



Transparency Handbook

Building Trust Through Transparency

Requirement Definition

Acquisition Strategy

Affordability Strategy

Pricing

Risk and Mitigation

Life Cycle Support

Training

Technical Data

Competition

Contracting

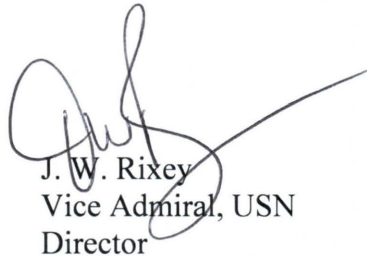
Transportation
& Delivery

MESSAGE FROM THE DIRECTOR

Over the last decade, Security Cooperation has assumed a greater role in supporting U.S. national security and foreign policy objectives. Our international partnerships allow us to be stronger together, and our strength is enhanced by our ability to better communicate common goals and requirements.

The Defense Security Cooperation Agency (DSCA) Vision 2020 details initiatives that will improve processes and procedures within DSCA to lead the Security Cooperation enterprise in adapting to the 21st century environment. Building on these efforts, the Transparency Initiative will enhance our ability to communicate key priorities to our vital network of partners. The Transparency Handbook lays out milestones and tools to improve the timeliness and quality in the execution of U.S. Foreign Military Sales (FMS). Specifically, it provides guidance to 1) structure effective information exchanges; 2) encourage productive dialogue; and 3) align partner needs with those systems and services that the United States has available. Our ability to openly communicate with our partners across the continuum of FMS activities will foster better understanding as we work to achieve common goals.

I look forward to continuing to serve with you in a more transparent environment. Together we will make a more effective and efficient FMS program, but more importantly, we will become stronger partners.



J. W. Rixey
Vice Admiral, USN
Director

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INTRODUCTION

THE PURPOSE OF THE TRANSPARENCY INITIATIVE

The transparency initiative was started to facilitate the improvement of timeliness and quality in the execution of U.S. Foreign Military Sales (FMS) through transparency and clear communications. Transparency refers to the sharing of information between the FMS products provider and customer. Clarity of requirements is critical in establishing expectations, from knowing the customer's needs to understanding product availability. Transparency is also defined as providing information to improve our partners' understanding of the complete acquisition cycle in terms of their procurement requirements for defense goods and services via FMS. Having clear exchanges of information during the entire process will improve understanding across the spectrum of activities within the FMS enterprise.

THE PURPOSE OF THE TRANSPARENCY HANDBOOK

The DSCA strategic plan, Vision 2020, set an objective to “increase confidence in FMS as a procurement option for partner nations.” Vision 2020 established DSCA's Transparency Initiative, employing test cases and lessons learned which focus on the initial planning stages of a major procurement program, contracting, and execution to increase customer satisfaction and confidence. Relatively modest measures on the part of program offices, Implementing Agencies, and DSCA can significantly improve customer awareness, understanding, and participation during the FMS process. Clear program definition and open lines of communication help avoid confusion and unnecessary effort and result in better program success, thereby supporting U.S. policy and partner requirements.

This handbook provides guidance to:

- Structure effective information exchanges to delineate specific milestones, topics, and actions in cases of complex¹ programs for major procurements.
- Encourage a productive dialogue between the partner and U.S. subject matter experts to ensure Letters of Request (LOR) are complete and executable.

¹ “Complex,” as in Defined Order LOAs and associated Amendments considered "purchaser-unique" in nature, as discussed under Anticipated Offer Date Category C in the SAMM, Table C5.T6.

- Align partner needs and requirements with those systems and services that the United States has available, and reduce instances in which LORs need to be returned or rewritten in the course of the development of the Letter of Offer and Acceptance (LOA).

BACKGROUND

Security Cooperation (SC) refers to Department of Defense (DoD) activities with allied and partner nations which:

- Build their capabilities for self-defense and coalition operations;
- Build relationships that promote specified U.S. interests; and
- Provide U.S. forces with peacetime and contingency access.

SC includes a wide range of activities using both Title 10 and Title 22 authorities to deliver a full-spectrum of capabilities. The Department administers Title 22 programs on behalf of the Department of State (DoS), including FMS, Foreign Military Financing (FMF), and International Military Education and Training.

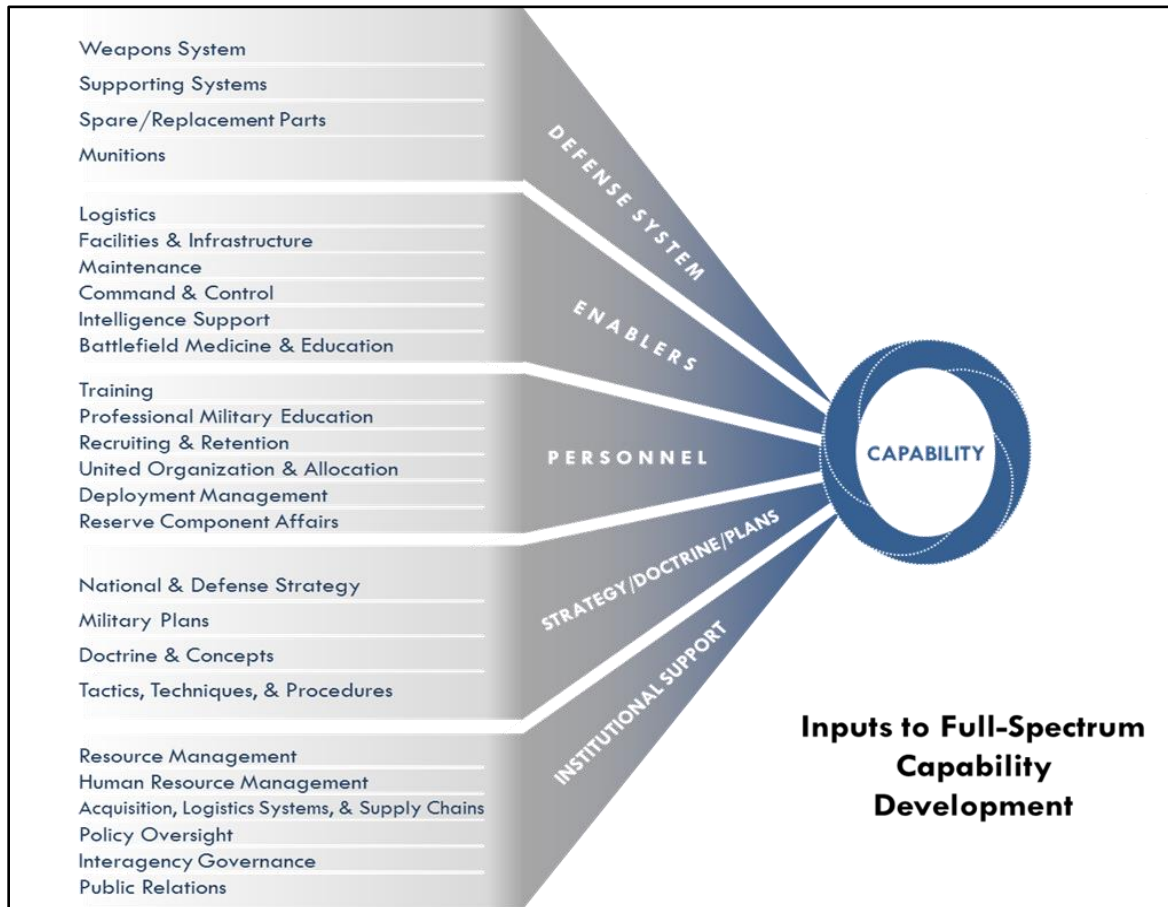
Vision 2020 focuses on three core, fundamental approaches to lead the SC community:

1. **Synchronizing SC Activities:** Working closely with the Office of the Deputy Assistant Secretary of Defense for Security Cooperation (ODASD(SC)), and leading the SC community in better coordination of the delegation and sequencing of efforts and in collaboration across the SC enterprise. This includes facilitating decision-making that addresses gaps, redundancies, and conflicts, and achieves long-term objectives. It also entails building adaptability into processes, so the enterprise can anticipate and respond to emergent and dynamic requirements.
2. **Meeting Customer Expectations:** Tailoring solutions that are artfully deployed, properly identifying and executing to customer expectations, and enabling the U.S. Government to find more complete solutions to its challenges while remaining competitive in the global marketplace. Ensuring timeliness, accuracy in price forecasting, and effective coordination, particularly on logistics issues.
3. **Ensuring Effectiveness and Efficiency:** Drawing on all SC tools to find the best solution for a given task while constrained by declining resources. Leading the community in the sustainable use of resources through business process improvement, modernization, and coordinated assessments of community effectiveness and efficiency.

FULL SPECTRUM CAPABILITY

This “Full Spectrum Capability” chart (Figure 1) illustrates the multiple considerations that effective SC planning, resourcing, execution, and evaluations must take into account.

Figure 1. Full Spectrum Capability



FOREIGN MILITARY SALES PROGRAM

The largest security assistance program, FMS, is executed by DoD under Title 22 authority. FMS is the primary method to transfer U.S. defense articles and services to partner nations and is the linchpin for the success of many of our SC programs. The principal legislative authority for the FMS program is the Arms Export Control Act (AECA) of 1976, as amended.

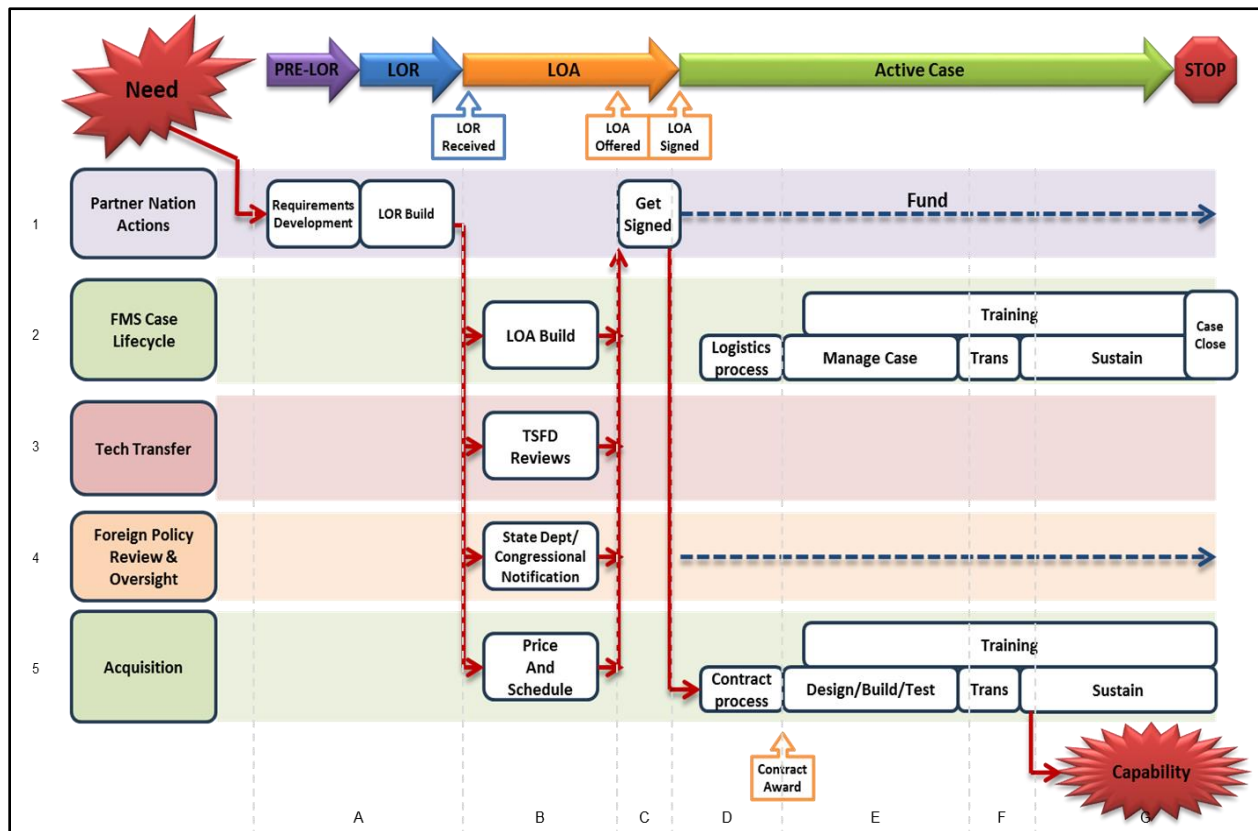
The three categories of cases that are executed via the FMS process are:

- Partner nation-funded cases. These represent the majority of cases.
- FMF-funded cases. FMF is a multiyear Title 22-authorized DoS program executed by DoD that provides grants and may provide loans to partner nations for the

purchase of weapons and defense equipment produced in the United States, as well as for acquiring U.S. defense services and military training.

- Building Partnership Capacity (BPC)-Funded Cases. These cases are financed by funds that have been appropriated via various DoD (Title 10) and DoS (Title 22) authorities referred to as BPC programs.

Figure 2. FMS Process



FMS PROCESS LANES

As depicted in Figure 2, FMS is executed through a system of processes owned by various stakeholders across the U.S. Government which balance competing interests and fulfill requirements of the AECA. The AECA requires three critical validations before a capability can be offered:

- The transfer is of mutual benefit to the partner nation and U.S. Government;
- The technology will be protected; and
- The transfer is consistent with U.S. conventional arms transfer policies.

Partners have a wide range of choices when it comes to purchasing defense articles and services. In addition to FMS, partners can often purchase a defense article or service from a U.S. company through Direct Commercial Sales (DCS), or they can buy a system with similar capabilities from a third country government or company. Our partners turn to the U.S. Government, through FMS, as their provider of choice for several reasons.

- Access to the same or similar equipment, systems, and operating procedures used by the U.S. Armed Forces, helping to ensure interoperability and economies of scale.
- The FMS process uses the same acquisition process DoD uses, which is largely open and transparent, and operates without profit to the U.S. Government. This helps partners ensure they are getting fair value for their purchases and minimizes the likelihood of corrupt or opaque practices that might characterize other sources of defense articles.
- FMS encourages a “total package approach.” This means that DoD encourages provisioning beyond a single end-item, system, or platform to include the associated spares, maintenance, and training to achieve effective and sustainable capacity.
- FMS provides a long-term defense relationship between the partner nation and the United States.

THE IMPORTANCE OF PRE-LOR DISCUSSIONS

This handbook focuses on complex programs developed and executed through the U.S. FMS system. Many less complex procurements via FMS can benefit in the planning stages from the appropriate level of discussion between the country, Security Cooperation Organization (SCO), and U.S. subject matter experts. These discussions between customer and the SCOs in-country and country desks at the Implementing Agency (IA) and DSCA will be instrumental in obtaining the necessary information to support the development of requirements for the equipment, training, or services our partners need to meet a capability need. Often a conference call will provide the insight necessary to support a complete and actionable LOR. Other tools can be used to match country requirements to U.S. programs, such as Video Teleconference, meetings with local embassy officials, site surveys, Expeditionary Requirement Generation Teams, Studies and Analysis FMS cases, and so forth. The level of effort and resources naturally depends on requirements, which are addressed under the Resources Implications section below.

TRANSPARENCY TOOLS AND MILESTONES

There are tools and milestones that can be used to enhance understanding and communications through the FMS case development and implementation stages. Such events are offered by the IA with active participation by the appropriate program office and FMS coordinating offices to ensure the proper expertise is available to provide the information the customer requires to make acquisition decisions. The work is funded

according to resource guidance for Pre-LOR efforts ([See Security Assistance Management Manual \(SAMM\) Table C9.T2.](#)).

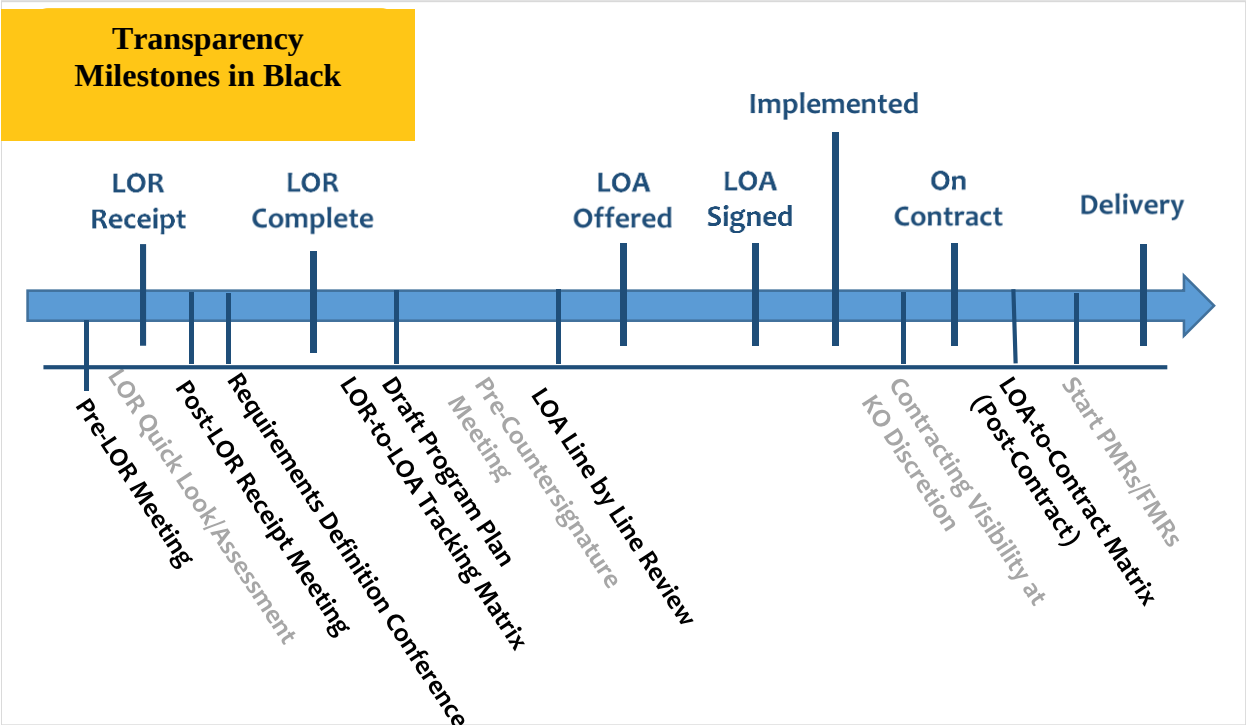
Table 1. Transparency Milestones

Milestone	Name	Description
I	Pre-LOR Meeting	This involves structured discussions in the Pre-LOR stage and the resulting discovery that occurs to guide the partner country in development of its LOR. Discussions that involve the development of a concept of operations/total package approach that are generally admin funded. This could lead to either an admin funded or case funded LOA development process. Key transparency objectives that need to be addressed in these pre-LOR discussions are: the basis for the requirement, ability to fund, ability to absorb into existing organizational structure, and long term logistics support.
II	Post-LOR Receipt Meeting	This meeting is used to confirm/clarify information received in the LOR and solicit any additional information required to make the LOR fully actionable. It can follow the same structure as the Pre-LOR review.
III	Draft Program Plan	The Defense Acquisition Guidebook (Chapter 2 – Program Strategies) addresses requirements for an acquisition strategy, which can be modeled to inform the partner country of the major elements of its program. A Program Plan, based on that structure, provides detailed information that can serve as the basis of the LOA, with the additional benefit of answering many of the FMS partner’s questions in advance. Such a program plan may not be considered Standard Level of Service and may require advance partner funding.
IV	LOA Line-by-Line Review	Additional transparency prior to formal case offer can reduce unnecessary effort by reviewing the major elements of the draft case with the partner to ensure it fulfills the partner’s requirements. A line-by-line review, conducted via briefing slides or with an approved draft LOA, ensures working level understanding and prepares the partner country staff to explain the LOA to their senior military and civilian leadership.
V	LOR-to-LOA Tracking Matrix	This matrix tracks each requirement mentioned in the LOR to the corresponding line(s) in the LOA. It is provided by the IA and program office to the FMS customer during the LOA line-by-line briefing, or as a separate document or table. As with all of these tools, it is tailored to the individual program.
VI	LOA-to-Contract Matrix	After the LOA is signed, the program office updates the matrix to trace each line in the LOA regarding contract

		information such that the FMS customer will be able to trace a given requirement from request to U.S. Government agreement, to contract. Future transparency test cases will develop this concept further.
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These milestones are part of the continuum that includes the internal review of the LOR by the IA (such as Army’s Quality Review Board, Navy’s Quick-Look), and the Pre-Countersignature Meeting, where U.S. officials review complex cases for accuracy and completeness.

Figure 3. Transparency Milestones



PLANNING CHECK LISTS

PRE-LOR AND POST-LOR MEETINGS

Following are key topics or agenda items to structure discussions that define and clarify customer requirements via an LOR. These reviews or meetings, chaired by the IA, may be convened in person or remotely. These activities are resourced by FMS Admin Funding, tailored to the task involved, and at minimal expense. Some preparation or training for U.S. participants may be in order, depending on the nature of the project, such as with non-standard programs. Topics can be modified to suit the particular situation and apply to either Pre- or Post-LOR, to help draft a complete LOR, or to achieve better understanding after the IA receives and reviews the LOR. It is important to note when determining requirements to be included in a LOR that the least risky and most cost efficient and timely response will be to those that match U.S. programs of record.

Table 2. Pre-LOR and Post-LOR Reviews Outline

☑	Area	Details
	Partner nation overarching requirements and program objectives	• Regional and strategic context • Desired capabilities • Partner nation program/project organizational structure; key counterparts within the Country Team or partner country defense office(s) • Previous reviews and information, such as past Pricing and Availability (P&A) or Site Survey data • Time objectives and restraints; desired delivery timeframe • Partner nation financial processes, deadlines, and need to synchronize funding (i.e. CY or FY budget cycles)
	U.S. Program Description and Organization	• Current U.S. program of record and available capabilities
	U.S. baseline for the system (include pictures, diagrams, etc.)	• Configuration • Performance • Versions/upgrades and schedule
	U.S. Government FMS Case Supporting Organizations	• Key positions • Chain of command to senior Service leadership • Provide organization chart • Facilities (location, purpose)
	U.S. Management Structure and Manning (military, U.S. Government)	• Program Manager (PM) • Country Program Manager/Director United States Army Security Assistance Command (USASAC), Navy International Program Office (NIPO), Deputy, Under Secretary of the Air

civilian, and contractor)	Force for International Affairs (SAF/IA), and Air Force Security Assistance and Cooperation (AFSAC) • Role of FMS key offices Security Assistance Management Directorate (SAMD), System Command, Support Operation Officer, Life Cycle Management Center, etc. • Case Manager • Program engineers • Cost analysts • Product support • Engineering data management • Contracting officer • Financial manager • Test and Evaluation (T&E) manager • Integrated Product Teams
Non-Standard and Non-Program of Record requirements	• Ability of U.S. offices to respond or assist • Other U.S. capabilities that could fulfill the partner requirement • IA offices with ability to contract unique or non-standard
Detailed review of Customer Requirements	• Review LOR and any earlier discussions or exchanges • Review capability and configuration options
Country capability needs	• Number of systems and configuration • Desired locations for those systems • Country concept of operation and operational tempo • Operational or strategic effect • Maintenance requirements and locations • Involvement by other parties (allies, neighboring countries, international organizations) • Country required delivery dates
Affordability	• Country target budget • Country financial system, requirements, deadlines • Use of a payment schedule; Dependable Undertaking; Special Billing Arrangements • Any unique payment schedule requirements • Requests for additional financial briefings or information from DSCA or Defense Finance and Accounting Service
Acquisition	• Country desired acquisition method (FMS or FMS/DCS hybrid arrangement) • Synchronization concerns for hybrid arrangements (matching FMS delivery to DCS program schedule) • International competition involved

		• Special acquisition approaches (related to capability need, timeline, and affordability) • Any sole source or limited source direction
	Logistics	• Existing country logistics capabilities related to the proposed sale (facilities, support equipment, trained personnel, etc.) • Country maintenance concept • Life Cycle Cost - Level of spares/repairs support for long-term support • Country requested support equipment • Transportation requirements/preferences • Country requested material handling equipment • Country facilities (construction) requirements
	Country data requirements	• Additional requirements beyond standard operations and maintenance – Discuss LOA standard terms and conditions – Discuss potential restrictions (to include possible Original Equipment Manufacturer-imposed restrictions) to use beyond government rights – Discuss potential cost implications • Publications that must be tailored to country needs • Technology release
	Training	• Country preference for in-country or CONUS training • Performed by DoD, contractor, or hybrid • Training devices required and available • English capability of target training audience – English Language Training (ELT) required – Number of students and levels – Estimated timeline and throughput to meet training requirements – Availability and adequacy of country personnel for training
	Program Management	• Does country require a Liaison office, CONUS Foreign Liaison Office, Country Liaison Officer, or U.S. Field Office
	Transportation and Delivery	• Advanced planning for transportation of materiel • Delivery Term Code to manage transportation and delivery from the point of origin (typically CONUS) to the purchaser's desired destination (Air or Surface shipment)
	LOA development milestones	• Review the calendar of key events applicable to the program. (Can be expressed in terms of days or months after LOR submission or LOA implementation.) Key events may include: – Pre-LOR technical discussions – Receipt of LOR

		– LOR Quick Look by the IA – LOR marked Complete – Post LOR Receipt meeting with country – Congressional Notification submitted by the Military Department – Congressional Notification final Congressional approval estimated completion – Other key process steps, such as Country Team Assessment or Yockey Waiver – Transportation Plan (per SAMM Chapter 7) – Hybrid arrangements (relationship of FMS case to other procurements/DCS) – Anticipated LOA Offer Date (AOD) – Anticipated country signature and country budget requirements – LOA implementation – Anticipated contract award – Anticipated delivery or service completion
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DRAFT PROGRAM PLAN

The Program Plan is an abbreviated Acquisition Plan. It can be provided to the foreign partner either as a stand-alone document or as a briefing. It is derived from the Defense Acquisition Guidebook, Chapter 10 "Acquisition of Services," located at: <https://www.dau.mil/tools/dag>

The Program Plan was found to be a useful means to show the partner nation the wide range of technical and management considerations that are addressed as a normal part of U.S. acquisition but is usually equated with a planning case or support case to justify the time intensive requirements to develop and sustain. The Program Plan is generally considered above standard level of service per [SAMM Table C9.T2](#). Program Plan topics include:

Table 3. Draft Program Plan Outline

☒	Area	Details
	Top-level description of the Program	• What is being purchased and how many? • Identify linkage to other programs (United States and Partner) • Identify any unique aspects of the program • Special/non-standard requests in the LOR • Sole source, expedited delivery, lease • Identify the major acquisition phases
	Current U.S. assumptions for the FMS case	• For example: – Site survey, training needs assessment, and provisioning definitization to be conducted within x days of LOA signature

☑	Area	Details
		– Expedited first delivery x months after contract award – Funding set-aside for Diminishing Manufacturing Sources (DMS) – Technical publications and training will be in English – No facilities, utilities, or support infrastructure required – Offset costs to be included in pricing
	Major Issues	• Show stoppers and other concerns to highlight up front • Information still needed from the purchasing country
	Acquisition Strategy	• Define the approach the program will use to achieve full capability: either evolutionary or single step • Include a brief rationale to justify choices
	Notional/draft acquisition timeline	• Projected integrated master schedule • Include critical path
	Affordability Strategy	• Describe the approach to achieving affordability • Identify changes to quantities, such as Economic Order Quantities (EOQs), necessary to achieve target • Identify schedule changes necessary to achieve target • Impact of procurement rate (i.e. EOQ) and schedule on the affordability target • Identify potential issues in meeting capability requirements within the affordability target
	Initial Rough Order of Magnitude (ROM) price estimate, to include (where applicable):	• Weapon system • Spares • Ammunition • Support equipment • Repair of repairable (ROR) and calibration requirements • Publications and software • U.S. Government and contractor technical services • Other services (including manpower and travel) • Training • Transportation • Facilities • Administrative surcharge • Storage or consolidation point
	Computational basis for ROM pricing, such as:	• Contractor P&A data • U.S. Government precedent pricing from similar programs • Recent FMS precedent • Recent definitized contracts
	Risk and Mitigation Strategy	• Identify risks on single chart with x-axis capturing the likelihood of the risk and the y-axis capturing seriousness of the

☑	Area	Details
		risk. For each risk identified as “moderate” or “high” provide an additional pre-mitigation assessment slide that includes: – Risk Statement – Impact Statement worded in programmatic and/or operational terms – Impact rating: High, moderate, low or red, yellow, green – Probability: Range of probability – Initial risk rating: High, moderate, low or red, yellow, green – Risk handling plan: Describes what the SAMD/PM can do to try to avoid having the risk event occur (lower the probability) and/or reduce impact if the risk event occurs. – Post risk management/mitigation rating: The expected risk rating assigned after planned mitigation efforts.
	Product Support	• General support concept • Maintenance concept • Supply concept. Include discussion on Interim Contractor Support and Contractor Logistics Support (if relevant). • DMS considerations • Approaches that can be taken to reduce demand for product support • Considerations for transition to sustainment • Country unique publications/manuals • Estimated timeline/milestones associated with product support, for example: – U.S. Government and/or contractor-furnished product support would need to be available by (date) to meet desired delivery timeline – Mission-critical in-country support resources, material, and equipment would need to be in place no later than (date) – Expected Period of Performance for post-delivery product support services
	Training Strategy	• General training concept • English Comprehension Level requirements for trainees • Approaches that can be taken to reduce the need for training • Estimated timeline/milestones associated with training
	Technical Data Rights	• Does the country require technical data rights? • Potential price impact of providing additional data, if available • Possible strategies employed to buy technical data/data rights • For a competitive procurement, describe evaluation factors that may be used to assess the price and adequacy of the technical data during source selection.

☑	Area	Details
		• Discuss merits of including a priced contract option for future (or deferred) delivery of technical data and intellectual property rights • Approach used to ensure delivery and adequacy of data • Use of withholds or warranties • How to verify contractor assertions on restricted use and release of data
	Competition Strategy	• How a competitive environment will be sought, promoted, and sustained throughout all program phases • Customer-unique contract requirements, contract type, incentives, etc. – If sole source, identify legal authority and rationale for applicability • If not sole source, discuss source selection procedures – Describe source selection organization – Address the source selection experience of the team – Discuss expected evaluation criteria and weighting ○ Explain any relationship to identified risks ○ Discuss discriminators
	Contracting	• Type of contract to be used and why • Existing or expected contract structure (length, options) • Measures that can be used to control contract costs • Special Terms and Conditions • Subcontractor Management – Make-or-Buy considerations • Use of incentives – How can incentives be used to mitigate risks and improve probability of success – What objective incentives might be considered and why – Planned use of negative incentives for overrun or poor performance • Describe opportunities/options for customer visibility into the contracting process: – Opportunity to review Statement of Objective/Statement of Work – Opportunity to review Section M, Evaluation Factors for Award, of the RFP (for competitive purchase) – Contracting Officer provide a post-award debriefing – Contracting Officer provide a summary of the Price and Negotiation Memorandum – LOA-to-Contract tracking matrix

☒	Area	Details
	Transportation and Delivery	• Advanced planning for transportation of materiel; clear articulation of services performed, including accessorial services • Use of Defense Transportation System or employment of an agent (freight forwarder) • Delivery Term Code to manage transportation and delivery from the point of origin (typically CONUS) to the purchaser's desired destination. • Submission and approval of Transportation Plan. Developed by the IA, and required for each LOA containing Classified, Sensitive Items, or Arms, Ammunition, and Explosives.

LOA LINE-BY-LINE REVIEW

This event is used to review with the partner country the major elements of the case prior to formal offer. The IA may offer a briefing to the customer to explain what the LOA will contain. Upon request, DSCA may grant the use of the draft LOA itself. This kind of line-by-line review ensures understanding at the working level and prepares the partner country staff to explain the LOA to their senior leadership. Care must be taken to provide suitable caveats that the information is still tentative. Draft response documents normally contain the wording: "This document does not represent an offer from the United States Government. It is provided for information purposes only to assist in planning. Details remain subject to the potential for change prior to formal offer." The LOR-to-LOA matrix (explained below) can be used at this juncture to show how the LOA fulfills partner requirements and to explain related LOA notes.

The following checklist can be used to structure the review of a draft LOA with the foreign partner:

Table 4. LOA Line-By-Line Review

☒	Area	Details
	Review Customer Requirements	• Review highlights of the LOR and the original requirements by the partner • Updates to requirements stemming from other inputs and discussions • Special/non-standard requests in the LOR (expedited delivery, sole source, lease, etc.) • Review LOA development milestones, updated from the Pre-LOR or Post-LOR meetings
	LOA Line-by-Line Discussion	• Provide one slide for each line of the LOA. Information provided should include: – Line number

☑	Area	Details
		– Nomenclature – Quantity – Dollar cost – Period of performance (beginning month # to ending month #) – Description of the item or service – Special notes highlighting any peculiarities of the line, for example: ○ For a radio line item, noting that some components are included with the end-item line (line 001) and that a key generator is included on a later Communications Security line ○ For a technical order line, noting that reproduction is a country responsibility ▪ For an upgrade/modification line, noting that the line will be executed only if directed by the customer ○ For manpower lines, provide an explanation of the basis of estimate for the cited cost (past precedent, historical data, and/or contractor-furnished estimates/proposals)
	Pricing roll-up including (as applicable)	• System • Spares • Ammunition • Support equipment • Repair of repairables and calibration • Publications and software • U.S. Government and contractor technical services • Other services (including manpower and travel) • Training • Facilities • Packaging, crating, and handling • FMS administrative surcharge • Total program cost
	Estimated payment schedule.	• Information provided should include: – Payment dollar value for each month of the life of the program – Cumulative payment for each month of the life of the program – Showing by-month payment size over the life of the program – Showing cumulative payment growth over the life of the program

☒	Area	Details
	What is not included in the pricing	e.g. petroleum, oils, lubricants, facilities, infrastructure, freight forwarder
	LOR-to-LOA matrix	Matrix that tracks each requirement in an LOR to a specific LOA line (or lines) where the requirement is addressed, discussed below.
	Challenges	- What LOR requirements were not met and why? - Other elements of risk
	Next steps	- Case pre-countersignature meeting - Case offer, implementation, and execution

LOR-TO-LOA REQUIREMENTS MATRIX

An LOR-to-LOA Requirements Matrix is used to show how and where the specific requirements in the customer's LOR are supported or fulfilled in the LOA. This can be used to support the LOA line-by-line review or other discussion about what the LOA provides; or can be delivered to the FMS partner as a stand-alone document for reference when comparing the LOR to the offered LOA. The matrix format should be tailored to the particular aspects and detail of the program involved and tailored to the unique approach used by the military department.

Item #	LOR Requirement	U.S. Government Assumptions	LOA Line #	Item Description	Line Manager	Notes Remarks

RESOURCES IMPLICATIONS

The Pre-LOR and Post-LOR discussions, the LOA line-by-line review, and the LOR-to-LOA matrix can nominally be considered a part of standard level of service and may be funded via FMS Admin on a case-by-case basis. Virtual meetings and other economic options should be used where possible. More rigorous efforts, such as the creation of a Program Plan, depends on a cost-benefit analysis by the customer with the IA and DSCA, to determine if separate funding via a Planning Case is required.

LESSONS LEARNED

This guidance is based on transparency test cases that involved challenging customer requirements. Activity so far has focused on pre- and post-LOR meetings with foreign

procurement officials. The discussions during those meetings focused on unique requirements such as mission, maintenance, upgrades, and interoperability.

Transparency test cases will continue to draw lessons from other selected procurement programs. So far, the following insights have emerged:

- The direct partner official and U.S. subject matter expert (i.e., program office) exchange of information gave the country the ability to clarify unique requirements that could not be adequately explained in an LOR and provided the U.S. team an opportunity to explain how they planned to meet those objectives and identify potential tradeoffs, issues, and challenges.
- A structured agenda of topics made meetings more substantive and complete.
- Detailed discussions – up front – preempted many of the questions held by the country and demonstrated the rigor and completeness of the U.S. procurement process.
- Additional resources may need to be addressed where the work is above standard level of service.

Comments by participants led to the impression that structured communications and deliberative planning will result in reduced time and effort through the life of the case.

ADDITIONAL TOOLS FOR TRANSPARENCY

For insight into FMS case information, or ways to develop customer requirements that align to U.S. programs, please utilize the following documents/websites:

DSCA FMS Foreign Customer Guide

This online document provides the FMS customer with a simplified overview of the United States' process to transfer defense articles and services to friendly foreign governments or to specific international organizations. It can be found on the DSCA website under Publications, or at <http://www.dsca.mil/2014-foreign-customer-guide>.

DSCA FMS Foreign Customer Guide, Appendix 1 – Letter of Request (LOR) Guide

The online Customer Guide contains an excellent reference to assist with drafting LORs and to present the types of information required to make it complete.

The Security Cooperation Information Portal

SAMM section C2.1.5.1. addresses Security Cooperation Information Portal (SCIP), a web-based system that provides both U.S. Government personnel and international customers with access to a wealth of FMS case-related data. The data is drawn from Military Department case execution systems and other financial and logistics sources.

International customers can access SCIP via secure electronic “tokens.” Training is available through courses taught at Defense Institute of Security Cooperation (DISCS), or via DISCS online training slides. <http://www.discs.dsca.mil>. For further information, access: <https://www.scportal.us>.

Military Department Websites

The following websites contain information on how to request defense articles or services:

Organization	Link
Army	
USASAC	http://www.usasac.army.mil/fmscustomer.aspx
	https://www.usasac.army.mil/fmscustomerwschecklist.aspx Weapons System Checklists – to assist FMS customers in the preparation of LORs for P&A data and LOAs.
Navy, USMC	
NIPO	http://www.secnave.navy.mil/rda/nipo/Pages/index.aspx
Air Force	
SAF/IA	http://www.safia.hq.af.mil
AFSAC	https://afsac.wpafb.af.mil – AFSAC Online Informational resources for foreign partner support including Supply Discrepancy Reports, WWRS, Cooperative Logistics Supply Support Arrangement, etc.
	https://afsac.wpafb.af.mil – LOR Capabilities Checklists To help guide customer discussions to develop complete and actionable requirements for an LOR.

GLOSSARY

ACRONYMS

AECA	Arms Export Control Act
AFSAC	Air Force Security Assistance and Cooperation
BPC	Building Partnership Capacity
CONUS	Continental United States
CY	Calendar Year
DISCS	Defense Institute of Security Cooperation Studies
DoD	Department of Defense
DoS	Department of State
DSCA	Defense Security Cooperation Agency
DMS	Diminishing Manufacturing Sources
EOQ	Economic Order Quantities
FMF	Foreign Military Financing
FMS	Foreign Military Sales
FY	Fiscal Year
IA	Implementing Agency
LOA	Letter of Offer and Acceptance
LOR	Letter of Request
NIPO	Navy International Program Office
P&A	Pricing and Availability
ROM	Rough Order of Magnitude
SAF/IA	Deputy Under Secretary of the Air Force for International Affairs
SAMM	Security Assistance Management Manual
SC	Security Cooperation
SCIP	Security Cooperation Information Portal
SCO	Security Cooperation Offices
USASAC	United States Army Security Assistance Command