FMS Introduction to Security-Assistance Training

Welcome to FIRST!

AIR FORCE SECURITY ASSISTANCE AND COOPERATION DIRECTORATE

October 2017
To train Partner Nations, Industry, and the Program Executive Offices to enhance their understanding of the foreign military sales process in order to accelerate future case production.
What is FMS?

- **Foreign Military Sales (FMS)**
  - Security assistance (SA) program authorized by the Arms Export Control Act (AECA)
  - The basic U.S. law providing the authority and general rules for the conduct of FMS of defense articles, services, and training

- **Government-to-government agreements**
  - Letters of Offer and Acceptance (LOAs), FMS cases
  - The sale of defense articles and services
    - From Department of Defense (DoD) stock
    - Through new procurements under DoD managed contracts
What is FMS?

**Department of State (DoS)**
Secretary of State is responsible for continuous supervision and general direction of SA programs. DoS determines if programs are for sale and to whom, as well as reviews and approves export licenses and third party transfers.

**Defense Security Cooperation Agency (DSCA)**
Performs administrative management, program planning, and operations functions for SA programs at the DoD level under the policy direction of the Assistant Secretary of Defense – International Security Affairs.

**Department of Defense (DoD)**
Administers SA programs, with work being conducted by the services.
**What is FMS?**

**Secretary of the Air Force/International Affairs (SAF/IA)**
Develops, implements, manages, and supervises the AF’s international affairs, international technology transfer control, international armaments cooperation (IAC), and SA programs.

**Air Force Security Assistance and Cooperation Directorate (AFSAC)**
AF implementing agency (IA) responsible for the execution of SA programs, assigned by DSCA to prepare LOAs and implement FMS cases, and responsible for the overall management of the delivery of materials or services as set forth in LOAs accepted by our Foreign Partners.
Direct Commercial Sales (DCS)

- Like FMS, DCS are exports of defense articles, service, and training made by U.S. defense Industries to a foreign government
- Also provided for under the AECA
- Unlike FMS, sales are directly between U.S. defense Industries and Foreign Partners
- Therefore, DCS transactions are not administered by the DoD and do not normally include a government-to-government agreement
Provider of Choice

Sales Trends
(In Billions)

FY07-17

<table>
<thead>
<tr>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
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<tr>
<td>$11.10</td>
<td>$9.87</td>
<td>$8.21</td>
<td>$8.03</td>
<td>$17.30</td>
<td>$8.90</td>
<td>$9.39</td>
<td>$19.10</td>
<td>$9.28</td>
<td>$26.00</td>
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</table>
1,608 New LORs Offered in FY17
TOTAL ACTIVE FMS
COUNTRIES: 110
NATO ORGS: 7
REGIONAL ORG: 1
CASES: 2834
VALUE: $176.0 B
Full-Spectrum Capability

- Weapons System
- Supporting Systems
- Spare/Replacement Parts
- Munitions

- Logistics
- Facilities & Infrastructure
- Maintenance
- Command & Control
- Intelligence Support
- Battlefield Medicine & Education

- Training
- Professional Military Education
- Recruiting & Retention
- United Organization & Allocation
- Deployment Management
- Reserve Component Affairs

- National & Defense Strategy
- Military Plans
- Doctrine & Concepts
- Tactics, Techniques, & Procedures

- Resource Management
- Human Resource Management
- Acquisition, Logistics Systems, & Supply Chains
- Policy Oversight
- Interagency Governance
- Public Relations

Total Package Approach
Buyer/Seller Relationship

U.S. Department of Defense

Security Cooperation Community

Foreign Government

OFFSET AGREEMENT

United States Contractor

LOA

CONTRACT
Partner Nation Actions

- Requirements Development
- LOR Build
- Get Signed
U.S. Government (USG) Actions

- LOR Received
- LOA Build
- TSFD Reviews
- State Dept/Congressional Notification
- Price and Schedule
- LOA Offered
- LOA Signed
- IPD
USG Actions

- Logistics Process
- Contract Process
- Contract Award
- Manage Case
- Design/Build/Test
- Transportation
- Sustain
- Case Close
- Training
**Requirements Development**

- Identify requirements
- Research options/sources
  - Embassy
  - Security Cooperation Office/Officer (SCO)
  - Industry
Requirements Development

Bandaria’s Considerations:
National Security Strategy (NSS)
Mission
Threat
Budget
Political Factors

Needs
How Many?
What Kind?
When?
Where?
Cost?

U.S. Source
Arms
Export
Control
Act
(AECA)

DCS
FMS

Letter of Request (LOR)

Non-U.S. Sources
Sources of Information

- Internet
- News
- Print media
- Trade shows
- Visits
- Studies and analysis
- Government-to-government agreements
- Attend U.S. military schools
- U.S. Defense Industry
- Security Cooperation Officer (SCO)
- Department of Defense (DoD)
Surveys

- Review military capabilities and make recommendations
  - Comprehensive survey, system survey
  - Specific program needs, site survey
- Generally funded by an FMS case
- Personnel from Partner Nation, USG, and Industry
Implementing Agencies, (IAs), Program Executive Offices (PEOs), Program Management Offices (PMOs), Security Assistance Program Managers (SAPMs), & Industry

- Maintain checklists to assist purchaser in preparing an Letter of Request (LOR)
- Assists purchaser in defining LOR requirements
- Develops Price & Availability (P&A) data

AFSAC, the IA for the AF

AFSAT, the IA for ALL AF training cases/lines
What speeds up the FMS process?

- Clearly defined LORs that describe all aspects of the requirement including training and initial support
- Purchases of standard weapon system configurations which do not require design/build/test, or integration
- Good stakeholder buy-in
  - Foreign Partner
  - USG
  - Industry

Requirements stability!
What slows down the FMS process?

- Poorly defined or incomplete LORs
- Changing requirements/requirements instability
- Requirement for design/build/test or integration of new capabilities or equipment
- Policy
  - New
  - Changes
- Poor communication

Know the FMS process!
Partner Nation Actions

- LOR Build
  - Prepare LOR
  - Submit LOR
LORs can request...

**Price & Availability (P&A)**
- Rough order of magnitude (ROM)
- Sufficient for planning, but not for budgeting
- Not an offer to sell

**Letter of Offer and Acceptance (LOA)**
- Most precise estimate based on information provided
- Sufficient for budgeting
- Offer to sell

**Studies and Analysis**
- System survey
- Site Survey
Letter of Request (LOR)

- No specific format
- Must be in writing, verbal requests documented
  - Meeting minutes
  - Email
  - Memorandum (memo)
- Must be a complete LOR
  - Actionable per eSAMM, chapter 5
  - C5.1.2 & C5.1.3
Partner Nation ensures LOR is complete

- Identify desired articles/services
  - In detail
- Indicate if the LOR is for P&A, LOA, Amendment, or Modification (MOD)
  - If follow-on case, must identify original case
  - If blanket order (B/O) case, must include total case value (TCV)
- Identify type of funding
- Contain the name and address of originator
  - Signature authority
- Identify the intended recipient unit/service
Life-Cycle Cost

- Life Cycle Cost
- Operation and Support
- System Acquisition
- Production
- System Research and Development

A B C Milestones

STOP 70%
LOR Checklist

- Identification Information
  - Purpose
    - P&A
    - LOA
  - Lease
  - Purchaser
  - Pre-negotiations
  - Transparency
  - Acceptance Time Frame
  - International Solicitation

- Major Item Considerations
  - Standard Model
  - Quantity
  - Unique Configuration
  - Delivery Time Frame
  - Transportation
  - Warranties
  - Sole Source

- Support Considerations
  - Operations Concept
  - Maintenance Concept
  - Supply Concept

- Services
  - FMS Case Reviews
  - Training
  - DoD/Contractor Services
  - Site Survey

- Financial Considerations
  - Funding Source
  - Payment Schedule/Initial Deposit
  - Financial Waivers

- Special Considerations
  - Memorandum of Understanding (MOU)
  - Offsets
  - Commercial Negotiations
  - Special Reports
  - Interoperability

Total Package Approach
Air Force LOR Automation (LOR-A) Tool

https://afsac.wpafb.af.mil/lor.jsp

DISCS LOR Writing Guide

LOR Automation (LOR-A) Tool

The LOR Automation Tool was developed to reduce the process time from an LOR to a Letter of Acceptance (LOA), Price and Availability (P&A), or an Amendment or Modification to an existing LOA.
Channels of Request

U.S. Embassy/Security Cooperation Office

Combatant Command

Implementing Agency (IA)

Copying to:

Bandaria

Action to:

Congress

LOA
LOR Received

- Receive submitted LOR and evaluate
  - Complete?
  - Actionable?

- Accept/input into the LOR-A Tool
- Executes SA programs
- Primary point of contact (POC) for our Partner Nations

### Implementing Agencies

<table>
<thead>
<tr>
<th>Implementing Agencies</th>
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<tbody>
<tr>
<td>U.S. Army</td>
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<tr>
<td>U.S. Navy</td>
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<tr>
<td>U.S. Air Force</td>
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<tr>
<td>National Security Agency (NSA)</td>
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<tr>
<td>National Geospatial-Intelligence Agency (NGA)</td>
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<tr>
<td>Defense Logistics Agency (DLA)</td>
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<tr>
<td>Defense Information Systems Agency (DISA)</td>
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<tr>
<td>Defense Contract Management Agency (DCMA)</td>
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<tr>
<td>Defense Threat Reduction Agency (DTRA)</td>
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<tr>
<td>Missile Defense Agency (MDA)</td>
</tr>
<tr>
<td>Defense Security Cooperation Agency (DSCA)</td>
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</tbody>
</table>
FMS System: LOA

Need

Partner Nation Actions
- Requirements Development
- LOR Build

FMS Case Lifecycle
- LOA Build
- LOA Offered
- LOA Signed
- IPD

Tech Transfer
- TSFD Reviews

Foreign Policy Review & Oversight
- State Dept/ Congressional Notification

Acquisition
- Price And Schedule

Fund
- Logistics process
- Manage Case
- Trans
- Sustain

Case Close

Active Case
- Training
- Design/Build/Test
- Trans
- Sustain

Capability
- Contract Award
USG Actions

- **LOA Build**
  - Develop LOA
  - Task LOA Data (LOAD)

- **TSFD Reviews**
  - Releasable?
  - What level?

- **State Department**

- **Congressional Notification**

- **Price and Schedule**
### Case Categories and Types

<table>
<thead>
<tr>
<th>Categories</th>
<th>Types of Cases</th>
<th>AOD</th>
</tr>
</thead>
</table>
| **A - B/O** | E – Support Equipment  
K – CLSSA  
M – Repair/Return  
P – Publications (Pubs)  
R – Spares  
T - Training | 45 days |
| **B - D/O** | A – Munition (ammo, bombs, rockets)  
C – CAD/PAD  
D – Communication Security (COMSEC)  
G – Services (manpower)  
N – Special Support  
O – Information Security (INFOSEC)  
T – Training | 100 days |
| **C - Complex** | Q – Specialized sustainment support (catch all)  
S – Major aircraft (system sales) | 150 days |
| **D - Pseudo** | Building Partnership Capacity (BPC) | 60 days |
4 LOA Categories

- **Blanket Order (B/O)**
  - Training
  - Cooperative Logistics Supply Support Arrangement (CLSSA)
- **Defined Order (D/O)**
  - Training
- **Complex Cases**
- **Pseudo (BPC)**

Top 3 types of cases received in the last 12 months: Q, G, & S!
Blanket Order (B/O)

- Support equipment
- Cooperative Logistics Supply Support Arrangement (CLSSA)
- Repairables
- Publications (PUBS)
- Spares
- Training
**Defined Order (D/O)**

- **Special Transportation considerations/arrangements**
  - Aircraft Ferrying
  - Munitions
  - Cartridge Actuated Device/Propellant Actuated Device (CAD/PAD)

- **Classified or sensitive articles**
  - Communications Security (COMSEC)
  - Information Security (INFOSEC)
  - Technical Data packages (IPD)
D/O

- **Services**
  - Case funded personnel
  - Contract Engineering Technical Services (CETS)
  - Contract Logistical Support (CLS)

- **Significant military equipment (SME)**
  - Major end items
  - Weapons systems

- **Training**
Complex LOA

- 1st time purchase
- Engineering/system integration
- Unique acquisition
- Complex pricing and/or scheduling
- Detailed disclosure coordination
- Extensive coordination
Pseudo LOA

- **Building Partnership Capacity (BPC)**
  - Requires approval of the Secretary of Defense (SecDef) and DoS
  - Congressional notification (CN) is required
  - NOT signed by the Foreign Partner, LOA may be shared with Foreign Partners on a case-by-case basis
  - USG in-country destination transportation
  - Title transferred at the point of delivery, SCO responsible
Pseudo LOA

– LOA standard terms and conditions do NOT apply
– DSCA issues a policy memo each fiscal year identifying funding
– LOA cites program authority and period of availability for that financial authority
– More than 1 country can be identified to receive program material and/or services on the LOA
- Technology Transfer
- Defense Technology Security Administration (DTSA) researches and validates license applications for DoD
- Implementing USAF Directives
Technology Security & Foreign Disclosure Processes

Multiple Authorities

State / Defense / Intelligence Community

13 separate processes. Several processes require DoD to work with other agencies

Military Departments

The Military Departments have own Technology Transfer / Disclosure processes

Office of the Secretary of Defense

Policy

Defense Technology Security Administration

State or Commerce Department

Defense Technology Security Administration

Military Departments

Military Commands

Industry

Defense Security Cooperation Agency

Foreign Military Sales (Gov’t-to-Gov’t)

Letter of Request (LOR)

Implementing Agency (Military Departments)

Defense Security Cooperation Agency

Combatant Commands

State Department

Letter of Acceptance (LOA)

Defense Technology Security Administration

Export Licensing for Direct Commercial Sales

Acquisition, Technology & Logistics

International Cooperation

International Armaments Cooperation

Proposed International Agreements (IA)

Implementing Agency (Military Departments)

Acq., Tech. & Logistics

Combatant Commands

State Department

Final International Agreement (IA)
Foreign Disclosure Office (FDO)

- Governs decisions on disclosure
- Five disclosure criteria
  - Consistent with U.S. foreign policy and national security objectives
  - Will NOT constitute an unreasonable risk to the U.S. position in military tech or operational capabilities
  - The same degree of security protection given by the U.S. is used
  - Will result in benefits to the U.S. at least equivalent to the value of the info disclosed
  - Limited to info necessary to accomplish the purpose for which disclosure was authorized
- Delegation of Disclosure Letter (DDL)
- **DoS governs**
  - Which countries can have programs
  - Which sales, leases, and transfers will be made
  - Foreign assistance funding levels
- **Reviews/approves**
  - License requests for commercial sales
  - Third party transfers
- **Responsible for continuous supervision and direction of programs**
Congressional calendar is key for planning
- Congress must be in session
- May impact LOA offer date, and thus cost and schedule

Data is considered classified until State, via DSCA, authorizes For Official Use Only (FOUO) handling or statutory notification

Upon statutory notification, 36(b) data becomes a public record in the Federal Register and on the DSCA website
Bandar·a – HUMDINGER Surface Launch Missiles

WASHINGTON, September 13, 2014 – The Defense Security Cooperation Agency notified Congress on 13 September of a possible Foreign Military Sale to Bandar·a of 94 HUMDINGER Surface Launch Missiles, 16 missile launchers, canisters, associated support equipment, spare parts, and logistical support for an estimated cost of $100 million.

The Government of Bandar·a has requested a possible sale of 94 HUMDINGER Surface Launch Missiles, containers, missile simulation rounds, containers, two years of initial spare parts, support equipment, spare and repair parts, personnel training and equipment, publications, U.S. Government and contractor engineering and logistics personnel services, and other related elements of logistics support. The estimated cost is $100 million.

Bandar·a is one of the major political and economic powers in the region and an ally of the United States in ensuring peace and stability. It is vital to the U.S. national interest to assist Bandar·a to develop and maintain a strong and ready self-defense capability.

The proposed sale will improve Bandar·a’s capability to meet current and future threats of enemy aircraft. Bandar·a will use the enhanced capability to deter regional threats, to strengthen its homeland defense, and to contribute to overseas contingencies.

Bandar·a will have no difficulty absorbing these missiles into its armed forces. The proposed sale of this equipment and support will not alter the basic military balance in the region.

The prime contractor will be MASID Corporation in Dayton, Ohio. There is an offset agreement proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Bandar·a.

There will be no adverse impact on the U.S. defense readiness as a result of this proposed sale.

This notice of a potential sale is required by law and does not mean the sale has been concluded.
Price and Schedule

- **Cost – Schedule – Performance**
  - **Cost – Price per the LOA**
    - Estimate, but sufficient for budgeting
  - **Schedule, also per the LOA**
    - Long lead time items
    - Roll-out
    - Period of Performances (PoPs)
FMS System: LOA Offered & Signed
• LOA Offered
## Anticipated Offer Date (AOD)

<table>
<thead>
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<th>Categories</th>
<th>AOD</th>
<th>30 month rolling average</th>
<th>Types of Cases</th>
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<tbody>
<tr>
<td></td>
<td>(goal is to offer 85% of LOAs after LOR is received)</td>
<td>(as of 13 Oct 17)</td>
<td>Response time depends on type of case, complexity of the program, and clarity/completeness of customer’s LOR</td>
</tr>
<tr>
<td>A</td>
<td>45 days (or less)</td>
<td>35.4 days</td>
<td>Blanket Order</td>
</tr>
<tr>
<td>B</td>
<td>100 days (or less)</td>
<td>84.9 days</td>
<td>Defined Order</td>
</tr>
<tr>
<td>C</td>
<td>150 days (or more)</td>
<td>251.7 days</td>
<td>Complex (1st time purchase, engineering/system integration, unique acquisition, complex pricing and/or scheduling, detailed disclosure coordination, extensive coordination)</td>
</tr>
<tr>
<td>D</td>
<td>60 days (or less)</td>
<td>51.6 days</td>
<td>Pseudo</td>
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Delay Reason Codes

- Pricing Delays (PEO) - 35%
- Requirements Instability (Partner, SCO, AFSAC) - 13%
- Congressional Notification (DSCA) - 12%
- Releasibility (DSCA/DTSA) - 7%
- Policy Waiver (DSCA, SAF/IA) - 13%
Partner Nation Actions

- Get Signed
  - Forward signed LOA to the IA
  - Send initial deposit to Defense Finance & Accounting Service (DFAS)
FMS Terminology

LOA

- Offer to sell U.S. defense articles and services
  - Government-to-government
  - AECA

- Basic Case

- Amendment – change in scope to an existing LOA

- Modification (MOD)
  - Administrative or price change to an existing LOA
  - Does NOT change the scope of the case
Case Identifier

- 6-digits
  - 2-letter country code (CC)
  - 1-letter IA, ie. Army – B, Navy – P, AF – D
  - 3-letter case designator
- Unique, used to identify the case through all transactions

Initial Deposit
Term of Sale

- Cash with Acceptance
- Cash Prior to Delivery
- Dependable Undertaking
- Payment on Delivery
- FMS Credit
- MAP Merger
- FMS Credit (non-repayable)
- Excess Defense Articles (EDA) Grant

United States of America
Letter of Offer and Acceptance (LOA)

BN D-YC
ROYAL HUMDINGER II

Based on (DISAM) Government of Bandursia (GOB), Letter Dated (continued on page 2)

Pursuant to the Arms Export Control Act, the Government of the United States (USG) offers to sell

to the Government of Bandursia, Office of the Military Attaché, 2468 16th Street NW, Washington DC
20009; the defense articles or defense services (which may include defense design and construction
services) collectively referred to as “items,” set forth herein, subject to the provisions, terms, and
conditions in this LOA.

This LOA is for 94 SL-HUM-120Z Surface Launch Humdinger Missiles, including coproduction
of the SL-HUM-LAU-999/A/A missile launchers, two years initial spare (continued on page 2)

Emitted: $104,335,333
Initial Deposit: $2,336,702

Terms of Sale:
- Cash Prior to Delivery
- Dependable Undertaking
- Congressional Notification: 14-99

This offer expires on 31 October 2014. Unless a request for extension is made by the Purchaser and
granted by the USG, the offer will terminate on the expiration date.

This LOA consists of page 1 through page 36.

The undersigned are authorized representatives of their Governments and hereby offer and accept,
respectively, this LOA:


Purchaser Signature: Date

SUSAN L. McCULLY  General Malaise
Director, EASTCOM Branch  Defense Chief of Staff
Typed Name and Title  Typed Name and Title

AFSAC International Division
Implementing Agency
Agency


DSCA: Date

Information to be provided by the Purchaser:
Mark For Code A_, Freight Forwarder Code_2_, Purchaser Procuring Agency Code_B_, Name
and Address of the Purchaser’s Paying Office_Office of the Military Attaché, 2468 16th Street
NW, Washington DC 20009
- **Mark for Code**
  - Identifies the address in country that is to receive the item(s)
  - Actual street address can be found in the Military Assistance Program Address Code/Directory (MAPAC/MAPAD)

- **Freight Forwarder (FF) Code**
  - Identifies the address of the FF that is to receive the item(s)
  - Also see the MAPAC/MAPAD

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**United States of America Letter of Offer and Acceptance (LOA)**

BN-D-YC

ROYAL HUMDINGER II

Based on (DISAM) Government of Banduria (GOB). Letter Dated (continued on page 2). Pursuant to the Arms Export Control Act, the Government of the United States (USG) offers to sell to the Government of Banduria, Office of the Military Attaché, 2468 16th Street NW, Washington DC 20009, the defense articles or defense services (which may include defense design and construction services) collectively referred to as "items," set forth herein, subject to the provisions, terms, and conditions in this LOA.

This LOA is for 94 SL-HUM-120Z Surface Launch Humdinger Missiles, including coproduction of the SL-HUM-LAU-999A/A missile launchers, two years' initial spare (continued on page 2)

Estimated Cost: $104,335,333
Initial Deposit: $2,338,702

Terms of Sale:
Cash Prior to Delivery
Dependable Underwriting

Congressional Notification: 14-09
This offer expires on 31 October 2014. Unless a request for extension is made by the Purchaser and granted by the USG, the offer will terminate on the expiration date.

This LOA consists of pages through page 26.

The undersigned are authorized representatives of their Governments and hereby offer and accept, respectively, this LOA.

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<thead>
<tr>
<th>U.S. Signature</th>
<th>Date</th>
<th>15 Oct 2014</th>
<th>16 Oct 2014</th>
</tr>
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<tbody>
<tr>
<td>SUSAN L. McCLURE</td>
<td>General Malaise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director, EASTCOM Branch</td>
<td>Defense Chief of Staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Typed Name and Title</td>
<td>Typed Name and Title</td>
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<tr>
<td>AFSC International Division</td>
<td></td>
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<tr>
<td>Implementing Agency</td>
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<tr>
<td>DSCA Reviewed/Approved</td>
<td>15 Oct 2014</td>
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<tr>
<td>DSCA</td>
<td></td>
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</table>

**Note:**
- Mark For Code
- Freight Forwarder Code

Provided by the Purchaser Procurement Agency Code B
Name and Address
Office of the Military Attaché, 2468 16th Street NW, Washington DC 20009
Offer Expiration Date (OED)

- The last date the purchaser may sign/accept the offer
- Normally 85 days
  - 25 days for administrative processing
  - 60 days for Foreign Partner review
- Long OEDs for countries that have been approved
- Short OEDs as needed
Per the AECA, and the Standard Terms and Conditions on the LOA, FMS programs operate at no cost to the USG and may not be supported by appropriated funds.

- An administrative surcharge is applied to every LOA.
- Supports the FMS program and personnel required to run it.
- Currently 3.5%
Also per the AECA, and the Standard Terms and Conditions on the LOA

– Partner Nations must agree to:
  • Use U.S. provided defense articles, services only for their intended purpose
  • Not transfer title, or possession of, any defense article without prior USG written consent
  • Maintain security of the articles with the same degree of protection afforded by the USG
  • Permit USG observation and review
  • Furnish necessary info of articles to the USG
LOA Acceptance

1. Offered LOA
2. Initial Deposit
3. Signed LOA
4. Accepted (signed) LOA
5. Bandarapia
6. Implementing Agency (IA)
7. Defense Finance and Accounting Service (DFAS-SCA)
FMS System: Implementing Project Directive (IPD)
USG Actions

- LOA Signed
- Implementing Project Directive (IPD)
  - Issue IPD
  - Implement case
  - Activate FMS computer systems
    - Logistics – Security Assistance Management Information System (SAMIS)
    - Financial – Case Management Control System (CMCS)
Provides case implementation instructions and lays the foundation for successful program execution

The Case Manager (CM) is responsible for issuing an IPD directing case/line(s) be implemented

- SAPM
- Program Support Manager (PSM)
- Command Country Manager (CCM)
FMS System: Active Case

- Partner Nation Actions
  - Requirements Development
  - LOR Build
- LOG Build
- Get Signed
- Active Case
- Fund
- Logistics process
- Manage Case
- Trans
- Sustain
- Case Close
- Contract Award
- Contract process
- Design/Build/Test
- Trans
- Sustain
- Capability

AIR FORCE SECURITY ASSISTANCE AND COOPERATION DIRECTORATE
USG Actions

- Logistics Process
- Contract Process
- Contract Award
- Manage Case
  - Conduct periodic reviews
  - Report performance
- Design/Build/Test
- Transportation
USG Actions

- Sustain
- Case Close
  - Defense Finance & Accounting Service (DFAS)
  - Financial management/manager (FM)
    - IA
    - SAPM
  - Reconcile records
  - Send closure certificates
Logistics

Implementing Agency (IA)

Procurement
DoD Resources
Services Training
Freight Forwarder

as required
as required
- Federal Acquisition Regulation (FAR) provisions apply to FMS
- Competitive procurement process is used to the maximum extent possible
  - Source selection
  - Timely process

Expectation Management!
**PMO & SAPM**

- Develop Requests for Proposals (RFPs) to communicate requirements to Industry
- Conduct competitions as required by U.S. law and customer requirements
- Negotiate contract price and terms with the contractor
- Oversee execution of the contract, keeping the purchaser aware of status and any concerns
Contracting

Customer
- Requirement Determination

Case Manager
- LOA Preparation
- Case Implementation

PEO & SAPM
- Procurement Requests

Source Selection Process

Procuring Contracting Officer (PCO)
- Solicitation
- Evaluation
- Discussions, if required
- Award

Administrative Contracting Officer (ACO)
- Assignment
- Control System
- Performance Measurement
- Inspection / Acceptance
- Complete Audit / Payment Closeout

Case Manager
- LOA Case Closure
Members of the Defense Acquisition Workforce are involved in all phases of the FMS process, and are responsible for providing:

- Material
- Services
- Training
Program Management Offices (PMOs) are established to manage weapon system acquisitions

– Same organization that manages DoD systems
– Follows the same policies and procedures the DoD uses for its own acquisition programs
- PEO, PMO, SAPM, & Industry
- Manage development and test of new capabilities or equipment
- Integrate all items associated with a system to provide intended capability
• 1st destination transportation cost is already included in the price of items from stock

• Delivery Term Codes (DTCs)
  – LOA
  – Document Control Number (DCN)
Defense Transportation System (DTS)

- Cost of DoD provided or financed transportation
  - Continental United States (CONUS)
  - Outside the U.S. (OCONUS), i.e., Overseas
- eSamm Appendix 2, transportation cost lookup table
Sustainment

- Cooperative Logistics Supply Support Arrangement (CLSSA)
  - Procurement
  - Repair/Replace (MRRLs, H-codes/G-codes)
- Repair/Return (R/R)
- Parts & Repair Ordering System (PROS)
  - Procurement
  - Repair/Return
- WorldWide Warehouse Redistribution System (WWRS)
An arrangement between the U.S. military service and an FMS Customer that sets forth the terms and conditions for providing more timely follow-on support for a major weapons system

- DSCA approval required
- Requires a separate case, KAA
  - Enables customer to ‘buy in’ to the DoD supply system
  - Increases the probability of parts availability by increasing defense stocks in anticipation of FMS requirements
- And a B/O case
  - Spares and repairs
  - Provides support similar to the USAF within priority
<table>
<thead>
<tr>
<th>Force Activity Designator</th>
<th>Urgency of Need Designator</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>A 01 11</td>
</tr>
<tr>
<td>II</td>
<td>B 02 12</td>
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<tr>
<td>III</td>
<td>C 03 13</td>
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<td>IV</td>
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<td>V</td>
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</tbody>
</table>
Repair/Return (R/R)

- Serial number (SN) controlled
- Price & Availability (P&A)
  - Organic/depot
  - Government contract
- Assets must be input into the system prior to shipment
  - SAMIS
  - DCN, requisition (RQN)
Supplements the DoD logistics system

- Provides FMS customers an avenue for procuring non-standard parts and services required to operate weapon systems of U.S. origin
- PROS can also support standard requirements when DoD organic capability is either unavailable or not timely

• USG office at WPAFB
• PROS Contractor
WorldWide Warehouse Redistribution Services (WWRS)

- **Tri-Service, web based ‘warehouse’ designed to transfer fully serviceable, condition code ‘A’, excess spares and support equipment from one FMS customer to another**
  - Buyer can use any B/O FMS case to buy
  - Seller needs a WWRS case to sell
Case Closure

- **IA & SAPM**
  - Notice of Services/Supply Complete (NSSC)
  - Conduct financial reconciliation to enable case closure, FM functions
    - Over commitments (OCOMS)
    - Unliquidated Obligations (ULOIs)
    - Negative (ULOIs)

- **DFAS – Final Closure**
Federal Acquisition Regulation (FAR)
https://www.acquisition.gov/?q=browsefar

Arms Export Control Act (AECA)
https://www.pmddtc.state.gov/regulations_laws/aeca.html

Defense Security Cooperation Agency (DSCA)
www.dsca.mil
Security Assistance Management Manual (eSAMM)
www.samm.dsca.mil

Congressional Notification (CN)
http://www.dsca.mil/major-arms-sales

Defense Institute of Security Cooperation Studies (DISCS)
www.discs.dsca.mil
DISCS LOR Writing Guide

AFSAC Online (AOL)
https://afsac.wpafb.af.mil/

LOR-A Tool
https://afsac.wpafb.af.mil/lor.jsp
Training

Partner Nation Actions

FMS Case Lifecycle

Tech Transfer

Foreign Policy Review & Oversight

Acquisition

Get Signed

Fund

Logistics process

Manage Case

Trans

Sustain

Case Close

Contract process

Design/Build/Test

Trans

Sustain

Contract Award

Capability

PRE-LOR

LOR

LOA

Active Case

STOP

LOR Received

LOA Offered

LOA Signed

IPD

Price And Schedule

State Dept/ Congressional Notification

TSFD Reviews

LOA Build

Need

AIR FORCE SECURITY ASSISTANCE AND COOPERATION DIRECTORATE
AFSAC Schoolhouse

AIR FORCE SECURITY ASSISTANCE AND COOPERATION DIRECTORATE

October 2017
AFSAC Schoolhouse

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SAMIS & AFSAC Online course

This 3-day course examines all aspects of supply management (SM) through the use of the FMS logistical system SAMIS and our organization specific website AFSAC Online, from researching, to requisitioning, and finally status. This course also includes live demos in Haystack GOLD, FedMall, the Stock Control Homepage, and the Defense Logistics Agency (DLA). Course attendees learn how to research a national stock number (NSN), decipher an LOA, check to ensure funds available, build a DCN, input a requisition (RQN) or custom commitment (C05), and interpret the status of an established DCN/RQN. Class ends with an instructional game.
Command Country & Program Support Manager (CCM/PSM) course

This 3-day course is specifically designed for our CCMs & PSMs. Topics covered in this course include an overview of the FMS process and associated parallel processes, P&A, CN, and the case financial dashboard (CFD). This course also includes guest presentations from subject matter experts (SMEs) on the LOR-A Tool, classified documents management, FDO, sole source (SS), and manpower and Security Assistance Manpower Requirements System (SAMRS). Day 3 of this course helps prepare attendees for a financial or program management review (FMR or PMR). This course also includes live demos and an instructional game.
DSAMS Familiarization

This 3-day course focuses solely on the Defense Security Assistance Management System (DSAMS) from the perspective of 3 distinct roles. Attendees are able to log into DSAMS via practice accounts to help with familiarization of system functions. Day 1 centers on CCM/PSM roles in DSAMS. Day 2 centers on CM roles in DSAMS. And day 3 centers on line manager (LM) roles in DSAMS and includes a detailed practice assignment that gets users into the actual system and builds confidence with the system. This course also includes live demos.
Foreign Liaison Officer (FLO) Familiarization

This 3-day course is specially designed for our Foreign Partners. Topics covered in this course include training on the 2 major systems our FLOs have access to, SAMIS and AFSAC Online. This course also includes guest presentations from program offices including WWRS, PROS, CLSSA, Supply Discrepancy Reporting (SDR), and the CFD. Day 1 of this course includes FIRST!
We are located a Wright-Patterson AFB
- Our office is located on the mezzanine of bldg. 210 in area A
- Courses run Tuesday-Thursday from 0830-1530, daily

Visit our SharePoint site
- Courses/dates listed under “Events”
- Email training POCs to register
Security Cooperation Management (SCM)

- **Prerequisite for all**
  - IPSR – OL, International Programs Security Requirements

- **Level I**
  - SCM – FA – OL, Familiarization

- **Level II**
  - SCM – OC – OL, OCONUS
SCM Courses

- **Level III**
  - SCM – C, CONUS

- **Level IV**
  - SCM – CS, Customer Service
  - SCM – CM, Case Management
  - SCM – CF, Case Financial
  - SCM – CR, Case Reconciliation

*FIRST is not a substitute for DISCS training!*
Managed by DISCS via SAN Web

To Register

– [https://elnath.idss.ida.org/sanweb/](https://elnath.idss.ida.org/sanweb/)
– Choose the ‘IA Cert’ tab, top left
Foreign Partners Courses

- **Online (OL):**
  - Familiarization Course (SCM-FA-OL)
  - Orientation Course (SCM-OC-OL)

- **In Residence:**
  - International Purchaser Financial & Logistics Management Course (SCM-IFL)
  - International Purchaser Financial & Training Management Course (SCM-IFT)

**FIRST is not a substitute for SCM-IFL or SCM-IFT!**
Foreign Partner Registration

- Request admission through your country’s FMS/IMET training office, who coordinates the request through your SCO training manager
  - SCOs should submit requests to the U.S. Air Force Security Assistance Training Squadron (AFSAT), who manages DISCS quotas
  - Arrange for the ELC testing, through your SCO, before applying
    - ELC testing is through the Defense Language Institute English Language Center (DLIELC), NOT DISCS
    - Have your ELC score prior to attending DISCS training
Defense Acquisition University

AIR FORCE SECURITY ASSISTANCE AND COOPERATION DIRECTORATE

October 2017
DAU Mission
Provide a global learning environment to develop qualified acquisition, requirements and contingency professionals who deliver and sustain effective and affordable warfighting capabilities.
Further Training

Roles

- Provides foundational training to over 150,000 members of the Defense Acquisition Workforce in 14 career fields through online and in-residence training to enable certification
- Maintains extensive online workflow learning assets
- Provides performance learning consulting and other services
- [https://www.dau.mil/](https://www.dau.mil/)
Courses offered at DAU
- Program Management (PM), 1101
- Life Cycle Logistics (LG), 0346
- And many more!
The other IACP

FIRST!

To see this presentation on DAU

- [https://www.dau.mil/cop/iam/](https://www.dau.mil/cop/iam/)
- Click the “Security Cooperation” tile
- Select the PDF “AF Security Assistance & Cooperation Directorate FMS Introduction to Security Assistance Training (Oct 17)”