

Strategic Vision

Defense Security Cooperation Agency reorganizes, realigns to make United States a better global partner



LISA NIPP

The Defense Security Cooperation Agency (DSCA) is the Defense Department's lead agency for the execution of security cooperation programs. DSCA facilitates the transfer of defense equipment and services to international partners through sale, lease or grant, including the Foreign Military Sales (FMS) program, in response to urgent or emerging requirements or capability gaps.

Leading that agency since September 2013 is **VADM Joseph W. Rixey**, who has reorganized the DSCA so that it is aligned by region, rather than function, to better understand and execute the full continuum of security cooperation solutions. In October, Rixey unveiled DSCA's strategy for the future, "Vision 2020," which aims to position DSCA "to play an active role in advancing the community beyond the sum of its parts. The intention of this strategic plan is to leverage DSCA resources both to build on the community's strengths and address our weaknesses in order to better achieve U.S. national security and foreign policy objectives," he writes in his director's message in the document.

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Let's start out by talking about DSCA's Vision 2020. Where are you in terms of the "whole-of-government" approach to strategic alignment in executing Vision 2020?

RIXEY: When we developed Vision 2020, we defined the key terms, which is the community versus the enterprise. The Vision 2020 is targeted for the community — the security cooperation community. So that's the 9,000 or so full-time equivalents that we fund and write the policy on. This whole strat [strategy] plan is written for the things we can control, the things that are in our lane. The other definition is the security cooperation enterprise, which is the whole of government. Vision 2020 is targeted to fix those things that we can control.

Now, if you go look at the mission and vision statements, the mission is to lead the community, but the

vision is to enable the enterprise. We're hoping what we do with our Vision 2020 objectives and goals and things that we fix, will, in fact, enable the whole of the government. If we speed up our processes, the things we can control, it's only going to help the rest of the enterprise. When you go back and look at those eight goals we're working on — and 23 objectives — you'll see they are actually targeted specifically for the things that are within our universe to control.

DSCA recently launched its initiative for "lead nation procurement." Can you explain your plan and goals for that initiative?

RIXEY: It's a pilot program. Normally, Foreign Military Sales is a bilateral arrangement. If you look at arms export control and the whole notion of it, it is a bilateral arrangement. I think one of the things you look at in

Vision 2020 — I'll keep going back to that — is we recognize the environment out there is changing. We are no longer just going to be in a bilateral environment. FMS sales are being entered into competition.

We have to adapt ourselves to a new norm, or new environment, to be relevant. Another thing we're trying to do is pooling, and this is what this initiative is. It is to be able to go beyond the bilat, but go with NATO or NATO countries and have them do a multilateral approach for this lead nation procurement. That way, they can spread their costs, they can buy into the pool.

The reason we're starting with NATO and the reason we call it a pilot is because this is new, we want to crawl/walk/run. We're always getting questions, "Why just NATO? Why not us?" Well, we're going to start with this pilot and make sure we can do it, because we have to work through a lot of new territory in terms of policy or whatever relief we need in certain areas. We're excited about it. Now, we need to come up with the program.

What's your timeline for that?

RIXEY: It's a two-year initiative, so I look toward getting started soon so we can prove it out.

Another of the Vision 2020 initiatives is for the United States to remain a "provider of choice" for international customers. With regard to the FMS process, which has been said to be cumbersome and difficult to navigate, what changes are being planned or have been made to processes or requirements to make it less so?

RIXEY: I really love this question, and I always get that "FMS is broken." If you look at the FMS system, it really is four major systems. The whole notion of getting a case and building a case and getting it signed, that's the first step.

But, at some point, we go to the acquisition system. At some point, we're dipping down into, "Can we get it on a contract? Are there artisans there and folks in the position to get this done? Is it a shelf item? Is it unique? What is it?" So now we're into the acquisition process. And then, of course, once we get into the acquisition process, before we can really get started, we've got to go down into the tech transfer process. And then ... we have to go through the congressional notification, which is through State.

When you say the FMS system, you are actually talking about the security cooperation system. I always want to make sure it's very clear that one of the things we work on with Vision 2020 is we're going to look at the first piece, and that is, can I get a case in place in a timely manner? When I start getting into those other lanes, that's when the whole government has to get involved. But we're going to work on the piece that we do control.

We'll be working, obviously, to enable the whole system. I want to call it not the FMS system, but the security cooperation system or the security cooperation enterprise, because it's all those pieces and everybody touches it. If you have a human rights issue, a tech transfer issue, a "do we have enough artisans to get this contract in place" issue, you're touching a lot of things outside of the DSCA.

But we'll work with everybody and everybody is on board with doing that. Again, when you look at this, we're focused on the piece that we can control.

Outside of FMS, what are your plans to help build partner capacity?

RIXEY: We realigned our organization and we're now regionally aligned. When I first came into DSCA, we were aligned by function. Folks did Foreign Military Sales on one floor, the other folks did Title 10 and Title 22 programs like humanitarian assistance, like institution building or counterterrorism programs, that was on the second floor. Our financial folks were down on the first floor.

What we did was we aligned regionally and we put a team together that understood, now, the full continuum of security cooperation solutions, from Title 10 and Title 22, appropriated funds to national funds. That way they can look at this thing as a continuum and they're aligned now to the COCOM [Combatant Commander] and they're aligned to OSD [Office of the Secretary of Defense] Policy so we can look at it from the perspective of building partnership capacity, not just FMS.

If you look at the counterterrorism fight with Jordan, with Iraq, it wasn't, "Hey, what FMS things could we do?" It was, "What do we have in terms of appropriations and how can we put together a program?" This is where we want to try to build this regional alignment to building partnership capacity, so we understand what tools we have available throughout the continuum and apply that to the situation at hand. That's how we're going after partnership capacity building, by talking to OSD Policy and the COCOMs and getting their direction from where it is we need to apply our finite resources. That's why we reorganized, so that we are focused on the priorities and those are to build partnership capacity where it counts.

What are some of your challenges in providing security assistance to allies and partners on a rapid response basis?

RIXEY: Again, one of the reasons that we realigned is by having a regional team ... their whole function now is to be responsive, to attack these issues as quickly as humanly possible, to look at their whole continuum of solutions to figure out how we are going to apply it to these issues. The challenges that we face are they're coming in frequently, and the sheer volume.

If you look at the counterterrorism fight, it's just getting the adequate resources in place and, if stocks aren't available, then we have to contract. And if you have to contract, unfortunately, that takes time because you have to build in long lead. There are long leads to some of these items.

Right now, what we have to address is, where are these resources coming from? There has been a heavy demand — worldwide demand — on them. You can see what's happening in the Levant, in the ISIL [Islamic State of Iraq and the Levant] fight. To me, the challenge is, can we get this stuff to them in a timely manner? And if we're not able to draw from stock, how quickly can we get these things on contract? Because right now, in this particular fight, the whole security cooperation enterprise is lined up.

If we want to do this, it moves. For this fight, everybody is aligned, and when that happens, things move relatively quickly. It's just a matter of do we have the stuff.

What are some of the advantages to the United States and to the customer when you're talking FMS versus direct commercial sales (DCS)?

RIXEY: I think FMS and DCS have their time and place, and we support both. In fact, I would recommend DCS to a lot of our international partners under the following conditions: If the technology is mature and their procurement processes are mature, then they should go to DCS.

You want to come to FMS if the technology is not mature. Some countries look for the integrity of the process. Some people look at "take care of it for us." Some people look at us as "these are difficult technologies and we'd like you to manage this program." Or they're not mature about buying things as well. They come to FMS. Some people just like the fact that FMS is one-stop shopping for the total system solution. If they come to FMS, we'll be able to provide them not only the end product, but we'll also provide them the interim support and the initial spares.

But, more importantly, because the U.S. government is doing the contracting and doing the development, we can really focus on interoperability and commonality. A lot of countries want that. They want to be as common and as interoperable with us. So when we take over the contract negotiations and the design and the build, we can do that.

When they go DCS, we're out of the picture. So whatever technical solutions they're buying from the vendor directly, if it's not a mature end item, it may not even be supportable or interoperable with us subsequent to the buy. Some things lend themselves — the technology's mature, it's off the shelf — buy that. It has its time and its place, but I'm supportive of the FMS case, because we have a lot of control on the total package, the whole interoperability piece and the importance of building relationships.



LISA NIPP

What would you like industry to know, if you could say something to industry with regard to your plan going forward?

RIXEY: One of our initiatives is not only engaging with them, but there's a whole section in this [Vision 2020] that talks about how we're really trying to align with them, especially in the area of forecasting.

What I want to tell industry is stay aligned, because we have realigned to understand the priorities, where the gaps are, where we should be planning our resources, where we should go and where we shouldn't go with a potential sale or a technology. We've created the venue and the opportunities for you to speak with us, and it's our intention to articulate as much as possible to our industry partners so they understand where the priorities and where the gaps are. It really is, stay aligned.

We have an outreach program. I personally meet with each — I've met with all the majors and some suppliers — take two hours going to their facilities and getting input. My Weapons Directorate is their path into my organization, to share what it is that they're doing and what they're seeing down range. And then we can try to be aligned. It's all about alignment.

I know you talk to allies and partners all the time, as you do with industry. What would you like to say to our partners and allies?

RIXEY: Another section in Vision 2020 is our outreach to our partners, and that is being the provider of choice. We're trying to be the provider of choice by increasing the visibility of the process. That's one of the things that they're asking for.

If you were to ask our foreign partners, the following is what they desire from us: They desire insight to the program. They desire quality of what we're providing them, like, for example, if we're giving them pricing availability or an LOA [Letter of Offer and Acceptance], that the pricing in the schedule is accurate because they don't want to go back and ask for funds again. And then, the third thing is speed. It's in that order. We used to think it's speed, speed, speed, but if you're sacrificing quality and insight for speed, that's not good.



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The No. 1 thing is we hear is, “We want visibility into your process, we want a quality product that you provide us, and we want it as quickly as you can do it.” That's what these initiatives are looking at. My message to them is, you've got my Vision 2020 document. It's on the World Wide Web. Know what we're trying to do and let us know how we're doing.

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We are trying to reach out and adjust to these new environments, these new norms that I talked about earlier, which is when you open up Vision 2020 we talk about there it is, we get it. If we're going to participate and play in the Foreign Military Sales world, in particular, we've got to adapt.

Because you're now reorganized regionally and seem to have less of a stovepipe kind of organization, it's probably easier for you to make course corrections as you go, as things change?

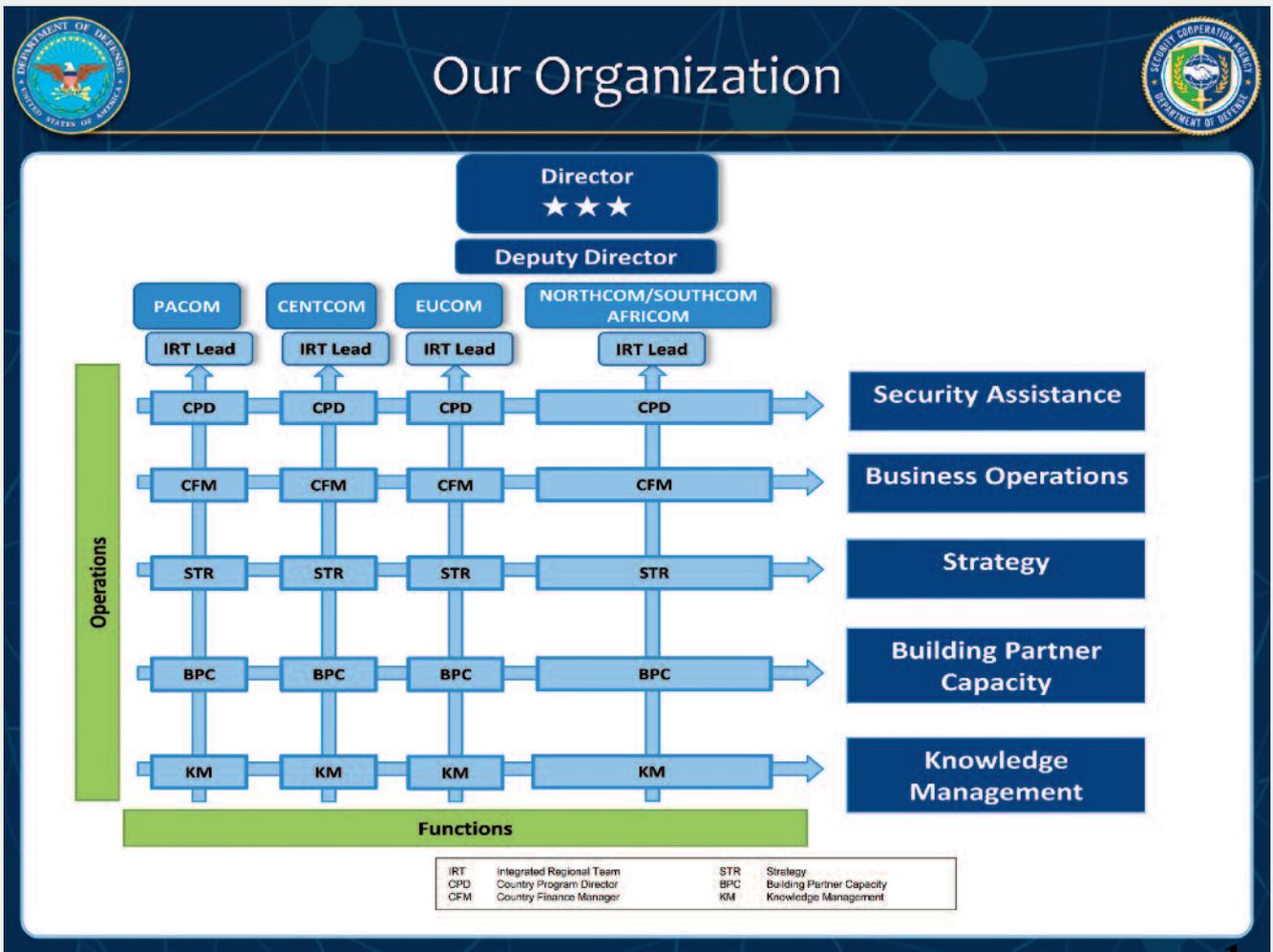
RIXEY: Yes. Let me try to explain this. If you look at those boxes right there, they represent human beings. The leadership is represented by the blue boxes on the top of the chart [see photo below], those are my lines of accountability for rapid reaction. The boxes on the right ... I aligned this way along these lanes for rapid reaction.

What we've found out when we did this was it's a matrix organization, so this is my function. These are the folks [boxes along the top of the chart] who do Foreign

Military Sales. These are the folks who do the country finance. They're responsible for staffing these IRTs [Integrated Regional Teams], so they have to staff them, make sure that they're trained, standardized, know what they're doing. They're qualified to do their jobs, workload distribution. They're running around with their hair on fire and they're making sure that things are operating properly. If you asked me, "Who is working on this?" Well, they're not, because they can't. There's not enough time in the day. They're just trying to put out the next fire.

My accountability for all the process improvement resides in these, right here [boxes on the far right of the chart]. What we've found when we did this reorganization, we optimally staffed to run around with their hair on fire, and when you look at how many people are available to do process improvement — we've got them. ■

Sea-Air-Space Exposition attendees can learn more about DSCA by visiting Booth 1405.



The Defense Security Cooperation Agency's new organization chart illustrates how the agency now is aligned by region, rather than function, to better understand and address the full continuum of security cooperation solutions.