MULTINATIONAL BUSINESS

PRESENTATION TO:
25th Annual National Logistics Conference & Exhibition
Multinational Logistics: A Rapidly Evolving, Complex Capability

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Washington Relations
Raytheon International
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• Foreign Military Sales (FMS)
• Disclosure Boards / Licensing
• Issues and Challenges
FMS PROCESS: TIMES ARE GOALS

CUSTOMER COUNTRY SENDS LOR TO MIL SVC

MIL SVC WITH PM VALIDATES LOR (5 DAYS)

IF NOT RELEASABLE, MIL SVC MAY PURSUE NEW RELEASE POLICY, THEN LO/CLO, THEN NDPC (1 - 2 YEARS)

MIL SVC CONDUCTS PRELIMINARY DISCLOSURE REVIEW (1 TO 5 DAYS)

MIL SVC WRITES LOA DRAFT WITHOUT FINAL SCOPE, COST AND SCHED (2 DAYS)

PGM OFFICE COORDINATES WITH CONTRACTOR AND PROVIDES FINAL SCOPE, COST AND SCHED (14 TO 60 DAYS)

IF MAJOR DEFENSE EQUIPMENT (MDE) ≥ $14M * MIL SENDS 36B TO CONGRESS VIA DSCA (30 TO 90 DAYS)

PGM OFFICE SECURITY OFFICE CERTIFIES DEFENSE ITEM IS RELEASEABLE TO CUSTOMER

PGM OFFICE COORDINATES WITH CONTRACTOR AND PROVIDES FINAL SCOPE, COST AND SCHED

LOA DRAFT PACKAGE SENT TO DSCA CASE WRITING DIV (CWD) "MILAP" (18 DAYS)

MILITARY DEPT SIGNS (MILSIGN) & DSCA COUNTER-SIGNS (9 DAYS)

US SIGNED LOA SENT TO CUSTOMER COUNTRY

LOA SIGNED BY CUSTOMER COUNTRY

PGM OFFICE NEGOTIATES & AWARDS CONTRACTS

EQUIPMENT AND/OR SERVICES ARE DELIVERED

* or defense articles or services $50M or more; design and construction services $200M or more.
Disclosure Policy Process

Disclosure approval precedes export license submission

START

Precedent Setting Issues

1-2 years

Top Line

TTSARB

TTSARP

Disclosure Authorities

OSD/State

Balance of Decisions Retained by OSD

NDPC - Transfer of Classified Information/Material

LOICLO Tri-Service Committee and EXCOMM

N2 National Security Decision - COMSEC

Signals

EW Force

MIL service recommends; OSD approves (1 – 2 years)

Disruptive Process

60 days

1-2 years

INDUSTRY

STATE

DTSA

MIL SERVICES / OSD

Comfort Zone
### Key Considerations / Players

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We must understand the USG issues and know the players.
ISSUES AND CHALLENGES

• Complex, sequential Disclosure Process hampers FMS and consequently the ability to support COCOMS across the spectrum of MIL Operations
• Interoperability with our allies greatly affected
• MIL SVC, OSD dis-incentivized
• International community driven to seek products and services elsewhere
• US Industry, Foreign Industry Partnerships difficult, potentially affecting industrial base
• New administration and Congress have promised significant change
• Industry associations must champion a revamping of the Disclosure Process:
  – Streaming
  – Transparency
  – Time Lines
  – Appeal Process
  – Etc.