Testimony

Waiting to Win: The FMS Accountability Gap

Remarks before the Senate Armed Services Committee

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Testimony of Lisa Saum-Manning[[1]](#footnote-1)
RAND[[2]](#footnote-2)

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r. Chairman, ranking member Reed, and distinguished members of the Committee, thank you for the opportunity to testify on the findings of RAND’s research report *Optimizing Foreign Military Sales Roles, Responsibilities, and Authorities*.[[3]](#footnote-3) The Foreign Military Sales (FMS) program, authorized under the Arms Export Control Act, is a key mechanism by which the United States transfers defense articles, services, and training to international partners and organizations. FMS is managed by the Defense Security Cooperation Agency (DSCA) and operates at no cost to the U.S. taxpayer, as it is funded by administrative fees charged to foreign purchasers. The U.S. government uses the Department of Defense’s (DoD’s) acquisition system to procure FMS defense articles and services.

FMS is a strategic instrument of U.S. foreign policy. By bolstering our allies’ military capabilities, FMS enhances deterrence and strengthens our global partnerships. In FY24 alone, FMS sales totaled approximately $118 billion, underscoring the program’s strategic and economic value.[[4]](#footnote-4)

Yet our core finding is that although the FMS process is intended to deliver defense capabilities to our international partners, the complex array of roles, responsibilities, and authorities, often spread across numerous organizations without clear lines of command or sufficient enforcement powers for lead agencies, can indeed impede the process. This complexity contributes to delays in the transfer of U.S. defense systems critical to the defense of our allies and partners that may contribute to perceptions of a wavering U.S. commitment to our international partners, creating an opening that America’s adversaries can seek to exploit.

In our research, we found that frustrations reverberate across the workforce, from senior-level leaders who struggle to exert the authorities required to direct and administer FMS to frontline personnel tasked to support those requirements.

I will first highlight several challenges that we identified, followed by recommendations we provided for addressing them.

## Challenges at the Strategic Level

* The Office of the Under Secretary of Defense for Policy (OSD-P) struggles to streamline competing priorities, reduce confusion, and advocate for FMS as a value contributor to interoperability with international partners.
* The Office of the Under Secretary of Defense for Acquisition and Sustainment (USD[A&S]) also lacked responsibility and authority to ensure that the acquisition community provides regular and accurate information on the status of FMS cases.
* FMS is but one tool that supports U.S. national security objectives. As a result, processes that prioritize **the U.S. warfighter will always take precedence over the demand signals from U.S. allies and partners**.

## Challenges at the Operational Level

* DSCA is charged with directing the FMS process but lacks sufficient authority over, and visibility into, the process to hold organizations accountable when the process goes awry. As one DSCA stakeholder noted, “When things go wrong, . . . the Secretary of Defense doesn’t look at the [Military Department Implementing Agencies]; he turns to the DSCA director and asks, ‘Why can’t you make this system work? You’re responsible for it.’”
* The FMS process involves many touchpoints across different stakeholder organizations, and there is no clear chain of command. For practical purposes, DSCA delegates actual FMS case management to the military departments, serviced through their international affairs secretariats: Secretary of the Air Force International Affairs (SAF/IA), Deputy Assistant Secretary of the Army for Defense Exports and Cooperation (DASA[DE&C]), and Navy International Programs Office [NIPO]). These are key operational policy and oversight entities, and they can lack sufficient authority or mechanisms to hold other parts of their respective services involved in FMS execution accountable for failing to meet timelines.
* Bandwidth can be a challenge. Contracting nodes in the service implementing agencies are understaffed and prioritize domestic contracts over FMS cases.
* The Defense Technology Security Administration (DTSA) lacks the authority to ensure that the implementing agencies follow technology security and foreign disclosure policies or meet quality and timeliness standards.
* The U.S. defense industrial base faces challenges in supporting FMS. One acquisition stakeholder described how proprietary concerns regarding defense industry subcontractors can impede transparency and cause delivery chokepoints, having an outsize impact on the contracting process. Exportability requirements can also be risky and cost-prohibitive to fulfill.
* Ascertaining where chokepoints exist can be difficult because FMS data are siloed in myriad places without standardization, storage, or sharing requirements. As one interviewee described, “We’ve got 47,000 different databases with stuff in it. We are data rich and information poor.”

Our recommendations center on amending directives and regulations to strengthen and streamline the FMS system.

## Recommendations at the Strategic Level

* **For the Under Secretary of Defense for Policy (USD-P):** **Encourage combatant commands to integrate partners’ FMS-acquired capabilities** into operational planning and exercises and **support a DSCA-developed standardized FMS prioritization decision tool.**
* For DoD: Amend relevant Department of Defense directives (DoDDs) to state that USD(A&S) has the responsibility and authority to develop standards and procedures for reporting FMS-related acquisition contracting and production status and periodically evaluate military departments’ acquisition reporting for accuracy and timeliness.
* For DoD: Amend relevant DoDDs to state that the Office of the Under Secretary of Defense for Research and Engineering (OUSD[R&E]) and USD(A&S) have the authority to ensure that exportability requirements are clearly defined, documented, and resourced by the military departments early in the acquisition life cycle.

## Recommendations at the Operational Level

* Strengthen DSCA’s authority: We recommend that DSCA
* be **granted authority to require regular reporting from military departments** on case development status
* **provide periodic evaluations** of implementing agencies’ FMS case development performance to senior leaders
* have its **director participate in the process of selecting top leaders** at relevant implementing agencies
* **establish a data czar** to improve enterprise-wide data visibility.
* Empower implementing agencies: We recommend that service regulations be amended **to grant SAF/IA, DASA(DE&C), and NIPO increased authority** within their respective services over FMS implementation activities, including having input into the selection of subordinate security assistance leadership and the ability to evaluate performance.

There is no silver bullet solution to FMS reform. The FMS enterprise involves a diverse network of actors with varied missions and priorities. However, the need for reform is urgent. Implementing recommendations that foster a more agile, transparent, and accountable FMS process is essential for enabling our partners, deterring adversaries, and reinforcing America’s global leadership.

 Thank you for your time and attention to this critical issue. I welcome your questions.

1. The opinions and conclusions expressed in this testimony are the author’s alone and should not be interpreted as representing those of RAND or any of the sponsors of its research. [↑](#footnote-ref-1)
2. RAND is a research organization that develops solutions to public policy challenges to help make communities throughout the world safer and more secure, healthier and more prosperous. RAND is nonprofit, nonpartisan, and committed to the public interest. RAND’s mission is enabled through its core values of quality and objectivity and its commitment to integrity and ethical behavior. RAND subjects its research publications to a robust and exacting quality-assurance process; avoids financial and other conflicts of interest through staff training, project screening, and a policy of mandatory disclosure; and pursues transparency through the open publication of research findings and recommendations, disclosure of the source of funding of published research, and policies to ensure intellectual independence. This testimony is not a research publication, but witnesses affiliated with RAND routinely draw on relevant research conducted in the organization. [↑](#footnote-ref-2)
3. Lisa Saum-Manning, Jefferson P. Marquis, Irina A. Chindea, Daniel Elinoff, Theiline Pigott, and Elliott Brennan, Optimizing Foreign Military Sales Roles, Responsibilities, and Authorities, RAND Corporation, RR-A2631-1, 2024, https://www.rand.org/pubs/research\_reports/RRA2631-1.html. [↑](#footnote-ref-3)
4. Bureau of Political-Military Affairs, “Fiscal Year 2024 U.S. Arms Transfers and Defense Trade,” fact sheet, U.S. Department of State, January 24, 2025, https://www.state.gov/fiscal-year-2024-u-s-arms-transfers-and-defense-trade. [↑](#footnote-ref-4)