

Mission and Responsibilities of the Defense Security Assistance Agency

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. Establishing the Agency was designed to place increased emphasis on the management and control of the DOD portion of the security assistance program. In 1983, the Under Secretary of Defense for Policy (USDP) assumed direct responsibility for DSAA staff supervision and oversight. Under the direction, authority, and control of the USDP, DSAA is the principal organizational element through which the Secretary of Defense carries out his responsibilities for security assistance. Although DSAA is technically identified as an Agency, it is not an autonomous organization. In fact, DSAA is an essential staff element of the OSD policy cluster. The role of DSAA is summarized by the following statement:

DSAA serves as the DOD focal point and clearinghouse for tracking arms transfers, budgetary, legislative, policy, and other security assistance matters through the analysis, coordination, decision, and implementation process. It directs and supervises organization, functions, and staffing of DOD elements in foreign countries responsible for managing security assistance programs. It must 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 decisions of higher authority are 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 142 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 Agency is resident with DSAA.

OFFICE OF THE DIRECTOR

With a total of eight 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 are also engaged directly in major policy issues, discussions, and negotiations involving daily contact with key officials and their offices. The Director takes policy direction from the Under Secretary for Policy and, for their regions, the Assistant Secretaries for Defense (ISA and ISP). He is also in contact with other Assistant Secretaries, 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, Unified Commands and U.S. industry at the corporate level. The Director and Deputy Director are in daily contact with representatives of other nations and travel frequently to nations with whom we have security assistance programs.

GENERAL COUNSEL

The resident legal counsel, detailed from the Defense Legal Services Agency, 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 foreign affairs legislation, yet the program must often 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 or potential legal problems. The legal counsel 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 staffs of appropriate committees and subcommittees, the office works closely with the staffs of 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 1986, this small office of four personnel responded to about 300 Congressional inquiries, made arrangements for, and participated in 25 Congressional hearings, and attended more than 50 inter-agency 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. The Directorate performs security assistance trend and market analysis and seeks ways for creative financing. It manages the Special Defense Acquisition Fund (SDAF). The Plans Directorate has the responsibility of managing U.S. overseas security assistance manpower and staffing. 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 for DOD by the Program Analysis 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 assistance to formulate a long-term planning approach with countries. Working closely with the Department of State, the Program Analysis Division helps to put together the budget proposal, secures the approval of regional offices and 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 allocating the inevitably reduced funds eventually received from Congress.

The Organization and Manpower Division is intimately involved in the crucial process of selecting and preparing U.S. personnel for security assistance assignments overseas and in the Defense manpower and budget process for setting and adjusting personnel spaces authorized for managing Security Assistance activities in foreign countries. The office monitors quality-of-life aspects of overseas service and presses for improvements. The Division insures nominations for the Chiefs of Security Assistance Organizations (SAOs) are given the fullest review within Defense and State, for those people are the DOD representatives in-country promoting U.S. security assistance-related foreign policy interests and activities. Additionally, the Organization and Manpower Division is responsible for the DSAA oversight of the Defense Institute of Security Assistance Management (DISAM), and the DSAA-owned C-12 aircraft worldwide.

The Weapons Systems Division manages major sales cases, especially of aircraft where there is competition between two U.S. manufacturers. It also engages in anticipatory planning of weapons sales, checking out the worldwide potentialities and implications of new system sales that are likely to involve sensitive policy and technology transfer issues. The Weapons System Division is also the focal point for munitions license and technology release issues, and also serves as the center for DSAA participation in JCS exercises where there is security assistance involvement.

The Special Defense Acquisition Fund (SDF) Division plans, defends, and manages the SDF, which is a fund capitalized by miscellaneous receipts and sustained by revolving funds to buy equipment in anticipation of foreign sales, thus enabling the U.S. to respond to country needs faster than normal lead times permit while protecting the readiness of U.S. forces. Four professionals and a secretary manage this billion dollar program in detail.

The Support Division in Plans seeks out opportunities to support still usable equipment, not of U.S. origin, which is maintained in foreign country inventories.

In summary, the Plans Directorate has a role in each of the major elements of the security assistance program: budgets, people, and equipment. It also undertakes special assignments and new programs. These functions are performed on a worldwide and cross-regional basis. These varied functions allow Plans to point out the broad directions the Security Assistance Program is taking for the Director, the Assistant Secretaries of Defense (ISA and ISP), and the Under Secretary of Defense (Policy), and engages in the search for long-range planning techniques which may provide 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 Department 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 required 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 are preceded by the 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 four 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, and 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 six divisions--Budget, Training Management, FMS Financial Management, 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, the division is responsible for issuing fund allocations to the Military Departments and internally to the Financial Reports and Credit Programs Division to finance program execution. It also manages the FMS Administrative budget and is directly responsible for funding support programs for our overseas security assistance offices. The division monitors obligations and outlays for all DSAA-managed security assistance programs and prepares monthly outlay updates to the Office of Management and Budget.

The Financial Reports and Credit Programs Division (FR&CPD) provides accounting and reporting for all DSAA-managed security assistance programs. These programs include the Military Assistance Program, the International Military Education and Training Program, the Foreign Military Sales Credit Program, the Special Defense Acquisition Fund, and the Guaranty Reserve Fund. 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 which 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 Training Management Division is responsible for recommending training legislation, formulating training policy for IMET and Foreign Military Sales Training, and insuring that IMET programs are implemented in a controlled and timely manner so that Congressional ceilings on country programs are not exceeded and programs purposes are achieved. This Division is also responsible for maximizing uniform Foreign Military Training procedures among the Military Departments, and for exercising oversight of the DOD Informational Program.

The Data Management Division's (DMD) principal responsibility is to maintain the DSAA management information system which consists of three separate databases: the 1200 FMS System, the 1000 Materiel and Training Programs System, and the DSAA Accounting System. It prepares ADP system specifications in support of security assistance data management requirements and performs quality assurance on the database and the products produced by the systems. The division acts as the technical office for processing ADP equipment and related contract services for systems development, maintenance, and communications support. The DMD prepares and distributes all statutory security assistance reports to Congress and statistical reports such as the FACTS and Fiscal Year Series to a multitude of recipients throughout the USG and private industry. A major seasonal task of this division is final compilation, assembly, and printing of the annual Congressional Presentation Document, the book submitted to the Congress that contains all the justification materials for the President's Budget plus 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 ensure that these sensitive notifications are properly prepared and coordinated. This division is also 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.

The FMS Financial Management Division (FMD) exercises overall surveillance of FMS financial procedures and systems in compliance with DOD 7290.3-M. FMD responsibilities include the financial aspects of pricing, case closure, case management, FMS arrearages and interest assessments, transportation, contract administrative services, delivery performance reporting, foreign currency exchange MOUs, financial reporting accuracy, and obligational authorities. The division conducts a financial management review program to monitor the status of individual country FMS Trust Fund accounts, reviews the financial status of selected country FMS programs to insure that adequate funds are available to pay suppliers and to cover termination liability, and develops financial projections to assist countries in managing available FMS credit and MAP resources and in budgeting for adequate levels of national (cash) funds. FMD serves as the DSAA focal point for DODIG and GAO audits, internal management controls, Brooke Amendment and Section 620Q arrearage sanctions, reprogramming notifications of security assistance funds, financial aspects of old MAP funding, reutilization and redistribution, major items material excess (MIMEX) and FAA sections 506(a) and 516 assistance, and development of the new FMS Accounting and Billing System (FABS).

In summary, the Comptroller organization is involved in security assistance programs from the program formulation stages 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

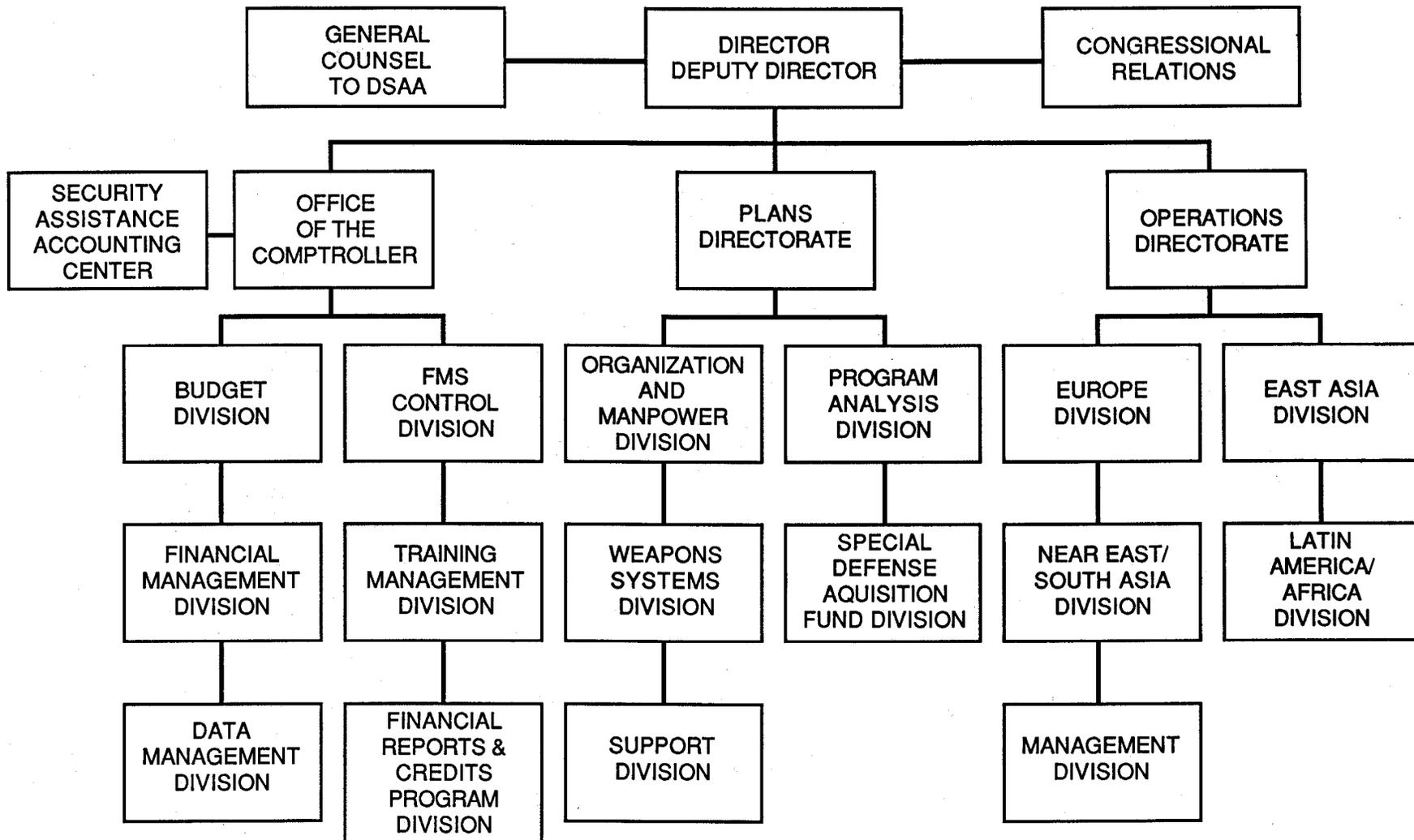
This narrative has been written in an attempt to portray with reasonable brevity the extent to which DSAA is involved in every aspect of planning, developing, and executing DOD's security assistance responsibilities, and how it is organized to do the job. A rough idea of the scope and complexity of its tasks may be gained from a few statistics. DSAA currently oversees programs for 100 foreign countries. Each 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 special attention. Cases that meet Congressional notification thresholds or when

world crises occur, or when a fundamental change in country relations occurs, require much more intensive DSAA effort.

To do the job, the Agency is in daily contact with the Congress and its staff, the State Department, Treasury, OMB, DIA, A&L, FM&P, the OSD Comptroller, OSD General Counsel, the ISA and ISP regional offices, the Joint Staff, the Military Departments, five Unified Commands, 54 overseas Security Assistance Organizations, 17 Defense Attache Offices, some 63 foreign military attaches in Washington, and a long string of U.S. industries.

DSAA handles up to 1,000 pieces of correspondence, messages included, daily. Of these, over 200 require an action and/or 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 the Agency 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 description, we have only summarized the vastness and complexity of the job and how DSAA is organized and operates to get it done. Following is the DSAA staffing chart.

DEFENSE SECURITY ASSISTANCE AGENCY



55