

# ***COVER FEATURE***

---

## **TACOM: Supporting Security Assistance Worldwide**

**Prepared By**

**Directorate for International Logistics  
U.S. Army Tank-Automotive Command**

The U.S. Army Tank-Automotive Command (TACOM) is situated at the Detroit Arsenal, consisting of 341 acres in Warren, Michigan, twelve miles northeast of downtown Detroit. Fiscal Year 1986 marked the beginning of TACOM's forty-fourth year of Tank-Automotive operations in the metropolitan Detroit area. The organization is a Major Subordinate Command (MSC) of Headquarters, U.S. Army Materiel Command (AMC) located in Alexandria, Virginia.



**The U.S. Army Tank-Automotive Command Headquarters Building  
at the Detroit Arsenal, Warren, Michigan**

Although the basic composition of TACOM has remained relatively unchanged in recent years, organizational and mission requirements have altered the way TACOM manages its functions. Most noteworthy has been the establishment of separate program managers for tank

systems, light combat vehicles, and tactical vehicles. Executive management is accomplished through a command group structure. Key positions within this structure are the Commanding General (CG), Deputy Commanding General (DCG) for Procurement and Readiness, and the Deputy for Research, Development, and Engineering (RD&E). Functional support is provided through an organizational structure consisting of seventeen directorates; eight special staff offices; two laboratories; an infrastructure of ten subordinate product/project managers (PMs) reporting to three parent program managers; one support activity; and one field service activity.

## SECURITY ASSISTANCE MANAGEMENT

TACOM's International Logistics (IL) Directorate, as directed by the CG, TACOM, and the U.S. Army Security Assistance Center (USASAC), plans, develops, and executes TACOM's part of the Army's security assistance programs. USASAC, a Subordinate Command of the U.S. Army Materiel Command (AMC), serves to manage the Army's security assistance activities for the Executive Agent, CG, AMC. The IL Directorate is one of the 17 functional offices reporting directly to the CG, TACOM. Responsibility for directing and controlling Department of the Army (DA) IL programs involving assigned tank-automotive items, services, and materials is the function of the IL Directorate. TACOM's security assistance programs include primarily Foreign Military Sales (FMS), the Military Assistance Program (MAP), coproduction arrangements, and Supply Support Arrangements (SSA). The IL Directorate prepares Letters of Offer and Acceptance (LOA) which may become contractual arrangements/agreements between a foreign government and the U.S. Government.

Participation of foreign nations in the sale or transfer of defense equipment to other countries under the Security Assistance Program frequently requires the approval of Congress, the Department of State, the National Disclosure Policy Committee, and various DOD activities. Thus, TACOM's IL Directorate's ultimate mission is to ensure that U.S. Government policy decisions are accurately and expeditiously implemented.

TACOM's IL Directorate is being streamlined into three divisions to accomplish the IL mission and to adjust to changing requirements. They are a Geographical Operations Division, a Logistics/Technical Management Division, and a Program Management Division. The IL Directorate, with a personnel authorization of three military and 106 civilian positions, is supported within TACOM by directorates for Resource Management, Product Assurance and Test, Materiel Systems Management and Maintenance, the Research, Development and Evaluation (RD&E) Center, and the Program/Project Managers. Support outside TACOM is provided primarily by the other Major Subordinate Commands of AMC and the Defense Logistics Agency.

Over the past several years, the Security Assistance Program at TACOM has increased in visibility and complexity. During the 1970s, the total program averaged \$500 million annually and, at the present time, exceeds \$2 billion. This increase in the program, coupled with high visibility from all quarters of the U.S. Defense and State Departments, has made it necessary to manage this program in a highly efficient manner with available resources. Recognizing that manpower resources would at best remain constant in support of this program, TACOM implemented changes and improvements in the way the Command performs its security assistance mission. The changes were necessary to respond to U.S. foreign policy requirements and yet maintain a high level of efficiency, productivity, and support to friendly and allied governments. In reflecting on security assistance improvements over the past several years, it has become evident that TACOM has developed initiatives and programs which enable this Command to do its job better. A discussion of some of the principal initiatives and programs follows:

**Automation/Telecommunication.** A Case Tracking System (CTS) was developed and implemented which enables TACOM's security assistance case managers to comprehensively

monitor and progressively track FMS cases through an automated process. The CTS, through the Commodity Command Standard System (CCSS), provides a basis for managing case/program actions from the identification of country requirements, through the completion of requisitioning, shipping, billing, and case closure. This effort has created visibility for on-going programs and has also provided a reporting method which enhances the management process.

**The Army Research Projects Agency Network (ARPANET) and Security Assistance Data Facsimile Network (SADFAN).** ARPANET and SADFAN, which allow for telecommunications between TACOM and other security assistance activities, have been established. Utilization of the ARPANET system allows data interchange to be dispatched and retrieved on various aspects of the security assistance mission. Utilization of the SADFAN allows instantaneous transmission of hard copy documents from the recipient of a request for a Letter of Offer and the subsequent transmittal of the completed actions to HQ USASAC. This instantaneous interchange of data greatly reduces processing time and allows TACOM to react more quickly to requests for information.

**Word Processing Equipment.** Over the past several years, word processing equipment has been installed to further increase TACOM's efficiency in processing complex Letters of Offer. Currently, TACOM is in the process of acquiring an office automation cluster which will link together major portions of information systems. Data bases containing information to enhance the development of Letters of Offer and Acceptance will be tailored to user needs. This automated cluster will expand the function of our word processing equipment. Using automated equipment and a Model Case Program, materiel requirements have been pre-established for TACOM's end items and support equipment. The data for these cases is stored for quick retrieval as required.

**Financial Management.** TACOM has a unique Customer Management Division within the Resource Management Directorate. This division is responsible for total financial management. Within the Pricing Services Branch, the Price and Availability (P&A) data and all financial schedules are developed in support of the LOA (e.g., payment schedule, termination liability worksheet, financial analysis, and DD Form 2060/1). Within the Customer Order Control Branch, dollars are distributed to the functional directorates (e.g., Procurement and Engineering) responsible for the execution of case/line items. This branch is the customer's financial advocate. It continually monitors performance to identify any variances between planned program execution and actual cash flow, with the intent of these reviews being the early identification of excess. To accomplish this financial mission, TACOM's Customer Management Division, Directorate for Resource Management, designed three integrated data systems. These systems are operated interactively on a host computer located off Detroit Arsenal. The three major subsystems and two other unique mechanized tracking tools are briefly discussed below.

- **Pricing.** The Standard Customer Order Pricing System (STANCOPS) was developed in 1980. The documents produced by this system are: FMS Obligational Authority and Planning Directive (DD Form 2060/1), Payment Schedule and Termination Liability Worksheet, and a local P&A Worksheet. Within the system are cost curves (outlay schedules) by major commodity to assure that TACOM's payment schedules are created uniquely, by line, for each type of asset sold. The heart of the pricing system is a file which breaks out end item prices into ten cost categories. Each category relates to price element code(s) and is documented by internal studies, hardware cost data from program managers and procurement sources, or regulatory guidance for "add-ons." This data base gives TACOM the capability to generate catalogs which are being utilized for P&A purposes.

- **Program Execution System.** Effective with FY84, TACOM accepted all FMS major item sales from procurement as a direct citation of the Trust Fund in lieu of establishing reimbursable orders. This concept has helped the Command design and implement an integrated program distribution system. At the time of case implementation, a bridge from STANCOPS is

activated to TACOM's Customer Automated Program Execution System (CAPES). At that time, a program analysis worksheet is created. This document flows through the item manager for reconfirmation of sources of supply, and then to the program officer who is required to provide an obligation plan by year, to declare any funds which may be excess. This stand alone system is bridged to the Standard Army Procurement Accounting System (SAPAS) to allow for direct feed of order adjustments and to produce reports out of CAPES to compare planned execution to actual. Ultimately, we also hope to bridge to the U.S. Army Finance and Accounting Center's Program and Budget Accounting System (PBAS).

- **Cash Management.** In July, 1983, TACOM implemented a stand alone mechanized system to analyze cash flow. The Cash Management System (CMS) compares the payment schedule, by line (less termination liability and holdback), to disbursements recorded in the financial systems. The system is designed to provide tight controls on cash management for FMS customers and to highlight variances between forecasted and actual cash flow. Exception reports are produced reflecting instances where we have significant variances (e.g., \$500.00 or 10%). This data is reviewed, and as applicable, a 1513-2 is initiated.

- **Program Reviews.** Over the last year, reviews of unexecuted programs have been intensified and the frequency of these reviews have increased. Each TACOM managed line position is analyzed at the time of award, at delivery, and at each year-end. Additionally, country level financial reviews are conducted in-house cyclically, such that every country and all cases are reviewed at least semi-annually. In order to track this multitude of reviews, a simple data base was designed which reflects every open case, the last time the case was reviewed, and the results of that review. These reviews have resulted in the early identification and return of excess obligational authority.

- **Case Closeout.** Several years ago, a system was designed to analyze every open case/line in relation to the contracts which supported them. The estimated contract completion date for every subcontract is obtained from the administrative contracting officers (ACOs) and posted to the file. Data is reviewed quarterly with the procurement offices. Reports are sequenced by vehicle, country, and contract. This management tool has been invaluable in analyzing cases nominated for closure.

**FMS Intensive Management Preclose Program.** At the end of calendar year 1984, TACOM developed and implemented an Intensive Management Preclose (IMPC) Program to accomplish FMS case closeout actions in a timely manner. The core of this program is a plan for the early identification, review, and selection of the best course of action with all involved activities, and to expedite FMS case closure actions during the execution phase rather than deferring most actions until all materiel and service requirements of the LOA have been achieved. IMPC is a partnership which crosses directorate lines within TACOM. However, those principally involved are the International Logistics (IL) Directorate, Resource Management (RM) Directorate, and the Procurement and Production (P&P) Directorate. Eligibility for IMPC is determined by the commitment date on each case. Cases chosen will be those whose commitment dates fall within the twelve month period prior to their candidacy for USASAC's Case Closeout Program. All FMS cases eligible for closure in CY 1987 are part of the CY 1986 IMPC. Principal IMPC functions involve review of all open case lines; assuring billing actions are completed in a timely manner; review of procurement status; coordinating with other Commands on non-TACOM managed items; and, the prompt initiation of appropriate action to expedite these functions and to close FMS cases. The road map for accomplishing IMPC tasks is as follows:

| <u>Task</u>   | <u>Responsible Agency</u>  |
|---|--|
| <u>PHASE I (Jan - Feb 86)</u><br>Identify and review FMS cases  | TACOM-IL   |
| <u>PHASE II (Mar - Dec 86)</u><br>Open Supply Requisitions<br>Quality Assurance Team/Services Completed<br>RODs<br>Contract Closure<br>Final Billing<br>Audit, reconciliation and certification to the Security Assistance Accounting Center (SAAC) of those cases than can be closed in CY86 | TACOM-IL<br>TACOM-IL<br>TACOM-IL<br>TACOM-P&P<br>TACOM-RM<br>New Cumberland Army Depot, U.S. Army Security Assistance Center |
| <u>PHASE III - Case Closeout Program (Jan - Dec 87)</u><br>Contract Closure<br>Final Billing<br>Audit<br>Reconciliation<br>USASAC Certification to SAAC   | TACOM-P&P<br>TACOM-RM<br>NCAD-USASAC<br>NCAD-USASAC<br>NCAD-USASAC   |

Under the IMPC Program many cases will be closed in the twelve month preclose timeframe which otherwise would have remained open. Those case actions which are not completed within the preclose timeframe will be candidates for USASAC's next calendar year Case Closeout Program. However, in those cases, much of the required action for case closure will have been completed during the preceding year under IMPC, thereby shortening the case closeout process and enhancing the capability to close a greater number of cases. IMPC is expected to show a positive impact on the Annual Case Closeout Program starting this calendar year because it is a proactive program, and it provides a structured management framework for the timely identification and closure of FMS cases.



**Foreign military customers have indicated an interest in the co-production of the M1A1 Abrams Main Battle Tank.**

**Overview of Three Programs.** TACOM manages many Security Assistance programs which support U.S. vital foreign policy interests. Three programs which involve Turkey, El Salvador, and Egypt are reflective of our diverse security assistance requirements. These programs also illustrate TACOM's ability to provide innovative, efficient, and diverse support for both unique and standard materiel and service requirements.

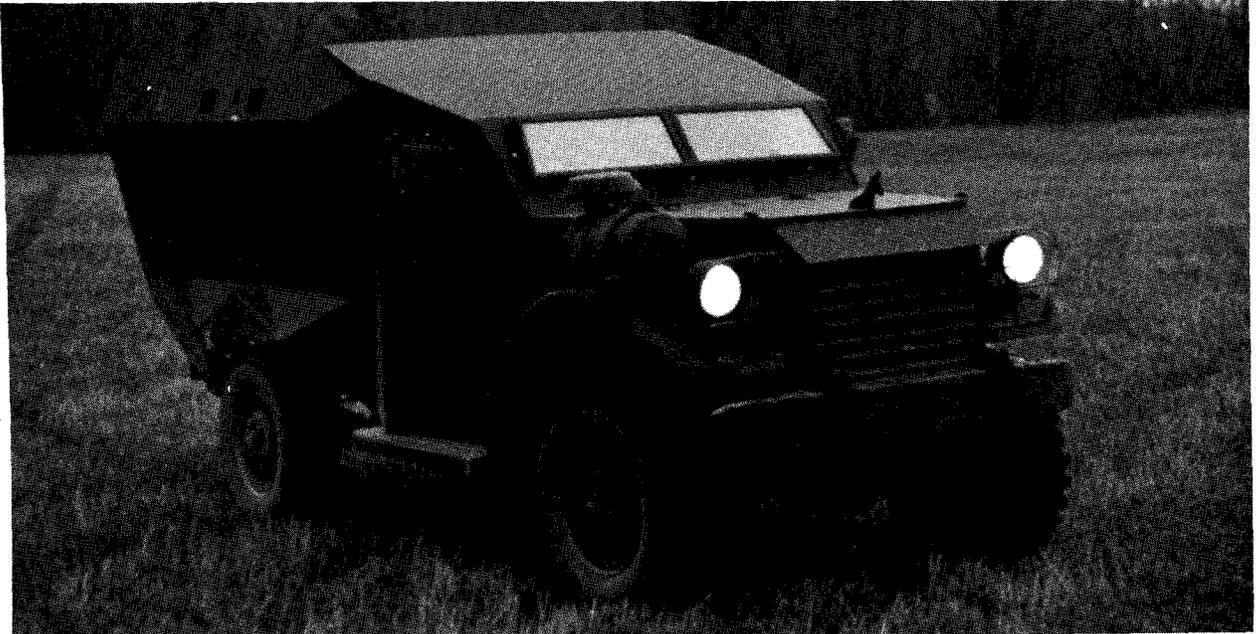
In the late 1970s, Turkey expressed interest in obtaining U.S. assistance in rebuilding a large number of its M48 series tanks into the M48A5T1 configuration. Turkey and the United States entered into a Defense Industrial Cooperation (DIC) agreement involving tanks and other defense materiel in 1980. As a result of the DIC agreement, FMS cases were signed with Turkey for conversion kits to initiate the initial phase of its Tank Rebuild Program. The first kits were shipped to Turkey in 1982 and the first tank was converted in May 1983. The U.S. Government has also provided a substantial quantity of machinery and tools from excess Defense Industrial Plant Equipment Center (DIPEC) and Army stocks to update two tank plants in Turkey involved in the conversion program. Presently, Turkey is converting a substantial number of tanks each month at both plants and plans to increase its monthly rebuild quantity at each facility in 1987. Turkey's M48A5T1 rebuild effort now exceeds the U.S. Army's tank rebuild program. Funding for the tank program has been approximately \$130 million per year and now totals over \$551 million in FMS cases with the U.S. TACOM established an Intensive Management Office starting with the initial phase of the program at the Turkish Government's request. This office consists of TACOM engineering, procurement, logistics, and administrative personnel. Turkey reimburses the U.S. Government for this intensive management service under a yearly FMS case. The effectiveness of the Intensive Management Office is evidenced by Turkey's renewal of the services of this office every year since its establishment in May 1982.



**The M48A5T1 Tank with 105mm Main Gun.  
This is the latest M48 series configuration, and has  
been adopted by Turkey (shown here) and Greece.**

Early in 1984, the Government of El Salvador developed a prototype of an armored vehicle using its own M37 3/4 ton vehicles. Later that year, U.S. MILGROUP and Salvadorean personnel visited TACOM to discuss the prototype and a proposed program to convert additional vehicles to the armored configuration. In March-April 1985, TACOM built a prototype vehicle

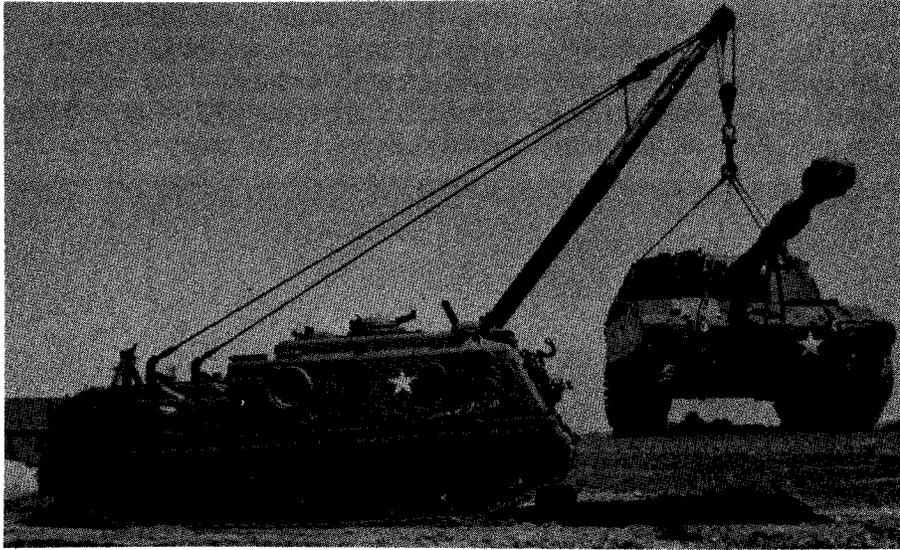
using design data and photographs provided by El Salvador in order to confirm the feasibility of El Salvador's prototype. The TACOM prototype was completed, tested, and shipped to El Salvador on April 27, 1985, by TACOM's Directorate for Design and Manufacturing Technology RD&E Center, after limited testing was performed. El Salvador's Army is using this prototype as a model to convert the remaining M37s in its fleet into armored vehicles.



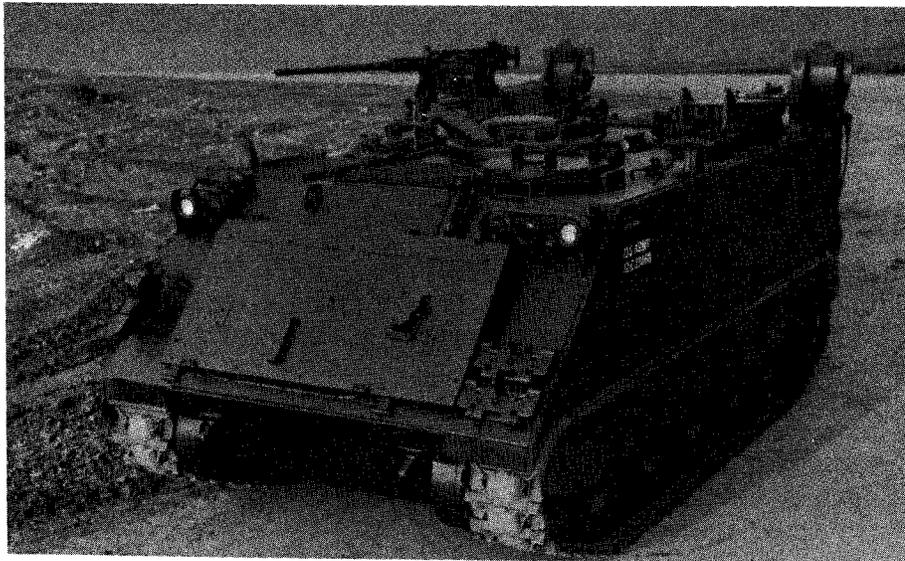
**Armored Escort Vehicle prototype used as a model by El Salvador to convert its fleet of M37 vehicles into armored cavalry vehicles.**

Concurrent with the prototype efforts, Salvadorean personnel were given on-the-job training in hard steel welding techniques by TACOM's Directorate for Design and Manufacturing Technology. TACOM also established a unique Blanket Purchase Agreement (BPA) in support of El Salvador's tactical fleet. This arrangement, administered by the IL Directorate, allows El Salvador to requisition non-standard repair parts for deadlined tactical vehicles. This simplified method of filling known and anticipated repetitive needs for materiel by establishing charge accounts with seven qualified vendors is an interim measure which will provide El Salvador's Army time to develop its own repair parts system to support periodic maintenance requirements of a very diverse vehicle fleet. Yearly savings from this BPA for El Salvador is approximately \$350,000. TACOM has also awarded 45 contracts for different types of standard and nonstandard vehicles totaling 266, and all of the materials required to convert a sizeable fleet of M37 3/4 ton trucks into armored cavalry vehicles.

TACOM's current involvement in security assistance to Egypt is a result of the 1979 Camp David Accords and U.S. foreign policy interests. This Command has supplied large quantities of M60A3 Tanks, M88A1 Recovery Vehicles, and M113 Armored Personnel Carriers since the first FMS case was implemented in April 1980. Many of these vehicles were supplied on an expedited basis, and all sales cases for Egypt utilize the Total Package Approach (TPA) to the maximum extent possible. This TPA approach is designed to assure that vehicles delivered to Egypt or any FMS customer will have on hand necessary supplies, spare parts, tools, test equipment, and quality assurance services. TACOM's quality assurance personnel are involved in the inspection of vehicles at the contractor's plant, and they aid in processing the vehicles with Egyptian personnel at the point of debarkation.



**M88A1 Recovery Vehicle during hoisting operation of an M109A1 Howitzer (medium, 155mm, self propelled).**



**M113 Armored Personnel Carrier.**

The support provided to these countries illustrate clearly the support provided by TACOM to the U.S. Army security assistance mission. This support is diverse, varied in magnitude, and responsive to a country's particular needs, while enhancing U.S. foreign policy interests and covering a wide variety of requirements. Other support provided includes Special Defense Acquisition Fund (SDAF) requirements, Export License input, MAP redistributable property, Quality Assurance, Total Package Approach, and support for any contingency as directed by proper authority.