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# **The Worldwide Warehouse Redistribution Services (WWRS) Program**

**By**

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It is not every day that a new concept of operations springs forth in the security assistance arena. Well, today is one of those days. In December 1997, the Defense Security Assistance Agency, (DSAA) approved the Air Force Security Assistance Center's plan to implement the Worldwide Warehouse Redistribution Services (WWRS). Basically, this system splits the third party transfer of non-major defense equipment (non- SME) into two separate two-party transfers: one country returns excess items to the USG which, as the intermediary, then sells the items to a third country. The WWRS provides FMS customers with an orderly method to transfer materiel with a minimum of the "red tape" associated with normal third party transfers.

The concept of the WWRS has been discussed in one format or another for nearly seven years. Over the last two years, personnel at the Air Force Security Assistance Center, (AFSAC) at Wright-Patterson Air Force Base, Ohio, have refined the procedures involved, while putting the concept processes under intense scrutiny. Staffed through the Secretary of the Air Force Reinvention Lab Initiative, the WWRS now is available to Foreign Military Sales (FMS) customers. This article answers some of the basic questions and procedures regarding WWRS as they apply to the FMS customers.

The WWRS program has four major goals:

- Reduce FMS customers excess inventories;
- Reduce materiel costs for purchasers;
- Reduce lead times through redistribution of assets instead of new procurement;
- Enable sellers to purchase needed FMS assets with proceeds from WWRS sales.

## **What exactly is the Worldwide Warehouse?**

The WWRS program is a global redistribution program for spare parts and support equipment. The WWRS provides a mechanism for foreign countries or international organizations to transfer back to the USG air force Non- SME defense articles that were previously purchased from the USG under FMS, for sale to other FMS purchasers. The WWRS maintains a list of those excess defense articles owned by the Purchaser and other foreign governments and international organizations, and matches incoming requirements with the articles listed. Then the WWRS system manages the financial and logistic procedures required for the return of the items to the USG and the transfer to the new customer or the reacquisition by the USG.

## **Who manages or runs the WWRS?**

The system is managed by the WWRS Program Management Office (PMO) located at AFSAC. The WWRS database is called WINS for Warehouse Information System (WINS).

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This system provides lists of defense articles that are available for redistribution and it allows the USG and FMS customers to directly purchase any such listed defense articles.

**How do FMS customers place their excess assets on the WWRS market?**

FMS customers who wish to offer non-SME materiel for sale must first establish a WWRS-specific FMS case. Establishment of a WWRS "Q" case" entitles the FMS customer, called "the Seller," to list excess materiel in WINS. FMS buying activities may use a variety of electronic requisition protocols to connect with WINS. Orders placed on behalf of FMS customers by International Logistics Control Offices (ILCOs) to WINS will use the MILSTRIP system, passing orders through their current security assistance management information systems.

**Must a customer have an Internet capability in order to connect to WINS?**

Yes. Sellers are required to have an Internet connection to gain access to the WWRS web pages in order to list materiel for sale, update quantities and prices, and view materiel, which other customers have made available for sale. This access should include an e-mail capability for efficient and effective communications with the WWRS Program Manager and the inspection point. Internet/Web access fees are the seller's responsibility. Once a Letter of Offer and Acceptance (LOA) is implemented, AFSAC will load the customer's asset information on the WWRS web page. Potential customers may browse the listings for desired materiel, but will not know the identity of materiel sellers. Initial WWRS operations began on 15 April 1998, with a searchable WWRS materiel Web page. Additional enhancements to WINS are planned.

**Are there any basic guidelines on what type of assets may be "redistributed?"**

WWRS will list on WINS serviceable non-SME spare parts and support equipment (hereafter referred to as "assets") that are excess to the FMS customers. These available assets will be returned to the USG for redistribution. Significant Military Equipment (SME), as defined in the *International Traffic in Arms Regulations*, is ineligible for WWRS redistribution. Furthermore, the items offered for WWRS must have originally been sold to the FMS customer through the United States FMS program. All assets must be in fully functioning condition, without need of repair or rehabilitation. The selling country will identify the National Stock Number (NSN), quantity, and price for the assets to be listed in WINS. WINS will perform a series of edits to confirm that the offered assets are eligible to be listed in the WWRS warehouse information system. Assets that meet the listing criteria will *automatically* be listed in WINS. Later, this information may be viewed or modified by the Seller. If for some reason an asset is *not* listed, WINS will advise the Seller why the asset was not listed.

**When will the offering country relinquish possession and title of its goods?**

Assets will remain in the possession of the offering country until requested by the Program Management Office (PMO). The PMO will select the FMS country's listed assets to fill FMS requirements. Upon selection, the PMO will send a Redistribution Order (RDO) to the selling country. The RDO requests the country to confirm the availability of the assets at the listed price and provide an estimated delivery date. The selling country will respond to the PMO within a time frame specified on the RDO. If the selling country's response is acceptable, the PMO will issue a shipping order to the country.

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**Are national markings required to be removed from assets traded via WWRS?**

Yes. The selling country must remove any national markings on the asset package. Afterwards, the requested assets are shipped to an In-transit Inspection Point (IIP) for inspection, verification of markings removal, testing, photographing, serial number recording, and materiel repackaging. (At present, the only IIP is located at Wright-Patterson AFB, Ohio; additional IIPs are under consideration for future activation.) The RDO will specify the In-transit Inspection Point. If all inspection point checks are satisfactory, assets are shipped onward to the Purchaser. Visual inspections will be made by the IIP. Functional serviceability tests may be performed at the purchaser's expense on a cost reimbursement basis.

**What happens if an item does not pass an IIP serviceability inspection?**

The selling country will be liable for the serviceability of the assets. The Seller will be notified that its asset has passed inspection by a "P" for "passed" being loaded in the Seller's Inspection Results screen in WINS. An "F" for "failed" in the Seller's Inspection Results screen in WINS will identify assets failing inspection. Specific failure details will be available in WINS for the Seller's perusal. Assets, which fail inspection, will be returned within fourteen days to the selling country's freight forwarder. This return is at the selling country's expense. If additional assets are listed in WINS, the seller of the failed assets will be requested via a new RDO to provide acceptable replacement assets. If additional assets are not listed in WINS by the seller, another seller will be selected to fill the order.

**When does asset title transfer occur?**

Title to assets being returned to the USG for redistribution will pass to the USG upon USG acceptance at the IIP. A "P" in the Seller's Inspection Results screen in WINS will document the title transfer.

**What are the key administrative duties of the Program Management Office (PMO)?**

The PMO will maintain records of transferred assets, origin and destination, associated dollar values, requisition numbers and, when appropriate, serial numbers for management and audit purposes. Purchasers will *not be* informed of the national origin of the assets which are being redistributed.

**How can I find out what is listed for sale in the WWRS?**

FMS Purchasers and Sellers will be able to interrogate the WWRS Inventory list by National Stock Number (NSN), National Item Identification Number (NIIN), noun, or any descriptive word(s) to ascertain price and availability of the materiel. Listed prices shall be construed to be LOA quality data.

Requisitions through SAMIS: If an eligible FMS customer desires an NSN item from WWRS, the customer may requisition the NSN item through normal FMS procedures (an FMS requisition case). The customer should use the routing identifier "FWW" and a blank or non-recurring code of "N" in card column 44 of the MILSTRIP requisition (if SAMIS is used as the electronic communication system) A future enhancement will allow the customer to requisition through WINS. If the customer places a requisition through WINS, a routing identifier code (RIC) of "FWW" will automatically be assigned when the requisition is passed to SAMIS for funds verification.

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All WWRS requisitions submitted with a RIC of "FWW," through WINS or SAMIS, will be treated as through they contain a "fill or kill" advice code. If the desired asset is not available upon requisition receipt, the requisition will be canceled. The advantage of requisitioning through WINS instead of SAMIS will be that the customer will be able to reserve the quantity and select the price of the asset used to fill the requisition. This feature is not part of *initial* operational capability. All non-WINS placed orders will be filled with the lowest overall priced assets available when the order is received by WINS.

### **When will requisitions not containing the RIC of "FWW" be filled through WWRS?**

Requisitions whose NSN matches the NSN of the materiel listed in the WWRS will be passed to WWRS when:

- a. The country is a participant in the WWRS program. All countries automatically are participants, unless they advise AFSAC/OMFC of their desire not to participate. Participation/nonparticipation is at the country code level. Countries that have elected not to participate may override the edit by submitting a requisition with the RIC of "FWW".
- b. The requisitioned NSN is not listed in the CLSSA Termination, CLSAA Liability, or FMS Retention files.
- c. The requisition does not contain an advice code of "6P"(new and unused), "6V" (Single Vendor Integrity), "6W"(Sole Source) or "BV" (Single Vendor Integrity for System Sales), and
- d. The requisition is not coded as a recurring requisition on a CLSSA FMSO II case (type of assistance code equal to "V").

### **Who pays for the day-to-day operations of the WWRS?**

The WWRS is self-financed. Sellers will pay a ten-percent redistribution fee or a minimum of \$250 per Redistribution Order (RDO) for all materiel received at the inspection point regardless of whether or not the materiel passes inspection. The redistribution fee is billed when the materiel is shipped to the seller or the purchaser. Purchaser's pay the seller's listed material price.

### **How is transportation handled?**

Sellers pay for shipment to the IIP. Sellers who are eligible for Defense Transportation Services (DTS) may request a transportation line be added to their WWRS case. Purchasers pay the actual transportation cost from the IIP to their first destination freight forwarder if shipment by collect commercial bill of lading is not authorized. The transportation cost will be shown as an additional bill line on the requisition.

### **What are the basic Terms of Sale available with a WWRS case?**

The Seller's Q-case is written for ten-percent of the estimated value of the material for sale. Redistribution will cease when the value of the WWRS services line is reached. The WWRS case has been approved for the terms of sale "Cash with Acceptance, Balance as Billed." The terms of sale require an initial deposit of half of the administrative surcharge plus

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five percent of the cash value to cover the costs of the projected first quarter's redistribution. Subsequent quarterly billings will be based on the actual redistribution charges that occurred during the quarter. The funds required to pay this bill will be taken from the proceeds earned. The remaining funds may be transferred to an alternate FMS case or left in the WWRS cash holding account at DFAS-Denver

### **Do WWRS payment procedures differ from standard FMS procedures?**

When WWRS reaches full operational capability (FOC), the Seller will be notified of WWRS transfer deposits by viewing its Financial Detail Screen in WINS. During IOC financial information will be provided by the PMO to the seller's WWRS POC. WINS will show the amount and date when the transfer is made to the Seller's trust fund cash holding account. Confirmation of the transfer will occur when the Seller receives its Quarterly Foreign Military Sales Billing Statement, DD Form 645 with its accompanying Holding Account Statement. The transfer will be reflected in WINS at months-end and the DD Form 645 confirmation will occur at the end of the quarter. The Holding Account Statement will show three transfers to the holding account and three transfers of funds to the WWRS LOA to cover the actual cost expended during each month of the quarter. These funds to be transferred to the WWRS LOA will be reflected in the Holding Account Statement as a deposit of fenced funds.

### **How detailed is the financial information resident in WINS?**

The Financial Detail Screen in WINS will cross reference the 1080 number to a detailed listing of all the materiel transferred or inspected by RDO number in WINS and the custom commitment document number used to bill the WWRS Redistribution Fee. This screen will list each RDO, NSN, Extended Value, WWRS Fee, and proceeds deposited. DFAS refers to WINS as a supplemental financial system. DFAS and the materiel Seller will have on-line access to the details of the bill, plus a hard copy on file at DFAS.

### **What are the Bottom line benefits?**

The newly implemented Worldwide Warehouse Redistribution Service of the Air Force Security Assistance Center minimizes third party transfer processes for FMS customers. This new service should improve FMS customer support by reducing lead times and material costs associated with new procurement, material costs related to stock fund surcharges and FMS excess materiel storage charges. Funds provided to sellers may be reinvested in the FMS program--improving overall global readiness. Military departments of any FMS country may open a WWRS case. AFSAC encourages the FMS community to exercise WWRS as an alternate support mechanism. The success of the WWRS program is mutually dependent on meeting the sellers' and purchasers' requirements and the Program Manager's ability to facilitate global redistribution logistics transactions.

Further questions concerning the WWRS may be directed to Earl Sollmann or Michael Russillo of the WWRS Program Management Office at Wright-Patterson AFB, OH. Their office phone is (937) 257-32388 extension 4058 or 4059. They may e-mailed at [sollmane@onyx.afsac.wpafb.af.mil](mailto:sollmane@onyx.afsac.wpafb.af.mil) or [russillo@onyx.afsac.af.mil](mailto:russillo@onyx.afsac.af.mil).

### **About the Author**

Lt Col Bill Lee is the Deputy Director of Management Studies as DOSA. Prior to this assignment, he served as Commander, AFROTC Detachment 430A and Deputy Commander, US Contingent to the United Nations Mission in the Western Sahara (MINURSO). Colonel Lee has held numerous duties in intercontinental ballistic missiles operations and maintenance. His logistics experience includes tours in the transportation, maintenance, and logistics plans areas.

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Colonel Lee is a graduate of the United States Air Force Academy and he holds a Masters of Science degree in Industrial Safety from Central Missouri State University, a Masters of Science degree in Logistics Management, from the Air Force Institute of Technology, and an Educational Specialist Degree in Human Services from Central Missouri State University.