International Acquisition and Exportability (IA&E) Hot Topics

Lunch and Learn
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Frank Kenlon
Intermittent Professor
DAU/DSMC – Int’l
Frank.Kenlon@dau.mil
IA&E Lunch & Learn Overview

- ACQ 101 – IA&E Learning Content Review
- IA&E “Hot Topics”
- IA&E Workflow Learning
- IA&E Performance Learning
- Summary
• IA&E – International Acquisition & Exportability
• BPC – Building Partner Capacity
• CAT Policy – Conventional Arms Transfer Policy
• DCS – Direct Commercial Sales
• DEF – Defense Exportability Features
• FMS – Foreign Military Sales
• ICP – International Cooperative Programs
• JST – Job Support Tool
• SC – Security Cooperation
• TSFD – Technology Security/Foreign Disclosure
IA&E Environment

- U.S. Government National Security Strategy and SecDef/A&S priorities encourage int’l defense acquisition activities
- DoDI 5000.02 requires consideration of international cooperation, sales & exportability in acquisition strategies
- DoD’s rapid acquisition efforts should include evaluation of global defense technology and products
- U.S. industry is aggressively pursuing international sales in an increasingly competitive global defense market
- Complex U.S. Technology Security/Foreign Disclosure (TSFD) policies and processes cause many challenges
- USD(A&S) has emphasized designing for exportability
**National Security Strategy**
- We recognize the invaluable advantages that our strong relationships with allies and partners deliver.
- Allies and partners magnify our power.
- Together with our allies, partners, and aspiring partners, the United States will pursue cooperation with reciprocity.

**National Defense Strategy**
- Faster delivery of capabilities to the warfighter through innovation and rapid acquisition.
- Strengthen alliances and attract new partners.
- Reform the Department for greater performance and Affordability.

**Conventional Arms Transfer Policy**
- White House published revised CAT Policy in mid-April 2018:
  - Gov’t “advocacy” of US defense industry sales
  - USG policy/process “streamlining” to facilitate industry sales activities
  - USG Unmanned Aerial Systems policy changes
- State Dept published CAT Policy Implementation Plan Fact Sheet in July 2018:
  - Seven “Tasks” summarized
  - Sales efficiency and defense exportability emphasized
  - Details still pending
“Program Management [PM] is responsible for integrating international acquisition and exportability [IA&E] considerations into the program’s Acquisition Strategy at each major milestone or decision point. [PM] will consider the potential demand and likelihood of cooperative development or production, Direct Commercial Sales, or Foreign Military Sales early in the acquisition planning process; and consider U.S. export control laws, regulations, and DoD policy for international transfers when formulating and implementing the acquisition strategy … Where appropriate, [PMs] will pursue cooperative opportunities and international involvement throughout the acquisition life cycle to enhance international cooperation and improve interoperability …” (emphasis added)
DoD IA&E Objectives

- **Operational**
  - To increase military effectiveness through interoperability and partnership with allies and coalition partners

- **Economic**
  - To reduce weapons acquisition costs by sharing costs and economies of scale, or avoiding duplication of development efforts with our allies and friends

- **Technical**
  - To access the best technology worldwide, and help minimize the capabilities gap with allies and coalition partners

- **Political**
  - To strengthen alliances and relationships with other friendly countries

- **Industrial**
  - To bolster domestic and allied defense industrial bases
Forms of Int’l Acquisition

Sales and Transfers

- Foreign Military Sales (FMS)
- Building Partner Capacity (BPC)
- Direct Commercial Sales (DCS)

Cooperative Programs

- International Cooperative Programs (ICPs)
- Information Exchange Program
- Personnel Exchange Programs
- Evaluation of Foreign Equipment
## International Acquisition Program Forms

<table>
<thead>
<tr>
<th>Requirement</th>
<th>International Cooperative Programs (ICP)</th>
<th>Foreign Military Sales (FMS)</th>
<th>Building Partner Capacity (BPC)</th>
<th>Direct Commercial Sales (DCS)</th>
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<td>DoD IA</td>
<td>Foreign Customer</td>
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<tr>
<td>Contract Privity</td>
<td>Partner Nations &amp; Industry</td>
<td>DoD IA &amp; Industry</td>
<td>DoD IA &amp; Industry</td>
<td>Foreign Purchaser &amp; US Industry</td>
</tr>
</tbody>
</table>

Conducted under different laws & procedures with oversight by different organizations
Two **Additional** process steps – **All** process steps affected
IA&E & Security Cooperation

International Acquisition & Exportability (IA&E)

Security Cooperation

Elements that involve defense acquisition

DoDD 5132.03

DoDI 5000.02

Combined Exercises

Equipment Sales & Financing

Defense Contacts & Familiarization

Humanitarian Efforts & Civic Assistance

Int’l Training & Education

Support to Operations

Int’l Armaments Cooperation

DoDI 5000.02

January 2015

International Cooperative Programs

Sales & Transfers

Technology Security & Foreign Disclosure

Defense Exportability

IA&E Planning & Analysis

International Contracting

DoDD 5132.03

October 2008
Office of SecDef Responsibilities

Secretary of Defense

Deputy Secretary of Defense

Under Secretary (Policy)
- Defense Security Cooperation Agency (DSCA)

Under Secretary (Acquisition & Sustainment)
- Defense Technology Security Administration (DTSA)
- Director, International Cooperation (A&S IC)*
  * Also supports USD Research & Engineering (R&E) Int’l Armaments Cooperation (IAC) efforts

Foreign Military Sales
Building Partner Capacity

Program Protection and Tech Security & Foreign Disclosure (TSFD)

International Cooperative Programs

FMS & BPC – Led by USD(P) and supported by USD(A&S)
ICP – Led by USD(A&S) and USD(R&E)
Program Protection & TSFD – Joint Responsibility of all three USDs
DCS – Industry Responsibility (subject to USG Export Control approval)
DoD Military Department Security Cooperation Responsibilities

Organizational Level

- Component Acquisition Executive
- International Programs Organization (IPO)
- International Logistics Control Office (ILCO)
- International Training Organization

Army

- Assistant Secretary for Acquisition Logistics & Technology (ASALT)
- Deputy Asst Sec for Defense Exports and Coop (DASA(DE&C))
- U.S. Army Security Assistance Command (USASAC)
- Security Assistance Training Field Activity (SAFTA)

Navy

- Assistant Secretary for Research Dev & Acquisition (ASN(RD&A))
- Navy International Programs Organization (NIPO)
- Navy International Logistics Control Office (NAVILCO)
- Naval Ed & Training Security Assistance Field Activity (NETSAFA)

Air Force

- Assistant Secretary for Acquisition (SAF/AQ)
- Deputy Under Secretary for International Affairs (SAF/IA)
- Air Force Security Assistance and Cooperation (AFSAC)
- Air Force Security Assistance Training (AFSAT)

MILDEP IA&E organizational approaches may differ
IA&E Best Practices

- Assess IA&E early
- Develop a combined domestic and int’l acquisition strategy
- Plan and implement a harmonized domestic and int’l program
- Use IA&E Job Support Tools (JSTs)!

IA&E & Acq Strat JSTs
IA&E Assessment JST
Early Development Phases & Major Modifications
International Cooperative Programs
Sales & Transfers
Defense Exportability
Technology Security & Foreign Disclosure
International Contracting

Acquisition Strategy – Int’l Involvement JST
Update at each Milestone Decision

International Business Plan (IBP) JST
Mature Programs
IA&E L&L Hot Topics

• IA&E in Agile Acquisition Programs
• Making the Case for ICPs
• DoD Security Cooperation -- Defense Acquisition System Integration
• “Navigating” the TSFD Pipes
• Institutionalizing Defense Exportability
• Contracting with International Sources
Implementing Defense Exportability (DE) in Agile Acquisition Programs (AAPs) -- “and” versus “or”?

- **Perception** = DE and AAPs are fundamentally incompatible
- **Experience** = Failure to consider DE in AA programs resulting in original DE Features legislation (2011)
- **DE Requirements in AAPs** = Who establishes them?
- **DE Tradeoffs** = Who decides?

*DAU Blog: Defense Exportability in DoD AAPs (July 2019)*
Making the Case for ICPs

We all know that “Speed of FMS” is important, but is DoD still interested in establishing new ICPs?

- **Perception** = ICPs are too hard to establish compared to developing systems ourselves then selling them via FMS
- **Experience** = ICPs often lead to broader sales (JSF, etc.)
- **Challenges** = Harder to establish (it’s true!)
- **Benefits** = Qualitatively & quantitatively larger (also true!)

DAU Blog: Making the Case for ICPs (Jan 2018)
USG SC and DoD Acquisition communities have co-existed for years, but are they truly integrated?

- **Perception** = DoD Acquisition serves U.S. warfighters first and addresses USG SC community interests on a ‘Space A’ basis
- **Experience** = It’s more complicated than that (it depends …)
- **Cultures** = “Policy” vs “Acquisition” culture hinder integration
- **Prioritization** = Too many ‘bosses’ – not enough ‘bandwidth’

“Navigating” the USG TSFD Pipes

Why should PMs/IPTs have to help navigate the USG TSFD pipes to achieve desired DE outcomes?

• **Perception** = DoD Component SMEs should navigate them
• **Experience** = DoD Component SMEs don’t know enough about the program/system to navigate them on their own
• **Challenge** = So many TSFD pipes, so little time …
• **Solution** = Finding ways to work smarter as well as harder

DAU Blog: Int’l Acquisition and the OODA Loop (Jul 2014)
Institutionalizing DE

Why should the DoD Acq Workforce move from considering to institutionalizing DE in our programs?

• Perception = Considering DE is good enough for now …
• Experience = Institutionalizing DE is the only way to achieve long term Conventional Arms Transfer (CAT) policy objectives
• Challenge = Moving from “consider” to “must do” will be painful
• Response = How else can we achieve DoD-wide exportability?

DAU Blog: IA&E and Lashley’s Laws (Jun 2019)
Contracting with Int’l Sources

Many USG laws, regs, and policies encourage considering int’l sources so why is it so hard to do?

• Perception = Int’l contracting is fine for ‘low end’ items but infeasible for ‘high end’ complex systems and equipment
• Status Quo = Complex systems require U.S. prime contractors
• Rationale = Best way to manage USG/DoD int’l source risks
• Alternative(s) = Develop “trusted” international sources?

DAU Blog: To be written …
Workflow Learning
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The help you need, when and where you need it -- https://www.dau.mil/online-resources
IA&E Workflow Learning

International Acquisition Management (IAM) Community of Practice (ICOP)

IAM Functional Gateway

International Acquisition Tools

ICOP Team Sites (Password Protected)

International Acquisition Videos
Performance Learning
Mission Assistance
IA&E Performance Learning

IA&E Performance Learning support is available

- Tailored Workshops
- Consulting
- Team Training
- International Training
- Allied Assistance

Please contact us if we can be of any assistance! – internationalhelp@dau.mil
Summary

- ACQ 101 IA&E content is deployed and updated ACQ 202 and PMT 356 IA&E content is in work
- We hope today’s IA&E Hot Topic discussions will lead to productive changes to the status quo
- IA&E Workflow and Performance Learning resources exist to support DoD Int’l Acquisition Career Path and ‘generalist’ Acquisition Workforce members in their ‘day jobs’