



Foreign Military Sales Perspective July 2023

Brig Gen Joel W. Safranek
Director, AFSAC

Mr. Ron "RT" Taylor
Deputy Director, AFSAC

AFLCMC/WFJ Case Number MN-RA-1430



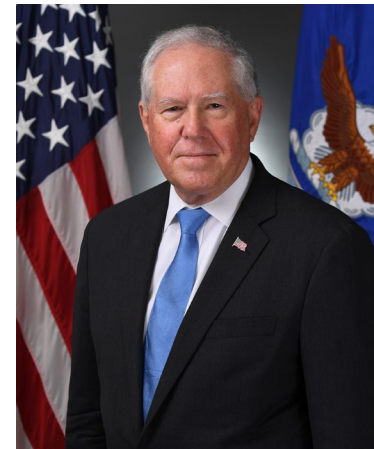
AFSAC Your Trusted Air, Space and Cyberspace Power Partner!



DoD and USAF Priorities ...AFSAC Mission

SECDEF Priorities:

- Defend the Homeland
- Deter Strategic Attacks Against the U.S., Allies
- Deter Aggression; Prevail in Conflict
- Build a Resilient Joint Force
 - Anchor Our Strategy in Allies and Partners



USAF Priorities:

- Build Space Force
- Strengthen relationships with allies and partners
- Grow strong and resilient families
- Modernize

AFSAC Mission: Deliver Air, Space, and Cyberspace capabilities to strengthen International Partnerships and advance National Security



Governance and Legal Authority

- Arms Export Control Act
- DSCA Security Assistance Management Manual (SAMM)
- One of three Implementing Agencies within USAF



22 U.S.C.

United States Code, 2018 Edition

Title 22 - FOREIGN RELATIONS AND INTERCOURSE

CHAPTER 39 - ARMS EXPORT CONTROL

From the U.S. Government Publishing Office, www.gpo.gov

CHAPTER 39—ARMS EXPORT CONTROL

SUBCHAPTER I—FOREIGN AND NATIONAL SECURITY POLICY OBJECTIVES AND RESTRAINTS

Sec.

2751. Need for international defense cooperation and military export controls; Presidential waiver; report to Congress; arms sales policy.
2752. Coordination with foreign policy.
2753. Eligibility for defense services or defense articles.
2754. Purposes for which military sales or leases by the United States are authorized; report to Congress.
2755. Discrimination prohibited if based on race, religion, national origin, or sex.
2756. Foreign intimidation and harassment of individuals in United States.

SUBCHAPTER II—FOREIGN MILITARY SALES AUTHORIZATIONS

2761. Sales from stocks.
2762. Procurement for cash sales.
2763. Credit sales.
2764. Guaranties.
2765. Annual estimate and justification for sales program.
2766. Security assistance surveys.
2767. Authority of President to enter into cooperative projects with friendly foreign countries.
- 2767a, 2768. Repealed.

SUBCHAPTER II—A—FOREIGN MILITARY CONSTRUCTION SALES

2769. Foreign military construction sales.

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SAF/IA

AFSAC

AFSAT



Dual-Hatted Authorities



AFMC/IA

Title 22

- Execute Arms Export Control Act Authorities
- Lead Security Assistance Program Budget Review
- Distribute FMS Administrative Funds
- Manage FMS-funded Resources
- Oversee International Logistics Programs
- Develop & Implement Policy
- Manage Security Cooperation IT Portfolio

Title 10

- Manage Military Exchange Program
- Execute Foreign Disclosure Authorities



AFSAC

Title 22

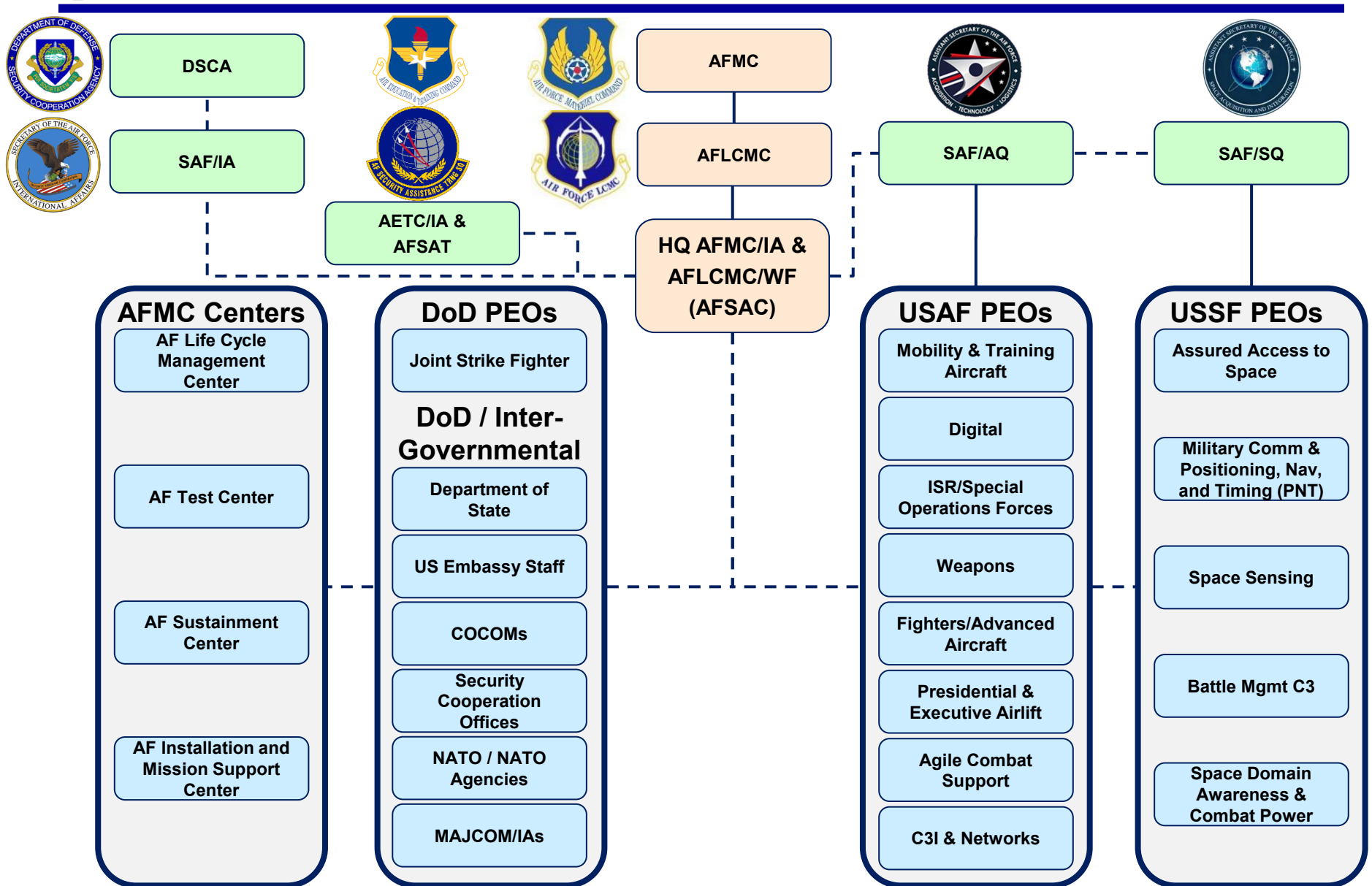
- DSCA Implementing Agency
- Oversee Security Assistance Cases
- Oversee Security Cooperation Cases
- Oversee Foreign Military Sales Cases
- Building Partner Capacity Programs
- Standard/Non-Standard Logistics
- Manage & Execute FMS-funded Construction

Title 10

- Provide Case Assistance for NATO
- Provide Admin/Research Support to Iran Litigation



FMS Ecosystem



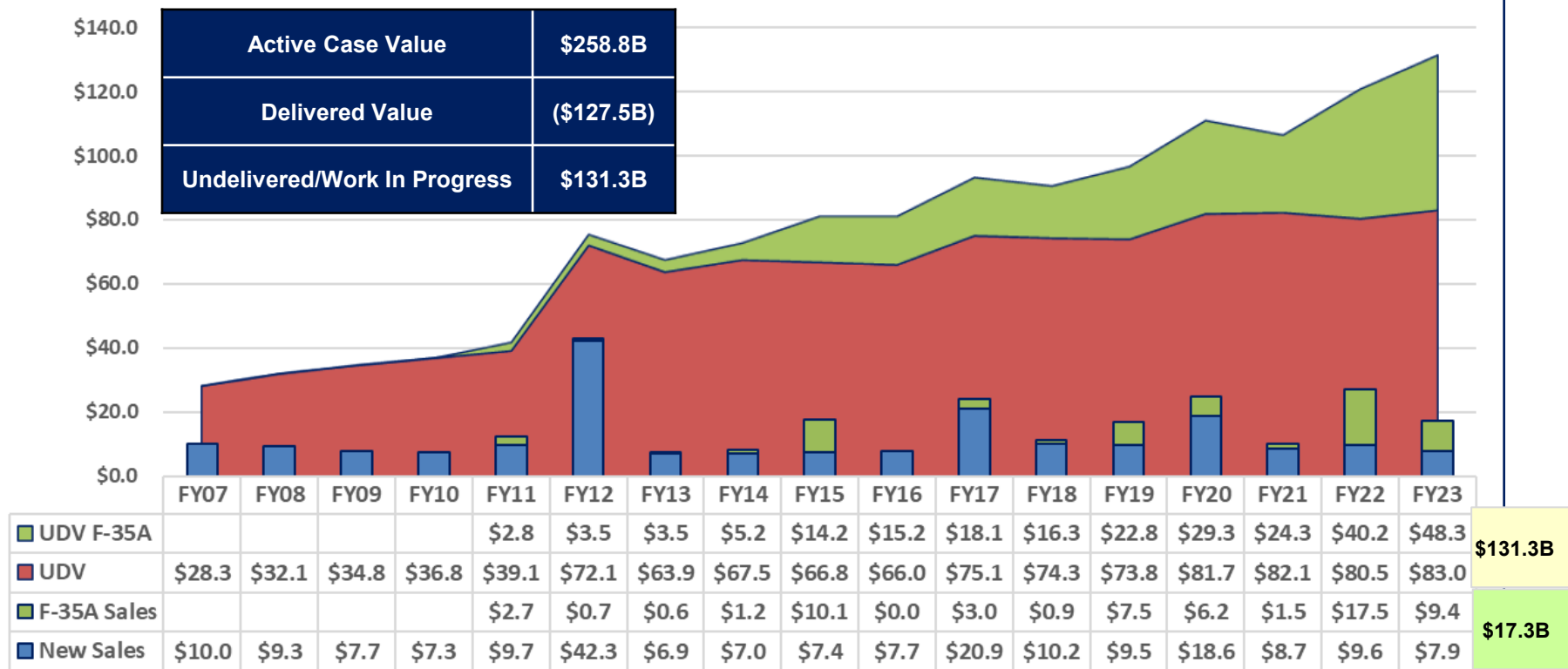


AFMC FMS Enterprise

Major Contributor to Defense Industrial Base

*Workload growth at 10% per year
from FY07 – FY22*

AFMC FMS Annual Sales and Undelivered Value (WIP)



\$9.6B in Offered Status



Global Environment

Source: AFSAC World Map, 17 Mar 23

US Northern Command

Countries: 2
Cases: 89
Value: \$1.9B
UDV: \$920M

US Africa Command

Countries: 17
Cases: 116
Value: \$6.1B
UDV: \$3.5B

US European Command

Countries: 33
NATO Orgs: 8
Cases: 1,076
Value: \$79.2B
UDV: \$51.5B

US Indo-Pacific Command

Countries: 17
Cases: 877
Value: \$68.6B
UDV: \$35.5B

US Southern Command

Countries: 13
Cases: 138
Value: \$1.5B
UDV: \$750M

US Central Command

Countries: 15
Cases: 607
Value: \$101.5B
UDV: \$36.6B

Total FMS Portfolio

Countries: 97
NATO: 8
Regional ORG: 1
Cases: 2,903
Value: \$258.8B
UDV: \$131.3B

Enabler of expanded coalition operations

Qatar C-17



ROKAF F-15



- ***The Global Security Market***
- ***The Changing Face of FMS***
- ***FMS versus DCS***
- ***Total Package Approach***

RSAF F-15



Nigeria A-29



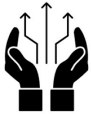
**Greece F-16s
USAF F-15s**





Global Security Market

Increasingly More Dynamic & Competitive



Industry decisions are critical to competitive positioning

- Product design & development considerations
- Defense Exportability Features
- Modular, open systems architecture



Ukraine has been a game changer




- National values matter
- Relationships are at the heart of what we do
- Capability is more than just the weapons platform

Delivery speed & partner customization increasingly important



Changing Face of FMS

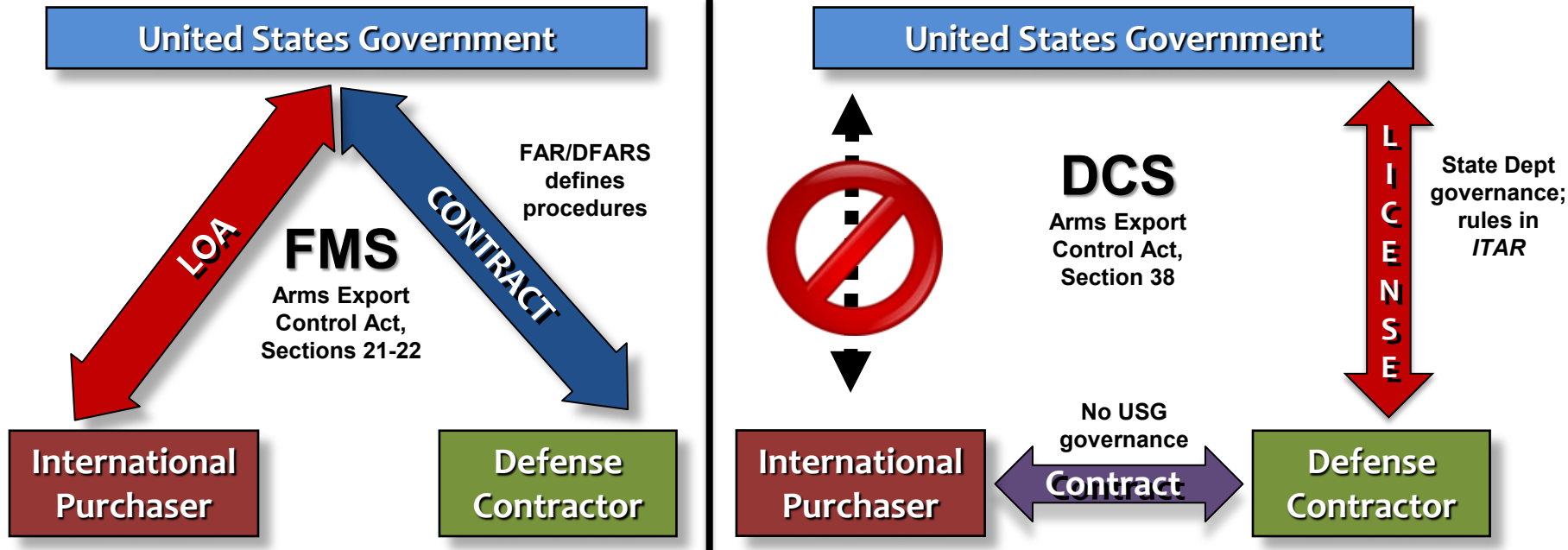
Recent Changes

-  **FMS is more than just existing aircraft inventory**
 - More and more development programs
 - 4th Generation + capabilities
 - Technology release becoming more complicated
-  **Increase in Non-Program of Record capabilities**
 - Light attack
 - Integrating U.S. weapons on non-USAF aircraft and vice versa
 - Airworthiness requirements
-  **Partners want more comprehensive Price & Availability (P&A)**
 - Pre-LOA workload accomplished with existing resources
 - Multiple P&A requests
 - Often challenging timelines

Delivery speed & partner customization increasingly important



FMS vs DCS



- US policy: *Security Assistance Management Manual (SAMM)*, *DSCA Manual 5105.38M*
 - DoD prefers friendly countries fill defense requirements with US-origin items
 - DoD generally neutral whether a country purchases US defense articles via FMS or DCS
 - DSCA/State Department can require “FMS-Only” sales – evaluation criteria includes security/sensitivity, Pol-Mil relationship, complexity of system/service
- Foreign partner policy/preference
 - Most countries approach FMS vs DCS decision on a case-by-case basis
 - Most countries also prefer (or require) competition to ensure best value



FMS Full-Spectrum Capability





AFSAC Directorate

- Building Global Partnerships
- Promoting National Security
- Leading Foreign Military Sales Enterprise



AFSAC ... Your trusted air, space and cyberspace power partner!

