Two additional courses would round out the DISAM curricula as it exists today: the CONUS Orientation (SAM-CO) and the Advanced (SAM-A) courses which were added in 1987 and 1992, respectively. Thus, from just two courses in 1977, DISAM has developed a broad-range resident program which enjoys the support of U.S. government, industry, and international audiences. In addition to having a diverse, experienced faculty made up of military and civilian members, DISAM has a high quality support staff that provides for the students’ administrative needs.

There have been more than 50 resident offerings annually over the past several years, and a steady growth is occurring in the on-site and mobile education team (MET) programs. The on-site program involves DISAM sending a team of about 3-4 faculty members to a U.S. government site, such as Naval Air Systems Command, the Army Missile Command, or the Ogden Air Logistics Center. On-sites are also done for U.S. industry on a reimbursable basis. In recent years, MET courses—which are funded under FMS or IMET—have been conducted in Australia, New Zealand, Israel, Norway, Spain, Qatar, Turkey, Poland, Romania, Bangladesh, Singapore, Thailand, Canada, Colombia, Chile, and Venezuela. Regional METs have also proven to be successful. Over the years, several NATO nations have taken turns in hosting regional METs. In 1994, a regional MET was held in Singapore with participation from Malaysia, Korea, Australia, Thailand, and India. Hungary hosted a regional MET in 1996, inviting student participants from the Czech Republic and Slovakia.

Between that first resident class of 30 students in January 1977 and the classes which concluded in January 1997, DISAM has provided over 1,200 classes to more than 36,000 students. Over time, about 80 percent of the DISAM educational program has been accomplished in residence with the remaining 20 percent provided through on-site and MET courses.

Research and Publications

The very medium in which this article is now appearing—*The DISAM Journal of International Security Assistance Management*—is but one measure of how far DISAM has come since 1977 in the area of providing research and publishing services. Fiscal year 1978 saw the first *DISAM Newsletter*, which was the predecessor of the *Journal*. In 1982, the *Newsletter* was expanded and renamed the *Journal* and we are now in our 19th year of combined quarterly *Newsletter* and *Journal* issues.

Aside from *The DISAM Journal*, the Institute publication that is best known around the globe is the DISAM “green book,” titled *The Management of Security Assistance*, which is revised and published annually. In just a few months, the 17th edition will be available. The green book is a far cry from what the course materials looked like in 1977—an assortment of handouts that were stuffed into a big three-ring binder.

DISAM also provides publication support for DSAA. Since 1984, DISAM has provided publishing and distribution support for the DSAA policy and procedures document, the *Security Assistance Management Manual (DoD 5105.38-M)*. The SAMM, and changes thereto, are developed and written by the DSAA staff; the DISAM role is to get these outputs into a print medium and then mail them to a growing distribution list. DISAM also provides similar support for other DSAA pamphlets, such as *End-Use Monitoring of Defense Articles & Services* and *A Comparison of Direct Commercial Sales and Foreign Military Sales for the Acquisition of U.S. Defense Articles and Services*. Beginning in the early 1980s, DISAM and DFAS Denver Center have co-edited the *FMS Customer Financial Management Handbook (Billing)*, which is now in its 9th edition. This *Handbook* is just the place for the FMS customer to go in order to get some help on how to read and understand the FMS Billing Statement and associated attachments.

Students are told on the day of arrival and the day of graduation that DISAM is there to provide further support once they return to their organizations. Former students and other security assistance community members are welcome to call or write DISAM if they wish some help in chasing down some obscure policy or procedure.

Automation Support

DISAM has also changed in other ways, especially in the area of automation development and support. Since 1990, DISAM has been significantly involved in the *Security Assistance Network (SAN)*, which is a communications link-up among the overseas SAOs and various CONUS organizations. The SAN is used not only for E-Mail but for the transmittal of training management and SAO budgetary resource management data. The *Training Management System (TMS)* and *Security Assistance Automated Resource Management System (SAARMS)* software packages for personal computers (PCs) have been developed by DISAM with the assistance of other organizations. In addition, DFAS Denver Center and the military services have developed special SAN screens for non-technical managers to access the Defense Integrated Financial System (DIFS), the Army Centralized Integrated System - International Logistics (CISIL), the Navy Management Information System for International Logistics (MISIL), and the Air Force Security Assistance Management Information System (SAMIS).

To support this increase in automation tempo, we now have two computer labs for student education. Students going through the SAM-O course are exposed to the SAN and, as necessary to their specific assignments, to the TMS and SAARMS software. CONUS students working in training management, including those serving as international military student managers, also get SAN and TMS training. Those CONUS students who are involved primarily in FMS case management get automation training relative to the DIFS, CISIL, MISIL, and SAMIS systems. In future months, DISAM will become involved in providing training for a newly-developed module of the *Defense Security Assistance Management System (DSAMS)*, which is managed by the DSAA Project Management Office.

CONCLUDING THOUGHTS

The security assistance community, much like the American society of which it is a part, is more accustomed to looking forward than backward. People are focused on "tomorrow" in such day-to-day tasks as staffing the next Letter of Offer and Acceptance (LOA), getting the next FMS shipment out the door, processing the next student Invitational Travel Order (ITO), or generally working on the next piece of paper in that all encompassing and often annoying in-box. Notwithstanding the necessity for focusing on the future, it is sometimes enjoyable to occasionally reflect on our rich history.

The reader may have surmised that although several things have changed dramatically over the past twenty years, many other things have changed very little in a substantive sense. For instance, FMS in 1997, just as it was in 1977, is still a viable program with a lot of rules and procedures. The current LOA's terms and conditions incorporate much of the same wording that was used in the General Conditions to the earlier DD Form 1513. FMS cases, despite streamlined procedures, still require blood, sweat, and tears prior to being certified for closure. An on and on. Some things—like death, taxes, and the FMS administrative surcharge—just don't change very much.

Yet, in other more significant ways, the world in which security assistance is conducted in 1997 is much different than in 1977. Numerous examples can be cited. The end of the Cold War brought new countries, formerly regarded as threats or adversaries, into the program. FMS customers have become more knowledgeable of the FMS system and expect more management attention for their money. The security assistance community has had some real streamlining successes through the use of study groups and Process Action Teams (PATs), such as the one which worked on the accelerated FMS case closure concept. Expanded IMET has provided a new focus to our security assistance education and training endeavors. Our overseas SAOs, as well as our CONUS system and FMS case managers, have learned to prioritize their efforts more wisely in the face of declining budgets. In many ways, things have

gotten leaner and tougher. But, the security assistance program has survived and it is still an integral part of our national security and foreign policy.

Joint Vision 2010, prepared under the direction of the Chairman of the Joint Chiefs of Staff, illustrates how our armed forces are preparing for tomorrow. Whether there will still be a program called *security assistance* in the year 2010 is a matter of speculation—names do change. With respect to substance, however, this author suggests that security assistance will be a viable program well into the 21st Century because security assistance is a tool for cooperation among the United States and other nations. In this latter regard, *Joint Vision 2010* contains a discussion on “multinational operations” noting:

It is not enough just to be joint, when conducting future operations. We must find the most effective methods for integrating and improving interoperability with allied and coalition partners.⁵¹

In preparing for the next twenty years, one would be well advised to occasionally recall Heraclitus’ words from the 6th Century B.C.: “There is nothing permanent except change.”

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⁵¹ Chairman of the Joint Chiefs of Staff, *Joint Vision 2010*, Pentagon, Washington, DC, 1996, p. 9.