

FOREIGN MILITARY SALES (FMS) 101

A Guide for Government & Industry Professionals

Executive Summary

Foreign Military Sales (FMS) is a United States Government program that allows partner nations to obtain U.S. defense equipment, training, and sustainment support through a transparent, government-to-government process. Administered by the Defense Security Cooperation Agency (DSCA), FMS strengthens alliances, supports interoperability, and ensures long-term capability development.

This guide provides a clear overview of how FMS works, the major stakeholders involved, recent reform efforts, and considerations for industry organizations supporting FMS programs.

How the FMS Process Works

The FMS system follows an established sequence designed to ensure accountability, compliance, and alignment with partner-nation needs.

FMS Lifecycle Overview

1. Partner Nation Requirement Defined
2. Letter of Request (LOR) Submitted
3. LOA Case Development (Pricing & Configuration)
4. Letter of Offer & Acceptance (LOA) Issued
5. Case Execution and Contracting
6. Production, Delivery, and Training
7. Sustainment and Support
8. Case Closure

Each step involves coordination between DSCA, military departments, U.S. embassies, and industry partners.

Roles and Responsibilities

Understanding each stakeholder's role is key to navigating FMS efficiently.

- **Partner Nation (PN):** Defines operational needs, funds the case, and accepts the LOA.
 - **Security Cooperation Office (SCO):** Advises PN and coordinates with DSCA and Implementing Agencies.
 - **DSCA:** Oversees all FMS policy, financial compliance, and case execution.
 - **Implementing Agencies (Army, Navy, Air Force):** Manage pricing, contracting, and acquisition.
 - **Industry:** Provides defense articles, services, technical data, training, and sustainment support.
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Recent FMS Reform Priorities

Between 2023–2025, DSCA and DoD introduced reforms to accelerate and simplify the FMS process.

Key Improvements

- More predictable LOA development timelines
 - Better pricing accuracy through standardized cost models
 - Enhanced production forecasting and industry coordination
 - Improved sustainment planning to ensure long-term readiness
 - Digital tools for increased transparency and partner insight
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Preparing for a Successful FMS Effort

Organizations supporting FMS should be prepared to contribute accurate data, export-compliant products, and realistic schedules.

Recommended Readiness Checklist

- Exportable configuration defined and validated
 - Rough Order of Magnitude (ROM) pricing available early
 - Lead times and production capacity clearly communicated
 - Training, spares, and sustainment considerations addressed
 - ITAR/EAR export control requirements understood
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Appendix A — Acronyms & References

Acronyms

- DSCA – Defense Security Cooperation Agency
- SCO – Security Cooperation Office
- LOR – Letter of Request
- LOA – Letter of Offer & Acceptance
- PN – Partner Nation
- ITAR/EAR – U.S. export regulations
- FMS – Foreign Military Sales

References

- DSCA Homepage – <https://www.dsca.mil>
- SAMM Manual – <https://samm.dsca.mil>
- PMDDTC (Export Controls) – <https://www.pmdtcc.state.gov>