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# United States Government Benefits as a Result of Foreign Military Sales Programs

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United States fighter aviators are keenly aware that other countries fly similar variants of their own respective platforms. For example, Israel (F-15I) and Saudi Arabia (F-15S) operate variants of the United States Air Force (USAF) F-15E Strike Eagle, while the Royal Australian Air Force (RAAF) and the United States Navy (USN) both operate the F/A-18F Super Hornet. Except for the fact that American aviators know that the United States has a foreign military sales (FMS) program, which allows countries such as Israel, Saudi Arabia, and Australia to operate the same aircraft being flown by United States forces, they are usually not familiar with the actual FMS process. These same aviators are sometimes resistant to the



The first Royal Australian Air Force F/A-18F Super Horned takes off from Boeing's facility at Lambert International Airport, St. Louis Missouri, 21 July 2009.

idea that other countries could benefit from United States technology. They resent the fact that some countries could use American technology against them some day. After all, the United States had sold F-4 Phantoms and F-14 Tomcats to Iran; and they were certainly no longer on the list of United States friendly countries. It is therefore fair to speculate how many countries, to whom the United States had sold F-16s (note: 25+ countries operate the United States F-16), would eventually find themselves on the American not-so-friendly list (at present, Venezuela fits this criteria). Nevertheless, the FMS process serves to accomplish a greater purpose in terms of the global interests of the United States Government.

The USG's vehicle for the transfer of defense articles, services, and training to other sovereign countries and international organizations is the FMS program. Through the FMS process, the USG procures defense articles and services on behalf of the foreign customer country. Those countries which are approved to participate in the FMS program may receive defense articles and services by paying with their own national funds or with funds generated by USG-sponsored assistance programs. In certain special cases, defense articles, services, and training may be obtained on a grant basis. The Defense Security Cooperation Agency (DSCA) is the USG entity which administers the FMS program for the Department of Defense.

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Currently, there are approximately 160 countries which are eligible to participate in USG FMS programs. The United States President, after giving thorough consideration to recommendations from his Administration, designates countries and international organizations eligible to participate in the FMS process. The Department of State (DOS) makes those recommendations and ultimately approves individual FMS programs on a case-by-case basis. The Department of Defense (DOD) procures defense related equipment and services for the foreign customer in the same manner as it procures defense articles for itself. Therefore, the foreign customer benefits from USG procurement practices, the total package approach, and economies of scale achieved through combining its own FMS purchases with the same equipment acquired by DOD. By taking part in a major FMS program, the foreign customer enters into a formal government-to-government agreement with the United States and begins a long-term relationship with the United States military. This relationship includes access to joint training and doctrine and increased opportunity for interoperability.

Likewise, there are numerous benefits to the USG as a result of the various FMS programs. This government-to-government method for selling and/or providing United States defense articles, services, and training has served to enhance United States national security and foreign policy objectives by strengthening bilateral defense relations, supporting coalition building, and ensuring interoperability between United States forces and militaries of our foreign partners and allies. Should we ever need to operate together in a military coalition, interoperability is a key factor in winning a campaign. These FMS programs also contribute to American prosperity by improving the United States balance of trade position, sustaining highly skilled jobs in the defense industrial base, and extending production lines and lowering unit costs for key weapon systems.

The above examples of how the USG benefits from FMS programs enforce the vital necessity for the United States to engage its foreign partners and allies with this process. Not only are there financial benefits to the United States economy, but there are certainly other intangible benefits, such as mutual cooperation, technology control, and interoperability. On the financial side, according to data compiled by the Pentagon, a total of \$21 billion in arms sales agreements were signed from September 2005 to September 2006, compared with the \$10.6 billion the previous year. An additional \$22 billion was reached by the end of FY 2007. On average, FMS agreements have typically ranged from \$10 billion to \$13 billion a year since 2001. Encouraging long-term FMS programs to develop and mature ensures the production lines of United States equipment remain open, lowers overall unit costs, and creates an economic windfall for United States industry and the American society.

While the financial benefits from the FMS process to the United States economy are obvious and numerous, there is an equally important focus which must be placed on the intangible benefits. When the USG transfers a fighter aircraft to a foreign country, for example, it enters into a 30 to 35 year relationship with that country. It is a long-term commitment for ongoing training, technology upgrades, cooperation, maintenance, and the potential to fly and fight alongside each other in an established coalition with the mutual benefits of interoperability. Two recent international transfers of fighter aircraft will help validate this point; F-15E Strike Eagle variants have recently been sold to the Republic of Korea (ROK, F-15K) and Singapore (F-15SG). Although these two transfers took place in a direct commercial sales (DCS) format, the technology release process and the principle benefits to the United States Government and industry were the same as in FMS. Additionally, certain aspects of these two specific sales, such as the aircraft weapons and training, were accomplished under the FMS umbrella to emphasize the importance of the United States and ROK, and United States and Singapore relationships. These two particular countries are integral parts of the USG's policies in the Pacific area of responsibility (AOR).

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Since the 1950s, South Korea has played a critical role in the North East Asia AOR, maintaining a strong balance of power against the ever present danger of the North Korean Communist Regime. Additionally, as the People's Republic of China continues to grow into a formidable adversary for the Western Powers to contend with, and should a threat from China develop in the region, South Korea's new F-15Ks will augment the United States and ROK military forces already positioned on the Peninsula. The United States/ROK alliance has certainly been strengthened by the F-15K acquisition. Both countries will continue to benefit from a longstanding mutual cooperation, due in part to the recent F-15K transfer.

Singapore, on the other hand, does not consider itself a United States ally, in the typical sense of the word. Rather, the United States and Singapore have established a strong international partnership,



The first F-15SG lands at Mountain Home Air Force Base, Idaho, as part of the 428<sup>th</sup> Fighter Squadron's reactivation ceremony, 18 May 2009.

culminating in the recent sale of the F-15SG. Like the F-15K, this platform will strengthen Singapore's position in the South East Asia AOR. This partnership has already benefitted the USG in the form of military cooperation. During Operations Enduring Freedom and Iraqi Freedom, Singapore's air-to-air refueling fleet augmented the United States air-to-air tankers helping ferry various fighters and other assets based in the Pacific AOR

to the Middle East. Additionally, the USN has enjoyed certain privileges as Singapore has, on a regular basis, opened its deep water ports to our surface fleet vessels passing through the region. Conversely, Singapore has been granted rights to base some of its front line fighter aircraft at USAF facilities in order to facilitate training over American Airspace.

This ongoing, mutual cooperation will undoubtedly continue to flourish as F-15SG aircrews begin their training in the United States. Imagine the possibilities of a young F-15SG pilot training alongside a young F-15E pilot, their friendship enhanced by the mutual admiration of their respective platforms. Fast forward twenty years, and these two aircrews, now top echelon leaders of their respective air forces, fall back on their old friendship to form an even stronger bond between the two militaries. This intangible benefit is not possible without the relationships built throughout the years of mutual cooperation provided by the FMS process.

Another intangible benefit as a result of the FMS process is that through a careful and very meticulous technology release process, the USG can control the type of technology that is transferred outside of the United States. In other words, when an F-16 or an M-1 Abrams Tank is sold to a foreign customer, there are certain technology restrictions the manufacturer must meet prior to delivery of the United States equipment to the foreign country. United States Government and industry technical experts are very good at ensuring American equipment has the most viable and current Anti-Tamper (AT) measures to minimize the risk of its technology leaking out into the wrong hands. The bottom line for the American warfighter is that he/she will know, to the maximum extent possible, what type of technology is in a specific country's F-16 or M-1 Tank, should that country, in the long run, turn out

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to be a rogue nation. The goal of all United States fighter aviators is to maximize their own aircraft's advantages over the adversary's aircraft. Therefore, United States fighter aviators would much rather face a known adversary's F-16, for example, than its counterpart, the Mig-35 (Russian made fighter). At the outset of a conflict, it is highly likely that the typical United States fighter aviator will know more about the technology within the adversary's F-16 than the technology within the Mig-35. This intangible benefit is not realized if the FMS process fails to secure the F-16 transfer and the country, which may someday become unfriendly to the United States, instead decides to purchase a Russian made fighter.

In the same manner that technology control attempts to protect and give the edge to the American warfighter, equipment interoperability enhances the overall effect of a well built coalition and provides a key tool for winning any campaign. Interoperability is considered by many as the most important intangible benefit resulting from successful FMS programs. It is also, perhaps, the most difficult to obtain and sustain. The fact that there continues to be interoperability issues within the United States military services certainly underscores the importance of ensuring maximum interoperability between the United States and its international partners. From an aircraft perspective, there are great examples in which the United States military has gained an advantage by ensuring interoperability with its strongest allies. Australia, with its most recent purchase of the F/A-18F Super Hornet, continues to prove itself to be a key coalition partner. During Operation Iraqi Freedom, RAAF legacy F-18 Hornets operated with the same weapons and employed the same tactics as American platforms. Likewise, the United Kingdom (U.K.) always stands by the United States and has proven invaluable in the fight against terrorism. Currently, U.K. and United States Predator Unmanned Aerial Vehicles are seamlessly working together against terrorist forces in Afghanistan. In the European theater, the majority of the North Atlantic Treaty Organization (NATO) allies fly the F-16. During the 1999 Kosovo war, NATO F-16s played a key role in securing an end to the conflict. In all the latter examples, successful FMS programs resulted in effective interoperability, which was and continues to be at the core of these important coalition campaigns.

Perhaps no better example to securing interoperability exists today than the internationally oriented Joint Strike Fighter (JSF), also known as F-35 Lightning II Program. The JSF Program is DOD's focal point for defining an affordable next generation (i.e., fifth generation stealth) strike aircraft weapon system for the Air Force, Navy, Marines, United States allies, and international partners. Affordability of the aircraft platform is the cornerstone of the JSF Program, which focuses on reducing the development cost, production cost, and cost of ownership. From the very beginning, the JSF Program was structured to become an acquisition reform model, emphasizing jointness, technology maturation, and interoperability.

Currently, eight nations are partnering with the United States in the F-35's System Development and Demonstration (SDD) Phase: United Kingdom, Italy, the Netherlands, Turkey, Canada, Denmark, Norway, and Australia. Partnership in SDD entitles these nations to bid for work on a best value basis and participate in the aircraft's development. Additionally, Israel and Singapore have joined the program as Security Cooperation Participants. While the United States is the primary partner and financial backer, the other eight partner nations have agreed to contribute \$4.375 billion toward the development costs of the JSF Program, assuming a portion of the overall development risk. Between the nine partner nations, an estimated 3,100 F-35s will be acquired through 2035, making the F-35 one of the most numerous jet fighters in the world. The F-35 will be the world's only international fifth generation fighter, and it will replace more than thirteen different aircraft platforms. The JSF will enable allies to conduct seamless operations with new levels of capability and interoperability

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that are unavailable in current generation fighters. Certainly, the Lockheed Martin F-35 will become the centerpiece of global security cooperation, as other non-partner nations will request this platform through the FMS process.



The F-35 during system development and demonstration flight.

Recently, during the June 2009 Paris Airshow, it was reported that the international partners and participants had begun purchasing aircraft and making long-term commitments to integrate the F-35 into their fleets. A Lockheed Martin executive was quoted as saying:

Since the start of the year, we have seen the United Kingdom commit to the purchase of their first three operational test and evaluation (OT&E) aircraft, Italy approve in principle the establishment of an F-35 final assembly and checkout facility as well as the purchase of 131 F-35s; and the Netherlands approve funds for the first of two OT&E airplanes. At the same time, Australia has reaffirmed its requirement for 100 F-35s; and Israel has begun planning to purchase twenty-five F-35s initially, with an option for fifty more.

It is clear that the F-35 international consortium is striving to build global security through mutual cooperation, technological innovation, and interoperability.

The JSF Program is an excellent example of DOD's major effort to reform the current FMS process. This reform effort will ensure that this valuable program will remain viable through the new millennium. The DOD must continue to focus on improving the performance of the FMS process by adopting better business practices wherever possible. Since September 11, 2001, the United States has used arms sales as a way to reward allies and cement international relationships in an effort to combat the risk of international terrorism. Middle Eastern countries, flush with oil revenues, have become big buyers of United States-made military equipment. Countries like India, Pakistan, and Indonesia that were once barred from buying American weapons have had those bans lifted; and some have placed large orders. For United States defense industry contractors, international sales have provided a great source of new revenue at a time when the Pentagon has indicated that United States military budget allocations are shifting focus towards greater cost-saving results. The bottom line is that it is in the USG's national and global security interests to continue to build international relationships and coalitions through the FMS process. The USG must continue to support and engage in the responsible transfer of United States technology to its allies and international partners. This country's security depends on it.

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## **About the Author**

Al Teeney is employed by System Planning Corporation (Lexington Park, Maryland) as a Senior Engineer and supports the USN's F/A-18E/F Super Hornet Foreign Military Sales Program. He recently retired after a twenty year career in the USAF. While on active duty, he served as an F-4G Wild Weasel Electronic Warfare Officer (EWO), as an instructor of the USAF Fighter Weapons School, and as an F-15E Weapon Systems Officer with over 2200 hours of flight time, including 35 combat missions during Operation Iraqi Freedom. During a staff tour to the Pentagon, he gained extensive experience in foreign military sales and direct commercial sales by playing key roles in the sale transfer of the F-15K and F-15SG to South Korea and Singapore respectively.