

FMS Acquisition

Benefits and protections that apply to DoD FMS procurement, foreign government competitions, incentive clauses, sole source requests, contingent fees, offsets, and customer participation in FMS acquisition.

Jeffrey S. Grafton

Jeffrey S. Grafton, Associate Professor at DISAM, has a Masters degree in Logistics Management from the Air Force Institute of Technology and an undergraduate degree in Business Administration from Cedarville University. He has over ten years of experience working at AFSAC and HQ AFMC as an acquisition professional. Currently he is the functional lead for Acquisition programs at DISAM and holds a level III Acquisition Professional certification in both Program Management and Acquisition Logistics.

Gene Kourtei

Gene Kourtei is the AFSAC Operations Support Chief, He manages AFSAC/IAR integration and operations support functions; such as sole source, pricing and availability, functional training, process analytics and FLO support.

FMS

Acquisition

F-18



Tornado



F-7/MiG-21

MiG-29



F-16



Gripen JAS-39

Eurofighter



Mirage



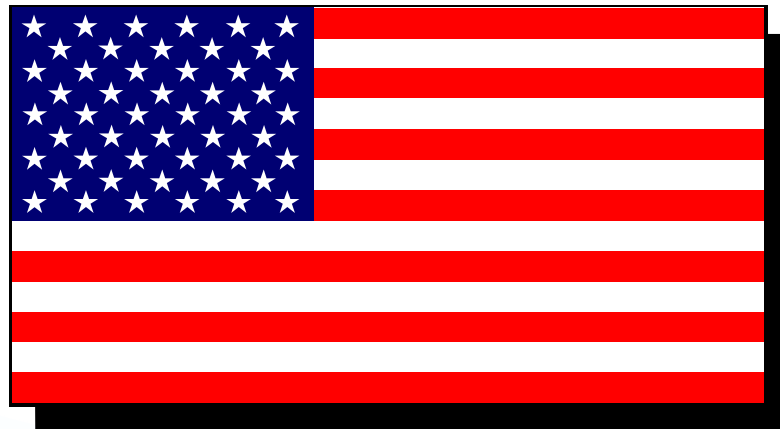
F-15



Acquisition Policy

SAMM C4.5.8

DoD *prefers* that countries friendly to the US fill defense requirements with *US origin* items.



Arms Export Control Act (AECA)

Ø Section 22 : Foreign Military Sales - FMS

- The President may enter into contracts for the procurement of defense articles or defense services ... to any foreign country or international organization.

Ø Section 38 : Direct Commercial Sales - DCS

- The President is authorized to designate ... and to promulgate regulations for the import and export of such (defense) articles and services.

FMS Relationships

United States Government

1

LOA

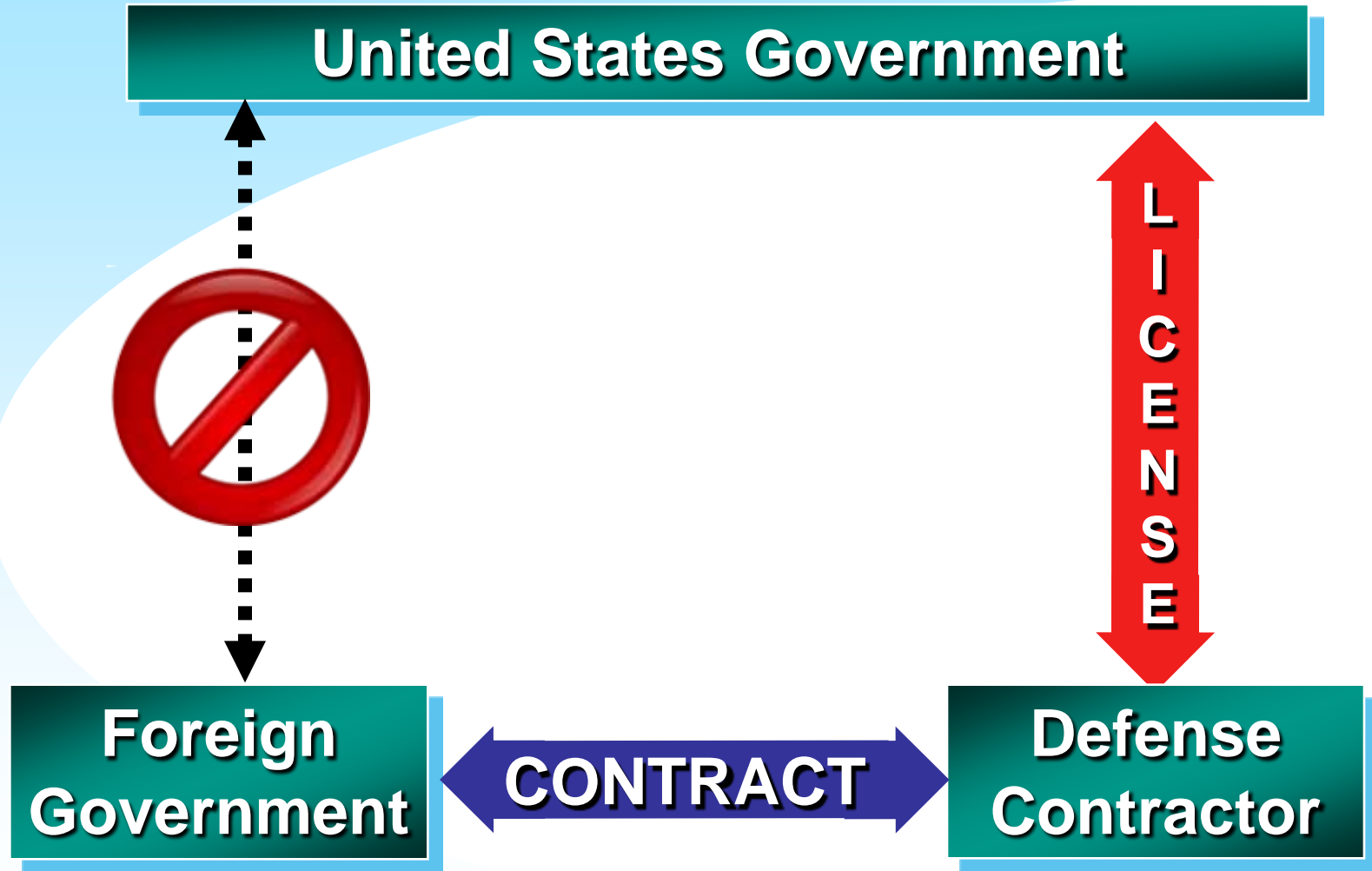
2

CONTRACT

**Foreign
Government**

**Defense
Contractor**

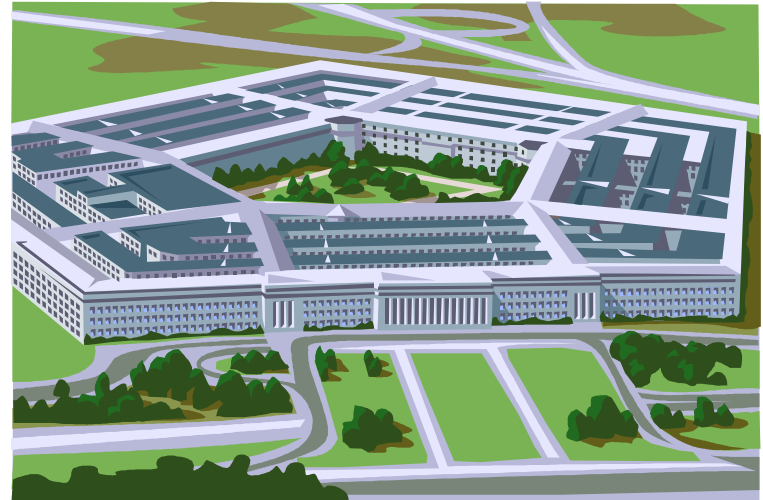
DCS Relationships



Acquisition Policy

SAMM C4.5.8

DoD is generally **neutral** whether a country purchases US origin defense articles through FMS or on a direct commercial basis.



Acquisition Policy

SAMM C6.3.1

Acquisition for FMS purchasers will be in accordance with U.S./DoD regulations and procedures.

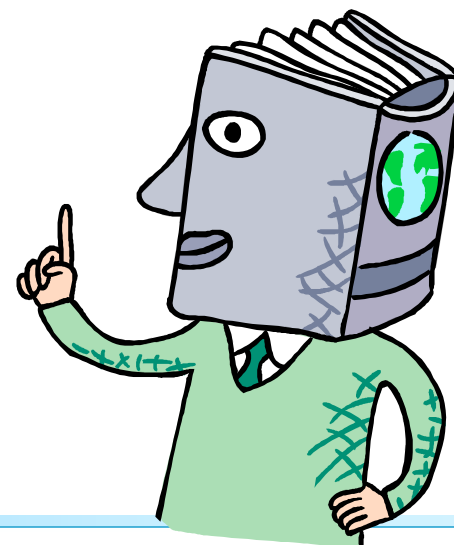
This affords the foreign purchaser the same benefits and protection that apply to DoD procurement and is one of the **principal reasons why foreign governments and international organizations prefer to procure through FMS** channels.



Acquisition Policy

SAMM C6.3.1: Federal Acquisition Regulation provisions applicable to the DoD also **apply to FMS procurements.**

DFARS Subpart 201.104: The Defense Federal Acquisition Regulation Supplement (DFARS) apply to purchases and contracts by DoD activities made in support of **foreign military sales.**



Acquisition Policy

SAMM C6.3.1

FMS requirements may be consolidated with USG requirements or placed on separate contract whichever is more expedient and cost effective.



Acquisition Policy

- **LOA Standard Terms & Conditions, Sec 1.2**

Ø The USG will furnish the items from its stocks and resources, or will procure them under terms and conditions consistent with DoD regulations and procedures.

Ø When procuring for the Purchaser, DoD will, in general, employ the same contract clauses, the same contract administration, and the same quality and audit inspection procedures as would be used in procuring for itself.

DoD Acquisition Relationships



**Program
Offices**

**System
Managers**



**Inventory
Control
Points**

**Item
Managers**

DoD

Procurement Relationships

United States Government

**Authorizations
&
Appropriations**

**System
Manager**

**Item
Manager**

Purchase

Request

**Contracting
Officer**

**Procurement
Contract**

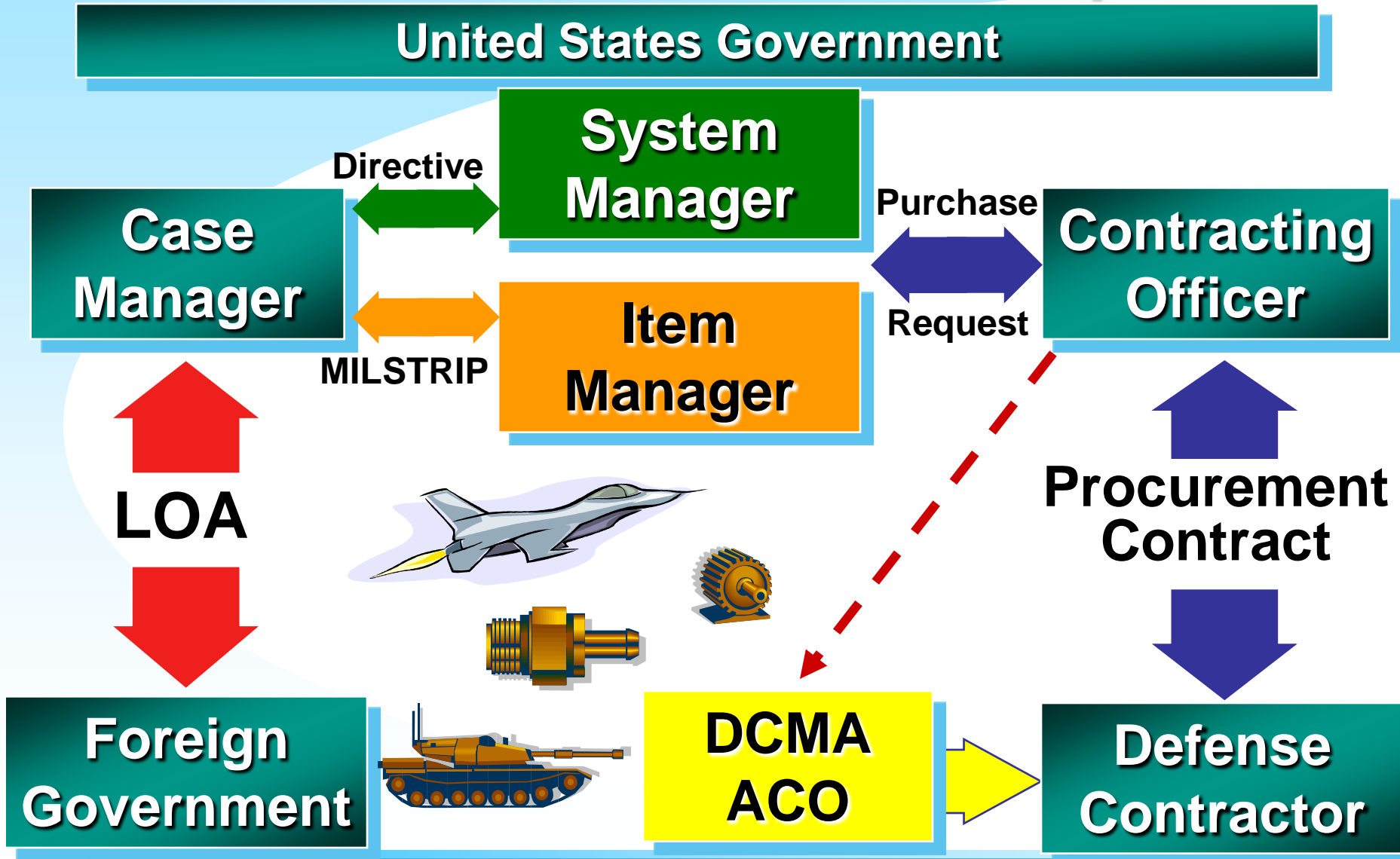
**Defense
Contractor**

**DCMA
ACO**



FMS

Procurement Relationships



LOA / Contract Relationships

SAMM C6.3.5

Discussions with the foreign purchaser must be undertaken **during the development of the LOA** ... to assure that the contracting community has all the data required to award a contract consistent with **contracting regulations** and the **foreign country desires.**



Contract Incentive Clauses

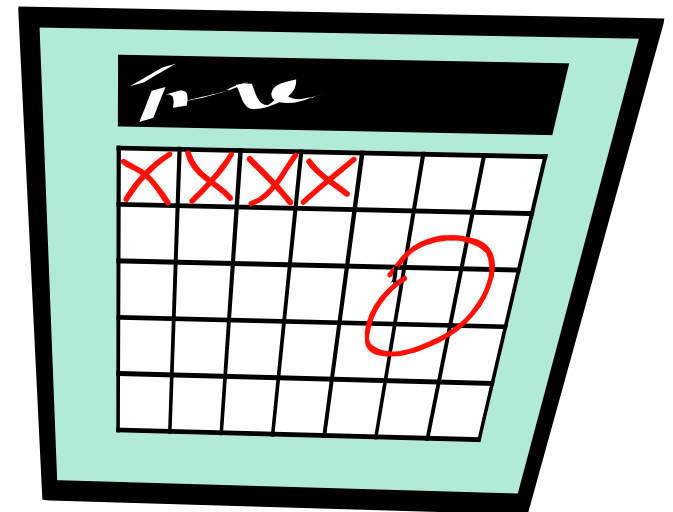
SAMM C6.3.3

- § USG contracts may include incentive clauses for early performance.**
- § The Case Manager and contracting officer **work together** to make sure the contract and the LOA are consistent.**

Delivery Schedule

SAMM C5.4.8.4

When the Purchaser's program requires that items/services **not be performed** **earlier** than a specified date, this must be stated in the LOA notes.



Customer In Contract Process

SAMM C6.3.5

The DoD component responsible for the LOA will assure sufficient details are included in the LOA to enable the contracting officer to negotiate and award a contract without foreign country representation or direct involvement in the formal negotiation process.



Customer In Contract Process

DFARS 225.7304

- **FMS Customer may:**
 - Request **sole source prime** and **subcontractors**
 - Propose **additional sources**
- **At contracting officer discretion, customer can participate in discussions with industry on:**
 - **Technical Specifications**
 - **Delivery Schedules**
 - **Price/Performance Tradeoffs**
 - **Other Requirements Unique to FMS Purchaser**





DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

DEC 22 2009

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE AIR FORCE
INTERNATIONAL AFFAIRS
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
DEFENSE EXPORTS AND COOPERATION
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR
INTERNATIONAL PROGRAMS
DIRECTOR, DEFENSE CONTRACT MANAGEMENT
AGENCY
DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE
FINANCE AND ACCOUNTING SERVICE -
INDIANAPOLIS OPERATIONS
DIRECTOR, DEFENSE INFORMATION SYSTEMS
AGENCY
DIRECTOR, DEFENSE LOGISTIC AGENCY
DIRECTOR, DEFENSE INFORMATION SERVICE
DIRECTOR, DEFENSE REUTILIZATION AND
MARKETING SERVICE
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY

SUBJECT: Foreign Military Sales (FMS) Customer Participation in the DoD Contracting
Process, DSCA Policy 09-60

In 2002, the Security Cooperation Community led the effort for customer participation and acquisition transparency in DoD contracts awarded on behalf of Foreign Military Sales (FMS) customers. We successfully sponsored the November 22, 2002, Defense Federal Acquisition Regulation Supplement (DFARS) amendment that provided authorization for FMS customers to participate in specifications development, delivery schedule development, identification of warranties, and other contractual requirements unique to the customer.

The DFARS change encourages customer participation in both the acquisition process and discussions with industry. Customers also are allowed to participate in the contract negotiation process within the limitations of the section, to the degree authorized



by the contracting officer (CO). The section specifically protects against unauthorized release of proprietary data and improper influence on the contracting process.

Transparency and cooperation build customer confidence and teamwork. Early dialog with customers on specifications, schedules, and unique requirements, strengthens acquisition planning and provides specificity for scope development. Frank discussion of alternatives and options increases customer confidence in the decision process. Responsible inclusion in negotiations invests our customers with a sense of ownership of the process.

The DFARS empowers the CO to determine the degree of customer participation in the acquisition process. Further it requires the CO to provide the customer an explanation if, and how, its participation will be limited.

We have customers who are interested in actively participating in FMS acquisitions, but believe they are being summarily shut out of the process. I request that you encourage each of your acquisition communities to take up the spirit of DFARS 225.7304 and actively seek opportunities for customer participation in DoD acquisitions for FMS.



Jeffrey A. Wieringa
Vice Admiral, USN
Director

cc:
STATE/PM-RSAT
AFRICOM
CENTCOM
EUCOM
JFCOM
NORTHCOM
PACOM
SOCOM
SOUTHCOM
TRANSCOM
USASAC
SATFA TRADOC
NAVICP
NETSAFA
AFSAC
AFSAT
DISAM



DEPARTMENT OF THE AIR FORCE

WASHINGTON, DC

OFFICE OF THE UNDER SECRETARY

24 FEB 2010

MEMORANDUM FOR SEE DISTRIBUTION

FROM: SAF/LAPX

1080 Air Force Pentagon
Washington, DC 20330-1080

SUBJECT: Foreign Military Sales (FMS) Partner Participation in the DoD Contracting Process
(SAF/LAPX 10-04)

In 2002, the Security Cooperation community requested partner participation and acquisition transparency in DoD contracts awarded on behalf of Foreign Military Sales (FMS) partners. The Defense Security Cooperation Agency (DSCA) responded to this effort and sponsored the Defense Federal Acquisition Regulation Supplement (DFARS) amendment that provided authorization for FMS partners to participate in specifications development, delivery schedule development, identification of warranties, and other contractual requirements unique to the partners.

The DFARS amendment encourages partner participation in both the acquisition process and discussions with industry. Partners also may participate in the contract negotiation process within the limitations of the section, to the degree authorized by the contracting officer (CO). The CO is responsible for determining the degree of partner participation in the acquisition process and for explaining any limitations on participation to the partners.

If you have any questions or need additional information, my point of contact is Mr. Hansen Mak, SAF/LAPX, (703) 588-8913, hansen.mak@pentagon.af.mil.

DAVID M. GIACHETTI, Colonel, USAF
Chief, Security Assistance Policy &
International Training and Education Division
Directorate of Policy, International Affairs

2 Attachments:

1. DSCA Policy 09-60
2. Policy Distribution List



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

JUL 21 2001

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Customer Involvement in Foreign Military Sales (FMS) Acquisitions

The Foreign Military Sales (FMS) Program is authorized under the Foreign Assistance Act of 1961 and the Arms Export Control Act as an instrument of United States foreign policy to provide defense articles and defense services to friendly countries and international organizations in order to deter and defend against aggression, facilitate common defense, and strengthen the security of the United States.

In November 2002, the Defense Federal Acquisition Regulation Supplement (DFARS) was amended at Subpart 225.7304 to provide authorization for FMS customers to participate with U.S. Government acquisition personnel in discussions with industry to develop technical specifications, establish delivery schedules, identify any special warranty provisions or other requirements unique to the FMS customer, and review prices of varying alternatives, quantities and options needed to make price-performance tradeoffs.

Many FMS customers have voiced interest in actively participating in FMS acquisitions. I ask that you seek opportunities to enhance FMS customer involvement in your acquisition programs in order to foster better understanding, strengthen alliances, provide transparency, and build customer confidence and teamwork.

Should you have additional questions on this policy, please contact Mr. Jeff Grover at 703-697-9352 or e-mail address: jeffrey.grover@dod.mil.


Richard Gimran
Director, Defense Procurement
and Acquisition Policy

Customer In Contract Process

DFARS 225.7304



- **FMS Customer **Cannot**:**
 - **Observe Negotiations Involving Cost or Pricing Data**
 - **Receive contractor proprietary data unless approved by contractor**
 - **Direct exclusion of specific firms**
 - **Interfere with prime contractors placement of subcontracts**

Procurement Methods

FAR 6

- **Competitive Method**

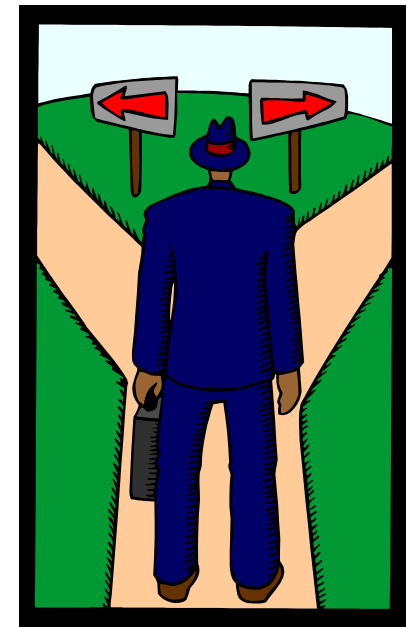
- Default procurement method

- **Noncompetitive Method**

- Exception

- Use must be justified & approved

- Referred to as “**Sole Source**” for FMS

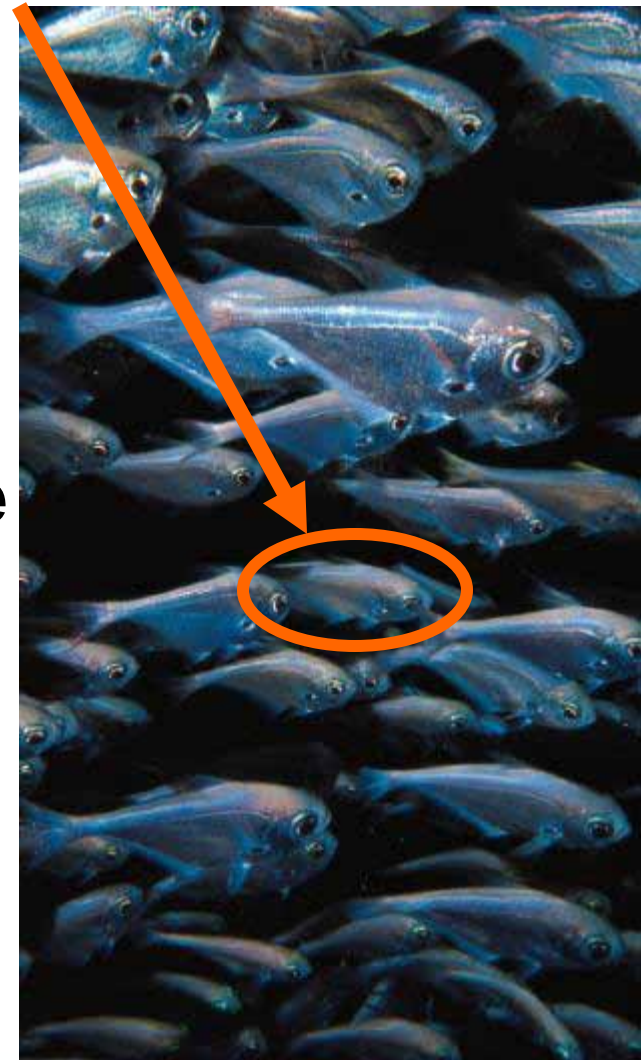


FMS Sole Source

SAMM C6.3.4.3

Customer Request Based On Objective Needs Per SAMM C6.3.4

- 1. Faster Delivery / Urgency**
- 2. Specific Nonstandard Source**
- 3. History With Vendor**
- 4. Standardization**
- 5. Customer Source Selection**



FMS Sole Source

Purpose: Permits FMS customer to request a noncompetitive procurement by specifying a specific contractor source

Foregoing competition can negatively impact cost/schedule/performance

Authority & Policy:

- § 10 USC 2304(c)(4) and 41 USC 253(c)(4)
- § FAR 6.302-4, DFAR 206.302-4, SAMM C6.3.4
- § Competitive procurement will be used to maximum extent possible
- § USG may not solicit sole source requests from customers
- § USG must remain objective – cannot make contractor recommendations

AFSAC Process:

- § Authorized customer official submits sole source request with LOR
 - § Defense article(s) and/or service(s) requested
 - § Contractor(s) to provide articles and/or services
 - § Justification that sole source is necessary to meet customer needs

FMS Sole Source (cont'd)

- § Common justifications listed in SAMM C6.3.4 (not all inclusive)
 - § Faster Delivery - Urgent and Compelling Need
 - § Non-standard item
 - § Established History with Vendor – Program Continuity
 - § Established History with Vendor – Equipment Standardization
 - § Foreign Purchaser Conducted Source Selection
- § AFSAC Command Country Manager reviews sole source request
 - § Validates policy compliance and assesses acquisition risks
- § AFSAC Sole Source Office
 - § Analyzes and facilitates package coordination through AFMC/JAN, AFSAC/PK, and AFSAC leadership for approval
 - § SAF/IA has granted AFSAC/CC/CV/CA full approval authority for sole source requests

<http://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>

PART 225 - FOREIGN ACQUISITION

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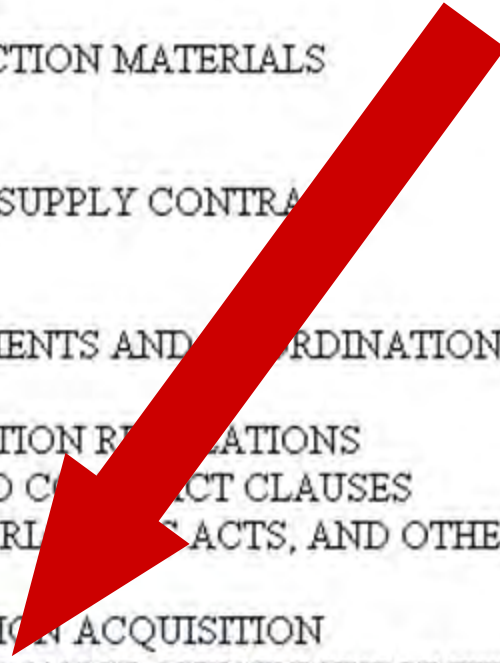
SUBPART 225.71 - OTHER RESTRICTIONS ON FOREIGN ACQUISITION

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OUTSIDE THE UNITED STATES

**SUBPART 225.73 ACQUISITIONS
FOR FOREIGN MILITARY SALES**



Acquisition Pricing for FMS

DFARS 225.7303-2

**Recognize the reasonable & allocable
cost of doing business with an
international customer, even though
costs might not be recognized in the
same amounts in DoD only contracts**

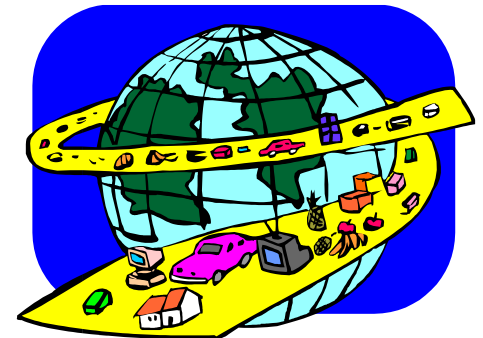


Acquisitions for FMS

DFARS 225.7303-2

International cost of doing business examples:

- **Maintaining international sales/service organizations**
- **Sales promotions, demonstrations, travel**
- **Configuration studies & related technical services**
- **Product support and post delivery service**
- **Special / unusual costs subject to advance understanding**
- **Offset costs**



Contingent Fees

DFARS 225.7303-4

- **Any type sales commission**
- **Allowable if:**
 - **Amount is fair & reasonable**
 - **Paid to an employee or agency maintained to secure business**
- **Cannot exceed \$50K unless approved in writing by customer before contract award.**



Contingent Fees

DFARS 225.7303-4

LOAs issued to following countries state that all resulting contracts must exclude the payment of contingent fees unless approved in writing before contract award

- **Australia**
- **Egypt**
- **Greece**
- **Israel**
- **Japan**
- **Jordan**
- **Korea**
- **Kuwait**
- **Pakistan**
- **Philippines**
- **Saudi Arabia**
- **Taiwan**
- **Thailand**
- **Turkey**
- **Venezuela AF**

Offsets

The objectives of a government making a foreign arms purchase often go beyond procuring arms at cost-effective prices, and include:

- Political acceptability of a foreign source
- Impact on domestic defense & non-defense industries
- Obtaining advanced military and commercial technology
- Domestic employment
- Other domestic economic goals



Offset Definition

Commercial compensation practices **demand**ed by a foreign purchaser and agreed to by a contractor that **obligate** the **contractor** to perform actions that will “Offset” the **outflow** of money.



Types of Offsets

Direct = Compensation in goods **related** to defense system being sold



Indirect = Compensation in goods **unrelated** to the defense system sold



Offset Relationships

United States Government

2

LOA

3

CONTRACT

1

**Foreign
Government**

OFFSET

**Defense
Contractor**

Offset Costs

SAMM C6.3.9.1



- DoD allows contractors to recover all offset costs when:
 - FMS contracts are based on LOAs financed wholly by purchaser **cash**
- Offset costs are **included in the LOA** line item unit cost
- USG assumes no obligation administer the offset requirement or to bear any of the associated costs.

LOA Offset Term & Condition 2.8

The **DoD** is not a party to any offset agreements that may be required by the Purchaser in relation to the sales made in this LOA and **assumes no obligation to administer or satisfy** any offset requirements or bear any of the associated costs. To the extent that the Purchaser requires offsets in conjunction with this sale, **offset costs** may be **included in the price of contracts negotiated** under this LOA. If the Purchaser desires **visibility into these costs**, the Purchaser should **raise this with the contractor** during negotiation of offset arrangements.

SAMM Table C5.T5



Questions?

LOR Development

LOR requirements and LOR development focusing on customer actions that can speed or slow the overall case development. Types of cases initiated by LORs

Susan L. McClure

Sue McClure, an Assistant Professor at DISAM, has a Masters Degree in Public Administration and an undergraduate degree in Education, both from the University of Dayton. Before coming to DISAM in 2009, she worked at the Air Force Security Assistance Center for five years, the Deputy Under Secretary of the Air Force for International Affairs for 18 years, and the Defense Security Cooperation Agency for four years. Ms. McClure teaches FMS Process and Financial Management, and recently became the Functional Coordinator for FMS Process.

Larry Hutson

Larry R. Hutson Sr. MAED/AET is the Foreign Military Sales Analyst (Instructor) AFSAC/IARSB Operations Support Section. Mr. Hutson develops and implements functional training courses for AFSAC IAR Division personnel. Mr. Hutson is the division lead on the development and maintenance of the Process Desk Guide Resource Center. Additional duties include, lead for FLO training and providing guidance to the FLO Coordinator office.

LOR Development

FMS Case Process

Request

Letter of Request (LOR)
Total Package Approach (TPA)

Offer

Letter of Offer and Acceptance (LOA)
development, coordination, offer
Policy: 75-120+ days, 85% of the time

Preliminary and Definition

Country defense requirements

Acceptance

Customer actions to accept case
Offer Expiration Date – varies

Implementation

Obligational Authority
Case Directives

Execution

Financial / logistics transactions; contracting
Longest phase in life of an FMS case

Closure

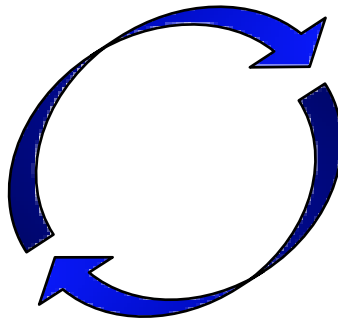
Certificate of Closure
Typically two years from
Supply/Services Complete



Defining Requirements

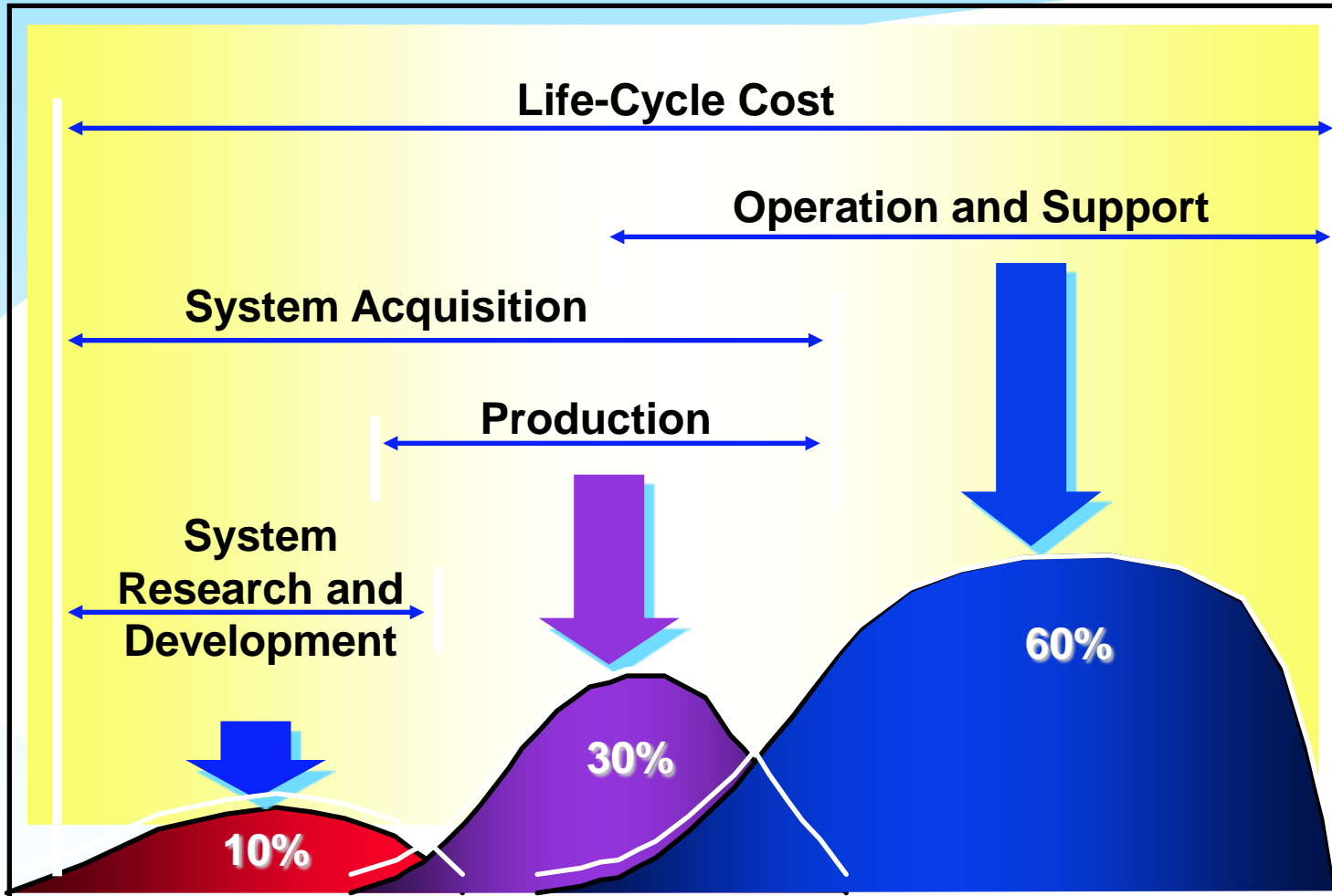


Partner Nation



Security Cooperation Officer

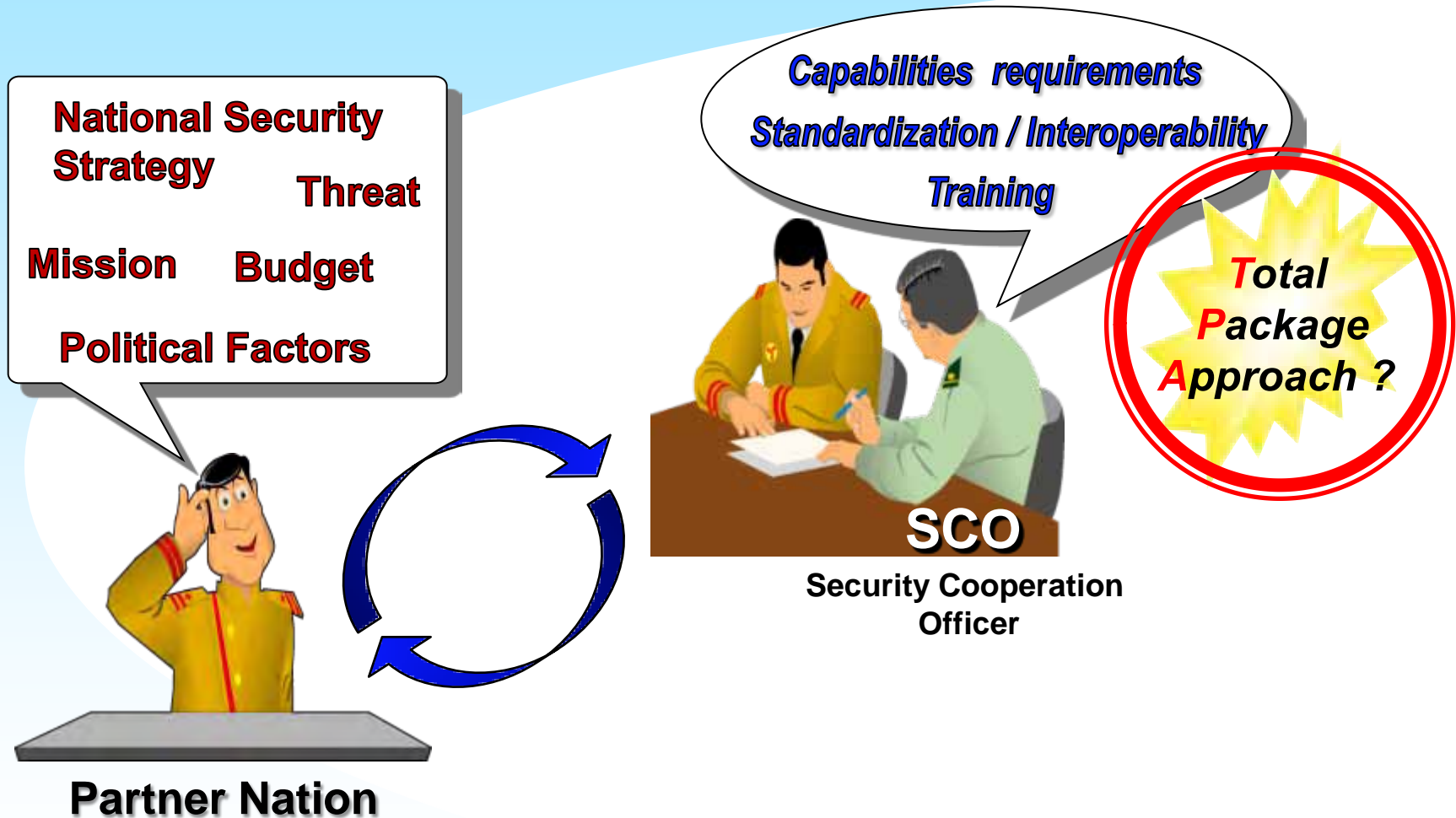
Typical DOD System Life-Cycle Cost



DISAM
Milestones

Budget and plan for the life of the system...

Defining Requirements



Total Package Approach (TPA)

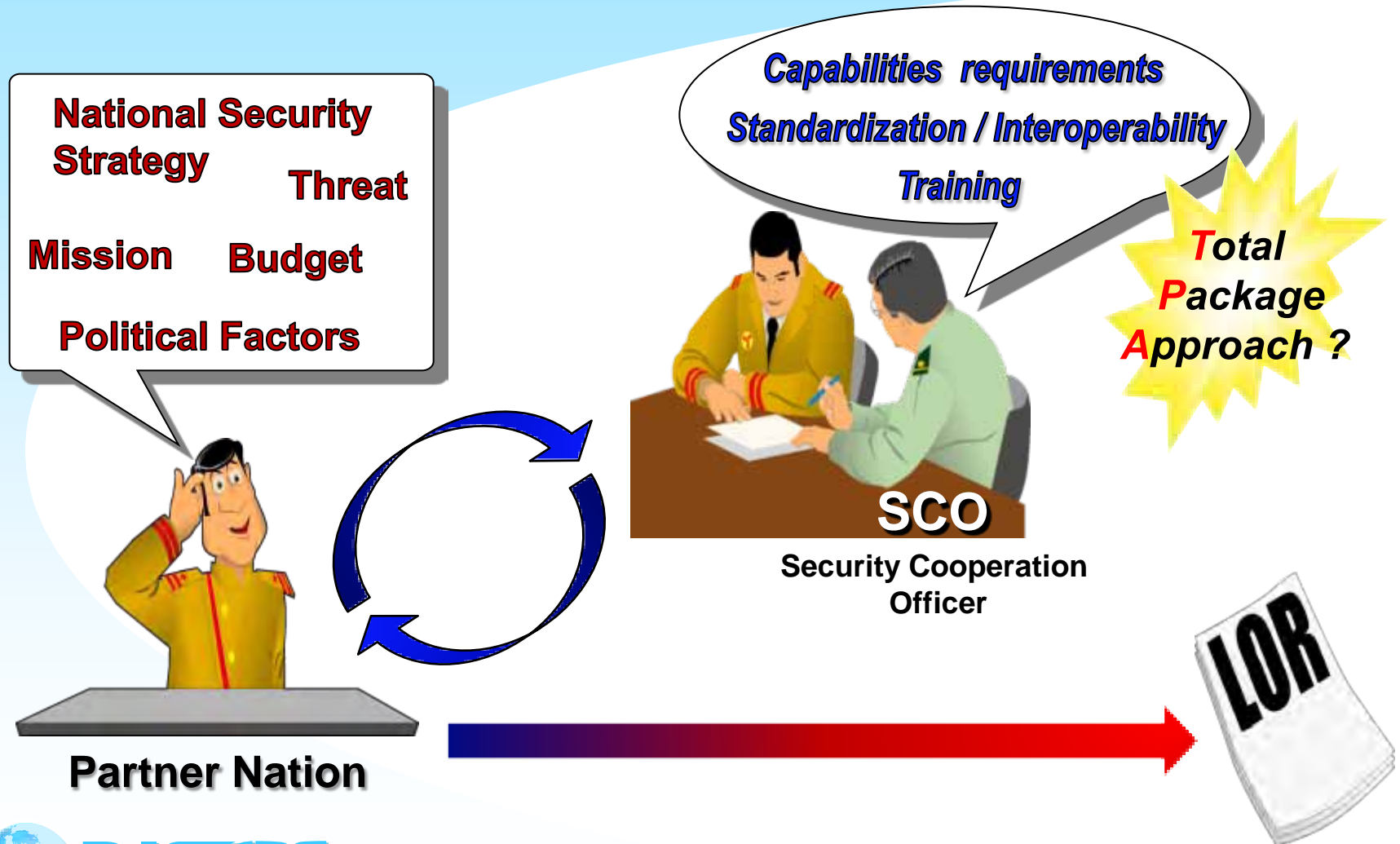
SAMM C4.5.3: Total Package Approach (TPA). A TPA ensures FMS purchasers can obtain support articles and services required to introduce and sustain equipment. The complete sustainability package must be offered to the purchaser when preparing Price and Availability (P&A) data or LOAs. In addition to the system itself, other items to consider in a total package include: training, technical assistance, initial support, ammunition, follow-on support, etc.

DISAM Text: TPA ensures that FMS customers are afforded the opportunity to acquire the full complement of articles and services necessary to field, maintain, and utilize major items of equipment efficiently and effectively.

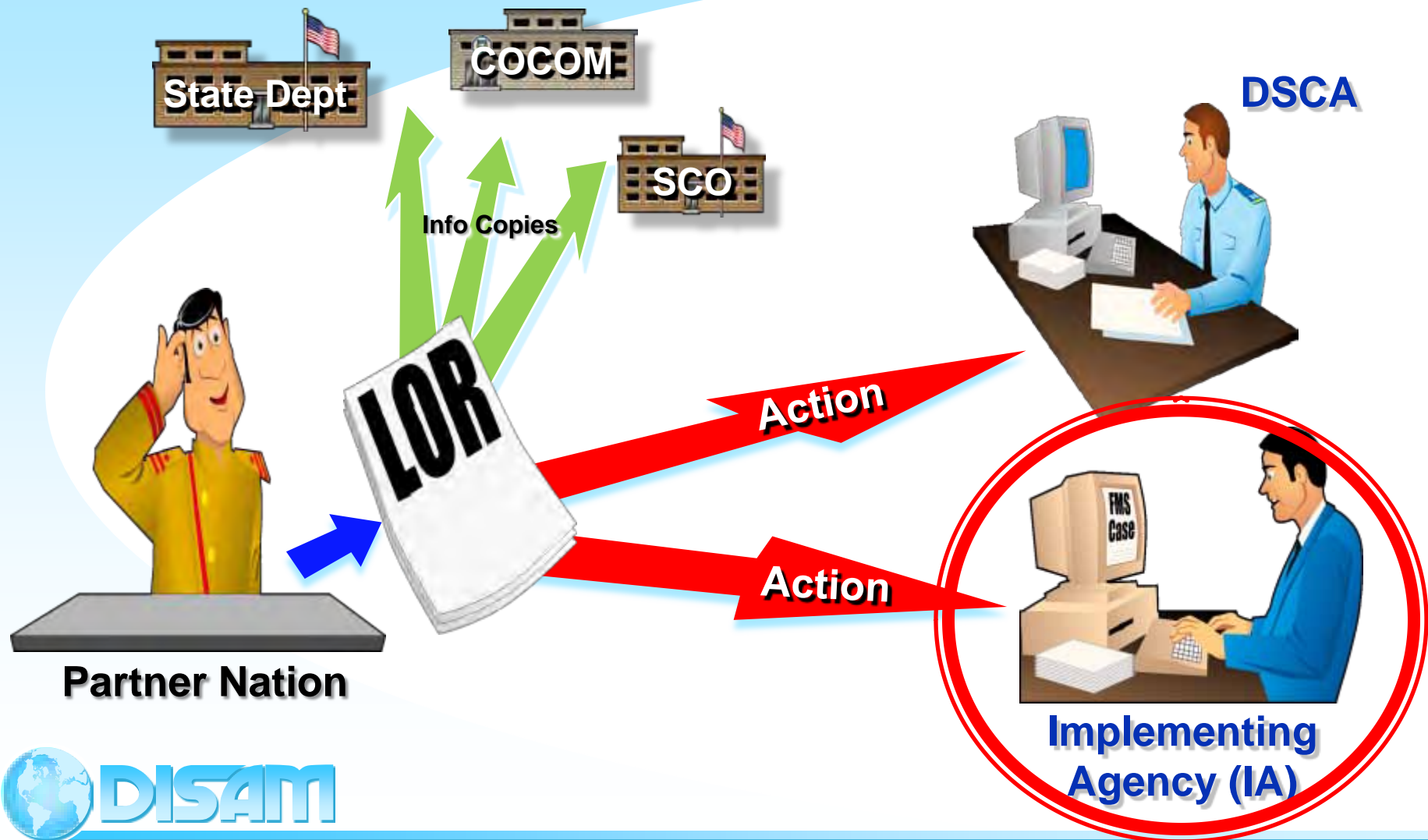
Total Package Approach (TPA)

***Provide a
weapon system
that is
viable and sustainable!***

Defining Requirements



Channels of Request



Implementing Agencies (IA)

U.S. Army

U.S. Navy

U.S. Air Force

Defense Logistics Agency (DLA)

Defense Contract Management Agency (DCMA)

Defense Information Systems Agency (DISA)

Defense Threat Reduction Agency (DTRA)

Defense Security Cooperation Agency (DSCA)

Missile Defense Agency (MDA)

National Security Agency (NSA)

National Geospatial-Intelligence Agency (NGA)

Country Team Assessment (CTA)

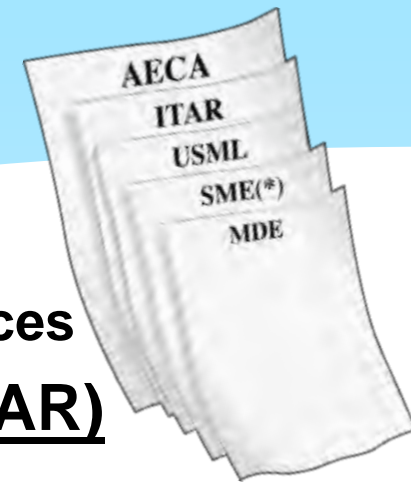
For MDE LORs, U.S. Embassy/SCO addresses:

- § Reason nation desires articles/services**
- § Effect on recipient's force structure**
- § Contribution to U.S. and country's defense/security goals**
- § Justification for type/quantity of articles/services requested**
- § Reaction of neighboring nations**
- § Purchaser's ability to safeguard, maintain, operate, and support**
- § Possible impact of U.S. presence in-country**
- § Source of financing and economic impact**
- § Human rights considerations**
- § Whether USG should approve purchase**
- § COCOM's concurrence for introduction of new warfighting capability to the region (can be provided separately)**



MDE = Major Defense Equipment

What is MDE?



§ Arms Export Control Act (AECA)

§ Authorizes transfer of U.S. defense articles/services

§ International Traffic in Arms Regulations (ITAR)

§ Federal regulation that implements the law

§ Registration / licensing requirements for commercial export of defense articles, services, related technical data

§ ITAR includes United States Munitions List (USML)

§ USML identifies Significant Military Equipment (SME)

§ Special consideration because of “capacity for substantial military utility or capability”

§ Identified by an Asterisk (*) on the USML

§ Major Defense Equipment (MDE) is a subset of SME

Major Defense Equipment (MDE) List

Helicopters

	<u>Approved Charge</u>	<u>Effective Date</u>
AH-1S Cobra (with T-53-L-703 Engine) System without C-Nite	\$147,604	11 May 89
AH-1W Super Cobra (with 2 T-700-GE-401 Engines)(N)	\$326,461	18 Jun 90
AH-1Z (H1 Helicopter upgrade) with two T700-GE-410 Engines	\$897,452	28 Nov 01
AH-64 Apache Helicopter System (with 2 T-700 Engines) (A)	\$1,045,566	30 Dec 83
AH-64 (New) Apache Helicopter System with 2 T-700 Engines	\$1,328,033	23 Feb 00
CH-47D Chinook (without T-55 Engines) (A)	\$144,279	7 Aug 91
OH-58D Kiowa with one T-703 engine (with Mast Mtd Sights) (A)	\$663,082	10 Aug 93
SH-2G (with 2T-700-GE-401 Engines) (N)	\$607,149	3 Jun 91
UH-1Y (H-1 Helicopter Upgrade) with two T700-GE-401C Engines	\$761,197	28 Nov 01

Research and development costs to be recouped – not the cost of the item



MDE List - SAMM Appendix 1

Reviewing the LOR



**Implementing
Agency (IA)**

Evaluate LOR



**Total
Package
Approach**

<u>Anticipated Offer Date (AOD)</u>		
<u>Group</u>		<u>Type of Case</u>
A	Up to 75 days	Blanket Order/Training
B	Up to 120 days	Defined Order
C	> 120 days	Complex Defined Order

Preparing a Complete LOR

Identification Information

- § Purpose:
P&A / LOA / Lease
- § Purchaser Info
- § Pre-negotiations
- § Transparency
- § Acceptance
Time Frame
- § International
Solicitation

Major Item Considerations

- § Quantity
- § Standard Model
- § Unique Configuration
- § Delivery Time Frame
- § Transportation
- § Warranties
- § Sole Source

Support Considerations

- § Operations Concept
- § Maintenance Concept
- § Supply Concept
- § Initial Spares
- § Support Equipment
- § Publications
- § Facilities
- § Follow-on Support

Services

- § Case Reviews
- § Training
- § DOD/Contractor
Services
- § Site Survey

Financial Considerations

- § Funding Source
and Budget
- § Fixed Price/
Not-to-Exceed
- § Payment Schedule/
Initial Deposit
Considerations
- § Financial Waivers

Special Considerations

- § MOU / MOA
- § Offsets
- § Commercial
Negotiations
- § Special Reports
- § Interoperability
Items Requiring
Unique Review

Preparing a Complete LOR

Identification Information

§ Purpose:

P&A

- Rough order of magnitude (ROM) data
- Sufficient for planning, but not for budgeting
- Not an offer to sell
- Response in 45 days

Financial Considerations

LOA

- Most precise data available
- Sufficient for budgeting
- Offer to sell
- Response in 75-120+ days from complete LOR (85% of the time)

§ Sole Source

Unique Review

Preparing a Complete LOR

Identification Information

- § Purpose:
P&A / LOA / Lease
- § Purchaser Info
- § Pre-negotiations
- § Transparency
- § Acceptance
Time Frame
- § International
Solicitation

Major Item Considerations

- § Quantity
- § Standard Model
- § Unique Configuration
- § Delivery Time Frame
- § Transportation
- § Warranties
- § Sole Source

Support Considerations

- § Operations Concept
- § Maintenance Concept
- § Supply Concept
- § Initial Spares
- § Support Equipment
- § Publications
- § Facilities
- § Follow-on Support

Services

- § Case Reviews
- § Training
- § DOD/Contractor
Services
- § Site Survey

Financial Considerations

- § Funding Source
and Budget
- § Fixed Price/
Not-to-Exceed
- § Payment Schedule/
Initial Deposit
Considerations
- § Financial Waivers

Special Considerations

- § MOU / MOA
- § Offsets
- § Commercial
Negotiations
- § Special Reports
- § Interoperability
Items Requiring
Unique Review

Preparing a Complete LOR

Identification Information

§ Purpose:
P&A / LOA /

§ Purchaser

§ Pre-ne

§ Tran

§ Ac

§

Major

§

§ S

§ Un

§ Deliv

§ Transpo

§ Warranties

§ Sole Source

Financial Cooperation
Funding

**Total
Package
Approach**

**A complete, actionable LOR
enables USG to provide
a comprehensive LOA that
better meets your requirements....**

**.....and to respond in a timely manner
in accordance
with policy guidelines!**

Expeditionary Requirements Generation Teams (ERGT)

- § Interagency, cross functional security cooperation subject matter expert teams (DSCA, OSD Policy, State, GCC, MilDeps)
- § DSCA Policy 11-18 (March 2011): Establish ERGTs to augment GCCs and SCOs in assisting partners with assessing/defining capability requirements and producing actionable LORs
 - § Emphasis on “capability package planning”
- § ERGT priorities:
 - § New partner
 - § Current partner but first time major/complex FMS initiative
 - § Urgent requirements for coalition partners engaged in contingency/combat operations
- § Two pilot ERGTs in March 2011; two more in being planned

Letter of Request (LOR) Tools

§ **DISAM's LOR Writing Guide**

§ **Army Commodity Specific Checklists**

§ **Air Force LOR Automation Tool**

DISAM's LOR Writing Guide

DISAM Defense Institute of Security Assistance Management

Search

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On Line Learning

Student Information

Ask an Instructor

Library

Publications

International Training Management

Research

External Links

DSCA

SAMM DoD 5105.38-M

Professional Development

Useful Links

SCIP - Security Cooperation Information Portal

SELECT

Mission Statement

The Defense Institute of Security Assistance Management provides research, and support to advance U.S. foreign policy through Security Cooperation.

ALL AIR FORCE QUOTAS FOR SAM-C FY2009 ARE FULL.

[ONAP II 2010-2011 Application Information](#) (Jan 09)

[DISAM Journal Survey](#) (Jan 09)

[31-1 DISAM Journal](#) (May 09)

[DISAM Resident Course Schedule](#) (July 09)

[DISAM Non Resident Course Schedule](#) (May 09)

[About DISAM](#)

DISAM Commercial Phone: (907) 255-5810
DISAM Email: [disam@dsca.mil](#)
Air Force Link

AMERICAN WAR & DEFENSE MUSEUM 2005 SILVER

Letter of Request (LOR)

DISAM

Welcome to the Letter of Request learning module. This module of instruction is intended for the foreign customer and US security assistance personnel. The goal of this module is to give an overview of the Letter of Request process including the information required and the responsibilities of both the requesting country and the United States (US). This learning module will cover the highlights of how to write a good, comprehensive Letter of Request that will give you the best results as you work with the US implementing agency.

Intro Page 1 of 3

Letter of Request (LOR)

DISAM LOR Writing Guide

<http://www.disam.dsca.mil>

Four Sections:

- 1 – Mission planning
- 2 – LOR channels, TPA concept
- 3 – LOR elements
- 4 – Sample completed LOR



MISSION PLANNING

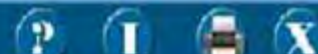
1. Section Objectives
2. Bandaria National Security Objectives
3. Bandaria and SCO Planning
4. Balance Bandarian and U.S. Resources
5. Bandaria National Security Plans
6. Bandaria Threat Analysis
7. Bandaria Functional Area Analysis
8. Bandaria Functional Needs Analysis
9. Sources of Information
10. Security Solution Analysis
11. Functional Solution Analysis
12. Conferring with the SCO
13. Life Cycle Costs
14. Cost Effective Solution

Welcome to the Letter of Request le...
foreign customer and US security assist...
the Letter of Request p...
requesting country and...
write a good, comprehe...
implementing agency.

This guide is in four s...
LOA from an LOR. If th...
on "LOR Quick Checklis...

- Introduction
- Section 1
- Section 2
- Section 3
- Section 4
- Summary

n is intended for the...
e is to give an overview of...
nsibilities of both the...
the highlights of how to...
s as you work with the US...
total package approach...
information icon and click



DISAM LOR Writing Guide

1. Basic Identification Data

- 2. Major Item Considerations
- 3. Support Considerations
- 4. Services
- 5. Financial Considerations
- 6. Special Considerations

LOA/P&A/Lease
Purchaser POC Information
Pre-Negotiations
Transparency
Acceptance Time Frame
International Solicitation

SECTION 3: LOR Elements

<http://www.disam.dsca.mil>

1. Basic Identification Data

2. Major Item Considerations

- 3. Support Considerations
- 4. Services
- 5. Financial Considerations
- 6. Special Considerations

Model
Quantity
Standard/Non-Standard
Configuration
Delivery Time-Frames
Transportation
Warranties
Sole-Source

- 1. Basic Identification Data
- 2. Major Item Considerations
- 3. Support Considerations
- 4. Services
- 5. Financial Considerations
- 6. Special Considerations

FMS Case Reviews
Training
DoD/Contractor Services
Site Survey

- 1. Basic Identification Data
- 2. Major Item Considerations
- 3. Support Considerations
- 4. Services

5. Financial Considerations

- 6. Special Considerations

Funding Source
Fixed Price/Not to Exceed
Payment Schedule/Initial
Deposit Considerations
Financial Waivers

1. Basic Identification Data

2. Major Item Considerations

3. Support Considerations


- 4. Services
- 5. Financial Considerations
- 6. Special Considerations

Operation Concept
Maintenance Concept
Supply Concept
Initial Spares
Support Equipment
Facilities
Follow on Support
Publications

- 1. Basic Identification Data
- 2. Major Item Considerations
- 3. Support Considerations
- 4. Services
- 5. Financial Considerations
- 6. Special Considerations

MOU/MOA
Offsets
Commercial Negotiations
Special Reports
Rationalization, Standardization,
Interoperability
COMSEC Controlled Items
Medical Countermeasures

Army Weapon System Checklists



The banner features the USASAC logo on the left, the text "U.S. Army Security Assistance Command" and "The Army's Face to the World" in the center, and a soldier in a desert environment on the right. A U.S. Army star logo is in the top right corner.

Home

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FOIA Support Center

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Press Room

BRAC Information

Contact USASAC

USASAC Portal

International Customers

Policies

Resources

WS Checklist

OCIE Checklist


CSI

EDA

International Customers

This area is dedicated to serving our international customers and members of the Security Assistance Enterprise. Please select from one of the following for more specific information:

- ✦ **Security Assistance Policies** - Security Assistance related policies and memos
- ✦ **Security Assistance Resources** - Links and reference points for Security Assistance information
- ✦ **Weapons Systems Checklist** - Listing of checklists specific to different weapon systems to assist in the preparation of Letters of Request, Price and Availability Data and Letters of Offer and Acceptance.
- ✦ **Organizational Clothing and Individual Equipment Checklists** - Listing of OCIE checklists which have been developed to assist in determining requirements and preparing Letters of Request. The Checklists cover clothing, boots, troop support, body armor and Modular Lightweight Load Carrying Equipment System.
- ✦ **Customer Satisfaction Index** - We are committed to providing quality and professional Security Assistance services to the foreign customer. This area provides more information
- ✦ **Excess Defense Articles** - This site identifies U.S. Army Defense Articles that are available for transfer to eligible countries via the EDA program.

 Bookmark & Share

LATEST USASAC NEWS

- ✦ Security assistance worker climbs career ladder
- ✦ Budget deal avoids government shutdown
- ✦ Lynn Releases Message on Potential Government Shutdown
- ✦ Latest USASAC News on Potential Government Shutdown
- ✦ Army's Face to the World
- ✦ One USASAC Employee, One Big Idea
- ✦ Celebrating Month of the Military Child: Raising strong kids year round
- ✦ Security assistance managers receive defense update
- ✦ Message to DoD workforce on potential government shutdown
- ✦ Employees Make Difference For AMC
- ✦ AMC town hall and award ceremony

Identifies EDA. Not a checklist.
USG access only – see SCO for help.



Home

About USASAC

Doing Business

EOIA Support Center

Note generic and commodity specific checklists for weapons and associated concurrent spare parts (CSP).

BRAC Information

Contact USASAC

USASAC Portal

International Customers

Policies

Resources

WS Checklist

OCIE Checklist

CSI

EDA

OPM-SANG

USASATMO

International Customers Assistance

Weapon Systems Checklist

To better serve our International Customers, the following weapon system checklists have been developed to assist in the preparation of Letters of Request (LORs) for Price and Availability (P&A) Data and Letters of Offer and Acceptance (LOAs).

[Generic LOR Checklist](#)

- [Aircraft Survivability Equipment \(ASE\)](#) (3919)
- [Ammunition](#) (3780)
- [Artillery](#) (3060)
- [Aviation/Missiles](#) (3395)
 - [CSP Checklist also available](#)
- [Avionics](#) (2845)
- [BRADLEY](#) (2942)
 - [CSP Checklist also available](#)
- [Chemical](#) (2734)
- [Commercial Construction/Mat'l Handling Equipment](#) (3312)
 - [CSP Checklist also available](#)
- [Commercial Market Information Technology](#) (2843)
- [Commercial Vehicles](#) (3169)
 - [CSP Checklist also available](#)
 - [Contractor Training Checklist](#)
- [Electronic Warfare Equipment](#) (2940)
 - [CSP Checklist also available](#)
- [Fire Control Equipment](#) (3118)
- [Global Positioning Systems](#) (2849)
- [HEMTT](#) (3157)
 - [CSP Checklist also available](#)
- [HMMWV](#) (4434)
 - [CSP Checklist also available](#)
 - [Contractor Training Checklist](#)
- [M113 Family of Vehicles](#) (3166)
 - [CSP Checklist also available](#)
- [Medium Tactical Vehicles](#) (4395)
 - [CSP Checklist also available](#)
- [Night Vision Devices \(NVDs\)](#) (3081)
- [Power Source](#) (3481)
- [Radar Configuration](#) (2901)
- [Radio & Intercom Requirements](#) (2993)
- [Satellite Systems](#) (2881)
 - [CSP Checklist also available](#)
- [Small Arms](#) (3028)
 - [CSP Checklist also available](#)
- [Soldier Support](#) (2893)
- [STRYKER](#) (3170)
 - [CSP Checklist also available](#)

Air Force Security Assistance Center
Wright Patterson AFB, Ohio 45433

AFSAC Online Links

Home
What's New
System Requirements
FAQ's
Security
Feedback
Tech Support
Apply for AFSAC Online
and/or SAMIS Account
Change Password
Forgot Password
Security Cooperation
Information Portal (SCIP)
Web Site
Apply for SCIP Portal
Account

Application Links

Applications Suite (if you
are having problems,
See system
requirements page)
Supply Application

Letter of Request (LOF)
Preparation Checklist

Letter of Request (LOF)
Submission

Logistics Applications

Financial Applications

WWRS

PROS III Program
Information

Tech Order

PROS II Metrics

PROS III Applications

AFSAC Metrics

USAF Cargo Checklist

USAF Airborne Early Warning &
Control Aircraft (AEW&C)
Checklist

USAF Acquisition of Advanced
Medium-Range Air-to-Air
Missile (AMRAAM) Checklist

USAF Blanket Order Training
Checklist

USAF Acquisition of Fighter,
Attack, Bomber, Aircraft
Checklist

GPS Items



AFSAC Online

- **SCHEDULED OUTAGES**→

-  [WWRS Conference 5-7 December 2011](#)

- [FY11 MSD Prices 17-Sep-2010](#)

- Business applications
(Use the navigation links on the left to access the
business applications)

We currently offer a range of Business Applications to provide our customers visibility into their country programs.

re-host of the most commonly used SAMIS queries such as: Requisition History, Catalog Data, Contract Data and

of Logistics and Financial Applications as well as Worldwide Warehouse Applications (WWRS), Technical Order
Ordering System (PROS) II Monthly Metrics, and (PROS) III Submission/ Validation and AFSAC Online

g to develop new tools on line Metrics in upcoming months.

ications directly from our navigation pages.

**Air Force
commodity
specific
checklists**

Air Force Security Assistance Center Wright Patterson AFB, Ohio 45433

AFSAC Online Links

- Home
- What's New
- System Requirements
- FAQ's
- Security
- Feedback
- Tech Support
- Apply for AFSAC Online and/or SAMIS Account
- Change Password
- Forgot Password
- Security Cooperation Information Portal (SCIP) Web Site
- Apply for SCIP Portal Account

Application Links

- Applications Suite (if you are having problems, See system requirements page)
- Supply Application
- Letter of Request (LOR) Preparation Checklist
- Letter of Request (LOR) Submission
- Logistics Applications
- Financial Applications



AFSAC Online

SCHEDULED OUTAGES-->

-  [WWRS Conference 5-7 December 2011](#)
- [FY11 MSD Prices 17-Sep-2010](#)

- Business applications
(Use the navigation links on the left to access the business applications)

We currently offer a range of Business Applications to provide

The Application Suite is a result of the most commonly used business applications. It includes the LOR Automation Tool, the Logistics and Financial Applications, the PROS II Monthly Metrics, Letter of Request (LOR) Submission validation and AFSAC Online.

LOR Automation Tool

LOR Automation Tool Guide

With a user ID and password, the FMS customer can access this site to develop and generate an LOR for Air Force follow-on support and major item requirements

AFSAC Orientation

Review of AFSAC Organization, relationships, total package approach to Air Force FMS cases, and the FMS case lifecycle. Introduction of key personnel.

Michael Brock

Mr. Michael Brock is the AFSAC Executive Director. He is responsible for supporting and advising the commander in the overall operation and administration of the Center by providing guidance, coordination and work direction.

Air Force Security Assistance Center

War-winning Capabilities...On Time, On Cost



U.S. AIR FORCE

**Air Force Foreign
Military Sales**

TBD

4 October 2011

Integrity « Service « Excellence



Security Cooperation





Products: Provide Cradle-to-Grave Support...



1940s C-47



1950s A-37 T-33 T-37



1960s C-7 T-38 A-7 C-130



1970s F-111 F-4 F-5 B-707



1980s F-16 F-15 E-3 KC-135



2000s 767 C-17 F-35 T-6A C-208



2010s RQ-4 MQ-9 RPA's G-550



...For a Full Range of Weapon Systems...



- Weapons (AMRAAM, Sidewinder, Sparrow, Maverick, JDAM, Paveway)
- Targeting Pods (LANTIRN)
- Night Vision Goggles
- Target Drones
- Radars/ECM (TPS-43/70, FPS-117, ALR-69, ALQ-131)
- Forward-Looking Infrared Radar (FLIR)



...and a Broad Range of Desired End Items



- **Services**
- **Parts**
- **Training (AFSAT)**





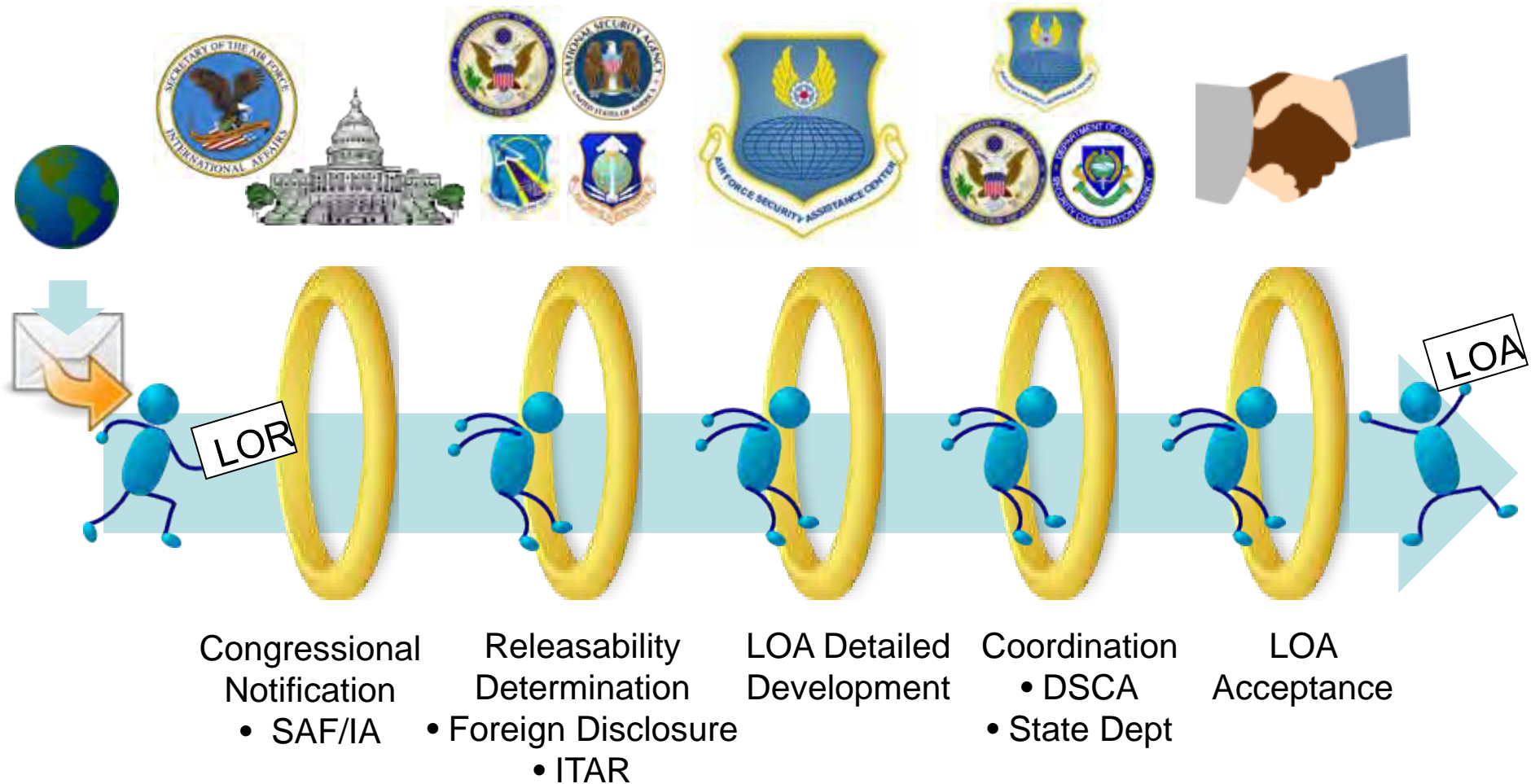
The Results

- **Global Mobility**
- **Ground Support**
- **Timely Humanitarian Aid**
- **Support of Operations Odyssey Dawn and Unified Protector**





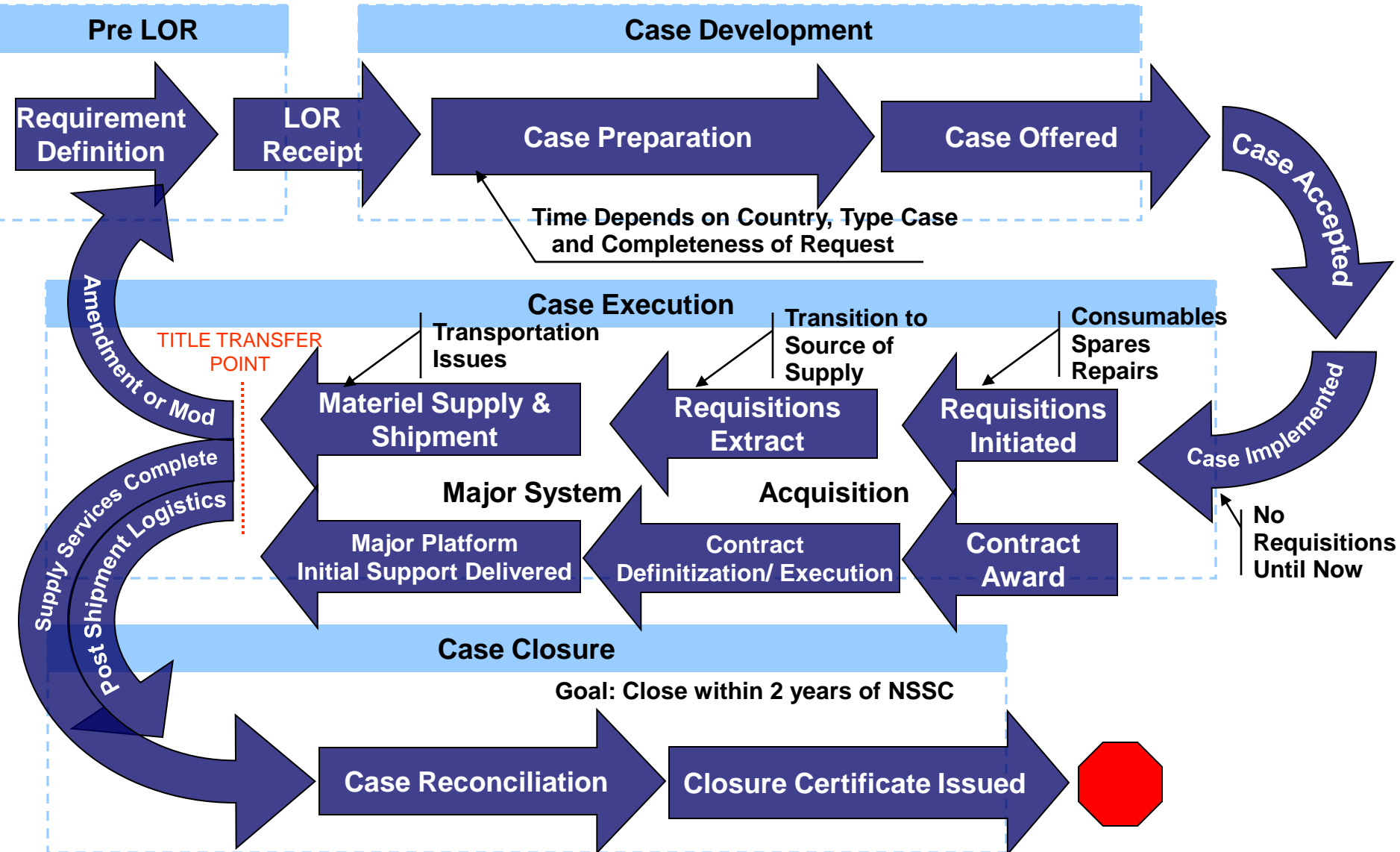
Plan for LOA Due Diligence





End-to-End FMS Process

FMS Case Lifecycle





Things to Remember

- This business takes time
- No two cases are the same
- Well defined requirements are key...consistent communication critical
- Any one country case can get big ... quick!
- Relationships are key

Our goal...meeting our commitments



Questions?



AFSAC Online

Orientation to and Demonstration of AFSAC on-line query tools for customers.

Larry Hutson

Larry R. Hutson Sr. MAED/AET is the Foreign Military Sales Analyst (Instructor) AFSAC/IARSB Operations Support Section. Mr. Hutson develops and implements functional training courses for AFSAC IAR Division personnel. Mr. Hutson is the division lead on the development and maintenance of the Process Desk Guide Resource Center. Additional duties include, lead for FLO training and providing guidance to the FLO Coordinator office.

Air Force Security Assistance Center



AFSAC Online Query Tools

Mr. Larry Hutson
4 October 2011

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AFSAC Online Home Page

<https://afsac.wpafb.af.mil>

AFSAC
Online

Home

What's New

Security

Feedback

Help

Supporting
Worldwide
Partnerships

Air Force Security Assistance Center
Wright Patterson AFB, Ohio 45433

AFSAC Online Links

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- Apply for AFSAC Online and/or SAMIS Account**
- Change Password
- Security Cooperation Information Portal (SCIP) Web Site
- Password Required**
- Apply for SCIP Portal Account
- Application Links**
- Tutorials
- Applications Suite
- Supply Application
- Letter of Request (LOR)
- Logistics Applications



AFSAC Online

The AFSAC Online tools are accessed through the AFSAC Online website using any Internet connection.

--DSL or high-speed internet connection recommended

--Click here to apply for AFSAC Online account

- AFSAC Online is not intended to be used by individuals who do not have a valid AFSAC Online account. We provide easy, around-the-clock access to information about our services.

- Business applications
(Use the navigation links on the left to access the business applications)

We currently offer a range of Business Applications to provide our customers visibility into their country programs.

The Application Suite is a re-host of the most commonly used SAMIS queries such as: Requisition History, Catalog Data, Contract Data and Narrative.



AFSAC Online – Application Links – Query Tools

The query tools is accessed through the Links in AFSAC Online.

Apply for SCIP Portal Account	▶
Application Links	
Tutorials	▶
Applications Suite	
Supply Application	
Letter of Request (LOR)	▶
Logistics Applications	
Financial Applications	
WWRS	
PROS II Program Information	
Tech Order Index	
PROS II Metrics	
AFSAC Metrics	▶

Open Document Number Query
Online Requisitioning
FMS Repair Replace Cross Ref List
Daily NMCS Report
Open Requisition Status

- [SDR Automation-Nov 29, 2005 click here to see announcement](#)

- AFSAC's goal is to satisfy our customers' needs. This Web based service is another attempt to achieve that goal. It is not i to replace our valued personal interface with our customer. Because our customers are worldwide, we have developed this i provide easy, around-the-clock access to information about our services.

- Business applications

(Use the navigation links on the left to access the applications)

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de a number of Logistics and Financial Applications as well as Worldwide Warehouse Applications (WWRS),
Order Index, Parts and Repair Ordering System (PROS) II Monthly Metrics, Letter of Request (LOR) Submission/ Validation
AFSAC Online Metrics



AFSAC Online – Application Links – Query Tools

- Application Suite – Catalog & Requisition History
- Supply Applications – CEX Viewer
- LOR Submission & Checklists
- Logistics Applications – Open Reqs, Daily NMCS, Online Requisitioning
- Financial Applications – Financial Tool
- Tech Order Index
- SDR Automation Tool – Submission, Query, Monthly Report
- Links to WWRS & PROS

AFSAC Automated LOR Tool

Orientation to and Demonstration of AFSAC on-line LOR-Automated (LOR-A) tool for customers

Reva Howard

Ms Reva Howard an FMS policy analyst in AFSAC/XP's Policy Division. Ms. Howard reviews and develops processes and procedures for successful LOA development and execution. Her expertise is strongest in the LOA policy arena, but she is familiar with many other areas of FMS and Security Cooperation policy. Ms. Howard wrote the requirements document for and serves as the program for AFSAC's tri-service capable Letter of Request Automation (LOR-A) Tool.

AFSAC AUTOMATED LOR

DEMO ONLY

NO BRIEFING

FMS Requirements

Discussion of “best practices” when identifying requirements during LOR development.

Col Glenn Vaughan

Col Vaughan is the the Senior Materiel Leader of the International Division. The division is responsible for developing, negotiating, and executing international Foreign Military Sales agreements to acquire and sustain aerospace capabilities for U.S. allies and friends.

Air Force Security Assistance Center



FMS Requirements

Col Glenn Vaughan
AFSAC/IAR
4 October 2011

Integrity « Service « Excellence



FMS Requirements



- **Quality LOR \Rightarrow Timely LOA Development/Offer \Rightarrow Rapid Program Start**
- **Characteristics of a quality LOR:**
 - Written in English
 - Clearly identifies whether request is for P&A or LOA
 - Contains specific, comprehensive, and consistent requirements
 - Matches requirements to available budget (request P&A if in doubt)
 - Includes NSNs or CAGE code/part numbers when possible
 - Addresses sustainability and training (if applicable)
 - Includes any special waivers, sole source requests, and unique transportation, delivery, or payment schedule requirements
- **LOR resources are available for your use:**
 - Online: DSCA site, AFSAC On-line, LOR Automation Tool
 - In person: SCOs, SAF/IA desk officers, supported by CCMs

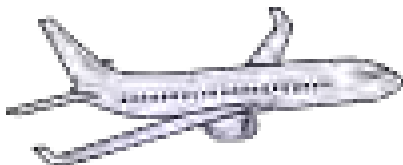
LORs are the foundation of a successful FMS program



FMS Requirements



- **USG Support for Direct Commercial Sales (Hybrid Cases)**
 - Some components can only be purchased through FMS case—long lead times may be necessary
 - Notify USG as early as possible if government furnished equipment (GFE) will be required, preferably before signing commercial contract
- **Non-Standard Systems (Articles not in US Inventory)**
 - Adds time & complexity to both LOA development and program execution
 - Requires unique development & integration technologies
 - Drives complex/expanded acquisition, test, and certification processes



Head-of-State Aircraft Self-Protection Suite



Enhanced Paveway II/III

DRAFT

LOA Preparation

Types of requisitions, diversions, status reports, system support buyout, repair programs, transportation systems and tracking, supply discrepancies.

Larry Hutson

Larry R. Hutson Sr. MAED/AET is the Foreign Military Sales Analyst (Instructor) AFSAC/IARSB Operations Support Section. Mr. Hutson develops and implements functional training courses for AFSAC IAR Division personnel. Mr. Hutson is the division lead on the development and maintenance of the Process Desk Guide Resource Center. Additional duties include, lead for FLO training and providing guidance to the FLO Coordinator office.

Air Force Security Assistance Center



FMS End To End LOA Chain Management Case Execution

Larry R. Hutson
AFSAC Schoolhouse
AFSAC/IARSB

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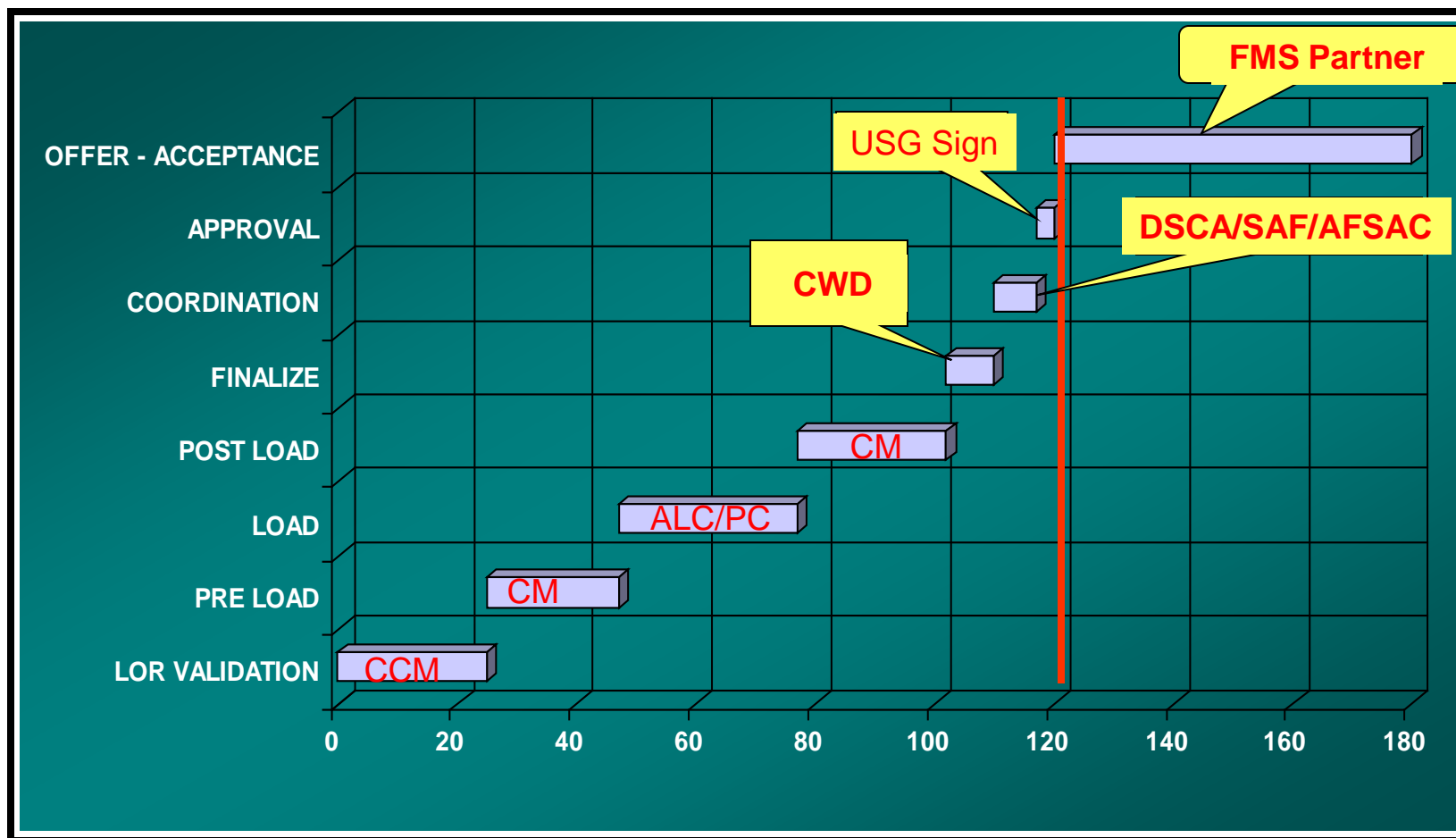
End-to-End FMS Process Overview



- Case Lifecycle Overview
 - Requirements Definition
 - Development
 - Offer & Acceptance
 - Implementation, Execution & Logistics
 - Reconciliation & Closure

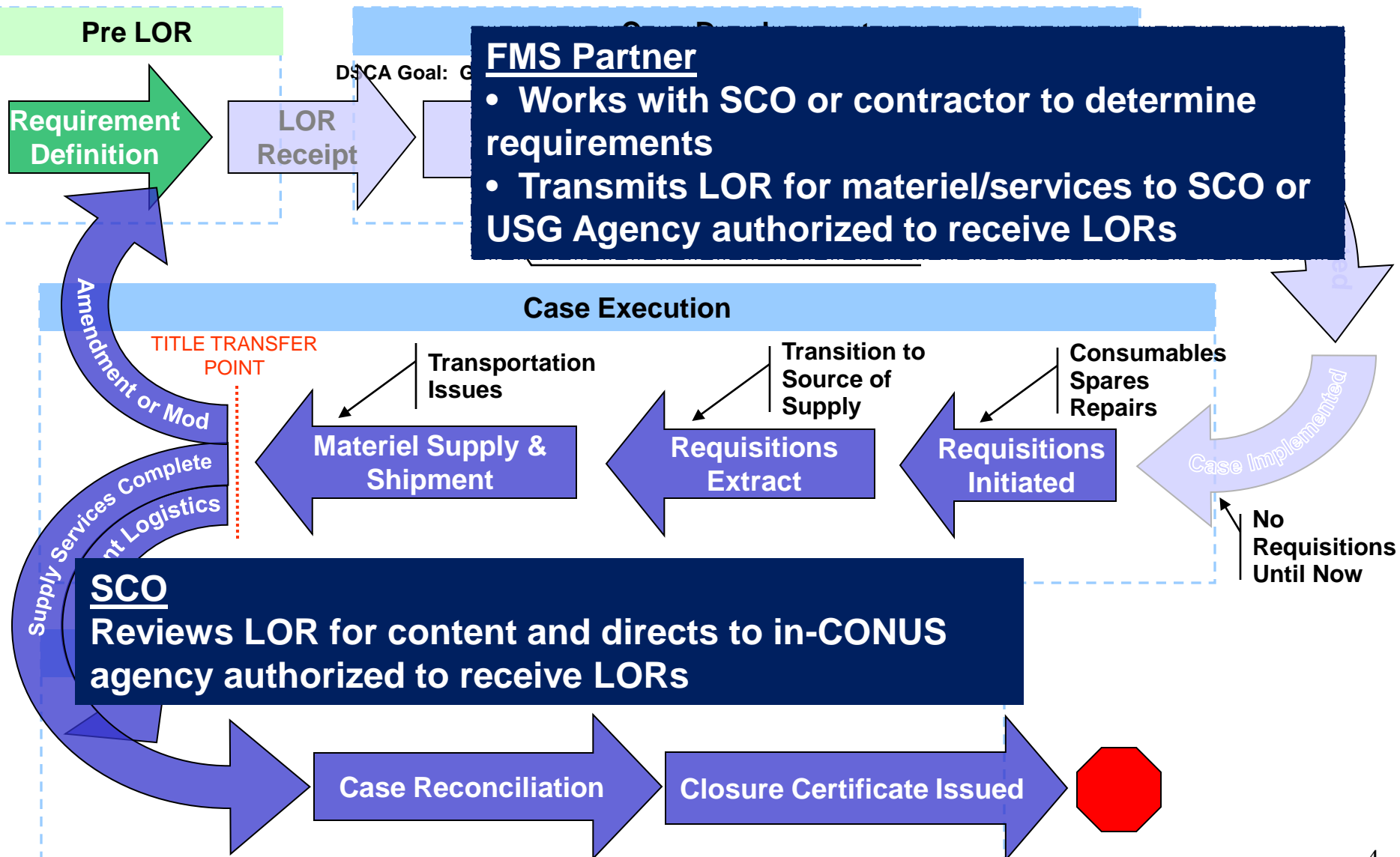


LOA Production



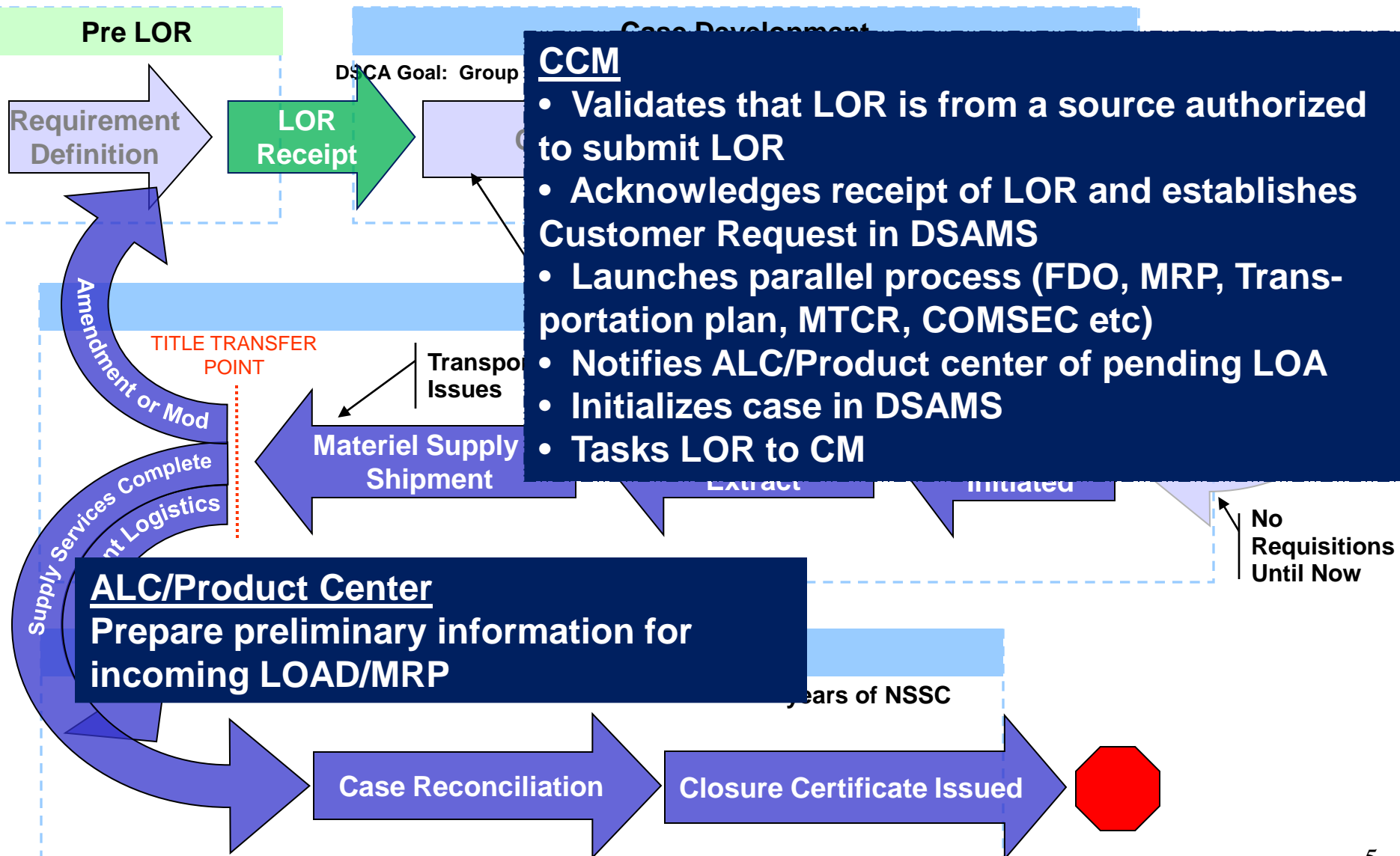
LOA Production

LOACM Roles - Responsibilities



LOA Production

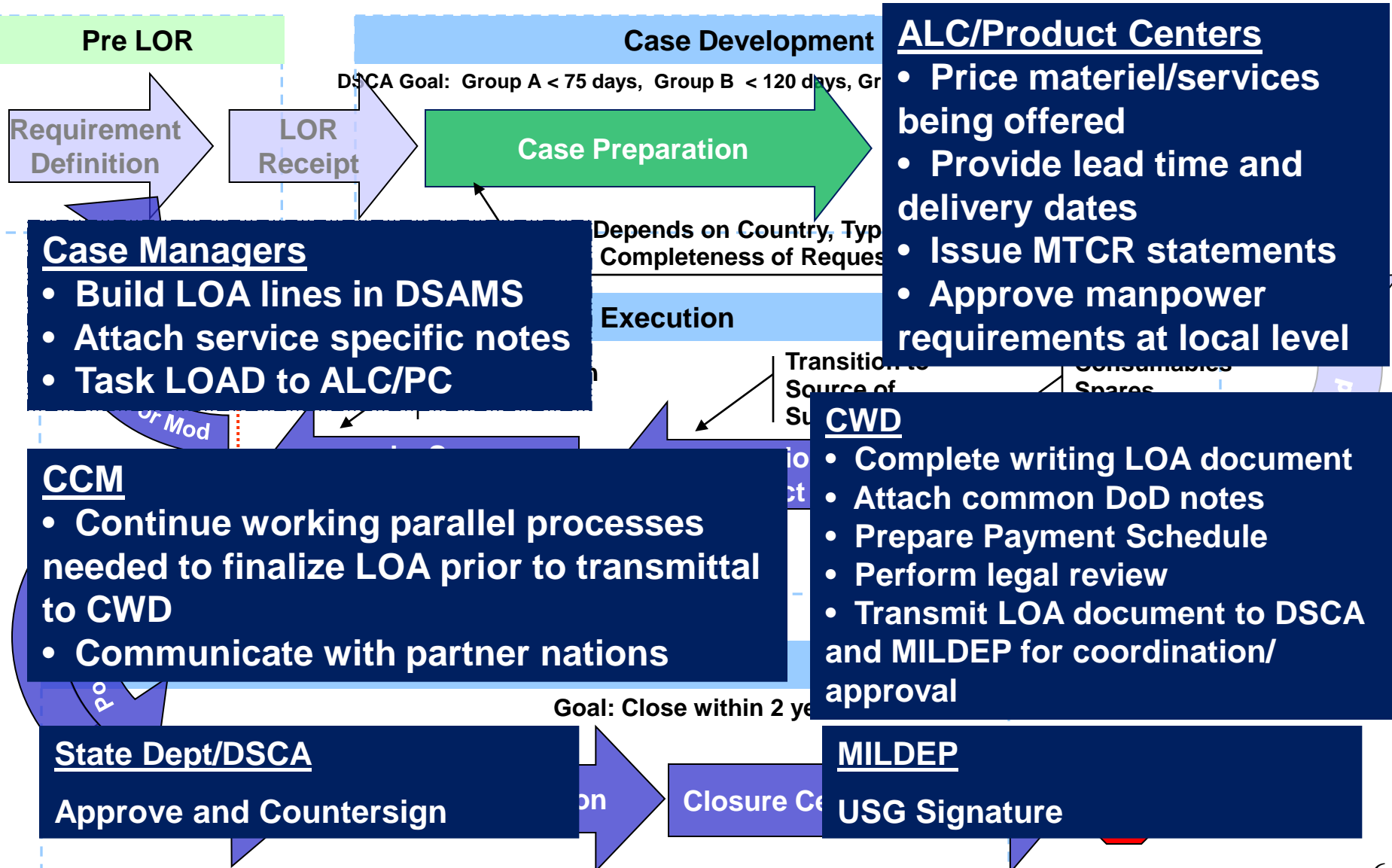
LOACM Roles - Responsibilities





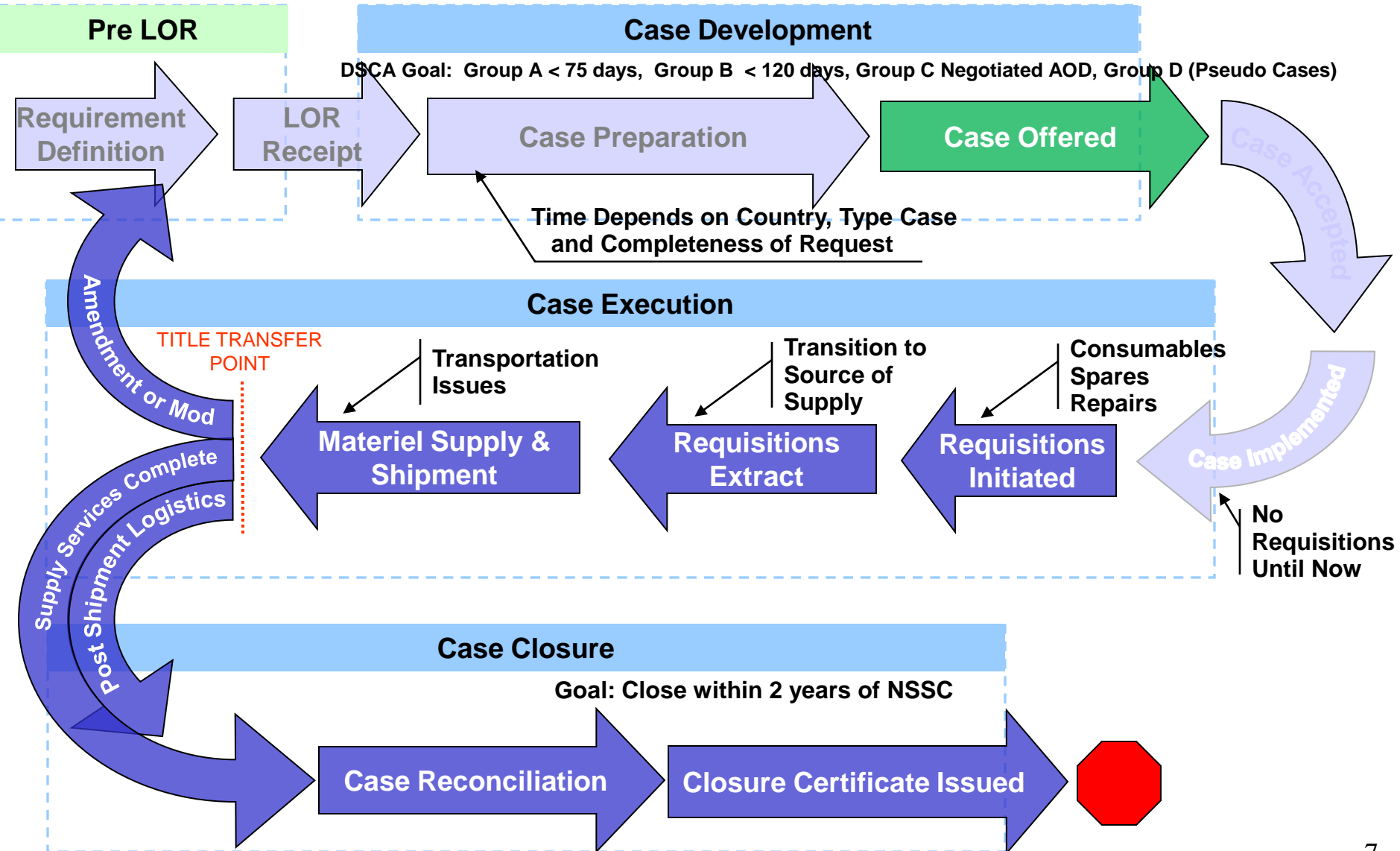
LOA Production

LOACM Roles - Responsibilities



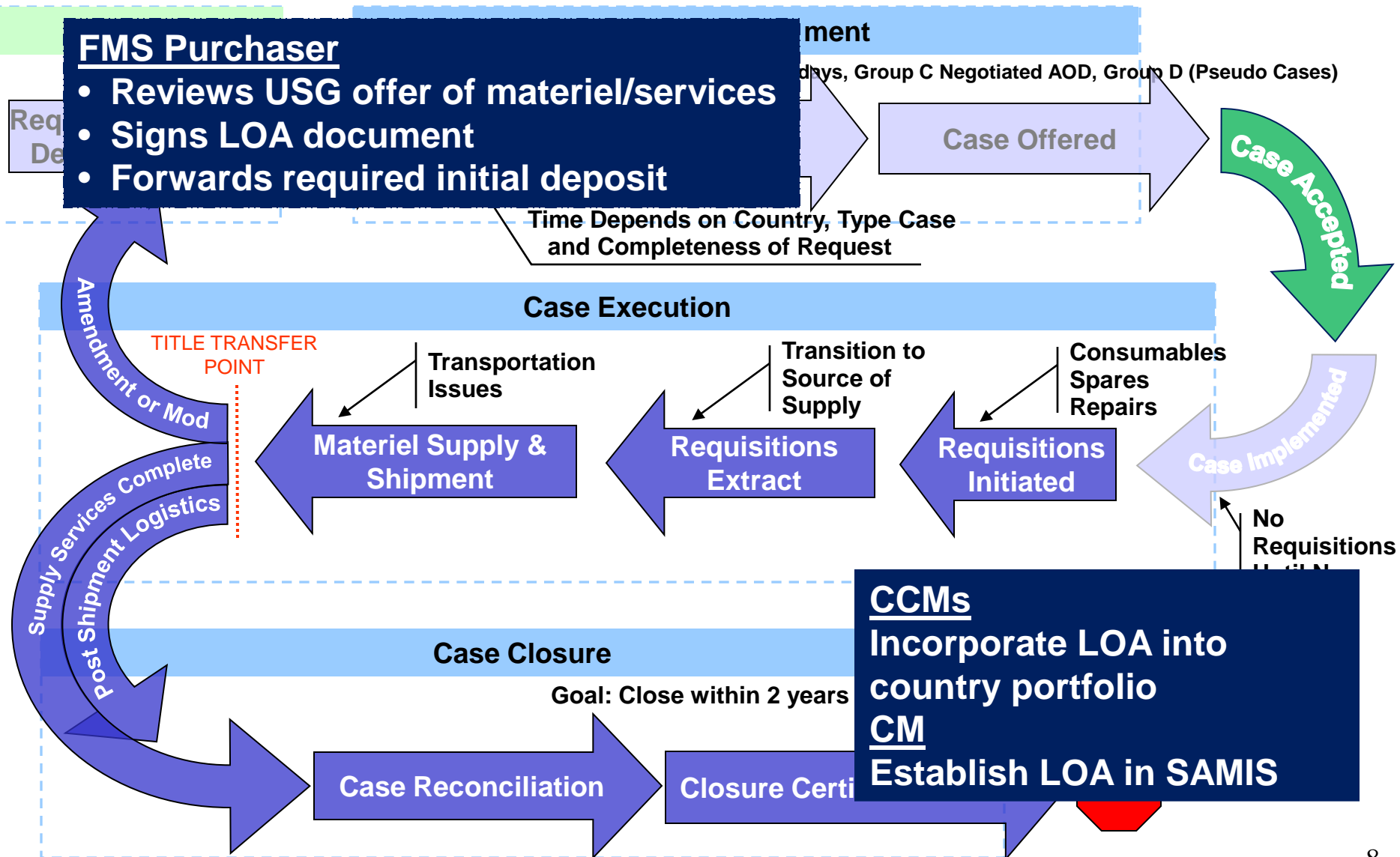
LOA Production

LOACM Roles - Responsibilities



LOA Production

LOACM Roles - Responsibilities





Case Implementation Roles - Responsibilities



Case Managers

- Transmit Implementing Project Directive (IPD)
- Monitor execution status through:
 - *Case variances*
 - *Case reviews*
 - Take corrective action for OCOM, ULO
 - *Work Controlled Exceptions*
 - *Amd – Mods*

Negotiated AOD, Group D (Pseudo Cases)

Case Offered

Case Accepted

Consumables
Spares
Repairs

Case Implemented

No
Requisitions
Initiated

Issues
Material Supply & Shipment

Requisitions
Extract

Requisitions
Initiated

FMA section

- Establish case in CMCS
- Set line values
- Monitor financial obligations

Case Reconciliation

Closure Certi

CCMs

- Monitor country portfolio
- Collect/Analyze MARs
- Coordinate case/country issues



Requisitioning Roles - Responsibilities



SM

- Monitor RQN population
- *Measure performance*
- *Collaborate with ALCs and DLA*
- Manage WWRS – PROS
- Process Supply Discrepancy Reports

CM

Monitors case thresholds to ensure requisition flow

Country, Type Case
Class of Request

Case Execution

TITLE TRANSFER
POINT

Transportation
Issues

Transition to
Source of
Supply

Consumables
Spares
Repairs

DLA/ALCs/Product Centers

- Award, monitor contract
- Monitor cost, schedule and performance

Requisition/Order
Extract

Requisitions/
Orders Initiated

Case Implemented

No
Requisitions
Until Now

CCM

Queries purchaser to accept or refuse price Increases

Case Reconciliation

FMA Section

- Develop financial analysis
- Monitor/correct ULO-NULOs
- Process funding documents

Closure Certificate Issued



Delivery

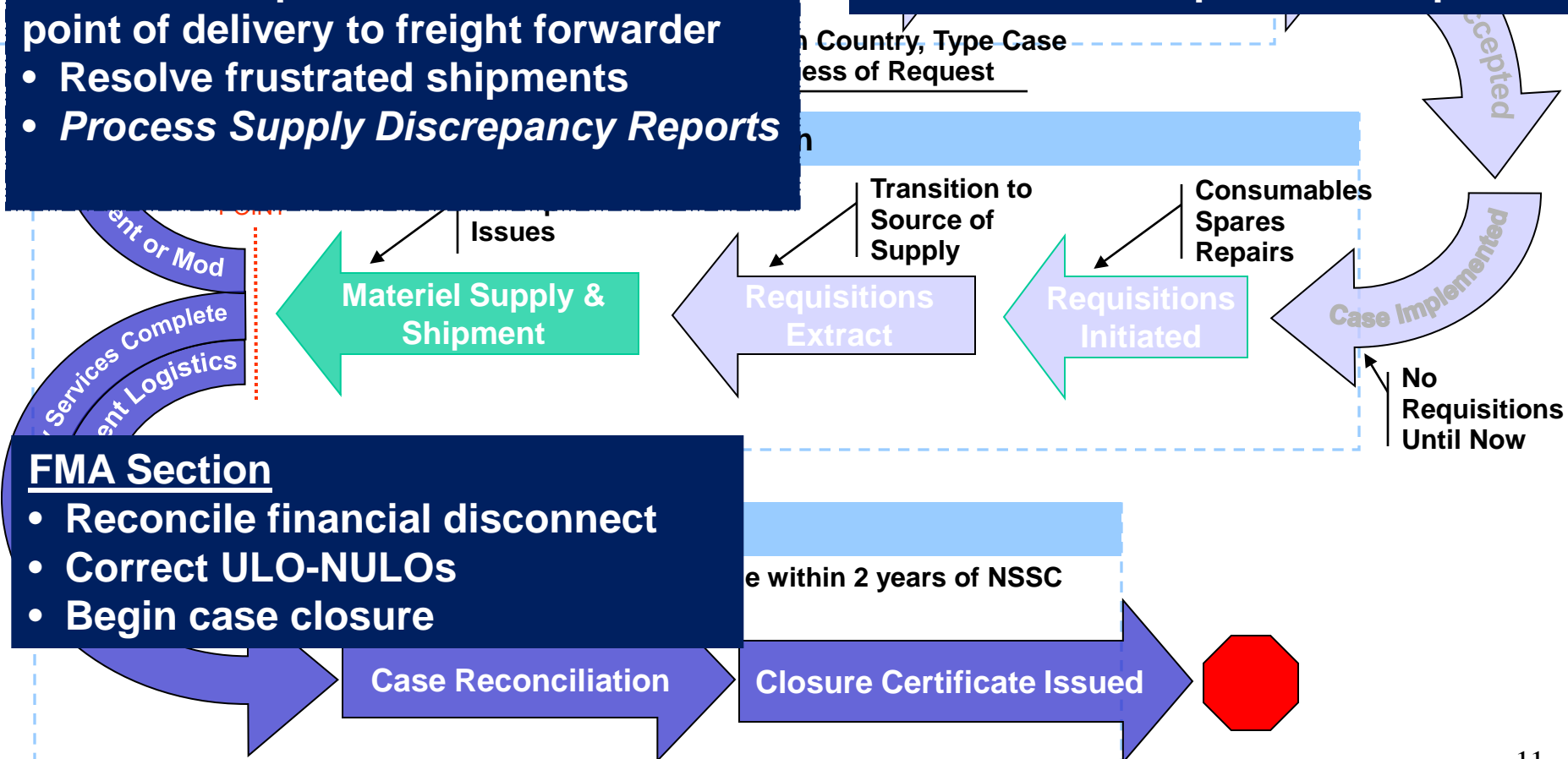
Roles - Responsibilities

SM

- Ensure items are properly billed after shipment
- Track transportation of items from point of delivery to freight forwarder
- Resolve frustrated shipments
- *Process Supply Discrepancy Reports*

CM

- Monitor ULOs to ensure contract closes when appropriate
- Initiate NSSC upon final shipment





Reconciliation – Closure Roles - Responsibilities



Pre LOR

Case Development

DSCA Goal: Group A < 75 days, Group B < 120 days, Group C Negotiated AOD, Group D (Pseudo Cases)

CM

- Verify final shipment with ALC/PC
- Issue NSSC letter

FMA Section

- Begins closure process
- Reconciles discrepancies in various financial systems
- Issues closure certificate

ALCs

- Close contracts
- Input proper delivery information
- Reverse duplicate/erroneous billings

DFAS

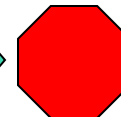
Issue final closure

Case Closure

Goal: Close within 2 years of NSSC

Case Reconciliation

Closure Certificate Issued



Supply Service
Post Shipment Logistics

No
Requisitions
Until Now



Summary



- Case Lifecycle Overview
 - Requirements Definition Pre-LOA)
 - Development
 - Offer & Acceptance
 - Implementation, Execution & Logistics
 - Reconciliation & Closure



Questions?





Technology Release/Disclosure

Processes and timelines associated with technology release/disclosure and AFSAC's role.

John Smilek

Mr. John Smilek is an Associate Professor at DISAM. He has a master's degree in Management and Public Administration from Webster College and an undergraduate degree in Technical Education from Akron University. He is a retired UASF Navigator and has been an instructor at DISAM since 2001. He is the functional coordinator for International Programs Security Requirements and a level III certified Acquisition Professional in Program Management and System Planning, Research, Development, and Engineering.

Kevin Strevel

Mr. Kevin Strevel is the Chief, Foreign Disclosure Division, Directorate of Plans and Programs. He provides leadership and management of foreign disclosure policy and programs at the AFMC (MAJCOM) level of responsibility and directs all aspects of foreign disclosure relating to Foreign Military Sales, Research and Development, Testing, Personnel Exchange Program Officers, Foreign Visits for AFMC. In addition, Mr. Strevel trains and certifies all foreign disclosure officers in AFMC.

Air Force Security Assistance Center



Defense MOU Attaché Group USAF Disclosure Briefing

Kevin D. Strevel
AFSAC/XPJ

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UNCLASSIFIED

There are no releasability restrictions on this briefing.



Overview



- **Foreign Disclosure**
- **Visit request process**



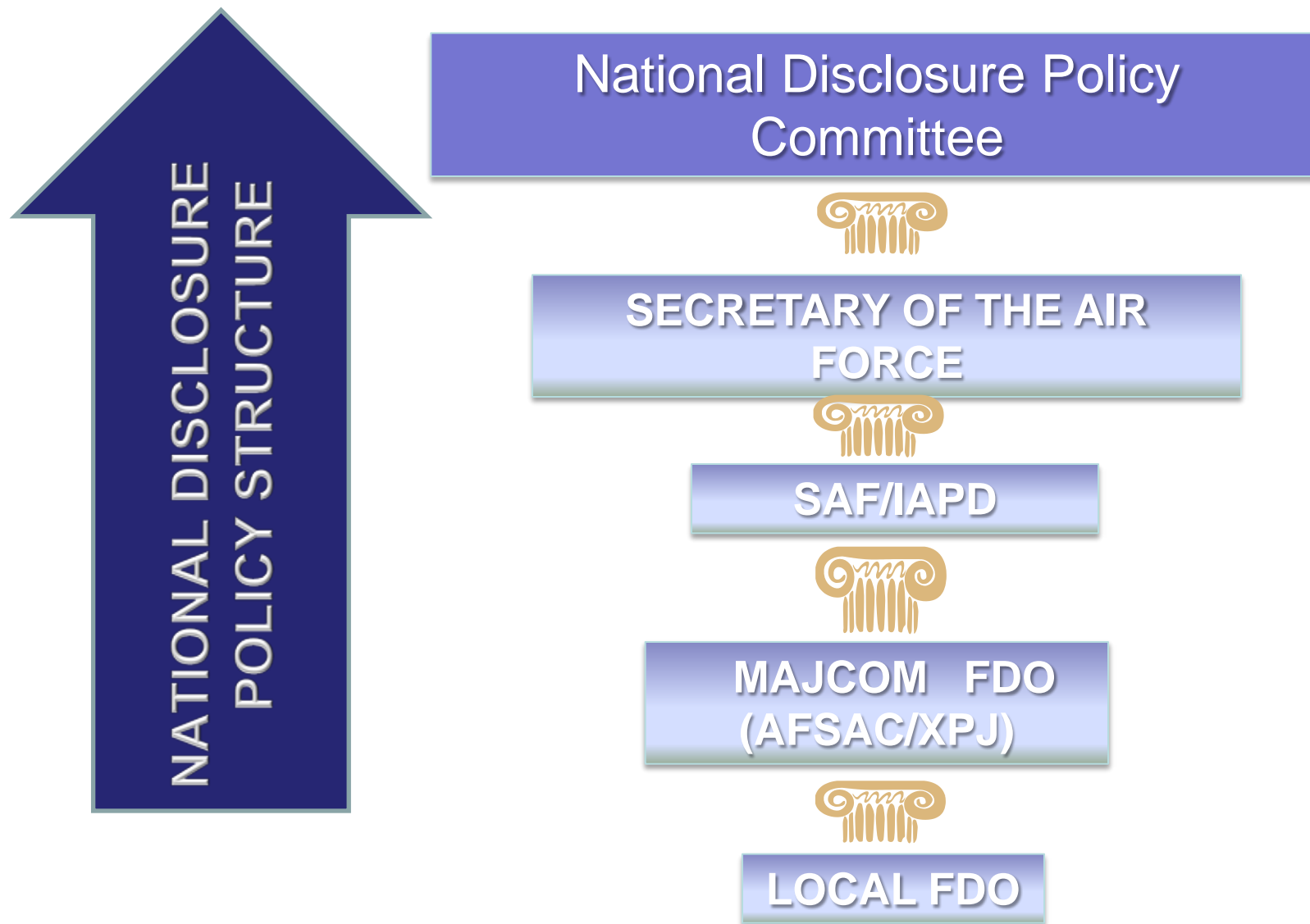
Foreign Disclosure Legal Authorities



- **ARMS EXPORT CONTROL ACT (AECA)**
 - Air Force Disclosure Authority for CUMI.
 - legislate the policies and procedures for the export of defense articles, services, and technical data having a military or space application
- **Implemented by DoD 5105.38-M, SAMM C.3**
 - Policy for tech transfer & export decisions
- **AFI16-201 Foreign Disclosure & Technology Transfer**
 - Instruction governing procedures for USAF Foreign Disclosures

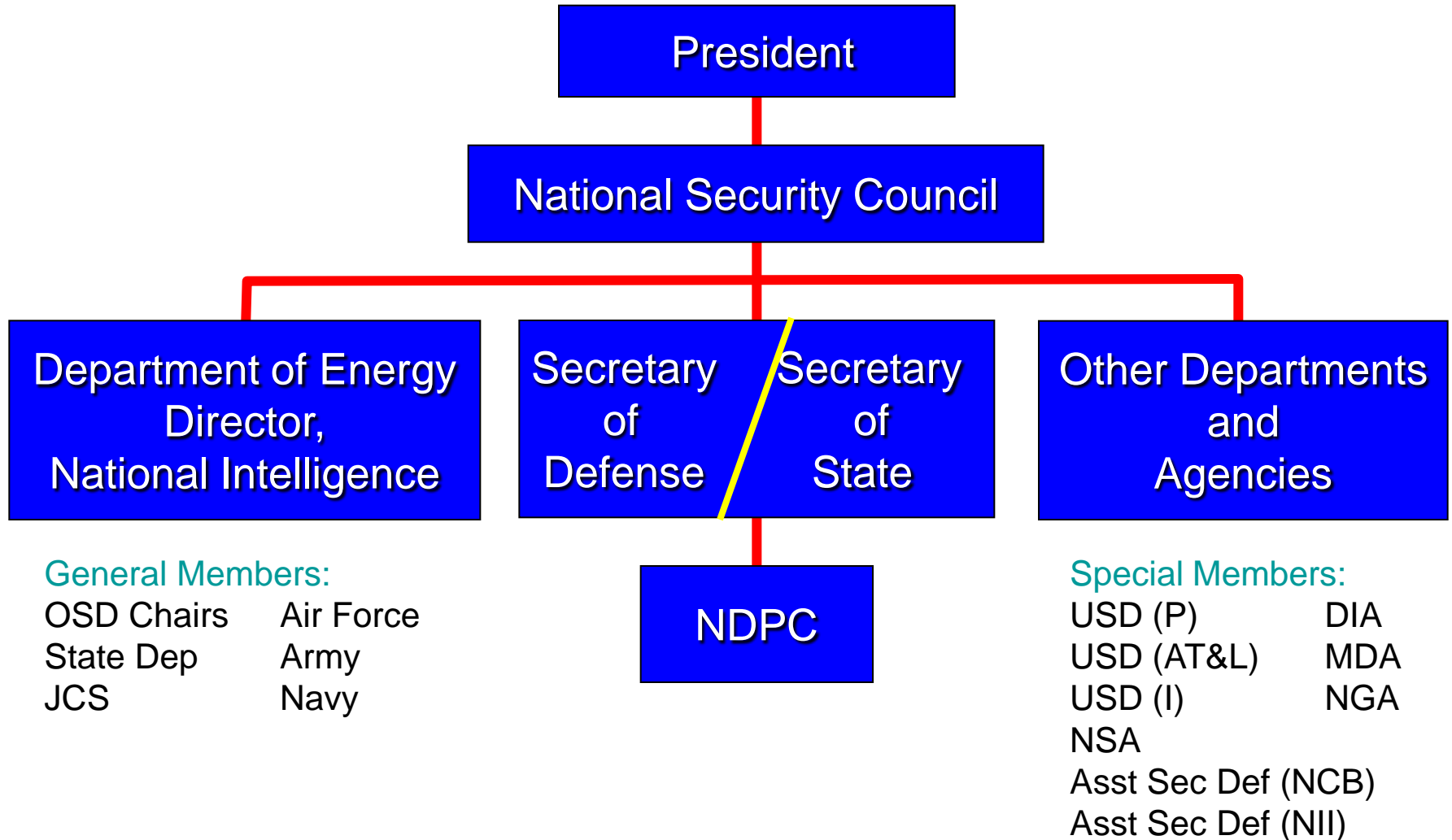


USAF NDP Structure





National Disclosure Policy Committee (NDPC)





Types of Visits by Foreign Nationals



- **One-Time**
 - Single organization; consecutive period <30 days
- **Recurring**
 - Single organization; intermittent visits over a period (usually 1 year)
- **Extended**
 - Assignment of an individual to an organization (FLOs, CPP, APEP, MPEP, ESEP)



Visit Request Process

- **Requests should come from visitor's government (Embassy)**
 - Exceptions: NATO, ITOs, contractors, public affairs, US-Canada JCP
- **Through Foreign Visit System (FVS) of Security Policy Automation Network (SPAN)**
 - Based on info in request, staffed to MILDEP (USA, USAF, USN) or DIA FFT to organization being visited
 - Request provides assurances of security clearance, need-to-know, and gov't sponsorship



Disposition of Foreign Visit Requests (FVR)



- **Approve:** visit can occur consistent with delegated disclosure authority
- **Deny:**
 - Operational, mission, or programmatic impacts
 - No legal basis
 - Administrative reasons (e.g. inappropriate length or type, duplicate requests, US POC unavailable, etc)
- **Non-sponsor:**
 - Contractor facility
 - Contractor presentation
 - No apparent government program



Questions?



Amendments and Modifications

Amendments and Modifications. Amendments, restatements, reactivating cancelled offers, major and minor changes to cases.

Speakers: Mr. Jeff Grafton DISAM; Mrs. Tracey Gallagher, AFSAC

Jeffrey S. Grafton

Mr. Jeff Grafton is an Associate Professor at DISAM. He has a Masters degree in Logistics Management from the Air Force Institute of Technology and an undergraduate degree in Business Administration from Cedarville University. He has over ten years of experience working at AFSAC and HQ AFMC as an acquisition professional. Currently he is the functional lead for Acquisition programs at DISAM and holds a level III Acquisition Professional certification in both Program Management and Acquisition Logistics.

Tracey Gallagher

Missing

Air Force Security Assistance Center



Amendments and Modifications

Ms. Reva Howard
AFSAC/XPO
4 October 2011

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Amendments



- **Security Assistance Management Manual (SAMM), 5105.38-M, C6.7.1**
 - An Amendment is required when a scope change takes place when the original purpose of a case line or note changes.



Amendment Reasons

- **Realigning funds**
- **Adding Lines**
- **Deleting Lines**
- **Increases or decreases to blanket/defined order cases or lines (excluding those examples listed above)**
- **Changes in quantity**
- **Extending a Period of Performance or Availability for additional coverage and to prevent a lapse in coverage**
- **DTC change**
- **Deleting a case ordering period**
- **Add, delete, or revise a sole source procurement**



Amendment Implementation



- **Similar to processing initial LOA**
- **LOR must come from the country or a letter must be generated to notify the customer of the change**
- **Amendments sent to customer for acceptance and require FMS customer signature**
- **Send copy to DFAS-DE for implementation purposes**
- **Amendments require the CM to input offer acceptance in DSAMS**
- **Amendments may require an initial deposit**



Modifications



- **Security Assistance Management Manual (SAMM), 5105.38-M, C6.7.2**
 - U.S. unilateral changes to an FMS case and do not require acceptance by the purchaser.



Modification Reasons



- **Price increase or decrease on a D/O line**
- **Decreasing lines for closure**
- **Increases due to over-commitment**
- **Revising Source, Line Manager, Offer Release, and Type of Assistance Codes**
- **Correcting accessorial charges**
- **Minor administrative changes (typo, clarifying block 2 line description and notes, etc)**
- **Revising the payment schedule**



Modification Reasons (Continued)



- **Revising a Period of Performance/Availability due to contract slippage**
- **Change in Generic Code or MASL to correct an administrative error**
- **Revising the Terms of Sale**
- **Correcting Administrative Surcharge**



Modification Implementation



- **Upon receiving United States Government (USG) signature for modification:**
 - **Send copy to customer for information purposes only**
 - **Send copy to DFAS-DE for implementation purposes**
- **Modifications are implemented as soon as USG signature is obtained**
- **Modifications do not require FMS customer signature**
- **Modifications do not require the CM to input offer acceptance in DSAMS**



Questions?

Waivers

Considerations and processes when submitting requests for waiver.

Reva Howard

Ms Reva Howard is an FMS policy analyst in AFSAC/XP's Policy Division. Ms. Howard reviews and develops processes and procedures for successful LOA development and execution. Her expertise is strongest in the LOA policy arena, but she is familiar with many other areas of FMS and Security Cooperation policy. Ms. Howard wrote the requirements document for and serves as the program for AFSAC's tri-service capable Letter of Request Automation (LOR-A) Tool.

Air Force Security Assistance Center



Air Force Process for Requesting Waivers to Policy

Ms. Reva Howard
AFSAC/XPO
4 October 2011

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Waiver Process

- Policies and procedures governing the United States Air Force (USAF) Foreign Military Sales (FMS) function are based on many laws and regulations
 - Public Laws
 - Arms Export Control Act
 - International Traffic In Arms Regulation
- Some circumstances require us to seek an exception or exemption from established rules and regulation



Waiver Responsibilities - Partner



- Partner Responsibilities
 - Know the rules and policies
 - Prepare request for waiver including
 - Policy to be waived
 - Provide legal or regulatory reference
 - Reason for waiver
 - Impact if not granted
 - Forward waiver request to Command Country Manager (CCM) for processing



Waiver Responsibilities - CCM



- Understand the rules and policies
- Know where to go for assistance if unsure
- Focal point for waiver request from International partner
- Work with AFSAC/XPO to process waiver



Waiver Processing

- AFSAC/XPO will evaluate and address request
 - Waiver request may be granted
 - Waiver request may not be granted
 - If not granted, a proposal for alternative solutions may be provided.
 - Partner can request waiver request be forwarded to SAF/IAPX.
- SAF/IAPX will review waiver request
 - Waiver request may be granted
 - Waiver request may not be granted
 - If not granted, a proposal for alternative solutions may be provided.
 - Partner can request waiver request be forwarded to DSCA



Waiver Processing



- DSCA will review waiver request
 - Waiver request may be granted
 - Waiver request may not be granted
 - If not granted, a proposal for alternative solutions may be provided