

THEME OF THE QUARTER

a closer look at...

THE DEFENSE SECURITY ASSISTANCE AGENCY [Submitted by the Acting Deputy Director, DSAA]

Role in Security Assistance

The Defense Security Assistance Agency, or "DSAA" as it is more commonly known, was established in August 1971 by DoD Directive 5105.38 which sets forth the Agency's responsibilities, authorities, and related terms of reference. Under the direction, authority, and control of the Assistant Secretary of Defense, International Security Affairs (ISA), it is the principal organizational element through which the Secretary of Defense carries out his responsibilities for security assistance. The role of DSAA is summarized by the following statement:

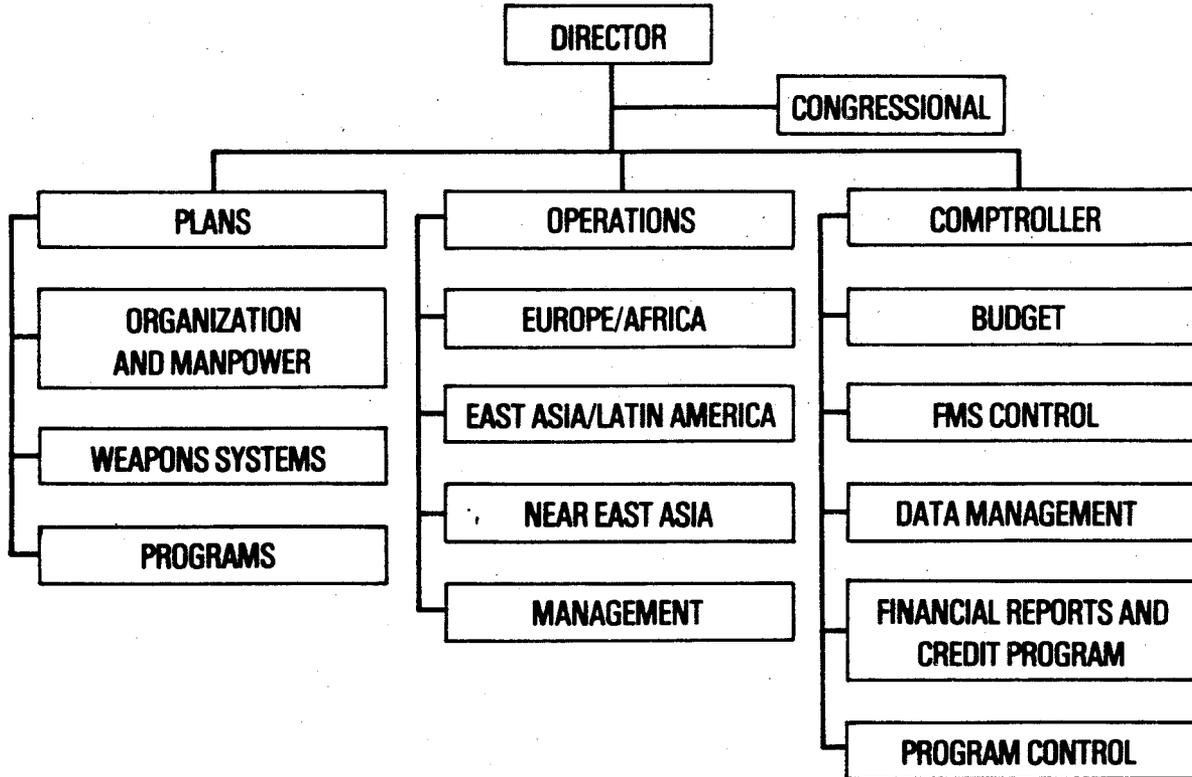
Serve as the DoD focal point and clearinghouse for tracking arms transfers, budgetary, legislative, and other security assistance matters through the analysis, coordination, decision, and implementation process. Be in a position to keep all concerned elements of DoD informed about the status of ongoing security assistance actions and to raise issues through appropriate channels when decision of higher authority is required.

In order that DSAA may carry out its mission, all authorities conferred on the Secretary of Defense by the Foreign Assistance Act and the Arms Export Control Act and all authorities under those acts delegated by the President to the Secretary of Defense, are redelegated to the Director, DSAA.

Organization

To do its job, DSAA is authorized 107 personnel who are divided among the Director's Office, a small Congressional liaison staff, a Plans Directorate, an Operations Directorate, and the Office of the Comptroller. In addition, a legal counsel detailed from the Defense Legal Services is resident with DSAA.

DSAA ORGANIZATION



Office of the Director

With a total of seven personnel which includes the Deputy Director, two military assistants, and clerical support personnel, the Director gives general direction to the Agency staff and the overall DoD security assistance effort. The Director and his immediate office also are engaged directly in major policy issues, discussions, and negotiations involving daily contact with key officials and their offices, such as the Assistant Secretary of Defense (ISA), other Assistant Secretaries, the Under Secretary for Policy, the Deputy Secretary of Defense, the Secretary of Defense, and their counterparts in the Department of State and other Executive Branch agencies. The Director personally testifies before Congress on security assistance legislation, budgets, and issues. The office is in direct contact with key officials of the JCS, Military Departments, and U.S. industry at the corporate level.

General Counsel

The resident legal counsel detailed from Defense Legal Services is a full-fledged member of the DSAA team and is intimately involved with all DSAA activities. The need for this close relationship is underscored by the unique situation in which security assistance is authorized and controlled by discrete legislation, yet the program must be executed in compliance with statutes governing DoD activities. In fact, it is an unusual interdepartmental program affected by many different legal and regulatory considerations in such diverse areas as fiscal, personnel, administrative, constitutional, and international law. In addition to giving legal advice and assistance as needed on a case-by-case basis, the General Counsel stays abreast of ongoing activities and alerts the Director and the staff to actual and potential legal problems. His role is crucial in drafting and interpreting legislative proposals.

Congressional Liaison

The Congressional Liaison staff is the principal means through which continuous direct, two-way communications are maintained between DoD and the Congress on security assistance matters. Aside from daily contacts with key members and staff of appropriate committees and subcommittees, the office works closely with the staffs of the National Security Council, the Department of State, and the Department of Defense that have interests and responsibilities with respect to security assistance legislation and Congressional relations. Inherent aspects of the office's work are that, to be successful, it must have intimate knowledge of how the program works, must know what is going on, and must be able to sense and interpret attitudes accurately. Thus, it is an essential part of the DSAA "focal point" for DoD's security assistance activities. During FY 1981, this small office of four personnel responded to about 500 Congressional inquiries, made arrangements for, and participated in 25 Congressional hearings, and attended more than 50 interagency meetings to discuss legislative matters.

Plans Directorate

The Plans Directorate maintains an overview of the entire Security Assistance Program, especially through its participation with the State Department in formulating and presenting to Congress the annual security assistance budget proposal. It also has a special responsibility for arms transfer policy and its implementation in the sales of major weapons systems, especially aircraft, and in issues on the sales of equipment which cut across regions. Finally, the Plans Directorate has the responsibility for managing U.S. overseas security

assistance manpower and certain aspects of foreign military training activities. In performing these functions, the Plans Directorate works closely with the other elements of DSAA and with the State Department, and is uniquely positioned to reconcile cross-regional problems within the OSD Policy cluster.

The budget process--run by the Programs Division within Plans, but also involving the Director of Plans and his Deputy on a constant basis--puts Plans into the unique role of articulating and defending the importance of security assistance, and extending beyond the case-by-case approach to arms transfers to formulate a long-term planning approach. Working closely with the Department of State, the Programs Division helps to put together the budget proposal, secures the approval of high-level officials in Defense, helps shepherd the program through Congress by preparing testimony and other public statements, and assists in the painful process of apportioning the inevitably reduced funds eventually received from Congress.

The Organization and Manpower Division is intimately involved in the crucial process of selecting U.S. personnel for security assistance assignments overseas and in the budget process for setting and adjusting the personnel spaces authorized for managing Security Assistance activities in foreign countries. The Division insures nominations for the Chiefs of Security Assistance Offices (SAO's) are given the fullest review within Defense, for those people are at the cutting edge of our security-related foreign policy operations.

The Weapons Systems Division manages major sales cases, especially of aircraft, such as the recent sale of an advance fighter aircraft to Australia. It also engages in anticipatory planning of weapons sales, checking out the worldwide potentialities and implications of new systems sales that are likely to involve sensitive policy and technology transfer issues. The division recently developed two major new instruments to support arms transfers without diverting from production meant for U.S. forces while satisfying customers who are impatient with increasingly long U.S. lead times. It designed, prepared, and defended legislation, and is now planning acquisitions for the Special Defense Acquisition Funds (SDAF). It also is setting up an automated system for tracking U.S. production of sales candidates, the "Priority Defense Items Information System" (PDIIS).

In summary, the Plans Directorate has a role in each of the major elements of the security assistance program: budgets, people, and equipment. These functions are performed on a worldwide and cross-regional basis. These broad functions allow Plans to point out the broad directions the Security Assistance Program is taking for the

Director, the Assistant Secretary of Defense (International Security Affairs), and the Under Secretary of Defense (Policy), and allows the staff to engage in the long-range planning which provides continuity and stability to the program.

Operations Directorate

The Operations Directorate is concerned primarily with directing and supervising the development, coordination, and execution of Foreign Military Sales programs for individual countries and international organizations. Thus, it constitutes the OSD interface between the foreign government (and international organizations), with their unique requirements, and the U.S. Military Departments and their capabilities to meet these requirements. Working with other key elements of OSD, the JCS, and the Military Departments, the Directorate develops the proposed DoD response to the foreign request, defining, if appropriate, options and their implications. If necessary, the Directorate takes action necessary to obtain decisions at higher levels. At this stage, other U.S. Governmental agencies, primarily the Department of State, and U.S. industry may be consulted informally if it is determined that their viewpoints may be significant in arriving at a DoD position.

Once the DoD position is established, the Operations Directorate continues as the DoD focal point for managing formal coordination within the U.S. Government, including Congress, for major cases. This culminates in negotiation of the sales offer with the foreign government or international organization. In some cases where the project is particularly complex, presentation of and agreement on the sales offer is preceded by development and negotiation of a special Memorandum of Understanding.

After agreement is reached with the foreign country or international organization, the Operations Directorate is responsible for overseeing implementation of approved programs by the Military Departments, and problems requiring OSD level attention are directed to it for resolution. The Directorate also is responsible for initiating and coordinating DoD policies and procedures governing development, coordination, and approval of sales programs.

To carry out its responsibilities, the Operations Directorate is organized into three geographically oriented divisions, each with desk officers having specific country assignments, and a functionally oriented division dealing with policy, procedural, and technical matters of general application.

Office of the Comptroller

The Comptroller's principal responsibility is overall financial management of security assistance programs. In addition to this basic task, which includes financial policy, fund control, fiscal accounting, data management, and statutory reporting, the organization has two major functions that are not normally considered to be Comptroller responsibilities. These are program control as it pertains to security assistance programs financed with appropriated funds (MAP, IMET, FMS Credit), and the preparation and coordination of congressional notifications for major arms sales.

The primary focus of the Comptroller staff is on budget execution and program control. To perform these functions, the multi-disciplined Comptroller staff must work closely with the Office of Management and Budget, Treasury, State, and the Military Department Comptroller organizations. It is organized into five divisions-- Budget, Program Control, Financial Reports and Credit Programs, Data Management, and FMS Control.

While the Plans Directorate actually formulates and defends country programs for which funds will be requested in the budget, the Budget Division must combine these sensitive requirements with estimates of the associated overhead expenses into comprehensive requirements that must then be placed in the technical budget formats that actually appear in the President's Budget documents. After an appropriation bill has been signed and funds apportioned to DoD, the division is responsible for executing the budget. It also manages the FMS Administrative budget and is directly responsible for funding support programs for our overseas security assistance offices.

The Financial Reports and Credit Programs Division (FR&CPD) provides fiscal accounting and reporting for all DSAA managed security assistance programs. It also serves as a major interface with the Washington representatives of most of our FMS customers. This results from the division's responsibility for managing the FMS credit program, a role that is very similar to that of a loan department in a bank. Consistent with this, the FR&CPD also serves as a focal point for all categories of indebtedness to the DoD.

The Program Control Division has the major task of insuring that the MAP and IMET programs are implemented in a timely manner and are controlled so that congressional ceilings on country programs are not exceeded. Division personnel work closely with counterparts in MAAGs, Unified Commands, and Military Departments to insure that important materiel and training requirements are met. The division also maintains oversight over FMS accounting systems and procedures, and is responsible for the audit review and follow-up system.

The Data Management Division's (DMD) main responsibility is to maintain the DSAA management information system. It prepares ADP system specifications in support of security assistance data management requirements and performs quality assurance on the data base and the products produced by the system. The DMD prepares and distributes all statutory security assistance reports to Congress and management reports to a multitude of DoD organizations. A major seasonal task of this division is to prepare the Congressional Presentation Document, the book submitted to the Congress that contains all the justification materials for the President's Budget and includes many of the annual security assistance reports required by law.

The FMS Control Division (FMSCD) prepares, coordinates, and submits statutory notifications for prospective major arms sales, lease agreements, and co-production Memorandums of Understanding. The FMSCD must work closely with a broad spectrum of executive branch officials responsible for foreign and national security policy to insure that these sensitive notifications are properly prepared and coordinated. This division also is responsible for the quality control review of all letters of offer and acceptance before they are countersigned by the Comptroller and released to the country.

In summary, the Comptroller organization is involved in security assistance programs from the program formulation stage through reporting of their successful execution to the Congress. The broad range of major functions and technical tasks performed by this office makes its role both interesting and crucial to the effective management of security assistance programs and related activities.

Scope and Complexity of the Job

This article has been written in an attempt to portray with reasonable brevity the extent to which DSAA is involved in every aspect of planning, developing, and executing DoD's security assistance responsibilities, and how it is organized to do the job. A rough idea of the scope and complexity of its tasks may be gained from a few statistics.

DSAA currently oversees programs for 80 foreign countries involving about 13,000 full time DoD personnel (4,000 military, 9,000 civilian). Including part time personnel, DoD devotes about 23,000 man years (6,000 military, 17,000 civilian) to the program. All in all, about 43,000 DoD personnel are involved either full time or part time.

The program has been growing steadily over the past several years. For example, sales during FY 1977 totalled about \$8.3 billion; the annual average now is about double that level. At the end of FY

1977, active cases totalled 7,487; that will climb to more than 22,000 by the end of FY 1982. In dollar values, the backlog of undelivered cases stood at \$38.6 billion at the end of FY 1977 and will reach \$70 billion by the end of FY 1982. Comparable increases are being experienced in such things as annual credits, new loans, outstanding loans, balances outstanding, issues that must be dealt with. This year, DoD will process about 5,000 sales cases, each of which must be handled at least to some extent by DSAA. Most, of course, are routine and ordinarily do not demand much in the way of special attention--unless something goes off the rails, at which time the little insignificant case assumes the proportions of a major deal. Of course, as the particular case increases in size, complexity, and significance, the work that must be done starts to increase by quantum leaps.

To do the job, the Agency is in frequent if not daily contact with the Congress and its staff, the State Department, Treasury, OMB, OUSDRE, MRA&L, the OSD Comptroller, OSD General Counsel, the ISA and ISP regional offices, the Joint Staff, the Military Departments, four Unified Commands, 48 MAAGs or ODCs, 23 Defense Attache Offices, some 63 foreign military attaches in Washington, and a long string of U.S. industries.

DSAA handles about 300 pieces of correspondence, messages included, daily. Of these, about one-third requires action and response. No effort has been made to count telephone calls, many of which are long distance, through which much of the Agency's business is transacted. To the extent necessary and which can be managed, Agency personnel are in direct contact by staff visits or more formal meetings with other offices and agencies with which it does business. The activities do not include the hours spent in putting the pieces of the puzzle together, laying out rational options for solving the problem, getting the decision, and initiating action to get things underway. Thus, in this brief article, we have been able only to summarize the vastness and complexity of the job and how DSAA is organized and operates to get it done.