

THEME OF THE QUARTER

a closer look at . . .



NAVY SECURITY ASSISTANCE (Submitted by CNO/OP-63)

FY 80 REVIEW

In excess of \$3 billion in defense articles and services were managed by the Department of the Navy as security assistance in Fiscal Year 1980. This figure underscores the importance and vitality of the Navy's efforts to support United States foreign policy objectives.

The scope of the Navy security assistance program can be reviewed from its three components: training, Foreign Military Sales (FMS), and the Military Assistance Program (MAP).

Approximately 2,100 foreign military trainees were enrolled in the Navy training courses in FY 80. Five hundred eighty of these students were funded under the International Military Education and Training Program (IMETP). Training, ranging from technical courses for equipment maintenance and repair to operational or management courses, was provided to foreign students. All totalled, the value of Navy FMS and IMET training exceeded \$37 million for the year.

The Navy MAP appropriation for FY 80 for the three participating countries (Philippines, Portugal, and Spain) equalled \$32 million. This grant appropriation was used by MAP countries to acquire defense articles and services such as: ship overhaul, spare parts support for existing weapon systems, and the reconditioning of "excess" inactive aircraft to operational status.

Navy FMS, excluding training, surpassed \$2.8 billion in FY 80. About 40% of these sales were for logistic or support services. Major hardware programs transferred aircraft, ships, landing craft and weapon systems for ships and aircraft.

To support these security assistance programs, more than 2,400 full time FMS and MAP positions were employed in Navy activities. A significant effort has been underway to substitute civilian positions for military positions in security assistance management and coordination roles.

NAVY ORGANIZATION

Responsibility for the whole of the Navy security assistance program resides with the Director, Security Assistance Division (OP-63), within the Chief of Naval Operations staff. CNO (OP-63) coordinates security assistance programs involving the U.S. Marine Corps and the U.S. Coast Guard, as well. OP-63 has been directed, since February 1978, by Rear Admiral David M. Altwegg, USN. RADM Altwegg, a Navy surface warfare officer, has previously commanded a guided missile destroyer and cruiser.



OP-63 formulates and administers security assistance programs and policies for the Navy. This involves negotiation and discussion with foreign governments and the management of FMS cases. Essential support is provided by the Chief of Naval Material (MAT-08F), who implements and monitors security assistance program actions and policies. MAT-08F directs the extensive resources of the Navy material systems commands (SYSCOMS), insuring that security assistance requirements are accomplished.

The Navy Material Command is comprised of the following five systems commands:

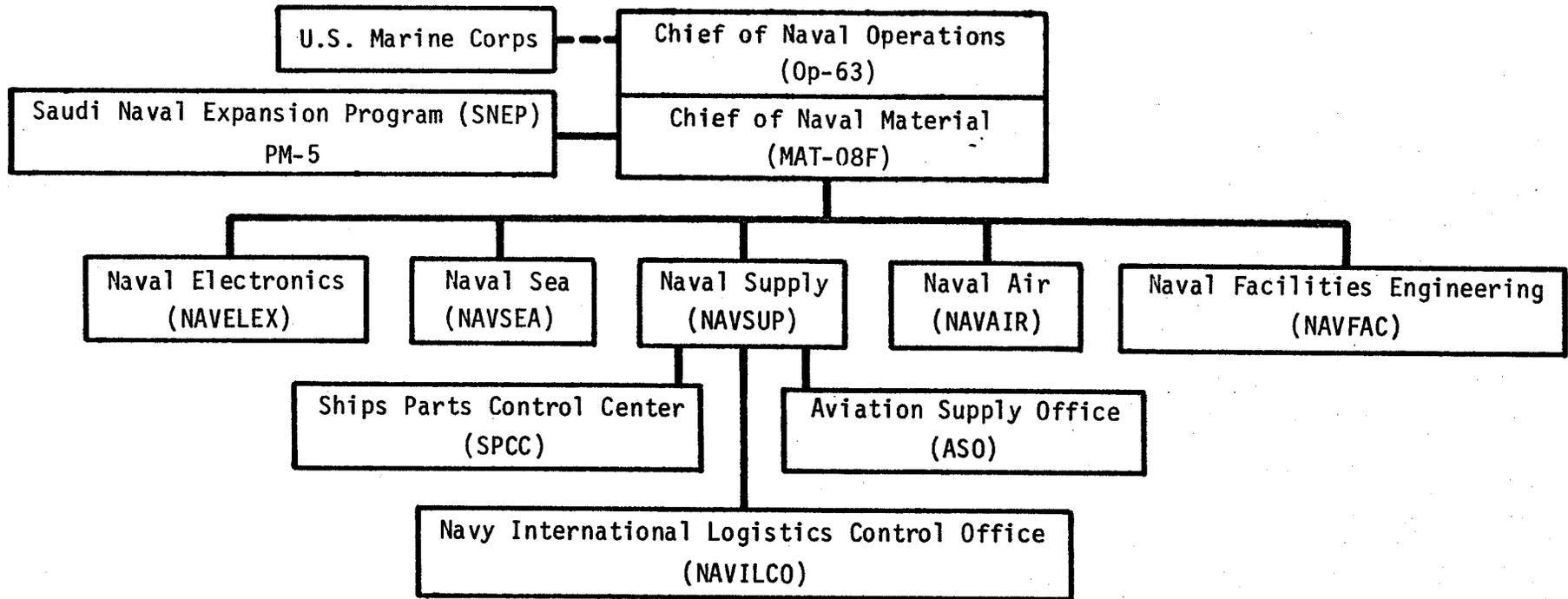
- Commander Naval Air Systems Command (NAVAIR)
- Commander Naval Sea Systems Command (NAVSEA)
- Commander Naval Electronics Systems Command (NAVELEX)
- Commander Naval Supply Systems Command (NAVSUP)
- Commander Naval Facilities Engineering Command (NAVFAC)

Each of these material commands is responsible for developing detailed security assistance program actions, as directed by the Chief of Naval Material and CNO. Principal actions within the systems commands relating to security assistance involve developing Price and Availability (P&A) and Planning and Review (P&R) data in response to foreign government requests. The SYSCOMS serve as Case Administering Offices (CAO) for most FMS hardware cases. In short, the Navy Material Command SYSCOMS provide the vital technical and administrative management required to acquire the articles or services called for by MAP or FMS cases.

NAVAIR directed cases for aircraft related equipments which were valued at \$8.35 billion in FY 80. This included over 750 open cases and a FY 80 total of 200 new cases implemented. NAVAIR received and processed about 350 P&A/P&R requests.

NAVSEA directed cases valued at \$5.3 billion, including 140 newly implemented cases in FY 80. A total of over 1000 cases for ship systems

NAVY SECURITY ASSISTANCE ORGANIZATION



related equipments and services were directed by NAVSEA. About 340 P&A/P&R requests were processed.

NAVELEX, responsible for aircraft, ship and shore based electronic systems, implemented 50 new cases in FY 80. A total of more than 200 cases, valued at \$427 million, and approximately 250 P&A/P&R requests were processed.

When required to provide engineering services, NAVFAC develops P&A/P&R data and implements cases for facilities engineering.

The backbone of Navy security assistance resides within the Naval Supply Systems Command. NAVSUP provides management and administration at the SYSCOM level. Three NAVSUP activities are important to security assistance logistics and case implementation. The Ships Parts Control Center (SPCC) is based in Mechanicsburg, Pennsylvania and serves as the inventory control point for all ships equipments. Direct Requisitioning Procedures (DRP) cases, Foreign Military Support Order cases, types I and II, for parts repair and spare parts support for ship equipments are coordinated through SPCC. The naval aviation counterpart for parts support in FMS is the Aviation Supply Office (ASO) in Philadelphia, Pennsylvania.

Central to all material case processing is the Navy International Logistics Control Office (NAVILCO), in Philadelphia. NAVILCO's role is featured in the discussion below.

Foreign Military Training (FMT) actions in security assistance are directed through the Chief of Naval Education and Training (CNET). CNET works directly for OP-63 in its management of all FMT. Located in Pensacola, Florida, CNET will assume accounting functions for all training FMS cases in FY 81. These actions were previously performed by NAVILCO.

A special function in security assistance is performed by Project Manager-5 within the CNM command. PM-5 directs security assistance cases for the Saudi Arabian Naval Expansion Program (SNEP).

NAVILCO - KEY TO NAVY SECURITY ASSISTANCE

NAVILCO is the central control point for Navy FMS and MAP programs, providing requisition, accounting, and reporting control in international logistics.

Commanding Officer, Captain Carl P. Vogel, Supply Corps, USN, directs a staff of 13 Navy supply officers and over 430 civilians. Additionally, NAVILCO has a resident group of foreign navy liaison officers representing ten foreign countries to provide close coordination in FMS transactions with the Navy.



Captain Carl P. Vogel, SC, USN (left), Commanding Officer, Navy International Logistics Control Office, Philadelphia, Pa., frequently conducts briefings with foreign government representatives. NAVILCO provides accounting and logistic management services for Navy security assistance programs.

FUNCTIONS

NAVILCO exercises requisition control from the time a requisition is placed in the U.S. Supply system until delivery of material and final accounting and reporting. NAVILCO transmits requisitions, informs foreign governments of requisition status and resolves Reports of Discrepancy (RODs).

From a financial perspective, NAVILCO ensures that charges are properly recorded and within case value. Detailed accounting and expenditure processing is performed daily to keep Navy and customer countries informed.

NAVILCO exercises close liaison with all elements of the defense supply system, as well as other Navy commands. Also, NAVILCO coordinates with Unified Commands to deliver required material.

ORGANIZATION

The Operations Department at NAVILCO manages the logistic interface with over seventy-five countries. In an average one month period, NAVILCO receives 35,000 requisitions and has in process about 335,000 requisitions. The Operations Department insures that customer countries receive requisition status reports.

The central point of contact within NAVILCO for all matters relating to a customer country's transactions is the Country Program Manager (CPM). The CPM acts as the customer's U.S. point of contact within the supply system and is totally responsible for all cases for assigned countries. There are fourteen CPM branches at NAVILCO, each responsible for up to eight countries.

The CPM is responsible for coordinating with the Case Administering Office (CAO), usually a SYSCOM, in the execution of implementing instructions and identification and provision of funds to the CAO's. The CPM also oversees the establishment of all requisitions on the open requisition file and monitors material delivery status. In many cases, the CPM must initiate action to contact customer representatives directly to advise of charges or quickly provide additional information or instructions to the supplying activity. When all items for a particular case have been delivered, the Financial Program Manager (FPM), who is the CPM's counterpart in NAVILCO's Comptroller Department, is responsible for the financial completion and closure certification of the case.

The Comptroller Department manages the Navy's portion of the FMS Trust Fund. The Comptroller has a two-part mission; it must protect the interests of the customer by providing detailed information about obligations and expenditures, and it must ensure that all purchases made by the Navy for an FMS customer are paid for from the FMS Trust Fund.

The FPM works closely with the CPM in monitoring the status of funding, and seeing that commitments, obligations, and expenditures are posted accurately and in a timely manner.

NAVILCO's Planning Department manages the Management Information Systems International Logistics (MISIL) System. MISIL, an automated computer system, is designed to perform four basic functions: supply control, reporting, financial control, and file maintenance. As the central point for all Navy security assistance program data, MISIL records supply requisition and financial transaction status.

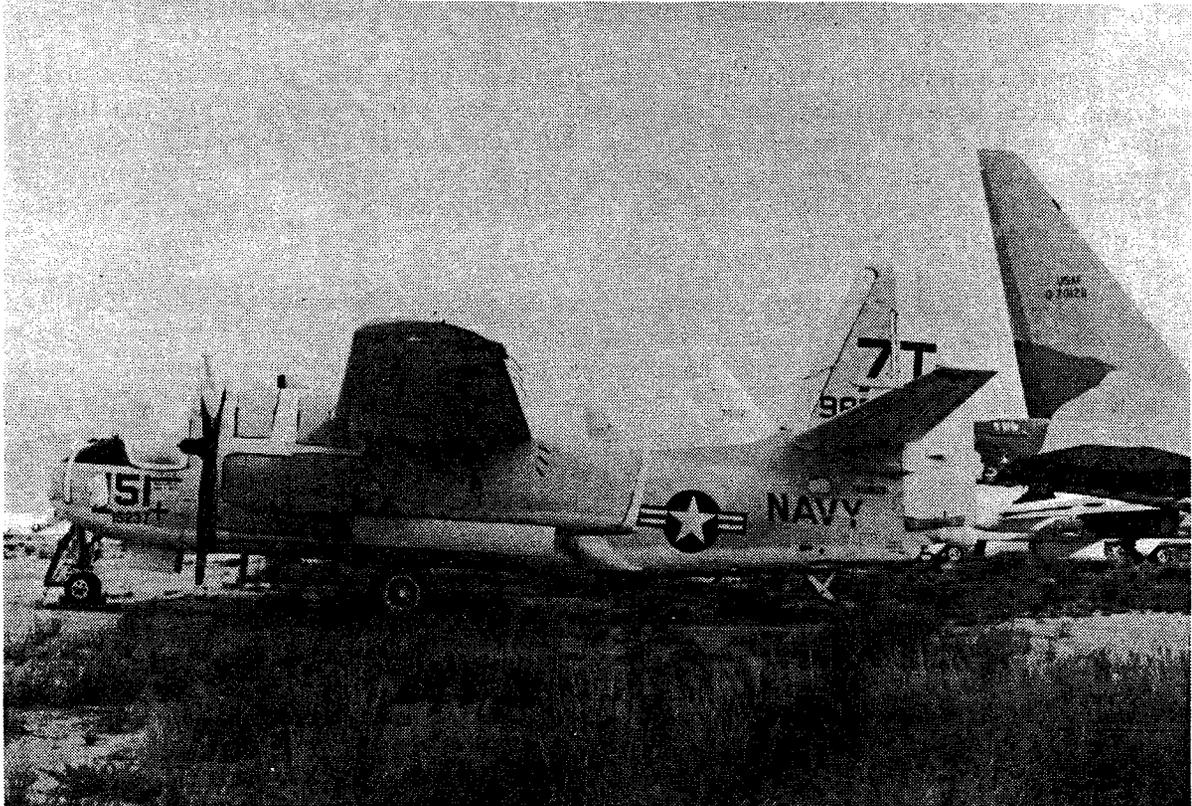
In 1978, NAVILCO established a Field Assistance Office to conduct liaison visits to customer countries with a goal of improving communications and reconciling specific problems. In FY 80, NAVILCO conducted liaison conferences with twelve customer countries.

SUMMARY

NAVILCO provides the essential logistic services required in the Navy's security assistance programs. Its role in implementing security assistance programs is critical to the Navy's successful fulfillment of security assistance foreign policy objectives.

THE NEXT DECADE: NAVY SECURITY ASSISTANCE OUTLOOK

The Navy will fulfill a large and vital position in the U.S. security assistance plan for the 1980's. The Navy's ability to develop and implement security assistance programs is dependent upon the dedicated performance of the many individuals in the security assistance chain of command. No single function within the commands described above could be completed without the detailed coordination of the other commands.



Defense articles which are excess to the operational requirements of the Department of the Navy can serve important and useful lives with foreign navies and air forces. The S-2 "Tracker" aircraft pictured above is in storage, potentially available to a foreign government under a Foreign Military Sales agreement or the Military Assistance Program.

The Navy role in FMS will continue to increase during the next decade. Current projections for FY 81 sales reflect \$3.1 billion estimated sales figure. A very important part of the Navy's security assistance programs will be foreign military training. Training courses will continue to increase in importance and demand as the complexity of military weapon systems increase.

Among the many large and important programs which encompass Navy security assistance efforts, the sale of F/A-18 aircraft is significant.

A total Department of Defense procurement objective of 1366 F/A-18 is indicative of the role the aircraft will have in the Navy/ Marine Corps during the 1980's. It is anticipated Foreign government requirements for the advance in the state of technology that the F/A-18 represents will continue throughout the decade.

Another major program is the new Oliver Hazard Perry class guided missile frigate, (FFG-7). Perry class frigates provide modern escort and anti-submarine warfare capabilities. Four FFG-7's are currently being built for the Royal Australian Navy. Additional numbers of this lower cost frigate may be requested by FMS customers in the 1980's.

As the Navy and Marine Corps proceed with the modernization of the front line operational forces, older weapon systems still retaining many useful years of service life for FMS customers will become available. Department of the Navy excess defense articles provide an important source of FMS and MAP material. Excess defense items will continue to be important in the next decade.

The outlook for Navy security assistance is bright for the 1980's. A proven track record in the formulation and management of these programs reflects the expertise and hard work throughout the Navy security assistance chain of command.