

A COMPARISON OF THE FOREIGN
MILITARY SALES (FMS) PROCESS
IN THE ARMY, NAVY, AND THE AIR FORCE

By

MAJOR WESLEY L. JOHNSON, USA
Assistant Professor

and

MR. WILLIAM D. CAREY
Instructor

Defense Institute of Security Assistance Management

INTRODUCTION

The purpose of this article is to compare the FMS process in the Army, Navy, and the Air Force, highlighting the organizations involved at various phases of the process.

The phases discussed include: (1) the review of the letter of request (LOR) submitted by the customer country, and the identification and tasking of the agencies involved; (2) the development and collection of Price and Availability (P&A) data; (3) the preparation of the Letter of Offer and Acceptance (LOA); and (4) the final review and approval of the LOA by the Military Department. To simplify the discussion, coordination with activities outside the Military Departments will not be addressed, e.g., The Defense Security Assistance Agency (DSAA), the Department of State, etc.

DISCUSSION

The following discussion primarily addresses the FMS process for a major weapon system sale in each of the Military Departments, with minor references made to follow-on support cases.

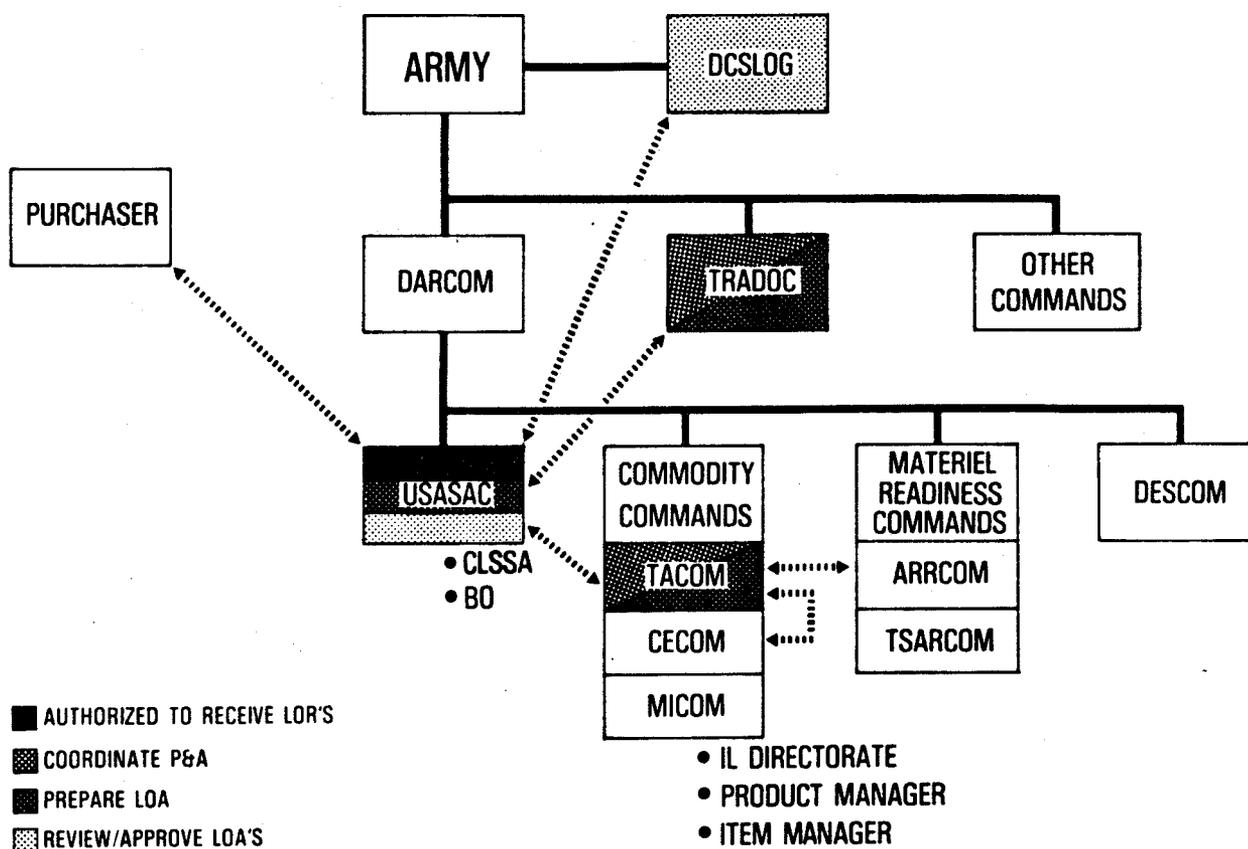
U.S. ARMY

The organization in the Army, (see Figure 1) authorized to receive LOR's is the U.S. Army Security Assistance Center (USASAC), a subordinate command of the USA Materiel Development and Readiness Command (DARCOM). After reviewing the LOR for completeness, USASAC identifies the major/subordinate command responsible for managing the weapon system/items, or providing the services requested. In some instances, LOR's must be forwarded to HQ DA (DCSLOG) for review before any further action is taken, as for example, in a request involving the commitment of U.S. personnel.

Assuming the LOR is for the purchase of M-60 tanks, the Tank and Automotive Command (TACOM) will be tasked to obtain the detail data on cost, schedules, configuration, and other factors necessary to prepare

an LOA. The International Logistics (IL) Directorate at TACOM will have the ultimate responsibility for coordinating, collecting, and assembling this information. This effort will require close coordination with the M-60 Product Manager and the tasking of other major/subordinate commands, as appropriate, to provide information [e.g., Communications and Electronics Command (CECOM), Armaments Readiness Command (ARCOM), etc.]. After the IL Directorate has collected the necessary data, it prepares the LOA. The completed LOA is forwarded to USASAC for final review and approval. In some instances, such as LOA's involving Congressional notification, the LOA must be forwarded by USASAC to HQ DA (DCSLOG). LOR's involving major weapon systems managed by other Commodity/ Materiel Commands would be processed in a similar manner. The procedures for other than major weapon systems sales would be similar in that the command responsible for providing the materiel, services, or training would develop the P&A data, prepare the LOA, and forward it to USASAC for review.

WEAPON SYSTEM SALE (M-60)



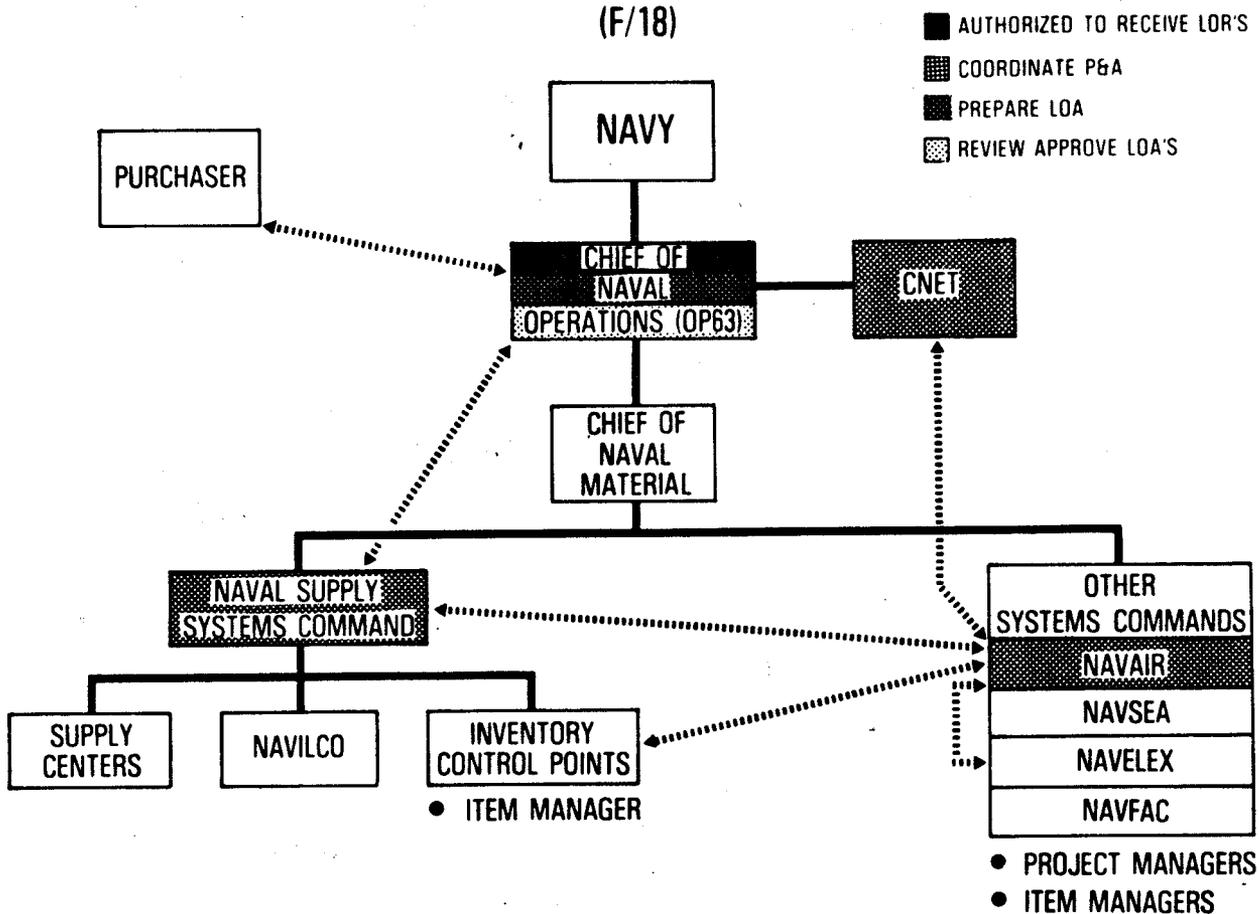
The process for LOR's involving U.S. Army Blanket Order Cases and Cooperative Logistics Supply Support Arrangements (CLSSA) is an exception to that discussed above. LOA's for these cases are prepared directly by USASAC.

U.S. NAVY

The organization authorized to receive LOR's in the Navy (see Figure 2) is OP-63, an office within the Chief of Naval Operations (CNO). After reviewing the LOR for completeness, OP-63 forwards the LOR to Naval Supply Systems Command (NAVSUP) or to the Chief of Naval Education and Training (CNET). NAVSUP must identify the appropriate Systems Command within the Navy Material Command, which will be assigned responsibility for collecting and coordinating price and availability information. Assuming that the LOR is for the purchase of F-18 aircraft, Naval Air Systems Command (NAVAIR) would be responsible for obtaining this information.

WEAPON SYSTEM SALE

(F/18)

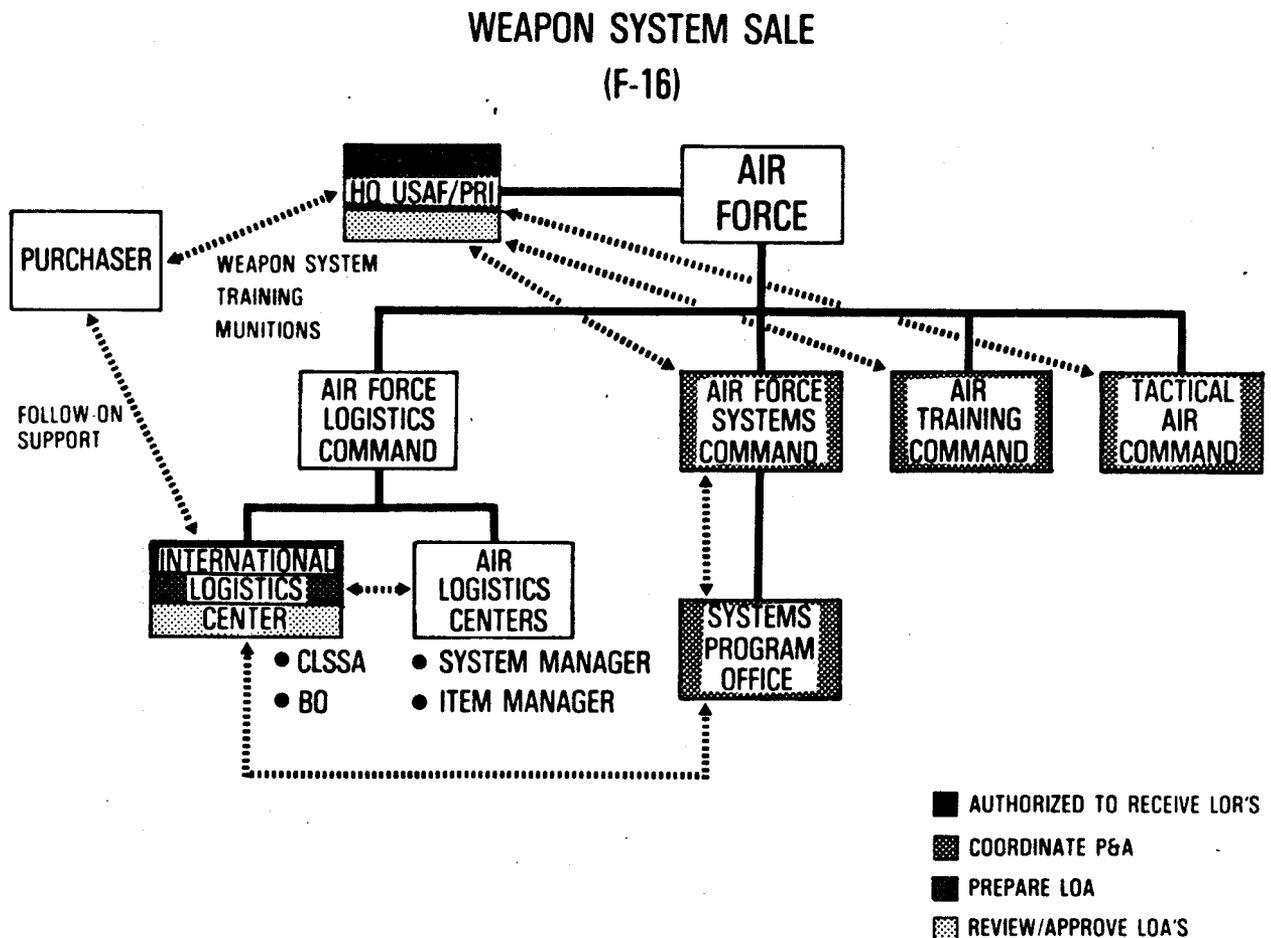


Within each of the Systems Commands is a small group for security assistance policy, coordination and monitoring. However, price and availability for a system sale is normally developed under the direction of the project manager of the weapon system, in close coordination with this group. In the acquisition of a major system, the project manager must coordinate with all activities involved, including inventory control points (ICP's), contractors, and CNET. Once completed, NAVAIR forwards the price and availability data to OP-63 with an information copy to NAVSUP. OP-63, prepares the LOA and coordinates its review and approval. LOA's involving major weapon

systems managed by other Systems Commands would be processed in a similar manner. The procedures for other than major weapon system sales would be similar, in that the command responsible for providing material, services, or training would develop the P&A data and OP-63 would prepare the LOA.

U.S. AIR FORCE

Two organizations within the Air Force (see Figure 3) are authorized to receive LOR's. HQ USAF/PRI is responsible for reviewing the LOR's for major system sales, munitions, and training, and identifying the commands which will be assigned responsibility for collecting and coordinating P&A information. The Air Force Logistics Command, International Logistics Center (AFLC/ILC) accomplishes the same tasks involving LOR's for follow-on spares, support equipment, and supplies.



Assuming that the LOR is for the purchase of F-16 aircraft, USAF/PRI would effect the following tasking:

- a. Use the lead command concept to task Air Force Systems Command (AFSC) to collect P&A data for the air frame, spares, and support equipment. The Systems Program Office (SPO) for the F-16 obtains the P&A data from the contractor for the air frame, and co-

ordinates with AFLC/ILC for information concerning spares and support equipment. Based on a request from the SPO, AFLC/ILC collects P&A data from the Air Force Air Logistics Centers (ALCs) and provides it to the SPO.

b. Task Air Training Command for training P&A data.

c. Task other commands as appropriate (e.g., Tactical Air Command) for P&A data.

d. Collect the P&A data from the commands involved, prepare the LOA, and coordinate final review and approval.

AFLC/ILC receives LOR's directly from customer countries for follow-on spares, support, equipment and supplies; reviews the request for completeness; collects P&A data from Air Force ALC's; prepares the LOA; and coordinates final review and approval.

CONCLUSIONS

When examining or comparing the FMS process, it is important to recognize that neither the Army, Navy, or Air Force has a dedicated system for supporting FMS requirements. Rather, these requirements are superimposed on existing systems. The same project office, project manager, System Program Office, or Item Manager responsible for managing a weapon system or item to meet U.S. requirements will also be responsible for handling FMS requirements. The one activity unique to FMS in the three services is their respective International Logistics Control Offices (ILCOs); the USA Security Assistance Center (USASAC) in the Army; the Navy International Logistics Control Office (NAVILCO) in the Navy; and the International Logistics Center (ILC) in the Air Force. The ILCOs serve as an interface between the customer countries and the DOD logistics systems.

The manner in which a MILDEP has been organized to accomplish its primary mission greatly influences the process it uses in FMS. For example, in the Army and Navy, the development and procurement of a weapon system throughout its life cycle is the responsibility of the same commands, DARCOM and the Navy Material Command respectively. In the Air Force, the development and introduction of a weapon system is the responsibility of the Air Force Systems Command (AFSC), with procurement of initial spares, repair parts and support equipment for the system the responsibility of AFLC. At some point during the deployment phase of the acquisition process, total program management responsibility transfers to the Air Force Logistics Command.

In summary, since there is no separate dedicated logistics system for FMS within the Department of Defense, the FMS process is a variable one, depending upon the U.S. Military Department involved, and the type of equipment or support requested by the customer country.

ABOUT THE AUTHORS

Major Wesley L. (Bo) Johnson, USA, has been a member of the DISAM faculty since 1978, and specializes in the transportation and logistics aspects of security assistance management. He holds a Master of Arts degree from Central Michigan University (Logistics Management), and he has had extensive experience in U.S. Army logistics management, including assignments as a Battalion S-4 in Germany (1966-1967), Assistant Division Supply Officer, 1st Cavalry Division (1969), and Logistics Staff Officer, HQ FORSCOM (1976-1977).

Mr. William D. (Dave) Carey joined the DISAM faculty in August, 1980, following a civilian position as a Supply Systems Analyst and Program Manager in the Air Force Logistics Command, International Logistics Center. A veteran of the U.S. Army with service in Vietnam, Dave has extensive experience in computer programming for Air Force stock control and distribution systems, and is currently completing studies for a Master of Arts degree in Logistics Management through Central Michigan University.