



Sustainment Series: Introduction to International Logistics

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International Acquisition Center

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Your DAU Team



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- DSMC: Professor of International Acquisition
- Deputy Assistant Secretary of the Army (Defense Exports and Cooperation): Security Cooperation Strategist
- Defense Senior Leader Development Program
 - Eisenhower School
 - Chinese Arms Sales as a Source of Influence
 - China Strategic Focus Group
- US Pacific Fleet: Security Assistance and International Logistics Manager
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 - Deputy Division Director, Disclosure Policy Division
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 - F/A-18, F-35 JSF, and Airborne Weapons Disclosure Policy
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 - Command Foreign Disclosure Officer
 - F/A-18 Foreign Disclosure Officer
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 - AH-1W Turkey FMS Logistics Manager

Agenda

Provide an overview of International Logistics and the unique considerations involved in delivering effective and affordable product support to Allies and Partners.

- Linkage to National Strategy and Policy
- Forms of International Programs
- Life Cycle Logistics Benefits and Challenges from International Acquisition Programs
- DSMC-I Resources
- Questions and Answers

International Acquisition and Exportability (IA&E)

Sale of U.S. defense equipment enhances allied and partner capabilities/interoperability and supports National Defense Strategy

International sales increasingly important in maintaining U.S. economic security and the defense industrial base

U.S. industry sees international sales as a key component of growth and program affordability

Most (almost all?) US defense systems and technologies will be sold or shared with a foreign government in some form by the DoD or U.S. industry

U.S is prepared to share nuclear submarine and advanced weapons technology with Australia

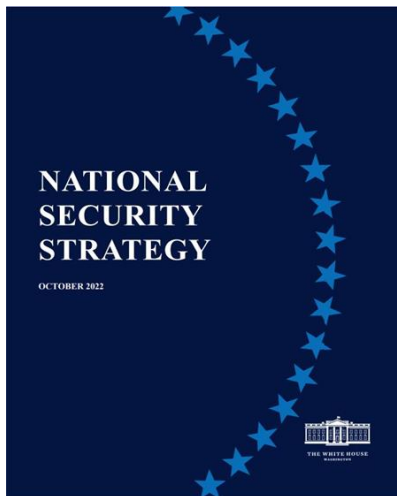


U.S assists India in indigenous aircraft carrier development

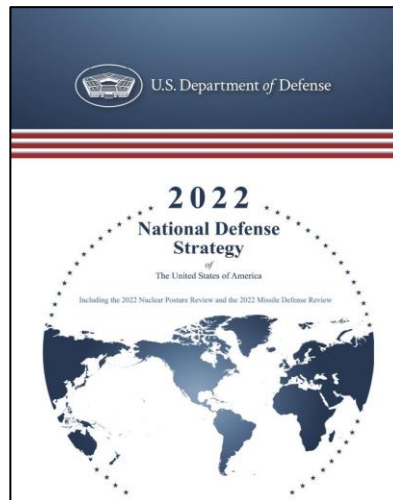


National Strategy and Policy

- Integration with Allies and Partners through investments in interoperability and joint capability development.
- Emphasis on the important role that resilient and agile logistics plays in accomplishing national security objectives.



Build the strongest possible coalition of nations to enhance our collective influence to shape the global strategic environment and to solve shared challenges



Close collaboration with Allies and partners is foundational for U.S. national security interests and for our collective ability to address the challenges that the PRC and Russia present

Defense Acquisition System Overarching Policies

DoDD
5000.01

- **Plan for Coalition Partners.** To enable allies and partners to enhance U.S. military capability, collaboration opportunities, potential partnerships, and **international acquisition and exportability features and limitations will be considered in the early design and development phase of acquisition programs.**
- **Deploy Interoperable Systems.** Joint concepts, standardization, and integrated architectures will be used to the maximum extent possible to characterize the exchange of data, information, materiel, and services to and from systems, units, and platforms to **assure all systems effectively and securely interoperate with other U.S. forces and coalition partner systems.**

DoDI
5000.02

- PMs will consider acquisition strategies that leverage international acquisition and supportability planning to **improve economies of scale, strengthen the defense industrial base, and enhance coalition partner capabilities.**

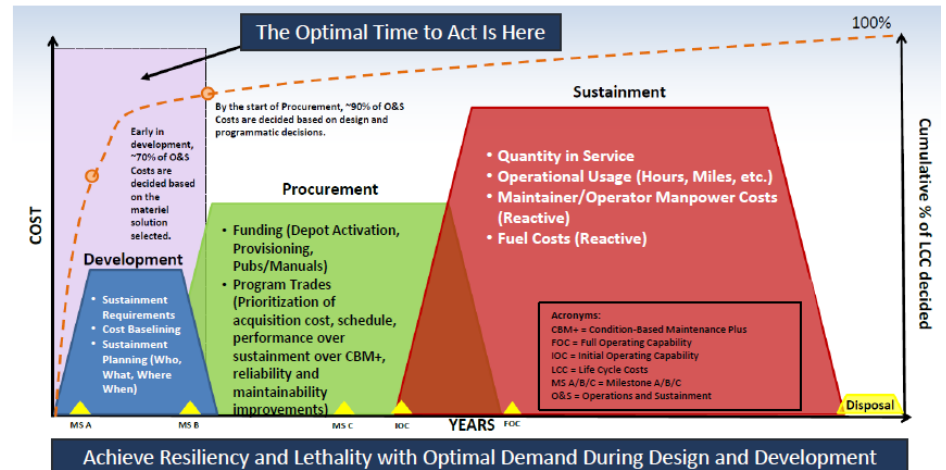
Forms of International Programs

	Sales/Transfers			Cooperation
	Foreign Military Sales (FMS)	Building Partner Capacity (BPC)	Direct Commercial Sales (DCS)	International Cooperative Programs (ICP)
Relationship	Government-to-Government	Government-to-Government	Government-to-Industry	Government-to-Government
	Buyer-Seller	Provider-Receiver	Buyer-Seller	Partner
Funding Source	Foreign customer	USG (DoD)	Foreign customer	Equitable share
Form of Agreement	Letter of Offer and Acceptance (LOA)	Pseudo-LOA (not signed by recipient)	Export Licenses and Commercial Contract	International Agreement
Requirement	Foreign Customer	DoD	Foreign Customer	Mutual
Provides	Defense articles and services from stock or procurement	Defense articles and services from stock or procurement	Defense articles and services from procurement	Cooperative research, development, and acquisition projects and programs

Logistics Planning and International Programs

Early design and development considerations that address exportability :

- Increase potential sales and transfers, thus global user base
- Reduce life cycle cost for all users through economies of scale
- Adds flexibility for upgrade and obsolescence by working with partners/customers
- Extends / stabilizes production lines and sustains supplier base



Source: 2022 PSM Workshop, Principal Deputy Assistant Secretary of Defense (Sustainment)

Address international potential in Acquisition Plan and LCSP

Transition from Initial Sale

- FMS Total Package Approach (TPA) includes initial logistics support in same LOA as the weapon system for multiple (2-3) years

Spares	Technical Assistance	Training
Publications	Support Equipment	

- Partners and customers should plan follow-on logistics support before initial support period has concluded; options include:
 - Continue FMS via blanket-order FMS cases for spares, repair, pub updates etc.
 - Contractor Logistics Support (CLS) via OEM or other providers
 - Build-up of additional in-country capabilities
 - Third-party / Excess Defense Article support
 - Non-standard item support for unique config or out-of-US-inventory systems

PBL International Challenges

- Performance Based Logistics (PBL) contracts provide outcome-based support arrangements

Challenges for Customers / Partners

- PBL concepts may be new to some international partners / customers
- Perception that dependency upon contractor will interfere with independence / sovereignty
- Hesitance to not “own” their own supply stock
- Desire for tech transfer and indigenous labor / workshare

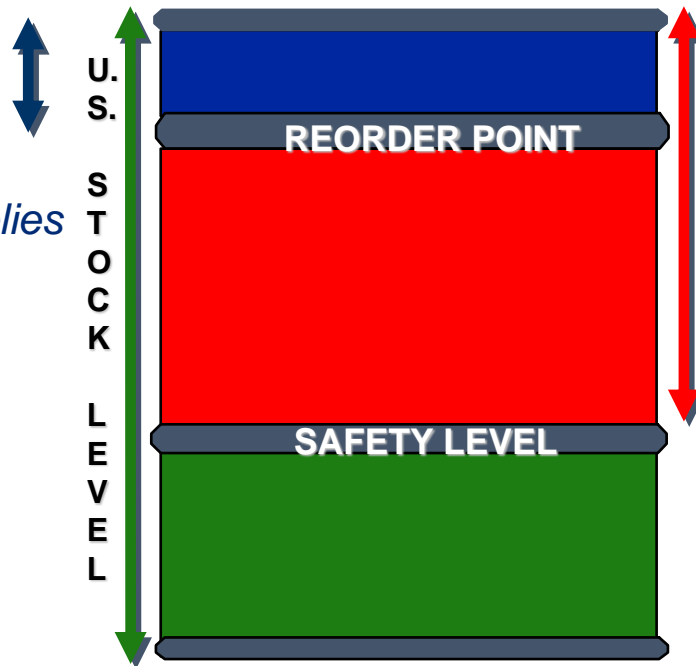
Management Challenges

- Differences in CONOPS or operational tempo and establishing performance metrics
- Unique aspects of international customer configurations
- Transportation times and local restrictions
- Variances from US can impact cost

Advantages of CLSSA

Direct Requisitioning Procedure (DRP)

- Repair Parts, Pubs, Supplies
- Stock or Non-Standard
- Non-Recurring Demand
- Only to Reorder Point



Cooperative Logistics Supply Support Arrangement (CLSSA)

- Customers Invest in U.S. Inventory (“co-owner”)
- Common Use, Centrally Managed Items
- Orders Filled to Safety Level

- Requisitions are given equivalent treatment to US requirements with an equal Force Activity Designator (FAD)
- Demand tracked for combined forecasting
- CLSSA RIRO (Repairable Item Replacement Option): Condition A item issued in exchange for failed carcass

Non-Standard Support

Addressing Obsolescence Challenges and Customer Unique Requirements . . .



- Parts and Repair Ordering System (PROS)
- Simplified Non-Standard Acquisition Process (SNAP)
- Worldwide Warehouse Redistribution Services (WWRS)
- Diminishing Manufacturing Sources and Material Shortages (DMSMS)
- Aerospace Maintenance and Regeneration Group (AMARG)
- DLA Disposition Services
- North Atlantic Treaty Organization Codification System
- Additive Manufacturing (3D Printing)

Resources:

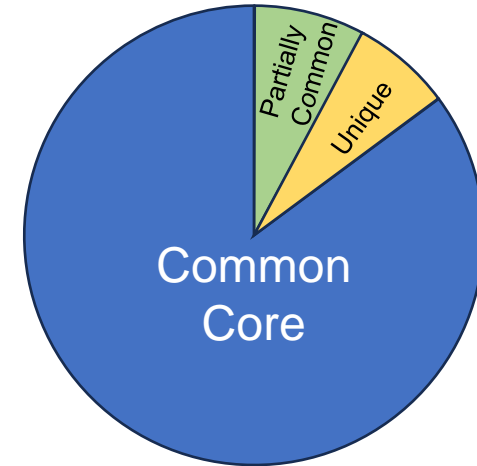
DSCU Logistics Learning Guide: [Logistics and Sustainment \(dscu.edu\)](https://dscu.edu/logistics-and-sustainment)

DSCU Greenbook – Logistics Support of Security Cooperation Materiel Transfers: [10-Chapter.pdf \(dscu.edu\)](https://dscu.edu/10-chapter.pdf)

[CLCL 014A Parts & Material Life Cycle Management Credential \(dau.edu\)](https://dau.edu/clcl-014a)

Product Upgrade and Obsolescence Management

- Even when weapons system configurations are not identical, cooperation is possible on:
 - Common core upgrades and obsolescence
 - Partially common upgrades and obsolescence
 - Independent from how items were procured (FMS, DCS, Cooperative)
- Variety of transaction approaches may be used:



FMS



- U.S. defines upgrade requirements
- U.S. makes up-front Non-Recurring investment
- Int'l buys kit w/ recoupment costs
- Customer relationship

- U.S. and Int'l partners/customers define upgrades
- U.S. and FMS customers split up-front Non-Recurring investment
- Partner-like relationship

Cooperative Project



- Formal Project Arrangement (PA)
- U.S. and PA partners define upgrades
- U.S. and PA partners share up-front NRC investment
- Partner relationship

Divestment Considerations for FMS

Security Assistance Management Manual (SAMM):

C6.4.7. System Support Buyout. For weapons systems soon to be obsolete to U.S. Forces and not supported under a CLSSA, the responsible MILDEP must identify the unique and common items associated with the system to DLA and provide the close out date for U.S. use of the item. The MILDEP and DLA identify purchasers that have this system and associated unique spare parts and advise them of the system phase out. The purchaser should have a **minimum of 2 years** to place a final order for secondary items to support the system for its remaining useful life. After this time period, the following are authorized:

- **C6.4.7.1.** Items with no demand for 4 years, including the system support buyout period, may be processed for disposal.
- **C6.4.7.2.** Items with demand during the 4-year period may be retained and managed in support of Security Assistance (SA) requirements.



Agile and Resilient Joint Force

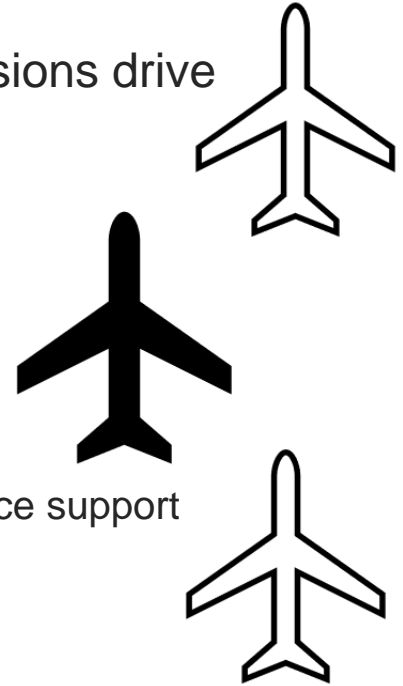
- Leverage Partner Nation Support
 - Sources of Supply and Supply Lines
 - Maintenance, Repair, and Overhaul
 - Support Equipment
 - Facilities
- Increases forward posture
 - Access, Basing, and Overflight
 - Pre-positioning of key commodities
- Joint interoperability and integration

Inside the multinational logistics cell coordinating military aid for Ukraine
By *Vivienne Machi*
Jul 21, 2022



Technology Security & Foreign Disclosure

- Technology Security and Foreign Disclosure (TSFD) decisions drive many of the differences in international configurations
 - Partner/Customer unique choice also contribute
- TSFD considerations do not stop after initial sale
 - New capabilities via upgrade
 - New technology insertion
 - Involvement of indigenous commercial or third-party maintenance support
 - Requests for higher level maintenance capability in-country
- Avoid complacency
 - “They already have (platform/system), so I guess this is OK”



Acquisition and Cross-Servicing Agreements

- Provides for reciprocal provision of logistics support, supplies, and services between a country or organization and U.S. armed forces
- Acquisition and Cross-Servicing Agreements (ACSA) in place with over 100 countries
- Orders under an ACSA are reimbursable through:
 - Cash payment
 - Replacement-in-kind
 - Equal-value exchange
- ACSA authority exercised by **Combatant Commanders**

Not a substitute for initial/sustained product support

* DoDD 2010.9 and CJCSI 2120.01

DAU International Acquisition Support to Workforce

- Courses
 - Online Training (OLT)
 - Instructor Lead Training (ILT / VILT)
- Resources
 - Job Support Tools
 - [International Acquisition Community of Practice \(ICOP\) web portal](#)
 - IA&E Webinar Series
- Mission Assistance (Consulting)
 - Tailored Workshop
 - Project Support



Course ID	Title	Description
DAU-101	Introduction to International Acquisition	...
DAU-102	Advanced Topics in International Acquisition	...
DAU-103	International Acquisition Management	...
DAU-104	International Acquisition Law	...
DAU-105	International Acquisition Ethics	...



Contact Us at InternationalHelp@dau.edu

Summary

- International Logistics enhances program readiness and affordability
 - Economies of Scale
 - Operations and Support
 - Asset Disposal
- Variety of configurations and logistics support options create complexity
- Product Support enables integrated deterrence in support of national level strategies

Questions?