

FMS Bonanza at ASO Philadelphia

By

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"Your nation buys a weapon system from another nation," says CDR Joe Smith, a logistician from the Bandarian Navy. "In my business, the first thing you think is 'How will we support it once we have it?' Coming to ASO, I found that it's no longer a worry. ASO takes care of its customers!"

At the Naval Aviation Supply Office (ASO) in Philadelphia, the customer is king, especially in the world of Foreign Military Sales (FMS). Supporting over 2,000 aircraft for 30 nations, ASO manages 20 different types of aircraft, from A-7s to F/A-18s.

ASO is the Inventory Control Point (ICP) for Navy and Marine Corps aviation spares and repairs worldwide, managing 230,000 items with an inventory value of over \$13 billion. Although the Cold War has ended, FMS business is booming at ASO, generating ten percent of its annual *sales* of \$2.91 billion.

"We will generate almost 5,000 contract actions this year, with projected sales of over \$300 million, an increase of \$100 million over the past decade," said CDR Roger Petty, SC, USN, International Logistics Support (ILS) Division Director. "The 70 people we have on the staff of the division do an outstanding job, managing almost 30,000 requisitions a year and over 1100 repair actions," he added. With the potential for several new programs, the ILS Division at ASO could have up to 60,000 new requirements in Fiscal Year 1994 and may initiate up to 10,000 procurement actions.

"We function as the customer advocate for our foreign customers," Petty said "We will provide program management, follow-on support, and repair assistance from the award of the aircraft contract through retirement."

The initial program management phase is performed by a dedicated team leader supported by 2-4 supply technicians. Using ASO's extensive database and networking capabilities, they provide price and availability information on parts, including projected lead-times for budget

planning. The ASO program managers also participate in site surveys to assess a nation's support capabilities and fine tune the levels of spares needed.

During the initial support phase of an FMS program, ASO develops gross requirements lists (GRLs) for aircraft and engine spares, plus a GRL for support equipment spares. These GRLs are tailored to each customer country's requirements, and are computed to the number of aircraft to be supported and the estimated flying hours projected by the customer. The GRL reflects the range and depth of spares required to support a program for a pre-determined period. Normally, the initial support is for two years, but GRLs can be computed for long range support at the customer's request. For the most recent program, spares have been computed for a nine and a half year support period.

Besides taking supply and procurement actions on ASO managed items, the ASO manager must also ensure the remaining items (DLA, GSA and Air Force managed) are submitted for supply actions by building a MILSTRIP package for input into the NAVILCO MISIL database. Using internal tracking files and the MISIL database, the ASO manager ensures all ASO managed items are issued from stock or procured on a timely basis. ASO also monitors the delivery of items and performs follow-up and expedite actions when needed.

When the initial support phase of a program is in place, the follow-on support phase begins, normally about two years into the program. The follow-on support cases should be in place before delivery of the first aircraft. These cases include the Cooperative Logistics Supply Support Agreement (CLSSA), Direct Requisitioning Procedures (DRP), and Repair of Repairables (ROR).

CLSSA requires up front customer investment and the augmentation of Navy and DoD stocks. The investment is based on the dollar value of assets expected to be used over one year. This approach allows customers to enjoy equal treatment under DoD priority systems. DRP, on the other hand, requires no initial investment by the nation, but allows requisitions only to the reorder point of DoD stock levels.

Since FMS customers seldom have total repair capability, an ROR case is generally required to provide supplemental capability. Although several options are available for ROR cases, ASO recommends the "TRIL with Tracking" procedure. ASO will develop a TRIL (Tailored Repairable Item List) which reflects all the repairable items applicable to the specific program and where each item should be shipped for repair. This precludes a customer from having to come back to the U.S. Navy for disposition of each failed item.

ASO also hosts 15 foreign liaison officers in Philadelphia, who interact with their U.S. civilian and military counterparts on their individual programs. This gives both ASO and our allies an opportunity to learn. They see how we develop the support packages, while we get to know their own unique use and requirements for their particular weapon system configuration.

"As the Inventory Control Point for Navy and Marine Corps aviation worldwide, we're uniquely able to give our foreign military customers the same logistics solutions we provide to our own forces," said Petty. "We see ourselves as logistics information brokers, not just people who order parts. Sometimes, the best approach is to find ways to avoid buying parts or repairs. As defense budgets worldwide decrease, we can give our allies real value by 'holding the line' on costs while improving overall readiness. We have the databases, the worldwide interfaces and most importantly, the people with years of logistics experience to give our customers what they want, when they want it."