Background Information
International Acquisition and Exportability (IA&E)

Introduction to International Acquisition

International Acquisition and Exportability (IA&E) refers to the entire spectrum of activities that the defense acquisition workforce engages in with allied and friendly nations and other foreign entities. These activities include acquisition workforce efforts in six interrelated IA&E areas:

- IA&E Planning and Analysis
- International Cooperative Programs
- Defense Sales and Transfers
- Technology Security and Foreign Disclosure
- Defense Exportability Integration
- International Contracting

These IA&E activities also support U.S. Government (USG)/Department of Defense (DoD) Security Cooperation Equipment Sales and Financing and International Armaments Cooperation efforts.

IA&E Areas

The DoD IA&E conceptual framework includes six integrally related, mutually supportive areas.

**IA&E Planning and Analysis** activities focus on conducting DoD Component program-level IA&E Assessments as early as possible in programs’ lifecycles in order to evaluate international considerations and potential foreign involvement in areas such as interoperability requirements, program protection considerations, cooperative opportunities, and international markets.

**International Cooperative Program** activities focus on DoD Component program-level identification of international cooperative opportunities, formulation of cooperative program strategies, establishment of legally required ICP international agreements, and execution of cooperative programs and projects throughout the acquisition life-cycle in accordance with USG/DoD laws, regulations, policies, and practices.

**Defense Sales and Transfers** activities focus on DoD Component planning, establishment, and execution of the program-level acquisition aspects of DoD Security Assistance and other defense sale-related Security Cooperation efforts in accordance with USG/DoD laws, regulations, policies, and practices. (Note: this area is covered in more detail in the next section of this IA&E Background Information Paper.)

**Technology Security and Foreign Disclosure (TSFD)** activities focus on DoD Component program-level navigation of the USG/DoD TSFD system, which involves engaging a semi-autonomous collection of various TSFD processes—colloquially referred to as the TSFD “Pipes”—that issue both broad and specific TSFD policy guidance applicable to all Under Secretary of Defense (USD) (Acquisition & Sustainment), USD(Research & Engineering), USD(Policy), and DoD Component IA&E efforts.
**Defense Exportability Integration** activities focus on DoD Component on planning, integrating, and executing the entire spectrum of program-level defense exportability efforts—Program Protection (International Considerations); navigating the USG/DoD TSFD Pipes; Exportability Design & Development; and International Security and Export Control Considerations—throughout the acquisition lifecycle.

**International Contracting** activities focus on DoD Component program-level efforts in support of domestic, hybrid U.S.-foreign, and foreign-unique contracting efforts in the following areas:

- Conducting international business with DoD acquisition organizations
- Buy American Statute and Reciprocal Defense Procurement (RDP) Agreement implementation
- Restrictions on DoD purchases from non-U.S. Sources (e.g., Berry Amendment, Specialty Metals, etc.)
- DoD and Allied/Friendly Nation procurement organization engagement.

**Security Cooperation**

Security Cooperation is a broad DoD term used to describe a wide range of programs, activities, and initiatives directly supervised and/or managed by the DoD that:

- Involve interaction with foreign defense and security counterparts around the world
- Encourage and enable international partners to work with the United States to achieve strategic objectives
- Include all DoD interactions with foreign defense and security establishments
- Provide U.S. forces with peacetime and contingency access to host nations

As noted above, the two categories that are related to DoD acquisition workforce IA&E efforts are Equipment Sales and Financing and International Armaments Cooperation.

**Equipment Sales and Financing**

Equipment Sales and Financing refers to the activities whereby the USG/DoD

- Provides:
  - Defense Articles and Services
  - Other Defense-related material
  - Training associated with equipment
- Encompasses:
  - Security Assistance programs
  - Building Partnership Capacity programs

**International Armaments Cooperation**

International Armaments Cooperation (IAC) refers to activities whereby the DoD and one or more a foreign partner nations or international organizations establish International Cooperative Program (ICP) research, development, and acquisition projects and programs. Other IAC activities also include:

- Exchanges of Research and Development information and Scientist and Engineer personnel
- Periodic bilateral and multilateral engagement activities with allied/friendly nation acquisition counterparts
- DoD efforts to identify and procure foreign equipment, technology, or logistics support on a non-developmental basis
International Armaments Cooperation (IAC) is known by a variety of names such as:

- International Armaments Cooperation
- International Cooperative Programs
- Armaments Cooperation
- International Cooperative Research and Development
- Defense Cooperation in Armaments

Security Assistance

Security Cooperation is an integral element of the DoD mission and the associated activities can be thought of as falling within seven broad categories. A detailed discussion of all Security Cooperation activities is beyond the scope of this foundational acquisition course.

The State Department treats all Security Assistance programs as a tool of foreign policy, while at the same time, the DoD considers them as a subset of DoD Security Cooperation efforts.

Some Security Assistance programs receive their funding through Congressional appropriations, while others typically must be paid by the partner nation. In addition to the State Department and DoD, the United States Agency for International Development (USAID) administers an appropriated Security Assistance program.

As one of the Security Cooperation activities that involves international acquisition, Security Assistance is a group of programs authorized by:

- Foreign Assistance Act (FAA)
- Arms Export Control Act (AECA)
- Other related statutes

These programs allow the United States to provide:

- Defense articles
- Military training
- Other defense-related services

Security Assistance can be provided through:

- Grants
- Cash sales
- Leases

Foreign Military Sales (FMS)

Foreign Military Sales (FMS) is the largest and among the most well-known of all Security Assistance programs.

FMS is a non-appropriated program administered by the DoD through which eligible foreign governments can purchase from the U.S. Government:

- Defense articles
- Services
- Training

The purchasing government pays all costs associated with a sale. The defense articles and services may be provided from DoD stocks or from new procurement.
FMS is frequently a part of an ongoing acquisition program. Planning for these sales, including consideration of Technology Security and Foreign Disclosure (TSFD) limitations should begin early in the acquisition process.

**Building Partner Capacity**

As one of the Security Cooperation activities that involves international acquisition, Building Partner Capacity (BPC) programs are funded with U.S. Government appropriations and administered as cases within the FMS infrastructure. They may provide defense articles and/or services to other U.S. Government departments and agencies under the authority of the Economy Act or other transfer authorities.

The purpose of the BPC is to build the capacity of partner nations' security forces and to enhance their capability to:

- Conduct counter-terrorism
- Counter drug-related activity
- Conduct counterinsurgency operations
- Support U.S. military and stability operations
- Support multilateral peace operations, and other programs

BPC programs were established because:

- Specialized programs were needed to promote internal security and counter-terrorism for:
  - Contingency operations in Iraq and Afghanistan
  - Other countries
- Beginning in 2005, Congress has provided authority for a variety of programs through annual National Defense Authorization Acts (NDAA)
- Programs provide the Geographic Combatant Commanders an additional method to achieve envisioned partner-nation security roles within their Area of Responsibility (AOR)

**Other USG Security Assistance Programs**

**DoD Administered Security Assistance Programs**

In addition to FMS described above, DoD administers these other security assistance programs as well:

- Foreign Military Financing Program (FMFP)
- Drawdowns
- Foreign Military Construction Services (FMCS)
- International Military Education and Training (IMET)
- Leases
- Excess Defense Articles (EDAs)

**State Department Administered Security Assistance Programs**

The State Department administers these security assistance programs:

- Peacekeeping Operations (PKO)
- Direct Commercial Sales (DCS)
- International Narcotics Control and Law Enforcement (INCLE)
- Nonproliferation, Antiterrorism, Demining, and Related (NADR)
USAID Administered Security Assistance Programs

The Economic Support Fund (ESF) is an appropriated program administered by the United States Agency for International Development (USAID). The ESF:

- Was established to promote economic and political stability in areas where the United States has special political and security interests
- Has determined that economic assistance can be useful in helping to secure peace or avert major economic or political crises

The ESF is a flexible economic instrument which is made available on a grant basis for a variety of economic purposes including:

- Balance of payments support
- Infrastructure
- Other capital and technical assistance development projects

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