
Tailored Training Approach (TTA) For SAO Personnel

By

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For those of you who are assigned to a security assistance office (SAO), you probably already know that obtaining the training, preparation visits, and briefings required to prepare for that future SAO job can be extremely frustrating. In fact, just finding someone in the personnel system who knows what security assistance and foreign military sales is all about is almost next to impossible. This and the other frustrations of making a PCS move, such as getting the right passport, finding out what can and cannot be shipped, or the possibility of having to ship enough food stuffs to last a year, have resulted in many members departing for that first SAO assignment with a bitter taste in their mouth and a feeling of not being as professionally prepared as they should be.

The policy, procedures, and responsibilities for the selection and training of SAO personnel are contained in Department of Defense Directive 2055.3, *Manning of Security Assistance Organizations and the Selection and Training of Security Assistance Personnel*, 11 March 1986. This directive provides that personnel who are assigned SA responsibilities will receive Military Specialty Training deemed appropriate by the military service which is furnishing the individual, plus any language, management, pilot qualification, or other specific training required by the Joint Manpower Program (JMP) document and the personnel requisitions submitted by the SAO from within the country. Additionally, the directive states that except for DISAM training, the providing military service will fund any preparatory and related SAO training, such as briefings, orientations, and interviews in connection with the PCS move. The providing military service will also fund anti-terrorism awareness training and security orientation courses from the military department's (MILDEP's) operating funds.¹ While this directive is quite specific in who will provide and fund training, it does not, nor is it intended to outline in detail the type of training required by individuals filling particular billets in specific SAOs. The determination of the specific training, visits, and briefings an individual requires must be a shared responsibility between the SAOs, unified commands, and the providing military services.

The security assistance environment is constantly changing and so must the training provided to SAO personnel if they are to successfully meet the challenge that these changes present in their assignments. The SAOs of today are confronted with many new aspects of security assistance that did not exist a few years ago. In addition to having to become an expert on the traditional security assistance/foreign military sales (FMS) policy and procedures, the SAOs in many countries must now have a working knowledge of such programs as Defense Cooperation in Armaments (DCA), offsets, Memorandums of Understanding (MOUs), and coproduction and codevelopment programs, just to name a few. In an FMS weapons system sale, the total package approach (TPA) is emphasized to insure that the system is supportable, maintainable, and capable of performing the job once it arrives in-country. For SAO personnel, it is just as important to develop a training program approach that will prepare them for the security assistance environment they will face, and to provide the skills and knowledge needed for them to adequately perform their jobs in working with the host country.

In meeting the challenge of today's security assistance environment, we must recognize that each SAO is organized differently and that the requirements and problems of each country also

¹Department of Defense Directive 2055.3, *Manning of Security Assistance Organizations and Selection and Training of Security Assistance Personnel*, 11 March 1985, pp. 3-5.

vary. To meet these differences, the training courses and preparation visits selected for each individual must now be tailored to the job that will be performed in the country of assignment. Thus, the Defense Security Assistance Agency (DSAA) is now refining a concept, titled the *SAO Tailored Training Approach (TTA)*, which is designed to accomplish just that: tailor the training courses and preparation visits to an individual SAO member's needs. Further, TTA, while targeting training specifically required by the individual, may also result in the elimination of some unnecessary or redundant training and visits which now occur for some categories of personnel. In its simplest terms, TTA means that if a person has a need for a specific training course or preparation visit, it will be specified in the JMP document or personnel requisition, and that there are procedures in the personnel assignment system to insure that such training and visits are scheduled and accomplished.

During the March 1989 DISAM Curriculum Review and the April 1989 meeting of the DISAM Advisory Council chaired by the Director, DSAA, it was agreed that the current system of training SAO personnel needed improvement and that a TTA needed to be established to meet the various training requirements of SAO personnel. It was also agreed that for TTA to be effective in meeting the needs of these personnel, the responsibility for the identification and scheduling of training by the unified commands, MILDEPs, and SAOs had to be clearly defined; that a list of established training courses appropriate for meeting the various training requirements be identified, kept current, and distributed to agencies responsible for the identification and scheduling of training; and, as a supplement to the formal training courses, a recommended list of Security Assistance activities to be visited by SAO personnel prior to reporting to their assignment be developed.²

The remainder of this article takes a look at the TTA concept as it is currently emerging. In October 1989, the Director, DSAA, promulgated a memorandum issuing a draft *SAO TTA Handbook*, which contains a TTA checklist, a description of candidate training courses and orientation sites, and related information to assist SAOs, unified commands, and MILDEPs in establishing the proper training and preparation cycle for a given SAO member. This Handbook was compiled by DISAM, with the assistance of DSAA, OSD, unified commands, MILDEPs, and other selected professional school staffs. Current plans call for those activities on the initial distribution list to submit comments and recommendations prior to the finalized publication of the Handbook as a supplement to the official policy guidance contained in DODD 2055.3. Due to the review process now underway, the following discussion can only focus on a general review of the TTA concept and the thrust of the draft TTA Handbook, recognizing that further changes/enhancements may be made in the future iteration. With this caveat in mind, the reader is now introduced to the basic fundamentals of TTA.

REQUIREMENTS FOR IDENTIFYING AND SCHEDULING TRAINING

The unified commands play an important role in validating the requirements for CONUS formal training courses and preparation/orientation visits to both CONUS and the unified/overseas component commands by newly assigned security assistance personnel. The unified commands must work closely with the SAOs through use of the personnel requisition and JMP procedures to ensure that all training and preparation visits are identified and scheduled. Additionally, they are charged with the responsibility for initiating and coordinating requests for exceptions or waivers to prescribed training requirements for student personnel. For SAO chiefs and Defense Attaches assigned security assistance management responsibilities, waivers for DISAM and other training/briefings may only be made by the Director, Defense Security Assistance Agency (DSAA).

² *DISAM Security Assistance Curriculum Review Minutes*, March 1989, Paragraph 6.

The MILDEPs have multiple roles in the TTA process, to include the preparation of PCS orders and the scheduling of formal courses and CONUS preparation visits. The MILDEP focal points for TTA are shown below:

Army	HQ DA (DALO-SAA) The Pentagon, Room 3D560 Washington DC 20310-0511
Navy	Naval Office of Technology Transfer and Security Assistance (NAVOTTSA) Attn: Code 043D Washington DC 20360-5000
Air Force	HQ USAF/PRI-OSP The Pentagon, Room 5B332 Washington DC 20330-5244

The SAO is the most important component in insuring that the training and preparation visits to be selected are based on projected job assignments and are tailored to meet the needs of the individual. This can be accomplished by keeping the manning position requirements current in the JMP document, by communicating with the individual, and by insuring all requirements are listed on the personnel requisition submitted to the unified command for position fills. It is during this time that any training requirements not listed in the personnel system should be identified. The JMP documents should also be reviewed periodically to insure that only required courses are listed for each manning position and that the job specialty is consistent with the needs of the organization. Finally, as a backup to the personnel system, either the SAO Chief's or the sponsor's welcoming letter should be used to inform the individual about the job description, and training and preparation visits to be accomplished prior to reporting. A model of the TTA process and cycle is contained in Exhibit A, at the end of this article.

FORMAL TRAINING COURSES

The following training courses are currently available for personnel being assigned to SAO positions. To aid in tailoring the courses to meet individual needs, they have been separated into the following eight categories: (1) security assistance training courses; (2) foreign language training; (3) anti-terrorism/personal security training; (4) area orientation courses; (5) armament cooperation; (6) internal defense/low intensity conflict; (7) C-12 aircraft pilot initial qualification course; and (8) other training. Prior to the selection of a training course for a particular manning position, the course description should be reviewed to insure that it meets the needs of the person filling the position.

The relevant *security assistance training courses* consist of the "Security Assistance Management Executive" (SAM-E) and the "SAM-Overseas" (SAM-O) courses, which are conducted at DISAM, Wright-Patterson Air Force Base, OH. The SAM-O course provides those personnel being assigned to SAOs, DAOs, the Unified Commands, and their components with a functional knowledge of U.S. security assistance management policies and procedures. The SAM-E course is designed for the senior-level security assistance personnel and provides an overview of the entire security assistance process and a familiarity with materials and subject matter presented to mid-level members in other DISAM courses.³

³Defense Institute of Security Assistance Management, *DISAM 1990 Catalog*, pp. 11-21.

Resident *foreign language training* for DOD personnel is conducted primarily at the Defense Language Institute, Foreign Language Center, Presidio of Monterey, CA, and is based on the requirements of the user agencies. The length and level of proficiency to which individuals are trained will be consistent with the requirements for the position as listed in the JMP document.⁴

Anti-terrorism/personal security training is conducted at several locations. The "Individual Terrorism Awareness Course" (INTAC), and the "Security Assistance Training Orientation Course" (SATTOC) are conducted at the U.S. Army John F. Kennedy Special Warfare Center and School (USAJFKSWCS), Fort Bragg, NC. INTAC provides personal security training to personnel who are enroute to an overseas area outside of a U.S. military installation where a medium to critical terrorist threat exists, while the SATTOC provides Army security assistance teams personalized security instruction as a part of the curriculum for teams being deployed to areas designated as having medium and lower levels of terrorist risks.⁵ The "Dynamics of International Terrorism" (DIT) course is taught at the USAF Special Operations School (USAFSOS), Hurlburt Field, FL. This course is designed to provide U.S. military and government employees a basic awareness of capabilities and threats presented by terrorist groups on an international and regional basis with emphasis placed on protective measures that can be used to minimize the threat.⁶ Additionally, as noted below, USAFSOS includes about eight hours of personal security instruction in its area orientation courses. Moreover, since the beginning of FY90, DISAM also offers eight hours of personal security instruction in its SAM-O course for personnel assigned to low or negligible threat areas who are not scheduled to attend USAJFKSWCS, USAFSOS, or equivalent programs.

Area orientation courses which include anti-terrorism/personal security training are also conducted at USAFSOS. These courses are regional in perspective and consist of the Latin American, African, Middle East, and Southeast Asia Orientation Courses. All courses provide historical, cultural, social, political, religious, and military information on the selected region. An assessment of the terrorist threat is provided, along with personal protection and anti-terrorism information required by personnel being assigned to the region. Instruction is furnished to DOD personnel being assigned to or who perform frequent travel to one of the specified regions.⁷

In the *armaments cooperation* area, the "Multinational Program Management Course" and the "Advanced International Management Workshop," located at the Defense Systems Management College, Fort Belvoir, VA, have been identified as appropriate courses for personnel being assigned to Defense Cooperation in Armaments (DCA) billets within SAOs. The Multinational Program Management Course is designed to educate personnel in the activities and considerations program managers must deal with in a multinational program; the course explores national and DOD policies on cooperative research and development, joint-venture concepts, coproduction, and licensing arrangements. The Advanced International Management Workshop provides mid-level officers and DOD civilians a workshop on international negotiations and acquisition management. The international memoranda of understanding, and the design, implementation, and management of international defense programs are examined, along with the role of Congress in international defense acquisition programs.⁸

The *internal defense/low intensity conflict* courses, which include the "Internal Defense and Development Education and Training" (IDDET) course and the "Revolutionary Warfare Course,"

⁴Department of Defense Directive 5160.41, *Defense Language Program (DLP)*, 2 August 1977, pp. 4-5.

⁵Department of the Army, Pamphlet 351-4, *Army Formal Schools Catalog*, July 1985, p. 154.

⁶USAF Special Operations School, *Catalog For Fiscal Year 1990*, p. 35.

⁷*Ibid.*, pp. 29-52.

⁸Department of Defense Directive 5010.16-C, *Defense Management Education and Training*, 27 Nov 89, pp. 5-G-4 – 5-G-14.

which are presented by USAJFKSWCS and USAFSOS, respectively. The IDDET Course provide the student the ability to plan, organize, and coordinate internal defense and development activities. The Revolutionary Warfare Course covers the geo-political, social, and cultural implications of U.S. involvement in revolutionary warfare. The U.S. policy, capability, and missions for support of friendly nation's counter-insurgency efforts are examined. These courses are suitable for those individuals being assigned to countries with low intensity conflict activity.⁹

The *C-12 A/C/D Aircraft Pilot Qualification* Course is conducted at the 89th Military Airlift Wing, Andrews Air Force Base, MD. This course is used to qualify SAO personnel who will be assigned C-12 aircraft pilot duties at the SAO. The course of instruction includes commercially-contracted ground school and simulator training, followed by USAF flight training.¹⁰

Other courses may be required as well, depending on the individual's background and specific assignment.

PREPARATION VISITS

The following security assistance activities can play an important role in preparing SAO personnel for their job assignments. A visit to selected offices will serve to supplement formal school training and acquaint individuals with current issues, policies, and program matters prior to reporting to the country of assignment. Prior to the selection of preparation visits for new personnel, the SAO should review the functions of the agency to be visited and insure they are relevant to the job the individual will be performing. This process should not only select those visits which are actually required, but should also eliminate any unnecessary visits that might have occurred in the past. Preparation visits have been divided into eight categories: (1) State Department; (2) Office of the Secretary of Defense/other DOD Agencies; (3) Case Manager/FMS Case Management; (4) Military Service Research and Development; (5) FMS Case Management/Cooperative Logistics; (6) Training Management; (7) Financial Management; and (8) Unified Commands.

In the *State Department*, the Bureau of Politico-Military Affairs, Office of Defense Relations and Security Assistance (PM/DRSA), and the Country Desk officer in the relevant Regional Bureau should be visited by the SAO Chief and Service section chiefs when they are receiving the briefings and orientations required by DODD 2055.3. PM/DRSA is responsible for the day-to-day supervision and direction of security assistance for the State Department, while the Regional Bureaus are responsible for U.S. foreign affairs in the major regions of the world. A visit to these offices will provide a better understanding of security assistance as it relates to U.S. foreign policy considerations and national security objectives in the country of assignment.

The *Office of the Secretary of Defense and other DOD Agencies* category consists of the offices listed below, all of which are concerned with policy and oversight of DOD activities and security assistance programs throughout the world. An orientation visit to these offices is required by DODD 2055.3 for individuals being assigned as chiefs of SAO. The Service section chiefs may also benefit from visits to these offices. Additionally, SAO personnel who are being assigned training management and financial management responsibilities are required to receive briefings and orientations from the DSAA Comptroller.

⁹Memorandum for Director, Joint Staff, Assistant Secretary of Defense, Special Operations and Low Intensity Conflict, Subject: *Internal Defense and Development Education and Training (IDDET)*, 19 Sep 88. Note: The IDDET course was initially presented in pilot form by USAFSOS, with subsequent offerings to be presented by USAJFKSWCS.

¹⁰Air Force Regulation 50-5, *USAF Formal Schools Catalog*, 1 September 1989, pp. 7-11.

a. *Assistant Secretary of Defense for International Security Affairs (ASD/ISA)* is the focal point for bilateral relationships, oversight of security assistance programs, and the monitoring of agreements with foreign governments, excluding NATO and other European countries. ASD/ISA is organized by region, with desk officers assigned to monitor and supervise DOD activities in each country.

b. *Assistant Secretary of Defense for International Security Policy (ASD/ISP)* is the focal point for DOD activities related to NATO and European countries, including oversight of security assistance programs and the direction and coordination of the technology transfer review process. ASD/ISP is also organized by region, with desk officers for each country.¹¹

c. *Assistant Deputy Under Secretary of Defense for Industrial and International Programs (ADUSD/I&IP)* is responsible for oversight and guidance for armaments cooperation activities. Individuals being assigned to DCA billets within SAOs should visit this office for a briefing and orientation prior to reporting to the SAO.¹²

d. *Assistant Secretary of Defense for Special Operations and Low Intensity Conflict (ASD/SOLIC)* exercises overall supervision of SOLIC activity within DOD. For those individuals being assigned to countries with low intensity conflict activity, an orientation visit may provide valuable insight into U.S. efforts to enhance regional stability through the use of foreign assistance programs to friendly nations.¹³

e. *Joint Staff, Office for Security Assistance/Technology Transfer (OJCS/J-5 SA/TT)*, Within JCS, is responsible for staffing, review, and coordination of security assistance and technology transfer issues and keeping the Director and Vice Director in Strategic Plans and Policy (J-5) informed on security assistance activities.

f. *Defense Security Assistance Agency (DSAA)* is the principal organizational element through which the Secretary of Defense carries out his security assistance responsibilities. DSAA serves as the DOD focal point and clearing house for tracking arms transfers, budgetary, legislative, and other security assistance matters, and provides oversight of international logistics and sales negotiations with foreign countries. Chiefs of SAOs and other SAO personnel with financial and training management responsibilities are required to receive DSAA briefings in accordance with DODD 2055.3.¹⁴

g. *Defense Intelligence Agency (DIA)* is responsible for producing and disseminating military intelligence to satisfy requirements of the Secretary of Defense, JCS, and major components of DOD and other authorized users.¹⁵ The SAO Chiefs are required by DODD 2055.3 to receive briefings from DIA, and it is highly recommended that all service section chiefs also receive DIA briefings prior to arriving in country.

The overall responsibilities for *country program/FMS management* are carried out by the U.S. Army staff, the U.S. Army Security Affairs Command (USASAC), the Navy Office of Technology Transfer and Security Assistance (NAVOTTSA), and HQ USAF, Office of International Programs (USAF/PRI). These offices are responsible for security assistance policy

¹¹Defense Institute of Security Assistance Management, *The Management of Security Assistance*, 9th Edition, February 1989, p. 5-5.

¹²Secretary of Defense, *USDA: I&IP 1700492*, November 1989 Message, Paragraph 1.

¹³*The United States Government Manual 1988/89*, 1 June 1989, p. 179.

¹⁴Defense Institute of Security Assistance Management, *The Management of Security Assistance*, 9th Edition, February 1989, pp. 5-12 – 5-14.

¹⁵*The United States Government Manual 1988/89*, 1 June 1989, pp. 239-240.

and for the central management, direction, guidance, and supervision of security assistance programs. Preparation visits to these agencies are recommended for SAO chiefs, applicable service section chiefs, and SAO personnel assigned case and financial management responsibilities.

a. *Assistant Deputy Chief of Staff for Logistics (ADCSLOG)*, Department of the Army, the Regional Programs Division (DALO-SACC) reviews policies and programs related to country specific action, while the Policy, Plans, and Resource Division (DALO-SAA) is responsible for training, including new SAO personnel, security assistance legislation, and non-country specific joint actions.

b. *NAVOTTSA* provides centralized management for the Secretary of the Navy for technology transfer, disclosure, security assistance, and international program policy. *NAVOTTSA* also establishes policy, maintains oversight, deals with political issues, signs Letters of Offer and Acceptance, and monitors and tasks subordinate commands in implementing security assistance programs.

c. *USAF/PRI* is the Air Force office responsible for the central management, direction, guidance, and supervision of the Air Force portion of security assistance programs and other international activities. Major weapon system sale cases are managed from this office.

The military services *Research and Development/International Programs* category comprises those agencies involved with weapon system acquisition for the foreign purchaser. The program management offices that handle the acquisition of a weapon system for the foreign customer should be visited by SAO personnel involved in program/case management to obtain an update briefing on the current issues, problems, and policies affecting the sale of the systems. For the Army, program management for acquisitions of systems for the foreign customer lies with the U.S. Army Materiel Command and its nine major subordinate commands. In the Navy, the detailed management of acquisition programs takes place in the Navy system commands. The program management office that handles U.S. Navy Weapon System development is also charged with implementation of FMS acquisition programs. The Air Force Systems Command (AFSC) Product Divisions carry out research, development, and acquisition of new major weapons systems for the USAF and foreign customers. The system program offices (SPOs) within the product divisions are responsible for coordinating the activity of all agencies involved in the acquisition of a weapon system.

For SAO personnel involved with *FMS Case Management/Cooperative Logistics*, a preparation visit to the MILDEPs' International Logistics Control Offices (ILCOs) would provide first-hand knowledge of how the ILCOs interface with the foreign customers requirements, allow for discussion of problems and issues, and provide an opportunity for a meeting with the case/country manager. *FMS Case Management/Cooperative Logistics* is carried out at the following MILDEP activities.

a. *USASAC* is operated at two geographically separated locations; its headquarters and Deputy for Plans and Management are located at Alexandria, VA; the Deputy for Operations is located at New Cumberland Army Depot (NCAD), New Cumberland, PA; and the Comptroller has offices at both locations. The majority of the functions that are considered ILCO responsibilities such as negotiating blanket order, CLSSA, and other specific cases are performed at *USASAC*, New Cumberland.

b. *Navy International Logistics Control Office (NAVILCO)*, located in Philadelphia, PA, controls all security assistance requisitions and provides foreign customer supply and shipping status. *NAVILCO* is also involved with the financial control of FMS programs since it records all

obligational/expenditure authority from SAAC and the Office of the Comptroller of the Navy, and in turn distributes these authorities to the appropriate activities.

c. *Air Force Logistics Command-International Logistics Center (AFLC-ILC)*, located at Wright-Patterson AFB, OH, is responsible for management of spares, support equipment, and supplies purchased by the foreign customer through the negotiation and management of blanket order, CLSSA, and other specific types of FMS cases.

In the security assistance training management area, each MILDEP has a training management agency that is responsible for planning, development, programming, and implementing the security assistance training program, to include centralized financial management and distribution of funds to the training installations. Each agency has a country desk officer assigned to monitor and manage training activity for each country. Those SAO personnel who will be assigned training management responsibility should be afforded an opportunity to visit the desk officer at each MILDEP agency through which they will be programming training to discuss the country program and to be updated on issues and policy.

Army	Security Assistance Training Field Activity (SATFA) Fort Monroe VA
	Security Assistance Training Management Office (SATMO) Fort Bragg NC
	Recommend SAOs with large security assistance team (MTTs, TATs, and TAFTs) requirements visit SATMO.
Navy	Navy Education and Training Field Activity (SATFA) Pensacola Naval Air Station FL
Air Force	Foreign Military Training Advisory Group (FMTAG) Randolph AFB TX

With respect to *FMS Financial Management*, the Security Assistance Accounting Center (SAAC), collocated with the Air Force Accounting and Finance Center, Denver CO, is the agency responsible for implementing the DOD security assistance financial management program and for maintaining a centralized automated FMS financial data system. The ILCOs (USASAC, NAVILCO, and AFLC-ILC) maintain detailed case records for the MILDEPs for accounting and logistics reporting. SAO personnel being assigned to positions involving financial management are required by DODD 2055.3 to receive briefings and orientations from the DSAA Comptroller and SAAC. Additionally, the program/case manager at each ILCO can provide the current financial status and a financial review of foreign customers programs.¹⁶

The *Unified Commands* are responsible for providing basic overview/orientations to newly assigned SAO personnel in areas such as personnel management, budget, C-12 aircraft management, joint exercises, and training management. The SAO, in coordination with the unified command, must select and schedule personnel who have a requirement for the orientation visit.¹⁷

¹⁶Defense Institute of Security Assistance Management, *The Management of Security Assistance*, 9th Edition, February 1989, pp. 5-4 – 5-22, 22-10.

¹⁷Department of Defense Directive 2055.3, *Manning of Security Assistance Organizations and Selection and Training of Security Assistance Personnel*, 11 March 1985, pp. 8-9.

SUMMARY

The effective management of security assistance programs begins with effective training and preparation visits of SAO personnel. This article has taken a look at some of the resources available in meeting the varied educational requirements of SAOs and at the responsibilities of the SAO, Unified Commands, and MILDEPs for the successful implementation and management of a TTA program.

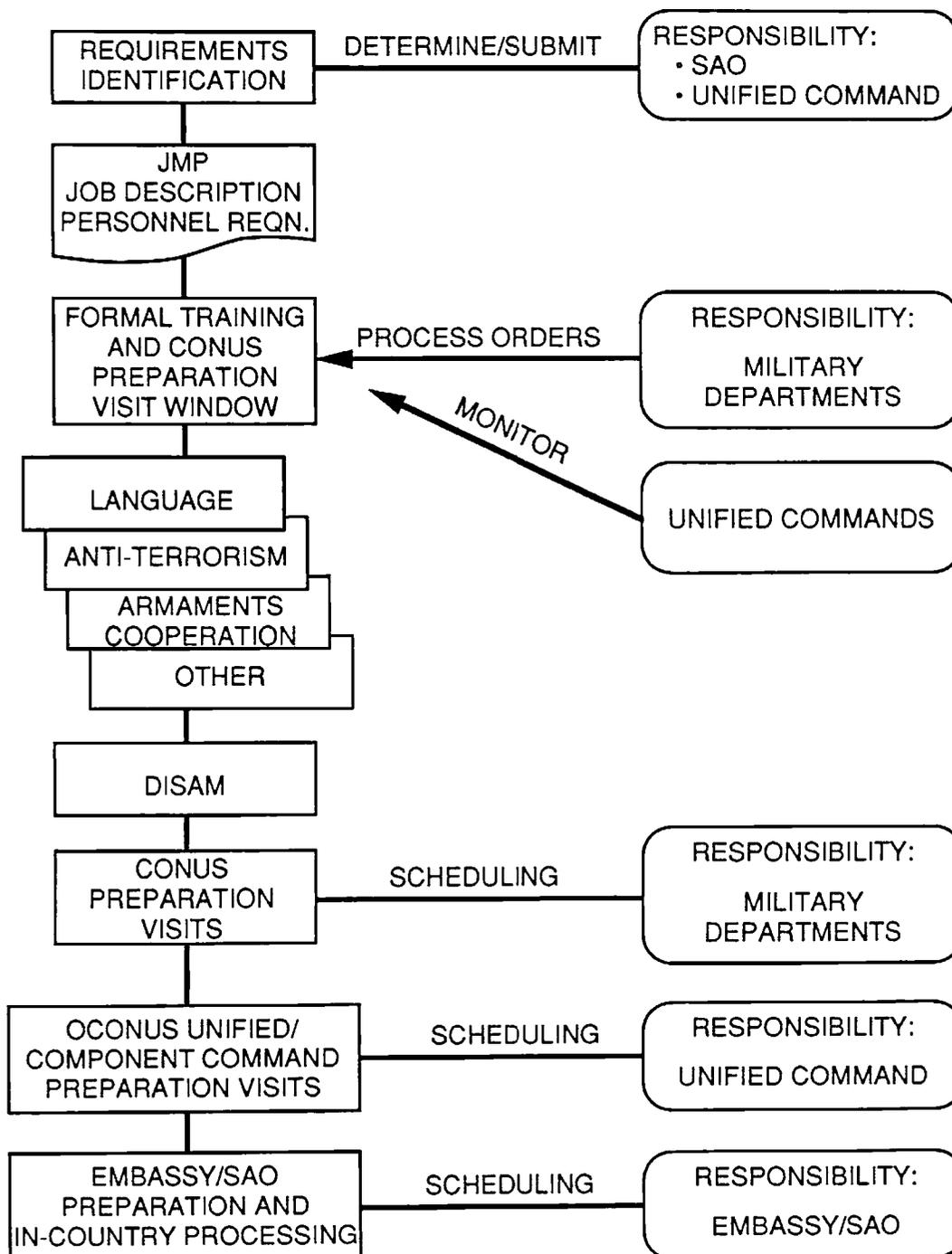
The Tailored Training Approach is a concept whose time has come. With the finalized publication and distribution of the SAO TTA Handbook, all activities involved in the SAO training and preparation process will have a useful document with which to assess the varied requirements of SAO personnel.

ABOUT THE AUTHOR

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EXHIBIT A

FLOW CHART OF SAO TRAINING AND PREPARATION VISIT PROCESS



Ask Professor Price

If you have questions for Professor Price, send them to the Office of the Director of Finance and Accounting, ATTN: SAFM-FAP-S, Indianapolis, IN 46249-1046. Your questions and Professor Price's responses, which are evaluated further by the DISAM financial management faculty, will be published to help others too.

Question: Dear Professor Price. I've recently begun learning how to price U.S. Army-owned major items which are to be sold under the foreign military sales (FMS) program. Are all major items priced the same way? Signed *I.M. Pricing*.

Answer: Dear I.M Pricing. The FMS price established for a major or principal item depends on whether the item will be replaced or not. If it is to be replaced, the price depends upon whether the item will be replaced "in kind" or with an improved item. The price of a major item also depends upon its condition and the annual inflation indices from the date of the signed agreement to the year of sale. As you can see, the pricing requirements for these items are quite complex.

Question: Dear Professor Price. There seems to be a vast difference between the FMS prices for excess and non-excess items. I understand the pricing requirements for non-excess items, but I'm having difficulty understanding the pricing of excess major items. What is really meant by excess? Who determines what is excess, and how are these items generally priced? Signed: *Greg Garbowitz*.

Answer: Dear Mr. Garbowitz. You raised some frequently asked questions which have answers that should also help other pricers.

Excess major items are articles which are in excess to the approved force acquisition objective and approved force retention stocks of DOD components. The determination of what items are "excess" in terms of FMS is made by the military department weapon system manager or item manager at the time of preparation of the Letter of Offer. It is to be reconfirmed when the item is released from inventory to meet the FMS requirement. If the item is still excess to defense needs, then it will be priced accordingly. However, if the item is not excess to defense needs at the time it is released from inventory, then it will be priced as a sale from the military service inventory. Excess items are sold "as is" at the highest of: 1) their market value as military hardware; 2) their scrap value; or 3) their fair value computed in accordance with paragraph 70204 of DOD 7290.3-M *FMS Financial Management Manual*. If such items have been repaired, rehabilitated, or modified within 24 months prior to the purchase, these costs will also be added. When excess items are sold, they are not replaced in inventory by subsequent USG purchases.

Question: Dear Professor Price. Would you explain what is meant by the terms "above-the-line" and "below-the-line" costs, and where these costs are found on the DD Form 1513? Signed: *Pam B*.

Answer: Dear Pam B. The term "above-the-line" refers to cost information provided on the U.S. Department of Defense Offer and Acceptance (DD Form 1513) in Block 16 (Unit Cost), Block 17 (Total Cost), and on Line 21 (Estimated Cost). Elements of the unit cost are summed and shown as one charge in Block 16 for each defense item or service. Block 17 is an extended value (unit of issue X unit costs) for each item or service. Inflation factors, percent of useful life determinants, published price, and some surcharges are reflected in above-the-line costs. The estimated cost (Line 21) is the sum of all the costs in the total cost (Block 17) block.

For pricing purposes, Line 21 becomes the point of reference when addressing above-the-line and below-the-line costs. Simply stated, above-the-line costs are those costs on or above Line 21 (i.e., Blocks 12-21). Below-the-line costs are, as you guessed it, those costs below Line 21 (i.e., Blocks 22-26).

The costs for general administration, supply support arrangements, transportation, asset use, and packing, crating, and handling are contained on Lines 22-25. Unlike above-the-line costs, these costs are identified separately. The estimated total cost (Block 26) is the sum of the above-the-line and below-the-line costs.

Public Opinion and U.S. Foreign Policy, 1989

[Editor's note. The following has been extracted with permission of the Foreign Policy Association from its *National Opinion Ballot Report*, September 1989. The national Foreign Policy Association (729 Seventh Avenue, New York, NY 10019) annually publishes a non-partisan briefing book on international issues entitled, *Great Decisions (year)*, which is used by public discussion groups throughout the U.S. In what is reported as "the largest citizen education program of its kind in the country," over 250,000 Americans participated in study and discussion groups of *Great Decisions 1989*. This 96-page briefing book covers eight foreign policy topics, and includes public opinion ballots for each topic (plus an addressed envelope).

Completed ballots were returned to the Foreign Policy Association where they were tabulated by the Calculogic Corporation of New York City and then analyzed by Dr. Helmut Norpoth, a public opinion expert and professor of political science at the State University of New York at Stony Brook. The tabulated results and Dr. Norpoth's analyses were subsequently published as a *National Opinion Ballot Report*, which is presented herein. It should be noted that this report *does not* represent a scientific cross-sectional sample of American public opinion. Rather, it reflects an opinion survey of a select and varied group of Americans who are interested in the study of U.S. foreign policy, who participated in special non-partisan study/discussion groups of the subject, and who were sufficiently motivated to complete the opinion ballots and return them to the polling agency. Opinion ballots were submitted by 4,694 participants and were tabulated for the report. A profile and analysis of the characteristics of the respondent group is found at the end of this article. The tabulated response totals for the items identified below, which are provided in terms of percentages, may not equal 100% because of rounding or because of missing responses.]

HIGHLIGHTS

Nuclear deterrence, one of the cornerstones of American defense policy, is considered ethically acceptable—without reservations—by less than one third of respondents to the *Great Decisions 1989* Opinion Ballots; only slightly more than a third consider it very effective in advancing U.S. interests.

The participants were virtually unanimous, however, in advocating a stronger role for the United Nations as a means of protecting U.S. interests in such spots of high international tension as the Persian Gulf; and in favoring neutrality in relations with Iran and Iraq, whose war has now been ended.

Strong support was also expressed for transferring the management of Latin American debt from the U.S. Treasury to an international agency and for multilateral rather than unilateral U.S. actions in world politics. Many respondents favored a faster pace in the arms reduction negotiations between the U.S. and the Soviet Union, seeking deeper cuts of each side's military forces. There was little inclination to go slow in fostering ties with China, but the Chinese crackdown on the pro-democracy movement may have come after most participants had sent in their ballots. Regarding the problem of combating drug use, participants did not see U.S. military interdiction or aid to producer countries as highly effective.

TOPIC 1: Ethics in International Relations: Power and Morality

Participants were asked to indicate whether they agreed, agreed with reservations, or disagreed that certain key policies were ethically acceptable. Few agreed without reservations that armed intervention and covert action were ethically acceptable. A larger number—but far short of a

majority—felt nuclear deterrence and economic sanctions were ethically acceptable. Overall, participants registered ethical misgivings about policies largely framed in military or punitive terms. Some comments suggested that participants were far more comfortable with “conflict resolution and UN peacekeeping.”

In part, ethical misgivings mirrored doubts about the effectiveness of the policies presented to participants. A majority considered armed intervention and covert action as not very effective or as not effective at all. There was not the case for nuclear deterrence and economic sanctions. But even here, only 35 percent rated the nuclear option as very effective. Comments on this question indicated that perhaps diplomacy should have been listed instead. “None of those policies is as good as diplomatic negotiation and support of the UN,” wrote one participant.

Issue A: The U.S. relies on a number of policy instruments, some of which are listed below. For each, check whether you agree, agree with reservations, or disagree that the policy is ethically acceptable.

	<u>agree</u>	<u>agree with reservations</u>	<u>disagree</u>
Nuclear deterrence	32%	41%	27%
Armed intervention	9%	45%	45%
Covert Action	13%	46%	41%
Economic Sanctions	38%	48%	14%

Issue A: How would you rate the following policies in terms of their effectiveness in advancing U.S. interests?

	<u>very effective</u>	<u>somewhat effective</u>	<u>not very effective</u>	<u>not effective</u>
Nuclear deterrence	35%	41%	13%	11%
Armed intervention	8%	36%	34%	22%
Covert Action	6%	36%	33%	24%
Economic Sanction	14%	44%	29%	13%

Topic 2: The Persian Gulf: Reassessing the U.S. Role

A year ago American warships patrolled the Persian Gulf to secure the flow of oil which was threatened by the Iran-Iraq War. Asked whether or not the U.S. should be prepared to use force when it comes to protecting American interest in that area, a majority of participants (61%) did reply “yes.” Still, a much larger majority, virtually reaching unanimity (94%), said that strengthening the role of the United Nations was the way to protect American interests. “Cooperation with the Soviet Union” also enjoyed widespread support (86%). Definitely out of favor with the participants was selling advanced arms to moderate Arab states, an option some respondents amended to read, “also do not sell to Israel.” Overall, international cooperation rather than military action seemed to be most popular in the balloting.

On the question of how to deal with two nations rating near the bottom of U.S. esteem, Iran and Iraq, few participants seemed to have any difficulty making up their minds. Almost all of them preferred the U.S. to stay neutral toward the two nations, which until recently were engaged in an especially savage war. Several participants, however, were not above showing their contempt for both with remarks like “let them kill each other,” or “nuke them both.”

Issue A. When it comes to protecting American interests in the Persian Gulf, the U.S. should:

Be prepared to use force	61%
Sell advanced arms to moderate Arab states	24%
Strengthen the role of the UN	94%
Cooperate with the Soviet Union	86%

Issue B. With regard to relations with Iran and Iraq, the U.S. should

Favor Iran over Iraq	2%
Stay neutral	93%
Favor Iraq over Iran	5%

Topic 3: Latin American Debt: Living on Borrowed Time?

The crushing debt burden of the Latin American countries is a case where three classical strategies of action compete for attention. One is the free-enterprise approach of letting Latin American governments work out the problem with their (North American) bank creditors. Another is case-by-case management involving the U.S. government, as detailed in the Baker Plan. A third is shifting responsibility for debt management to an international agency like the World Bank. Confronted with these three options, most participants selected the "international" option. But a sizeable group favored case-by-case management under U.S. auspices, whereas only a small minority preferred the free-enterprise approach. Quite a few of that minority, however, amended their response by complaining that the "U.S. should NOT bail out the bankers who have encouraged loans."

Asked about specific courses of action to solve the debt problem, a large majority opted for the ability-to-pay alternative: 64% preferred allowing Latin debtors to service their debts according to their ability to do so. Only a quarter of the participants favored the more drastic remedy—from the point of view of U.S. banks, that is—of forgiving the region's debts, while only one in ten favored the more drastic remedy—from the perspective of the debtors—namely of making Latin debtors pay up no matter what the social or political costs. Some of those pleading for debt forgiveness commented that the "U.S. failed many nations by allowing them to borrow beyond a reasonable ability to repay." Others recommend a debt-for-nature swap—to "trade off debt for a piece of the Amazon rain forest"—thereby solving not only a financial crisis but also an environmental crisis.

Issue A. With regard to Latin American debt, the U.S. should:

Leave the debt problem for the Latin American governments and their credit banks to work out	12%
Continue the case-by-case strategy of debt management as outlined by the Baker Plan	40%
Transfer responsibility for debt management from the U.S. Treasury to an international agency under the auspices of the World Bank	48%

Issue B. Which of the following statements comes closest to your thinking?

Latin American debtors should be held responsible for all debt no matter what the social and political costs	10%
Latin American debtors should service their debts according to their ability to do so	64%
Some or all of the region's debts should be forgiven	26%

Topic 4: Arms Agreements: Too Little Too Late, or Too Much Too Soon?

Rarely in the past 40 years have the signals from Moscow sounded as encouraging for the prospect of disarmament as in the last 12 months. The Soviet Union has taken several steps on its own, away from the bargaining table, to withdraw troops and armor from East European countries. What is the U.S. to do with such an opportunity? Offered four alternatives on strategic arms ranging from "proceed cautiously," as the Bush Administration seems to be doing, to "unilateral steps toward nuclear disarmament," an option somewhat outside of the Washington mainstream, none received the support of a majority of participants. While one third favored the proceed-cautiously option, the remaining two thirds were divided among various alternatives envisioning further-reaching action: 29% advocated deeper reductions than those called for by the Strategic Arms Reduction Talks; 22% favored unilateral steps; and 14 wanted to work more rapidly toward a START agreement. Advocates of unilateral steps frequently spiced up their answers with comments like, "producing as many nuclear weapons as there are is *absurd*—look it up," or "the number of nuclear weapons is asinine."

A preference for deep cuts in strategic arms was not counterbalanced by a desire to maintain or strengthen conventional arms. On the contrary, here, too, a majority either favored deeper cuts on both sides (43%) or unilateral American reductions (19%). The alternative closest to the Bush Administration's policy of seeking deep cuts in Warsaw Pact forces in exchange for modest cuts in NATO forces enjoyed only modest support, with the buildup of conventional forces receiving the least support.

Issue A. On strategic arms, the U.S. should:

Proceed cautiously before concluding a START treaty	35%
Work toward rapidly concluding a START agreement	14%
Work toward deeper reductions than those called for by START	29%
Take unilateral steps toward nuclear disarmament	22%

Issue B. On conventional arms, the U.S. should:

Seek deep cuts in Warsaw Pact forces in exchange for modest cuts in NATO forces	28%
Seek deeper cuts in Warsaw Pact forces in exchange for deep cuts in NATO forces	43%
Build up conventional capability	10%
Make unilateral reductions in conventional forces	19%

Topic 5: China: Redefining the Revolution

The June 3-4 crackdown of the Chinese government on the pro-democracy movement took place after many *Great Decisions 1989* participants had discussed U.S. policy toward China [and submitted their opinion ballots]. Eight in ten respondents either supported an increase of economic and cultural ties while limiting defense cooperation or an increase of ties across-the-board. "Arms to China," so one commented, "are loose cannons on the deck." One participant, who noted that the ballot had been cast "after [the] Chinese massacre," belonged to the minority who did not favor expanded ties.

In large numbers, however, participants saw Chinese policies, such as arms sales to the Third World and the treatment of Tibetans and other minorities, as obstacles to improved U.S. relations with China. The Taiwan issue also loomed large as an obstacle, and so did protectionist trade policies of the U.S. On the other hand, China's one-child policy and the warming of Sino-Soviet relations did not worry many.

Issue A. The primary goal of U.S. policy toward China should be:

Increase ties with China across-the-board	29%
Increase economic and cultural ties but limit defense cooperation	61%
Maintain the current level of relations	10%
Reduce ties to China	1%

Issue B. Do you consider the following constitute obstacles to improved U.S. relations with China?

U.S. protectionist trade policies	68%
The Taiwan issue	71%
China's treatment of Tibetans and other minorities	78%
China's arms sales to the Third World	80%
China's improving relations with the Soviet Union	22%
China's one-child policy	15%

Topic 6: Farmers, Food, and the Global Supermarket

In surveying a number of aspects of the farm-and-food issue, *Great Decisions 1989* participants placed the highest importance on global land management and environmental protection. The average rating of this item on a 10-point scale, with 1 being low in importance and 10 high, was 8.3. Closely behind were two other global items, namely global population control and the elimination of hunger worldwide. By contrast, the survival of the American family farm received a 6.8 rating, the lowest among the alternatives offered.

On the question of subsidies for American farmers, opinion was divided without majority support for any particular policy. One third favored elimination of such subsidies outright, while another third supported the use of subsidies as a bargaining tool to get other countries to relax their trade restrictions. The remaining third largely favored continued subsidies as long as they did not interfere with international trade.

Issue A. On a scale of 1—10, where 1 is low in importance and 10 is high, how important, in your opinion, is:

The survival of the American family farm	6.8
The promotion of free agricultural trade	7.1
The elimination of hunger worldwide	7.9
Global population control	8.0
Global land management and environmental protection	8.3
Reasonably priced and plentiful food for America	7.3
Emergency food aid for countries in need	7.3
Long-term development assistance for Third World countries	7.3

Issue B. With respect to its domestic farm policy and international agricultural trade, the U.S. should:

Give farmers subsidies or other Federal support, regardless of the effect on international trade	8%
Give farmers subsidies or other Federal support as long as that does not interfere with international trade	8%
Use subsidies as a bargaining tool to get other countries to relax their agricultural trade restrictions	33%
Eliminate subsidies and other Federal support for farmers	34%

Topic 7: Horn of Africa: Empty Cornucopia?

There are few alternatives that struck participants as particularly effective in promoting U.S. interests in Ethiopia, a country that has experienced revolution, civil war, and a widely reported famine under a Communist form of government. Still, the most effective one among not-to-effective choices was to seek Soviet cooperation to resolve the Eritrean war. Participants also judged the granting of development aid as somewhat effective, whether with strings attached, like improvement in the human rights situation, or not. Neither trade sanctions, nor withholding of aid, nor support for the Eritrean resistance received high ratings for effective. "Stupid policies made us a fool," bemoaned one participant.

As for Somalia, the vast majority favored a policy of conditioning future aid for the Siad Barre government on improvements in human rights as opposed to withholding aid or giving it without strings. After all, as one commented, "we need friends in that area."

Issue A. On a scale of 1—10, where 1 is low in effectiveness and 10 is high, how effective, in your opinion, is each of the following in promoting U.S. interests in Ethiopia:

Provide development aid to Ethiopia	6.3
Buy more Ethiopian products	4.8
Impose trade sanctions against Ethiopia	2.8
Withhold food aid from Ethiopia	2.5
Condition development aid on improvement in the human rights situation	6.5
Support for Eritrean resistance	3.6
Seek Soviet cooperation to resolve the Eritrean war	7.3

Issue B. What policy should the U.S. follow toward Somalia?

Continue to give aid to the Siad Barre government	12%
Condition future aid on improvement in the human rights situation	78%
Withhold aid	10%

Topic 8: International Drug Traffic: An Unwinable War?

Drugs, according to public opinion polls, now rank among the most important issues facing the country. Daily accounts of gang violence, murder, corruption, and family breakdowns depict a harrowing scene of devastation, especially in inner-city America. What to do? There is little doubt among participants that the only effective policy (from among several offered) is drug education and treatment programs. Neither U.S. military interdiction nor U.S. aid to producer countries, policies tried by U.S. governments, were viewed as effective. Pressure on producer countries to halt supplies, however, was regarded as somewhat more effective. On the other hand, the radical proposal of legalizing drugs found little support as an effective means. Still, its potential effectiveness rated no lower than that of the tried policy of interdiction.

The exasperation with the drug problem showed in numerous comments volunteered by participants. More concern with "finding out *why* drugs were used" was urged by one. Another demanded that the "penalty for drug traffic should be serious," with a hint of what is administered in Asia, namely the death penalty. Yet another felt "the user must be made to pay the penalty of cold-turkey cure." This is certainly an issue not involving some abstract problem of foreign policy, but a gut issue close to one's doorstep.

Issue A. On a scale of 1-10, where 1 is low in effectiveness and 10 is high, how effective, in your opinion, is each of the following in combatting illicit drugs:

Pressure on producer countries to halt supplies	5.8
U.S. military interdiction	4.2
U.S. aid to producer countries	4.3
Drug education and treatment programs in the U.S.	8.3
Legalization of drugs in the U.S.	4.2

CHARACTERISTICS OF PARTICIPANTS

The 4,694 participants who mailed in their ballots are not a cross section of the general public. Female participants out-numbered males by a 3 to 2 margin. The majority is over 60 years old. The states with the largest number of respondents are (in that order): Oregon, California, Washington state, Illinois, Arizona, and Pennsylvania. Two thirds hold college degrees, with advanced degrees quite common. Many would be considered "opinion leaders": one in seven indicated they were often asked for their opinions on foreign policy, and half said this happened sometimes. A majority of the participants had been abroad during the past four years. And more participants indicated that participation in the *Great Decisions* program had changed their opinions than that it did not.

A. How many years have you participated in the *Great Decisions Program* (that is, attended one or more discussion sessions)?

This is the first year I have participated	37%
I participated in one previous year	13%
I participated in more than one previous year	45%

B. Age

17 or under	3%
18-30	13%
31-45	7%
46-60	15%
61 or over	58%

C. Sex

Female	57%
Male	38%

D. Have you been abroad during the last four years?

Yes	51%
No	44%

E. What is the highest level of formal education you have completed?

Some high school	5%
High School degree	6%
Some College	19%
College graduate	31%
Advanced degree	35%

F. How often are you asked for your opinion on foreign policy matters?

Often	15%
Sometimes	50%
Never	30%

G. Would you say you have or have not changed your opinion in a fairly significant way as a result of taking part in the *Great Decisions* program?

Have	44%
Have not	28%
Uncertain	22%