
FEATURE ARTICLE

The Air Force Security Assistance Center

By
Brigadier General Jeffrey R. Riemer
Commander, Air Force Security Assistance Center

[Editor's note: Since these series of articles about the Air Force Security Assistance Center were submitted, Major General (S) Arthur J. Rooney Jr. has assumed command of the Air Force Security Assistance Center.]

The Air Force Security Assistance Center (AFSAC) celebrated its 25th anniversary in July 2003. The *DISAM Journal* (Volume 26 No. 3, p. 113) printed an article describing the anniversary ceremonies.

Brigadier General Jeffrey R. Riemer stated the following at the 25th anniversary celebration:

The Air Force Security Assistance Center exists to strengthen our National Security and the National Security of our international customers, by facilitating access, interoperability, and coalition partnerships. Our mission, in the AFSAC, is to develop and execute international agreements. We are working diligently to become world-class professionals fostering global partnerships, and we intend to achieve this vision by delighting our customer, linking our resources to the vision, reengineering our process and strengthening our organization.

The Air Force Materiel Command Commander's (AFMC) intent has been adapted as a strategic theme to guide us toward our vision. For us to be world-class professionals fostering global partnerships, we need to create an expeditionary mindset and culture within our workforce; we must strive to be innovative, adaptive, responsive; easy to do business with; and effective efficient.

We have been working extremely hard to develop a common set of tools within the AFSAC to support the ongoing transformation with AFMC as well as the Air Force and Department of Defense. We have chosen the Balanced Scorecard as a methodology for strategy implementation. To drive waste out of our processes we are applying Six Sigma techniques; and for those processes that need total revamping, we are applying Dr. Hammer's process reengineering methods.

I am proud of our people and their accomplishments and honored to have been the commander of the Air Force Security Assistance Center.

The history of the AFSAC can be traced to the formation of the International Logistics Center which was founded on 1 May 1978 as a special organization under the Air Force Logistics Command. The Air Force Logistics Command has been merged with the Air Force Systems



Brigadier General Jeffrey R. Riemer,
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From February 2002 to June 2004 Brigadier General Jeffrey R. "Jeff" Riemer was the Commander, Air Force Security Assistance Center, Headquarters Air Force Materiel Command, Wright-Patterson Air Force Base, Ohio. He has been selected for reassignment as Director of Operations, Headquarters Air Force Materiel Command, Wright-Patterson Air Force Base, Ohio.

command and renamed the Air Force Materiel Command (AFMC). In 1992 the International Logistics Center was re-designated as Air Force Security Assistance Center under AFMC. The AFSAC was created to provide centralized logistics and case management support for security assistance within the Air Force.

Case management in the Air Force has historically been assigned to the Deputy Under Secretary of the Air Force for International Affairs (SAF/IA), the AFSAC, and the Air Force Security Assistance Training Squadron (AFSAT). Traditionally, SAF/IA managed acquisition cases, the AFSAC managed sustainment cases and AFSAT managed all training cases. In the spring of 1999, SAF/IA began to transfer acquisition case management to the AFSAC.

Case management transfer has progressed fairly smoothly since 1999. System sales cases have received a high level of interest because of their complexity, and political sensitivity. Representatives from the AFSAC and SAF/IA Divisions met in early 2003 and developed a Concept of Operations (CONOPS) document. The CONOPS was signed in June 2003 and spells out case writing and management responsibility for system sales cases and identifies how to process Letters of Request (LOR) for new cases and amendments or modifications. SAF/IA retained the option to write and manage high visibility cases through the first program review before transitioning case management to the AFSAC.

Over 600 cases have already transferred with eleven cases remaining to be transferred. The AFSAC wrote its first aircraft system sale case in September 2003. SAF/IAR country directors continue to be very involved with country representatives in identifying requirements for system sales in partnership with system program offices, the AFSAC command country managers and case managers, and training managers in AFSAT. Additional training and an operating instruction remain to be completed under the CONOPS, but the AFSAC continues to receive implemented cases and to write and manage new ones. Improvements in standardization and responsiveness have resulted from consolidating this workload in the AFSAC.

Air Force Security Assistance Center's Process Improvements

Automated Supply Discrepancy Report Processing

The Supply Discrepancy Report (SDR) process flows from the foreign military sales (FMS) customer to the AFSAC for distribution to sources of supply and back through the AFSAC to the customer. The AFSAC works with all AFMC Centers, the Defense Logistics Agency (DLA) and other services to adjudicate over 6,500 SDRs annually. The current process is very labor and paper intensive and lends itself to automation.

The AFSAC is working with the Materiel Systems Group to provide an automated solution that will electronically process SDR data, store it in a central repository and monitor its progress via a workflow/status notification system. In June 2003, Air Force Materiel Command provided venture capital to use the FMS SDR process as a prototype for a web-based, seamless, paperless system that will provide on-line status, automated querying of supply systems and a repository for



**Major General (S) Arthur J. Rooney Jr.,
USAF,
Commander Air Force Security
Assistance Center**

Major General (S) Rooney assumed command on 7 July 2004. He arrived from his previous assignment as Commander, 82nd Training Wing, Sheppard Air Force Base, Texas.

all SDR records. The Supply Discrepancy Report—automated is scheduled for implementation in late 2004.

Operational Management Process

Case Operations (CO) provides the basic production activity of the AFSAC in Letter of Offer and Acceptance (LOA) Data, FMS Cases/Amendments/Modifications, requisition submission and followup, Supply Discrepancy Reports, and specialized support. CO keeps and uses extensive metrics in managing these processes. Direct management of the function processes are handled by the two division chiefs, COM for the case management functions, and COS for the supply management functions. The major tool for control of these processes is the CO Operational Business Performance Indicators (OBPIs). The Case Management OBPIs are listed below.



Center Executive Director

- Average processing times for LOA documents. The indicators show the processing times for the three major phases of the life cycle of an FMS case, LOR, LOA document preparation and FMS customer acceptance. Separate measures are maintained for the three types of LOA documents; basic case, amendments, and modifications.

- Funding document preparation. This OBPI measures the percent of reworks required.

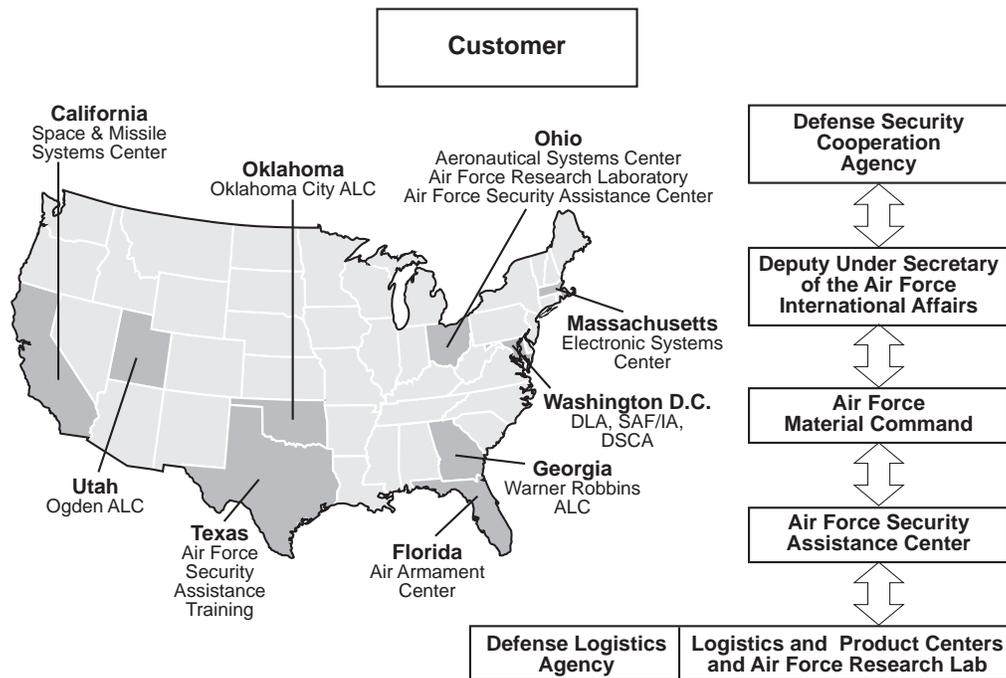


Figure 1. Foreign Military Sales Relationships

The supply management OBPIs are listed below:

- Number of over-aged open requisitions not in a positive support posture;
- Number of over-aged NMCS requisitions;

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- Parts and Repair Ordering System and Worldwide Warehouse Redistribution Services turn around times for materiel and repair, and;
 - Number of open and aged supply discrepancy reports.

The CO OBPIs are consistent with and complement both the Balance Scorecard and Command Business Performance Indicators (BPIs). CO uses CorVu software to review and update these indicators.

Parts Repair Ordering Service Expansion

The Parts Repair Ordering Service (PROS II) is a third generation specialized support program established to procure nonstandard and hard to support standard supply and maintenance requirements for the FMS customers. The PROS II contractor, Lear Siegler Logistics International (LSLI), performs the functions of a source of supply, procuring spare parts, maintenance services, and managing task orders.

The contract is indefinite delivery/indefinite quantity (ID/IQ) with an estimated program value of \$2B over five years (three base years and two one-year options). The PROS II Award Fee Plan motivates the contractor to perform well. The AFSAC/CC serves as the Fee Determining Official for award fee administration. The PROS II PMO is responsible for program oversight, contract surveillance, and database configuration. The PMO collects a 2 percent program fee, not to exceed \$4000, for each requisition. The fee provides funds for the semi-annual award fee and funds operations of the PMO.

The PROS Tri-Service initiative encompasses supporting the U.S. Air Force, Army, and Navy nonstandard FMS requirements under a single contract and PMO at the AFSAC. The Army plans to use PROS for non-standard supply support for requirements over \$2500. Infrastructure was completed in September 2003 for the U.S. Army to pass FMS requisitions to PROS. In January 2004, representatives from the PROS PMO and LSLI, the PROS contractor, provided PROS training to sixty U.S. Army Security Assistance Command (USASAC) Country Managers and Foreign Liaison officers.

Efforts to support U.S. Navy FMS requirements through PROS officially started in August 2003. Navy is planning to use PROS for nonstandard FMS supply support only. Interim support with less than a full-up system interface will be available September 2004 to support U.S. Navy urgent requirement. Long-term support, with full-up interface, should be in place by March 2005.

Centralization of Supply Technicians

Supply technicians process and follow-up on requisitions for FMS case workload, including grounded aircraft requisitions (NMCS.) Historically, this group of technicians also become a source for promotion into journeymen logisticians for case manager and command country manager positions. Since October 2003, the AFSAC/CO has focused on providing better training and opportunities to broaden experience so this critical resource pool can be prepared for current and future workload.

In October 2003, all supply technicians across the AFSAC were reassigned to the Supply Performance and Analysis Branch and then matrixed back to the country management, SDR and program offices. This matrix process provides flexibility to move employees from one user organization to another without changing job assignments. It is a win/win for the individual as well as for the AFSAC and our customers since individuals receive standardized training, have an opportunity for multi-faceted functional experience, and can draw on a resource pool for problem resolution.

Training sessions have been scheduled for supply technicians on various topics. Rotations and/or shadowing within the home office and between the home office and user organizations

provide experience or familiarization in all facets of the AFSAC supply support. This process provides open lines of communication between organizations for supply support issues. Supported offices benefit from a cadre of well-trained supply technicians, assistance during work surges, and minimal downtime when filling vacancies.

Personnel from the home office were recently matrixed to the AFSAC/COSD to process a backlog of supply discrepancy reports. Vacancies in user organizations are filled from a pool of fully proficient supply technicians from the COSC home office so that critical positions have been filled within days rather than the normal weeks to months. As part of the AFSAC Workforce Shaping effort, recruitment of outside hires, veterans, and college students provide a valuable source to meet current needs and future plans.

Worldwide Warehouse Redistribution System Continues Expansion

The Worldwide Warehouse Redistribution System (WWRS) is a web listing service designed to redistribute excess, internationally owned, non-Significant Military Equipment (Non-SME) acquired through FMS, in fully functioning serviceable condition to other FMS and Department of Defense (DoD) customers on a fee for service basis. The program began in April 1998 as an approved Air Force Reinvention Lab Initiative with the AFSAC Project Office performing all logistics and financial transactions manually

In June, 2001, the Defense Security Cooperation Agency declared WWRS a permanent program and tasked the PMO to explore the possibility of becoming tri-service. In March 2002, the first U.S. Navy transfer was initialized. In June 2003, the first Army Apache transfer occurred.

WWRS provides an alternative method of support for aging aircraft, exchanges material for funds, and provides an automated method for the FMS customer to liquidate excess. Seventeen FMS sellers list \$1.1 billion in inventory on the WWRS web Site. By the summer of 2004, forty-four customers (forty foreign, plus U.S. Air Force, U.S. Army, U.S. Navy, and U.S. Marines) have received 6,016 orders valued at \$23.31 million. The average turn around time is 58.2 days with average customer savings at 21.9 percent below DoD Stock list price on items that are often out of production and not available from any other source.

Labor Hour Account Tool

AFSAC currently uses the Centralized Acquisition and Sustainment Management Information System (CASMIS) as our Labor Hour Account Tool (LHAT) to support budget preparation and provide activity based costing data for management decisions. The LHAT is a data collection tool AFSAC employees used to better understand how much time they are spending by performing various tasks. The LHAT administrators are working with the AFSAC/IA and the AFSAC/FM, as well as the Deputy Under Secretary of the Air Force for International Affairs (SAF/IA) and BearingPoint contractor teams to ensure effective and efficient transition to the Defense Security Cooperation Agency supported replacement tool, Workbrain, scheduled for January 2005.

Strategic Planning

The AFSAC's Balanced Scorecard¹ (BSC) process provides a solid methodology for managing strategic initiatives. The AFSAC's transformation into a premier international organization requires that we institutionalize sound business practices. To reach our vision of "World-class Professional Fostering Global Partnership," everyone must embrace a common set

¹ Details concerning the Balanced Scorecard Process is explained in greater detail in the *DISAM Journal*, Spring 2004, Volume 26 No. 3, p. 113.

of goals. The AFSAC's success and how we grow as a leader in the FMS field is directly related to how the strategic process is managed.

The AFSAC used the tenets of AFMC's Commander's intent as the foundation for building a lasting performance management process. Using the BSC methodology, the AFSAC incorporated these principles as themes for the organization to develop its BSC process. The balanced scorecard is a conceptual framework for translating an organization's strategic objectives into a set of performance indicators distributed among four perspectives. The themes established are listed below.

- Expeditionary mindset and culture,
- Innovative, adaptive, and responsive,
- Easy to do business with, and
- Effective and efficient.

These four strategic themes have guided all of our behavior across our customer, resource, internal, and organizational perspectives. Our strategy for success is to delight our customers, link our resources to the vision, reengineer our internal business processes, and strengthen our organization.

Through the balanced scorecard, our organization monitors customer satisfaction, business process results, efforts to improve processes, motivate, and educate employees, and enhance information systems. These performance objectives, and the supporting performance measures associated with them, are considered the core for assessing our system health and strategic performance.

The AFSAC's challenge is to optimize the workforce to support our mission and increasing workload. We must attract, develop, and train the right mix of people (both new and current) to satisfy our customers' needs. We must exploit our new technology and pursue business improvement opportunities to enable our highly competent people to continuously exceed our customers expectations. Full implementation of BSC this fiscal year enables us to strategically align and fine-tune our focus according to current and future environments to meet the evolving challenges of tomorrow.

Air Force Security Assistance Center Organizations

Commander's Action Group

The Commander's Action Group (CAG) is comprised of five people who execute staff actions to support the command section. CAG responsibilities include review of correspondence, briefings, reports, operating instructions; establishing and tracking suspenses, packages and action items; performing protocol functions and activities; and execution of commander's calls, recognition ceremonies, command post briefings, special and recurring staff meetings, and visits to the AFSAC by outside organizations and our foreign customers. Recent CAG accomplishments include installation of the AFSAC television to improve the communication process throughout the organization. Constantly-revolving and frequently-updated broadcasts include safety, security and mission related items, in addition to announcements of upcoming events and photos from those past. Live broadcasts are also available for the Commander's



Director of Staff

use. The CAG is also responsible for change-of-command ceremonies and other high level ceremonies involving the AFSAC organization.

Facilities Office

The AFSAC Facilities Office has two individuals who provides infrastructure support and act as the AFSAC's primary point of contact with various base offices. They serve as the center's real property building manager, base support agreement manager, safety manager, communication management officer, equipment custodian, disaster preparedness manager, physical security manager, resource manager for base operating costs manager. Highlights of this team include recent completion of a three-year phased facility renovation (\$780K) and a systems furniture replacement program (\$1.7M) that will benefit the AFSAC workforce for the next ten to fifteen years.

Security Program Office

The AFSAC's Security Program provides security support for the AFSAC and acts as primary interface with the Wright-Patterson Air Force Base Security Forces Administration and Protection Program Office. The AFSAC Security office, with assistance from representatives in each of the other directorates, administers the following programs:

- Operation Security,
- Personnel Security,
- Information Security,
- Industrial Security and
- Physical Security.

The security manager serves as the AFSAC focal point for security related issues such as *Privacy Act*, disaster preparedness, crime prevention and fraud, waste and abuse and also acts as the Antiterrorism/Force Protection liaison between the AFSAC and the 88 Security Squadron Forces. Training the workforce and keeping them apprised of security requirements and issues falls to this office.

Program Executive Officer Program Execution Group

Recent formal audits and informal reviews revealed problems in the FMS program execution because of the lack of an integrated FMS view and lack of standardization and communication. In January 2004, AFMC/CC established an international Program Executive Officer (PEO) concept position. This Program Executive Officer Program Execution Group supports the AFSAC/CC in his role as FMS PEO. A Concept of operations is being drafted for signature by the Assistant Secretary of the Air Force for Acquisition (SAF/AQ), SAF/IA and AFMC/CC to address the FMS portion of all Air Force PEO programs.

The Information Technology Directorate

In the corporate world, the goal of a good information technology department is to facilitate process reengineering to ensure the business units are efficient and effective. Such is the case for the AFSAC's Information Technology (IT) Directorate. This directorate consists of fifty-nine government civilians, contractors, and military personnel with skills ranging from analysts to planners to programmers.

The IT Directorate has a mid-term strategic plan to bring more flexibility to case and country management through digitization of various processes. Contained within this plan is a priority scheme listing twenty-three major projects and programs. Key among them is support of the Defense Security Cooperation Agency's development of the new Case Execution Management

Information System (CEMIS), automation to facilitate the SDR process, automated on-line letters of request. The SDR automation project is an example of the AFSAC's underlying philosophy to improve processes for organizations outside of the AFSAC. The results of the SDR automation project will be used by the non-FMS Air Force as well as the Department of Defense. The team is developing it with the capabilities necessary for use as a tri-service tool.

The IT Directorate is also using Six Sigma skills to improve its own capabilities to deliver customer service faster as well as to deliver products and services within a rapid application development framework. These projects will help IT meet its bottom line desire to make IT more innovative, responsive, effective and efficient. Some of the IT's projects are listed below.

- Report.web - The programming team implemented this program as a new capability to deliver Security Assistance Management Information System (SAMS) print products electronically to international customers worldwide. The tool has saved approximately \$30K on printing and mailing costs in fiscal year 2003.
- Track-It - this program allows the customer to submit computer related problems through e-mail.
- Automated Letters of Request - The team developed an automated web-based LOR tool to ease submission coordination and collaboration electronically on LORs with country and case managers.
- PROS II program processed over 97,000 requisitions valued at more than \$800M. The program also expanded and is now able to support the U.S. Army foreign military sales requirements.

Case Operations Directorate

The Case Operations (CO) Directorate provides core operational functions for the AFSAC and is the single point of contact for dealing with our suppliers. The CO develops and writes cases, implements/executes/manages, and performs logistical closure of FMS cases for the AFSAC. It accomplishes this mission by focusing on core activities including case writing, case management, requisition management, and adjudicating supply discrepancies. CO is also the program manager for the Parts Repair and Ordering System (PROS) and the Worldwide Warehouse Redistribution Service (WWRS). CO develops supply metrics and performs analysis on how well the USAF is providing support to our FMS partners.

The Case Management Division (COM) is responsible for development, implementation and ensuring execution of all acquisition and sustainment cases, except for those managed by AFSAT (training). The COM currently manages over 3,000 cases and 13,000 case



Director of Information Technology



Director of Case Operations

lines. In the course of an average year, COM also writes approximately 350 new cases, 260 case amendments and 520 case modifications. The division has five branches: one to write the cases, three to manage them and one that manages and implements the functionality of the Defense Security Assistance Management System (DSAMS), and the Case Management Control System (CMCS).

- Technical Support Branch

The Technical Support Branch manages and implements the functionality of the Defense Security Assistance Management System (DSAMS), and the Case Management Control System (CMCS). This branch also manages the FMS Sole Source Program, Contractor Engineering Technical Services, and the AFSAC operational use of the Automated Business Services System (ABSS) to provide financial support for specific areas of FMS case execution.

- Articles Branch

The Articles Branch manages sustainment cases for munitions, CAD/PAD, support equipment and spares. It also provides specialized support for North Atlantic Treaty Organization Air Borne Warning and Control System, Presidential Determination support, excess defense articles and selected Egyptian cases.

- Systems Branch

The Systems Branch (COMT) manages acquisition cases for communications and electronic equipment, aircraft, missiles and special support, as well as consolidated/special support cases. See information below on the Case Transfer Process.

- Services Branch

The Services Branch manages sustainment cases for Contract Engineering Technical Services, repair and return maintenance, services and publications. It also provides specialized support for selected Egyptian and Israeli cases.

- Letter of Offer and Acceptance Preparation Branch

Letter of Offer and Acceptance Preparation Branch (COMW) manages the LOA data process and writes both draft and final LOA documents, including the basic document, amendments and modifications in DSAMS, quality checks the completed results, oversees coordination, tracks all actions in the LOA cycle and maintains LOA metrics. In addition, the branch executes changes to LOA policy and directives for the Command.

- Supply Management Division

The Supply Management Division is responsible for all centralized FMS supply management activities. FMS requisition management focuses on getting materiel shipped and billed, ensuring items are placed on contract in a timely manner, and/or canceling requirements in a timely manner so the customer can pursue alternate sources if required. Additionally, the division is responsible for adjudicating over 6,500 FMS SDR per year and conducts supply performance and analysis trend data to determine how well the U.S. Air Force is satisfying the FMS customer's requirements. The Supply Management Division also has program management responsibility for the Parts Repair and Ordering System (PROS) and Worldwide Redistribution System (WWRS), which are two AFSAC developed and managed programs.

- Supply Performance and Analysis Branch

The Supply Performance and Analysis Branch performs centralized requisition management for FMS requisitions. The ultimate goal is to make sure the customer's requirements are satisfied in a timely manner. Requisition management includes inputting requisitions, working expedite and non-mission cable supply requests with the source of supply, inputting and

managing the Presidential Determination requisitions, working expedite and following up on problem requisitions to ensure they are supported in the most expeditious manner possible, canceling unsupportable requirements, reinstating requirements that are 'lost' in the system and any other action required to keep the requisitions moving through the support cycle. Requisitions management also includes researching and reconciling requisition billing and financial problems.

The branch compiles, portrays and reports statistical information as to how well the Department of Defense is supporting the FMS customer, researches automated data system concerns and works with the appropriate authority to resolve such concerns. These efforts include collecting data to document system problems/deficiencies as well as developing Oracle queries and other data gathering and organizing tools for the workforce. The office also provides data to process owners for purposes of process performance measurements.

COSC develops partnerships and establishes working relationships with suppliers and their respective agency's headquarters logistics groups and international affairs offices. This office serves as the AFSAC voice to Department of Defense agencies involved in supplying materiel support and order fulfillment processes (e.g., Air Logistic Centers, Defense Logistics Agency, General Services Administration, Army, Navy, etc.).

The COSC is also responsible for hiring, training and managing all supply technicians. The branch supports other organizations within the AFSAC by matrixing supply technicians to support their efforts/workload.

- Supply Discrepancy Reports Branch

The SDR Branch adjudicates all FMS SDRs submitted against USAF FMS cases. The primary responsibility of the AFSAC/COSD is to ensure all Air Force customer-submitted SDRs for billing and/or supply adjustments are properly handled and resolved in a timely manner. To accomplish this challenge, the AFSAC/COSD oversees and maintains the Air Force FMS SDR program. COSD validates submitted SDRs and communicates with both the customer and the supplying activities. They track the status of SDRs from original receipt through closure. The tracking system provides statistical data for the FMS customer and the AFSAC management. The current process uses the Air Force legacy system, the Security Assistance Management Information System (SAMIS) and Microsoft Office tools to perform these responsibilities. COSD prepares documentation for SDRs that reach the contested stage, to be submitted through our local legal office to SAF/IA and Defense Security Cooperation Agency for resolution. In addition, COSD prepares and provides procedural and technical guidance for customers, the AFSAC and Department of Defense personnel.

- Specialized Support Branch

The Specialized Support Branch (COSP) serves as the Program Management Office (PMO) for the Parts and Repair Ordering System II (PROS II) program.

Worldwide Warehouse Redistribution Services Project Office

This project office serves as the PMO for the Worldwide Warehouse Redistribution Services (WWRS) FMS excess materiel redistribution program. The PMO is responsible for the implementation of WWRS operations, policy, procedures, and program enhancements.

Global Management Directorate

The men and women of the Global Management Directorate are the world-class professionals that provide the primary customer country interface for developing and executing international agreements. Their teamwork with other Air Force and Department of Defense organizations ensures the integrated full-spectrum country customer support necessary to foster global security partnerships.

Colonel Jeffrey Caton, USAF
Director of Global Management

Global Management Directorate Mission

Command Country Management builds a critical link between the air forces of friendly and allied nations and the U.S. Air Force, providing assistance in defining requirements to meet customer needs and U.S. national security objectives. The Global Management (GB) directorate provides the primary country customer interface for developing and executing international agreements. To accomplish this mission, GB is structured for an integrated and full-spectrum range of country customer support. Key to this process are the Command Country Managers (CCMs), who ensure support for all FMS contracts as well as other security assistance and international activities for a particular country, in essence, the CCM acts as a country's portfolio manager for the Air Force Materiel Command. CCMs are responsible for all formal interfaces with the customer, from the initial phases of a LOR, to the development of the LOA, and on through a variety of program reviews and visits to countries as well as visits by foreign officers.



Director of Global Management

Organization and Interfaces

The Global Management Directorate provides the single face to the customer through closely coordinated teamwork with other the AFSAC directorates and with external organizations. Team members include AFMC system program offices (SPOs) and air logistics centers (ALCs), as well as Air Force and Department of Defense security assistance agencies. CCMs manage FMS cases through reviews, visits, reports, and correspondence. They also coordinate the activities of supporting organizations to ensure timely resolution of problems and action items.

The staff of SAF/IA collaborates on the management and oversight of FMS cases. CCMs collect and organize information about program scope, performance, and status of finances, which they report to the appropriate SAF/IA Country Directors. They also integrate new FMS case workload with existing programs, and identify concerns to the Country Directors.

Most CCMs are funded through FMS case administrative surcharge fees. CCMs supporting North Atlantic Treaty Organization customers are funded through appropriate operations and maintenance funds. The Global Management Directorate also has personnel that are funded by specific FMS cases, at the request of the country customer, to perform duties that are beyond the normal scope of CCMs. An example of case-funded personnel are the program support managers (PSMs), who provide financial management support to security assistance programs managers who, in turn, are responsible for the day-to-day execution of a specific program (e.g., F-16) for a given country customer. PSMs also help validate new requirements, resolve security assistance related issues, and support country program reviews. By integrating security assistance needs

with an experienced team of Air Force professionals, Global Management is privileged to present a winning team to our country customers.

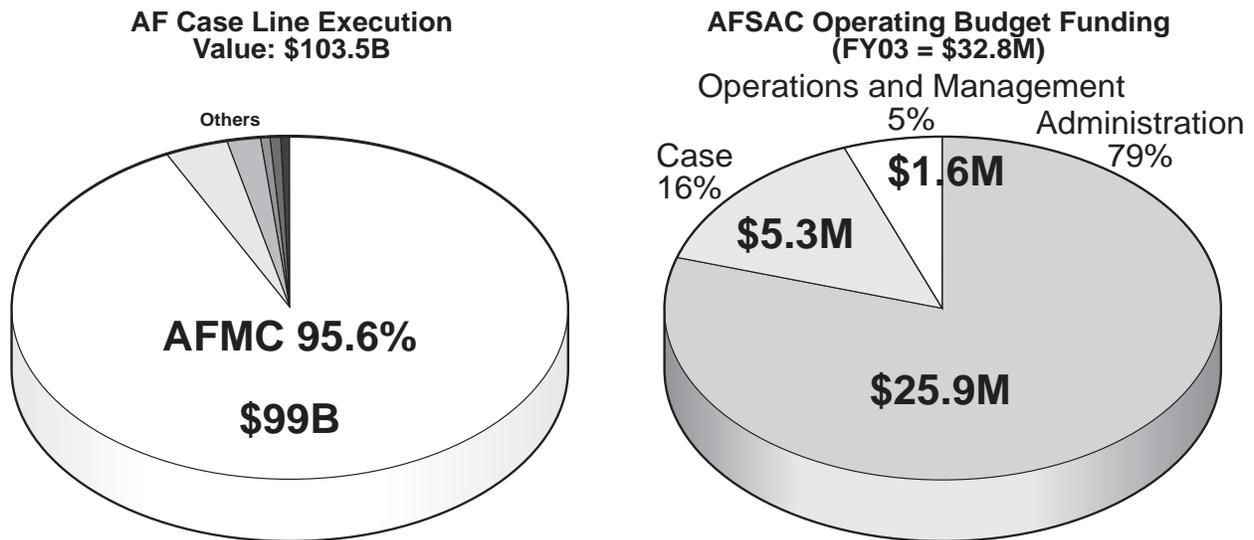


Figure 2. The AFSAC Financial Highlights of Fiscal Year 2003

Scope of Activities

In fiscal year 2003, GB managed the development and execution of 3,250 open cases valued over \$99 billion for AFMC. The Global Management directorate manages the FMS portfolios with over 90 customers supporting over 6,600 aircraft, as well as air armament, command and control, and space and missile systems and subsystems. Global Management supports a diverse fleet of aircraft with over 170 different models. The resulting acquisition and sustainment requirements represent quite a challenge. For example, Global Management supports aircraft ranging from as far back as the C-47 of the 1940s; up through the F-4, F-5 and C-130 of the 1960s and 1970s; continuing with our present aircraft such as the F-15, F-16, and the C-17; and toward the future with the Joint Strike Fighter via FMS partnerships.

The Global Management Directorate supports customers in the areas of responsibility for each of the five U.S. geographic Combatant Commanders, U.S. European Command, U.S. Central Command, U.S. Pacific Command, U.S. Southern Command, and U.S. Northern Command.

The Global Management Directorate Foreign Military Sales Support for Ongoing Operations

The Global Management directorate fosters an expeditionary mindset and culture within its workforce, resulting in their ability to support ongoing U.S. military operations. Global Management facilitated Operation Enduring Freedom by providing a total of 77,161 items via 503 requisitions for six coalition partners. This included a \$39 million F-16 support agreement signed with Pakistan in August 2003, as well as an agreement for six TPS-77 radars. During Operation Iraqi Freedom (OIF), GB and the AFSAC team processed a high priority foreign military sales action with the United Kingdom to support the ALR-56M Defensive Aids Suite for their C-130 aircraft. This agreement was signed in just twenty-three days, which led to aircraft upgrade in time for OIF. The AFSAC team also ensured Australia was provided mission essential equipment such as 896 chemical suits; \$319,000 of U.S. Air Force munitions; and rapid request for 8000 incendiary grenades that was accomplished in only six days vice the 120-day requirement.

Foreign Liaison Officer Interface

Foreign Liaison Officers (FLOs) from twenty-four countries are assigned to the AFSAC and supported by Global Management directorate. FLOs are foreign government members assigned by their countries to work with the AFSAC team — thirty-three officers, five warrant officers, seven enlisted personnel and sixteen contractors make up this extremely professional logistics group. The FLOs are administratively assigned to Global Management directorate and have offices within the AFSAC on Wright-Patterson Air Force Base, Ohio. Since the FLOs work for their individual countries, their exact duties vary, but all concentrate on FMS support, although many also work with direct commercial purchases on behalf of their Air Force.

- The AFSAC-FLO Reengineering Working Group (RWG) is a team co-chaired by the Global Management Director and the FLO community at the AFSAC with the purpose to review and to analyze the FMS system and related processes. The collective aim of the AFSAC and the FLO community is to address issues of concern and to constantly seek improvements to the FMS process and the AFSAC-FLO interface. The mission of the RWG is to work towards establishing superior systems, methods and practices to enhance the FMS support provided by the AFSAC to friendly foreign forces (customers) through an open consultative RWG forum.

- The AFSAC also works with its FLO community to sponsor a variety of social events to build working relationships through esprit de corps. On 6 May 2004, the FLOs won the 21st Annual AFSAC International Soccer Match, besting the AFSAC team by a score of 6 to 2.

- On behalf of the AFMC Commander, GB leads the AFSAC in organizing the annual AFMC International Ball, which was founded twenty-four years ago to formally honor those countries with FLOs assigned to Wright-Patterson Air Force Base, Ohio. The 2004 AFMC International Ball will be held on Saturday, 23 October 2004 marking the 25th anniversary of this event. As a matter of tradition, the AFMC Commander offers a toast to the senior-ranking FLO among all countries to celebrate the relationship between the U.S. and all FMS customers.

The International Affairs Directorate

The International Affairs Directorate (IAD) is the Command staff agency for all international activities, including foreign military sales and security assistance policy, foreign disclosure, and peacetime engagements. The AFSAC/IA represents the AFSAC commander as Air Force Materiel Command's (AFMC's) corporate leader for international business, and is the HQ AFMC liaison to international Department of Defense agencies, North Atlantic Treaty Organization, foreign embassies/defense ministry officials and the United States and foreign industry.

International Affairs's mission is to effectively promote, integrate, and support all international activities within AFMC. In executing an AFMC international mission, IA ensures command activities reflect and further the U.S. Air Force international strategy. At the same time, IA assists field organizations with execution of Command international programs. Part of the mission is to serve as an honest broker, ensuring command international resources and funding are properly accounted for. The Directorate is composed of three divisions:

- AFMC Foreign Disclosure and Litigation Division (IAD),
- AFSAC Foreign Disclosure Division (IAF), and
- Security Assistance Policy Division (IAS).

The Foreign Disclosure Division

The IAD is the AFMC Command-level Foreign Disclosure Policy Office (FDPO). The FDPO is responsible for determining and delegating disclosure authority to the field Foreign Disclosure Offices (FDO), formulating and issuing Command disclosure policy, and certification of field

commander-designated representatives. IAD provides direct support to HQ AFMC on all foreign disclosure issues, has oversight of and provides site visits to twenty-six field-level FDOs, and augments the HQ AFMC Inspector General Team in performing Unit Compliance Inspections. Ensures that all AFMC personnel who have any involvement with international programs, foreign representatives, foreign governments or U.S. citizens representing a foreign entity, must be aware of their responsibilities to safeguard and protect critical U.S. military information and technology. This applies to any proposed method of exchange.

The IAF is mandated by *Presidential Executive Order 12958* to be involved with international programs to ensure U.S. Air Force international business is conducted according to the *National Disclosure Policy* (NDP-1). IAF interprets the *National Disclosure Policy* for the release of Classified Military Information and Controlled Unclassified Military Information to foreign governments in support of official approved U.S. Air Force international programs. Foreign Disclosure supports the AFSAC by:

- Providing disclosure review and release authority for LORs, LOAs, and Price and Availability (P&A) Data requests to FMS customers.
- Providing approval authority for the AFSAC Foreign Visits and Foreign Liaison Officer Programs.
- Reviewing Air Force classified and unclassified military information/briefings/documents prior to meetings/discussions with foreign nationals during overseas travel and foreign visits to the AFSAC.
- Conducting the AFSAC Foreign Disclosure Processes Familiarization Training to the AFSAC employees
- Maintaining a Delegation of Disclosure Authority Letters (DDL) Library used in making disclosure determinations.

The Foreign Disclosure Office interfaces with and coordinates disclosure decisions with AFMC Field FDOs, other Major Command FDOs, and SAF/IAPD. Foreign Disclosure ensures the proper release of U.S. military information and equipment to foreign military sales customers during the LOR/LOA process and official contact with foreign government representatives.

Command Foreign Disclosure Accomplishments

- Program Office Foreign Disclosure Training Module. In order to provide timely instruction, guidance, and information to both Acquisition Project Managers and Sustainment Product Directorate Managers, the AFSAC/IAD has completed a Foreign Disclosure Training Module specifically designed for organization adaptation. This module allows non-foreign disclosure specialists to fully understand all applicable regulations and laws needed to protect both Controlled Military Information (CMI) and Controlled Unclassified Military Information (CUMI). The module is personal computer-based and allows program personnel to review disclosure guidance at their own pace. To assess whether a full understanding of the information presented has been achieved, a test is also provided. Upon completion of the test, a certificate of completion is printed for file maintenance in the individual's personal records.



Director of International Affairs

- Foreign Disclosure Training Class. With constant turnover in FDOs within AFMC, the AFSAC/IAD identified the need to develop and administer a formal training class for all new FDOs within the command. This three-day class provides the basic tools needed for a new FDO to come up to speed and be able to provide support to their applicable organizations. This training, when coupled with the SAF/IAPD FDO Training class, has significantly reduced the learning curve of new FDOs within the AFMC community. The class is taught on a quarterly basis and is open to program offices and product directorate personnel for attendance. Likewise, the AFSAC/IAD has worked with DISAM to conduct this class in conjunction with the International Program Security Requirements class here at Wright Patterson. This allows both FDOs and program personnel alike to minimize training expenditures while expanding their knowledge of foreign disclosure regulations and requirements.

- AFSAC/IAD performed a thorough review of the existing AFI 16-201, along with the related AFMC Supplement 1 to AFI 16-201, and initiated a complete rewrite of the Supplement. The Supplement was released in 2003 with planned updates on an annual basis. The next planned update will occur in the August/September 2004 time frame. The AFMC Supplement 1 to AFI 16-201 provides the most up-to-date guidance and policy needed for enforcement of disclosure related issues within the command. It also provides templates and guidance needed by both Foreign Disclosure Officers and Program Offices to perform day-to-day interaction with foreign nationals.

- IAD has worked hand-in-hand with our Air logistic Centers to bring down the backlog of technical order release requests from our various FMS activities. By working with LEAN teams at the centers, an improvement to the foreign disclosure release requirements has been implemented. This effort has also highlighted the need of all program offices to work closely with their local FDOs to prevent backlogs in the future. JCAL, a joint technical order distribution system, has also incorporated the many process improvements highlighted by the LEAN teams efforts.

- IAD has requested and been granted by SAF/IAPD to establish an SAF/IAPD Internship Program. This program allows Foreign Disclosure Officers within AFMC the ability to live the life of SAF/IAPD Foreign Disclosure Officers. By attending a week-long visit at SAF/IAPD, local FDOs are afforded the insight and knowledge of how policy is generated at the Air Force level, how development of Delegation of Disclosure Authority Letters is accomplished, how *International Traffic and Arms Regulations* exemptions are processed, and how National Disclosure Policy meetings are conducted. This insight gives the local FDO a better understanding of current and planned policy and how it relates to disclosure of information to foreign governments at their local level.

- IAD has worked with twenty-seven local Foreign Disclosure Offices to highlight to senior management both manpower and grade structure short falls. Within the last twenty-four months, twelve vacancies have been filled and several existing positions are being considered for upgrade. With assistance from IAD during Staff Assistance Visits, the importance of maintaining a healthy Foreign Disclosure Office at local sites within AFMC was illustrated. IAD has provided several documents to local FDO activities to assist in the upgrade of their personnel. Likewise, documentation needed to fill needed vacancies was provided to local management for their selection process. IAD has worked diligently with local management and personnel offices to highlight the need for continued support of their local FDOs.

- During a SAF/IAPD Staff Assistance Visit to IAD, a suggestion to change the current the AFSAC/IAD structure from one of stove piped expertise to a matrixed application was made. This application has required all our Major Command FDOs to expand their skills to cover all relevant aspects of foreign disclosure since each Major Command FDO now is expected to have

a top-to-bottom understanding of all aspects of release activity within the Command. This effort has enhanced customer support and has allowed for backup coverage in the absence of personnel while either on leave or temporary duty. It has also made field visits more productive.

- IAD in conjunction with AFRL/IA and SAF/IAPQ has redefined the process by which International Arm Cooperation Agreements are completed with the Air Force. Extensive coordination occurred between local technical points of contact, local Foreign Disclosure Officers, AFRL/IA staffing personnel, Major Command Disclosure specialists and SAF/IAPQ Integrated Product Team Leads to effect changes to AFI 16-110 and related local Supplements. Pending release of these documents, interim guidance has been completed and staffed to the appropriate offices so as to ensure a smooth coordinated and complete product is provided to SAF/IAPQ for signature with our foreign government counterparts.

- IAD developed documentation packages for forty-two new, revised, or extended International Arms Cooperation (IAC) agreements. Typical IAC packages include Statement Summary of Intent (SSOI), Project Agreement/ Arrangement (PA), and Delegation of Disclosure authority Letter (DDL). IAD supported HQ AFMC FDOs and field FDOs in development of new or revised DDLs for IAC agreements and tracked progress of DDLs via a spreadsheet as part of the IAC package. The spreadsheet information includes announcement of ICAT action dictating a foreign disclosure requirement, development of draft DDL as part of the IAC package, staffing/signature of IAC package, signature, approval, and distribution of the IAC agreement, and AFMC redelegation of approved DDL to local FDOs.

- The stand-up of the IAF has proven to be a much needed and successful implementation. As the center focal point for review of foreign military sales activity, IAF developed effective coordination and review processes with field disclosure offices as well as higher headquarters. Since the inception of the function in February 2003, this office has processed over 450 LORs and LOAs, nearly 200 foreign visit requests, and over 125 document reviews with an average turn time of four days, 60 percent less than the Air Force requirement. IA-F also launched a critical training program and has conducted seven courses for over 100 personnel to day. This office has become a center of excellence within the command for disclosure review of FMS business activities.

- The Security Assistance Policy and Litigation Division

The IAS staffs and disseminates security assistance policy and policy changes generating from SAF and/or AFMC field organizations. IAS provides Command oversight for FMS manpower, verifying and validating requirements as the central focal point. IAS requests Security Assistance Program Manager assignments from the appropriate field activities and coordinates the selection with AFMC mission assignment personnel. IAS performs as USAF OPR for FMS transportation policy/operational issues and provides approval authority for transportation plans involving the movement of classified materiel to FMS customers. IAS acts as USAF OPR to the Department of State Iranian Litigation team, providing comprehensive logistics support (case, program and administrative management). IAS acts as OPR for international affairs audits, Congressional inquiries, and Inspector General reports from a command and the AFSAC perspective. IAS, as delegated by Deputy Under Secretary of the Air Force for International Affairs, has the responsibility for oversight of day-to-day Technical Coordination Program and International Engine Management Program activities. IAS has the command responsibility for international affairs involvement in the Product Support Mission Area.

The Iran Litigation team, AFSAC/IAS is the focal point within the Air Force for providing support to the Department of State for issues pertaining to the former Iranian foreign military

sales program. The Iranian program was one of the largest FMS programs until relations with the country were terminated as a result of the hostage crisis in November 1979. Since then, the AFSAC has maintained a staff of employees to close down Iran's FMS program and provide assistance in defending legal disputes brought forth against the United States by Iran. This unprecedented legal battle (known as B/1 Claims 2 and 3) is being heard before a special claims tribunal established at The Hague, Netherlands. The Department of State has taken the lead in providing a unified response to legal claims against the Army, Navy and Air Force. However, they depend on the military services to provide evidence and support needed for the litigation process. The Air Force alone is responsible for providing documentation, evidence, and expertise to support 370 cases valued at over \$2.5 billion. In order to defend U.S. Air Force interests, the Air Force litigation team has traveled from coast to coast and searched through literally millions of documents for pertinent information. Relevant documents are imaged and encoded into a massive database and eventually submitted as evidence to support U.S. actions in managing the former Iranian FMS program. The litigation team is currently in the process of preparing a response to Iran's latest rebuttal brief that was filed in November 2002.

IAS has a small team solely dedicated to providing assistance to the security cooperation community in the transportation of FMS materiel. Customer assistance covers the spectrum of transportation modes such as air, ocean, surface, and rail. The office team researches and resolves transportation problems for case and country managers, DoD shippers, system program offices, Air Logistics Centers, freight forwarders, foreign liaison officers, and higher headquarters. Most problems are the result of erroneous or missing documentation. The FMS transportation team is currently developing training programs for the AFSAC, system program offices and Air Logistics Center personnel to improve awareness of FMS transportation requirements and processes. Recently the AFSAC visited FMS freight forwarders in the Baltimore and Washington, D.C. area to identify on-going problems and to exchange information.

International Affairs Security Assistance Policy Division Accomplishments

- The technical order (TO) index for foreign customers was expanded to include country standard technical order and M symbol catalog data and access to monthly TO status information.
- Provided online TO Index information for approximately 68,000 TOs to customers worldwide.
- In March 2004, the TO index on the AFSAC Online was enhanced to enable FMS customers to view the status of their TO requirements. Customers are now able to view information concerning TO shipments and backorders online. In the past this information was available only on printed products that were mailed out monthly.
- The International Affairs Directorate is the Air Force Materiel Command lead for the Defense Security Cooperation Performance Base Budgeting and Performance Based Costing² initiative. PBC was established to capture security cooperation activity cost for use in development and allocation of the FMS administrative surcharge budget. The U.S. Air Force elected to record all security cooperation activity, from all funding sources, to enable the data to be used for activity based management and output cost calculation, as well as for the FMS budget. AFMC comprises over 85 percent of the U.S. Air Force PBC structure. There are approximately 2400 personnel at nine AFMC locations, including the AFSAC making PBC entries. Beginning in fiscal year 2004 FMS outputs were identified and linked to PBC activities. The AFSAC

² The Performance Base Budgeting and Performance Based Costing article was printed in the *DISAM Journal*, Winter 2001-2002, Volume 24 No. 2, pp. 57-64. It is available electronically at the following web address - <http://www.disam.dsca.mil/pubs/INDEXES/t-z.htm#w>.

Commander directed IA to establish baseline costs and costing methodologies for key FMS outputs.

The primary use of the detailed cost analysis is to provide detailed output windows that enable the AFSAC process owners to identify processes and sub-processes with the highest potential return for process improvement. Additionally, process improvement and six-sigma initiative success will be measured against output cost change. To date, four output cost analysis and methodologies have been completed and coordinated with the process owners. An additional four are in development. By the end of fiscal year 2004, the AFSAC expects to have ten key FMS output cost analysis completed. Although in the early stages, our intent is to fully utilize the data collected via the Defense Security Cooperation Agency PBC program and employ an activity based management decision-making process. We are continuing to refine the AFMC PBC model. Costing data will be a key component in linking resources to strategy, process improvement, and becoming more effective and efficient.

- AFSAC is the AFMC advocate for FMS requirements in the \$100M U.S. government development of Enhanced Technical Information Maintenance System (ETIMS). The AFSAC facilitated interaction between the USAF program office for the ETIMS and FMS technical order customers in March 2004 to ensure FMS unique requirements for technical order management and distribution are incorporated into ETIMS. ETIMS is being developed by the U.S. Air Force to manage technical orders and facilitate electronic distribution of weapon system technical data.

- The Technical Coordination Programs (TCPs) and International Engine Management Programs (IEMPs) provide direct case funded technical and engineering support for the FMS countries that choose to participate. There are currently ten TCP programs or groups and two IEMP programs or groups. These programs are administered by the AFSAC/IA to provide overarching policy guidance and operational assistance as needed. The first Technical Coordination Group (TCG) was established in 1976 for the F-4. The program has grown significantly over the years. Today, TCGs support a myriad of weapon systems F-16, F-5, T-38/T-38, F-4, E-3, C-130, F-15, LANTIRN, Precision Guided Munitions such as Maverick, Paveway, and Tactical Missiles such as AIM-7, AIM-9 and AGM-88 missiles. The total population of FMS aircraft and missiles technically supported through the TCG mechanism is 3,807 aircraft and 30,602 missiles respectively. The IEMP supports a variety of engines F100, F110, J85, T56, TF30, TF33, J69, and J79. The total number of FMS engines is 9,186. FMS membership in the TCP and IEMP programs varies depending on the particular weapon system. To participate, FMS countries pay a pro rata share of TCP/IEMP operating costs that includes both organic and contractual support based on the percentage that their inventory represents in comparison to the worldwide membership total. Membership benefits include a wide range of technical support services including on-call technical assistance, maintenance management advice, spares support assistance, deficiency reporting, system modification recommendations, etc.

- Business Performance Indicators (BPI). Since the end of fiscal year 2002, the AFSAC has managed the business performance indicator (BPI) process, applicable to both supply and product centers, based on recommendations of an the AFSAC-led integrated process team (IPT). The IPT used previously established BPIs, customer recommendations, and Defense Security Cooperation Agency mandated performance measurements as a baseline for determining the what to measure. New measurements that generated from this effort include BPIs for on-time SDR processing, FMS administration budget allocation vs. execution, load processing time, and on-time manpower requirements package processing. These measurements were added to existing sustainment support measurements for on-time programmed stock shipments, overage requisitions, on-time repair/replace shipments, and overage repair/replace requisitions. Starting with second quarter fiscal year 2004, the on-time shipment BPIs were deleted and a new BPI on

technical orders overdue for shipment information was added. The AFSAC has been following an IPT recommended quarterly reporting process whereby the AFSAC obtains and compiles BPI data, sends BPI data to center focal points for review and comments, incorporates center comments into BPI slides, and sends BPI packages to center Commanders and Defense Logistics Agency. The BPIs include stretch goals with the intent that the centers pursue creative strategies at their level and identify issues beyond their control for the AFSAC to consider. All BPIs show a positive trend toward the objectives set. We attribute some the progress to center level improvement efforts as well as the AFSAC level procedural changes made in response to center recommendations. The following are some of the most significant BPIs:

- FMS Manpower VTC Updates was a self-initiated action item from the fiscal year 2003 AFMC/FMS Administrative Surcharge Manpower Review that took place at Eglin Air Force Base, Florida. The AFSAC/IAS scheduled VTCs as a collaborative forum for the manpower community to continue exchanging information about command FMS manpower policies, procedures and developments. It is a continuing part of the transformation process General Riemer initiated with the institution of the Command FMS Manpower Requirements Team. Representatives from the AFSAC, HQ AFMC, the ALC's and the product centers participate in these quarterly or more frequent electronic meetings. Of foremost interest in these VTCs have been the FMS administrative budget, civilian pay, and FMS administrative manpower. Feedback from the centers about the VTCs has been strongly positive and encouraging of further sessions in the near future. The VTCs have constructively focused the efforts and direction of the AFMC FMS manpower community.

- Asset Release and Edit Controls. Over the past year, the AFSAC has improved asset release and edit controls in response to findings contained in two related General Accounting Office audits. (*Improved Air Force Controls Could Prevent Unauthorized Shipments of Classified and Controlled Spare Parts to Foreign Countries*, July 2003, and *Foreign Military Sales: Air Force Does Not Use Controls to Prevent Spare Parts Containing Sensitive Military Technology from Being Released to Foreign Countries*, September 2003.)

- The first audit found the AFSAC controls of blanket order requirements to be inadequate, potentially placing classified and controlled spare parts at risk of being shipped to countries not authorized to receive them. The following actions were taken in response:

- The Security Assistance Management System (SAMIS) was modified to ensure requisition validations are based on the complete national stock number;
- Policy was developed and procedures implemented to recover classified or controlled items that are erroneously shipped;
- Established an annual update process for edit control entries;
- Established annual testing for data system modifications; and,
- Established and implemented new guidance for documentation of decisions to override system edits.

The new control procedures require foreign disclosure release determination, restrict who can input data system overrides, and requires waiver approvals for overrides to be documented both electronically and in hard copy.

In response to the second audit, the AFSAC has established new SAMIS edits to ensure coverage for classified items and significant military equipment (SME) national stock numbers as identified in the *Military Articles and Services List* (MASL). We are currently seeking to establish additional edits by establishing federal supply class and other supply code linkages to category descriptions of items containing sensitive military technology. While implementing

these new data system edits and release control procedures, we are seeking innovative ways to maintain compliance while still meeting customer needs.

- An FMS Manpower Requirements Team (MRT) has been established in IA to oversee AFMC's FMS manpower program and provide FMS manpower policy guidance to AFMC centers. To effect this change, the FMS manpower requirements process was transferred from the AFMC manpower organization to the MRT, thereby placing the process within the command's FMS functional organization. Concurrently, Deputy Under Secretary of the Air Force for International Affairs implemented the Security Assistance Manpower Requirements System (SAMRS), an electronic, web-based application for creating and processing FMS Manpower Requirements Packages (MRPs). Since establishment of the MRT and implementation of SAMRS, the command has submitted 131 MRPs to Deputy Under Secretary of the Air Force, with all but seven being approved without questions a 95 percent success rate! At Defense Institute of Security Assistance Management's request, MRT members are now guest speakers during the Air Force seminars of the Case and Financial Management courses at DISAM, providing an informational briefing about SAMRS and other current FMS manpower issues. Members of the MRT also represent AFMC on the Air Force Security Assistance Manpower Integrated Process Team (MIPT), which is reviewing all Air Force FMS manpower positions. The primary goal of the MIPT is to ensure that all Air Force FMS positions are properly coded and funded from the correct funding source.

Financial Management Directorate

In April 2002, the Air Force Audit Agency (AFAA) completed a joint Under Secretary of the Air Force Financial Management and Comptroller (SAF/FM) and International Affairs (SAF/IA) requested Management Advisory Service and provided the following recommendations:

- AFMC/FM should increase FMS oversight;
- AFSAC should create an FM Directorate to implement FMS FM policies and procedures, and;
- AFSAC/FM be the central source for cost data; and provide complete financial data.

The new the AFSAC/FM Directorate was established in August 2002 and Phase I of FM implementation was completed in March 2003 with the filling of the Director's position.

The New Financial Management Directorate

Phase II, the operationalization of the new FM Directorate, started in May 2003. The guiding principles and primary areas of responsibility for the AFSAC/FM were identified and a six spiral approach was created to focus on key Air Force Audit Agency recommendations:

- Compliance with the CFO Act to establish financial reporting and end of year financial statement certifications, management control program, financial related audits, and financial systems operations and CFO compliance certifications.
- Functional responsibility for financial personnel management career development and management of FM series personnel. As the FM functional skill manager, all 5XX series personnel will be assigned to FM. Financial analysts will be matrixed/collocated based on best operational sense and to define clear lines of authority and



Director of Financial Management

responsibility. Personnel performing more than 50 percent financial responsibilities will be coded to FM series and positions will be reviewed for potential conversion to FM series. Personnel performing less than 50 percent will be identified for tracking and provided training and development, as required and included in FM networking communications. The directorate will generate and approve FM training requirements, provide subject matter expertise to review and approve FM training/instructional documentation and support FM training as required throughout the AFSAC.

- AFSAC authority for all financial management policy, procedures and instructions. The directorate will collaborate with HQ AFMC/FM on development and approval of all financial policies and guidance. The AFSAC/FM will also be the lead for AFMC surcharge and the AFSAC budget development.

- Performance of all funds control activities, which will include establishing controls over obligation authority and verifying availability of funds prior to obligation.

- Financial analysis and support to decision making by adopting a process focused, integrated, open to close perspective.

FM identified the following five spirals for the Phase II implementation:

- Realign internal financial management core competencies;

Phase II efforts began with the transfer of policy development and determinations in August 2003. Shortly thereafter, CLSSA and Materiel Systems Division (MSD) pricing change and analysis transferred to the AFSAC in October 2003.

Efforts to establish a Cost Analysis Division (FMC) to perform in-house cost capabilities and become the single source of cost data began in early fiscal year 2004. The official announcement of the AFSAC Cost Analysis Division was made 15 June 2004.

The Cost Division is responsible for: cost analysis; financial and critical feeder system technical support; CFO compliance reporting and oversight; Performance Based Cost and budgeting responsibility; financial management policy; professional development and training; and strategic planning. The AFSAC/FMC is an active participant in the AFSAC and AFMC IPTs for IT, strategic planning, and system integration.

AFSAC/FM was given the responsibility to manage the command budget development based on the performance based budget concept adopted by Defense Security Cooperation Agency effective with fiscal year 2004 budget. Spring 2004 marked the AFSAC participation in the development of the fiscal year 2006 Air Force FMS Administrative Program Objective Memorandum (POM).

- Realign internal FMS Case financial management responsibilities;

Two critical areas were identified as performing inherently financial management functions outside the FM organization. One area was PROS financial management where FM matrixed a position to CO to provide additional financial management analysis capability for the PROS program.

The other area was the tri-annual dormant unliquidated obligation (ULO) review. FM also matrixed a position as part of an ULO team established to resolve problem ULOs. Increased emphasis on the dormant obligation review will facilitate the AFSAC/FM's commitment to providing quality funds stewardship. These efforts, along with increased FM participation in the annual case review process, case/country reviews, and customer service issues will assist in growing the focus and responsibility of FMO from case closure to oversight of case execution through out the lifecycle of the case.

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- Collaborate with HQ AFMC/FM on policy, integration, and oversight issues;

A memorandum of understanding defining the roles and responsibilities between the AFSAC/FM, the AFSAC/IA and HQ AFMC/FM is currently being coordinated. The focus is to ensure consistent application of procedures and financial policy interpretations/determinations across the command.

- Establish partnership with Defense Finance and Accounting Service.

Defense Finance and Accounting Service currently provides on-site Mission Accountant Support to the AFSAC to facilitate problem resolution of FMS issues between the Air Force and DFAS. Two additional DFAS Mission Support Accountants are scheduled to be in place by 1 October 2004. This support has greatly improved the working relationships between the AFSAC and DFAS in resolving accounting issues.

The return of delivery reporting responsibility to the Air Force and AFMC is still in negotiation between DFAS and Deputy Under Secretary of the Air Force for International Affairs. When the date of transfer is formally agreed to, the AFSAC/FM will be postured to assist in developing an implementation plan and take on the additional responsibility. This will greatly improve the AFSAC's ability to close open FMS cases in a more timely manner.

- Assess overall the AFSAC/FM structure and professional development health needs.

Phase II will close with a review of two key areas:

- Working interfaces between the AFSAC organizations and
- The overall FM structure and health.

This will be an opportunity to increase efficiency and effectiveness through additional matrixed or dedicated FM support within the AFSAC and ensure the FM manpower and training needs are being fulfilled. The estimated completion date for Phase II is 1 October 2004.

The Way Ahead for the Financial Management Directorate

The AFSAC/FM organization will continue to grow to meet the FMS financial needs of the AFSAC and the command. It is an organization that is transforming the way the Air Force provides financial management services to develop and manage international agreements. The new the AFSAC/FM organization provides great opportunities for financial managers to further develop and broaden their financial management skills. Our FM mission statements were recently updated to reflect the AFSAC/FM mission to include the new Cost Directorate.

The Financial Management Directorate provides authoritative security assistance financial information, direction and services to develop and execute international agreements. The AFSAC comptroller organization provides expert technical budget, accounting and cost support; funds control and financial stewardship/oversight; and resource-based decision-making support to the AFSAC and AFMC senior leadership, and as required, to Deputy Under Secretary of the Air force for International Affairs and the Defense Security Cooperation Agency. FM develops and manages the FMS surcharge operating budgets for the AFSAC and AFMC centers. It also provides financial analysis and case closure expertise to the Command Country Managers and Case Managers within the AFSAC as well as to the financial managers at the product and logistics centers in support of the FMS customers to ensure an AFMC integrated international program financial perspective.

- Financial Analysis Division

The Financial Analysis Division provides budget and execution support for center level operational and revolving funds. FMA is responsible for programming and budget guidance

interpretation; center execution strategy; budget allocation and execution management. FMA manages TDY salary expense reimbursement from cases funds, administration of the AFSAC temporary duty orders and travel cards, Government Purchase Card management, and provides Presidential Determinations financial support. FMA is also responsible for FMS customer support and is the liaison for DFAS billing issues.

- Case Funds Management and Analysis Division

The Case Financial Analysis Division is the authoritative source for case financial operations and execution in support of Air Force FMS activities. FMO provides case financial management and support to FMS country, case, and line managers throughout the lifecycle of the case from Pre-LOA activity through case execution, interim and final closure. This includes ensuring the integrity of financial data provided to the FMS customer and supporting various supply, logistical and financial management reviews. FMO provides case financial reconciliation support to AFMC, AFSPC, AMC, ACC, AETC and SAF; and is the office responsible for certifying all Air Force cases for closure.

- Cost Analysis Division

The Cost Analysis Division is responsible for providing financial cost and benefit analysis, economic analysis support; return on investment cost estimating technical support and analysis and validation of cost information provided from FMS financial systems and other critical feeder systems. Lead FM Division for the AFSAC responsibilities encompassing the following:

- Performance Based Budgeting and Performance Based Costing integration and implementation;
- Integration and analysis of financial data for periodic financial cost performance reporting requirements as directed by the AFSAC/CC or higher Headquarters, such as FMS non-recurring cost reporting;
- Balanced scorecards, or various annual/quarterly cost status reviews;
- Researches and resolves cost issues in support of FLO support;
- Interfaces with activities outside the AFSAC on FM system modernization initiatives;
- Financial compliance and reporting programs, such as *Chief Financial Officer Act*, Management Control Program Statement of Assurance, the AFSAC end of year financial certification and reporting;
- Resolution of financial audit issues;
 - Financial management policy support, interpretation, and revisions within the AFSAC and integration and coordination within HQ AFMC/FM and AFSAC/IA.
 - Identifies and validates FMS unique financial training requirements;
 - Focal point for FM transformation, special projects, and other consolidation and integration requirements as assigned by the AFSAC/FM Director.

Visit our website at <https://rock.afsac.wpafb.af.mil/www/mil/FM/FM.html> to learn more about us as we continue on the path of providing world-class financial management fostering global partnerships between U.S. government and foreign forces in support of U.S. national security.

The Air Force Security Assistance Personnel Directorate

Base-wide Reduction in Force over the past ten years has limited the hiring and retention of new employees, creating an experienced but aging workforce. Because of this, concerns exist regarding the bow wave of employees becoming eligible for retirement within the security assistance community here at the AFSAC. For example, 48 percent of the current employees will

be eligible for retirement by the end of fiscal year 2010. When these very valuable and experienced employees go out the gate, they will also take a vast amount of security assistance corporate knowledge with them. This corporate knowledge has to be captured and then taught to the next generation of Air Force security assistance world-class professionals. One of the ways that we decided upon for capturing this valuable information was in the creation of the the AFSAC Schoolhouse.

The AFSAC Schoolhouse consists of two parts.

- Create a curriculum that would consist of courseware that would capture the Air Force specific security assistance tasks executed at the AFSAC. This courseware would also complement and not duplicate the curriculum that was already being taught at the Defense Institute for Security Assistance Management (DISAM).

- The AFSAC Schoolhouse courses would be an integral part of the job series specific curriculums, which would include both DISAM and the AFSAC Schoolhouse courses. For example, a core curriculum for a Logistical Management (346 series) Case Manager would include the following, but would not be limited to; DISAM courses Security Assistance Management CONUS (SAM-C), Security Assistance Case Management (SAM-CM), Security Assistance Financial Management (SAM-CF), and the AFSAC Schoolhouse course Case Management Learning Program (CMLP).

The AFSAC Schoolhouse has created courses that tie-in to the main security assistance functions performed at the AFSAC. The main functions that courses have been created for are; country management, case management, and supply management. The Country Management Learning Program (CCMLP) teaches the tasks associated with the country management function. Some of the tasks covered are; LOR validation, foreign disclosure, congressional notification, Manpower Request Packages (MRPs) and Manpower and Travel Data Sheets (MTDS), sole source requests, transportation plans, Defense Security Assistance Management System (DSAMS). The Case Management Learning Program (CMLP) teaches the tasks associated with the case management function. Some the tasks covered in this course are; case variances and notices, case initialization, Letter of Offer and Acceptance Data (LOAD) validation, payment schedules, DSAMS, program directive implementation, custom commitments, modifications and amendments, case closure and reconciliation. The Supply Management Learning Program (SMLP) teaches those supply tasks associated with the supply management function. Some of the tasks covered in this course are; MILSTRIP, Security Assistance Management Information System (SAMIS), Researching Supply Data, Supply Requisitioning, Determining Supply Status, Parts and Repair Ordering System (PROS), Worldwide Warehouse Redistribution Services (WWRS), Supply Discrepancy Reports (SDRs), and etc.

In addition to teaching the Air Force specific security assistance courses, the AFSAC Schoolhouse also teaches an the AFSAC Orientation course to all its employees. The AFSAC Schoolhouse has also taken on the responsibility of teaching all newly assigned FLOs. The FLO community has some unique training requirements, since they now find themselves living in a foreign country. Many of the things we take for granted, they may find very strange and confusing.

The AFSAC Schoolhouse conducts continuing education seminars. The schoolhouse is already teaching such topics as the AFSAC Online, LOR Automation, Foreign Disclosure and



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Releasability, and DSAMS familiarization. There are future plans to offer the following seminars; FMS transportation, manpower packages, congressional notification, SAMIS familiarization, PROS, WWRS, Cooperative Logistics Supply Support Arrangement/ Material Repair Requirements List (CLSSA/MRRL), and SDR Automation.

As we look forward to the future, the AFSAC Schoolhouse will continue to make improvements in its courseware, and when appropriate implement new teaching technologies like distance learning (DL) and computer-based training (CBT). All of this will allow the AFSAC Schoolhouse to continue to strive and achieve its goal of becoming the Air Force and Air Force Materiel Command's FMS schoolhouse.