

SECRETARY OF WAR 1000 DEFENSE PENTAGON WASHINGTON, DC 20301-1000

NOV - 7 2025

MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP COMMANDERS OF COMBATANT COMMANDS DEFENSE AGENCY AND DOW FIELD ACTIVITY DIRECTORS

SUBJECT: Unifying the Department's Arms Transfer and Security Cooperation Enterprise to Improve Efficiency and Enable Burden-Sharing

The global security landscape demands that the DoW leverage international partnerships to accelerate delivery of lethal capabilities to the U.S. Warfighter, enhance its deterrence posture, arm our allies and partners to accelerate greater burden-sharing, and expand the defense industrial base. Arms transfers and security cooperation tools, such as Foreign Military Sales (FMS) and Direct Commercial Sales (DCS), are critical for simultaneously strengthening the security capabilities of our allies and partners to shoulder the burden of their own defense while we invigorate the U.S. defense industrial base to rebuild our military and reestablish deterrence. The Nation's defense sales remain at an all-time high, with more than 16,000 open FMS cases valued at \$903 billion supporting nearly 180 foreign nations and international organizations as well as \$200 billion in DCS approvals last year. However, improving the effectiveness, efficiency, and transparency of the arms transfer and security cooperation enterprise is vital to maintaining U.S. dominance within the global arms market and remaining the partner of choice for our allies.

In accordance with Executive Order 14268, "Reforming Foreign Defense Sales to Improve Speed and Accountability," we have taken swift action to transform the arms transfer system by reducing regulatory and process barriers while enhancing transparency and accountability. The Trump Administration has reinstated the 2018 Conventional Arms Transfer Policy, and in collaboration with the Departments of State and Commerce, we have narrowed the scope of items only available through government-to-government transfer, thereby leveraging the efficiencies of industry and capital markets to increase opportunities for DCS. The DoW has initiated policy revisions to require building exportability into system design at the beginning of the acquisition life cycle, and we are significantly increasing investments to fund exportability features. To improve transparency and better identify bottlenecks in the defense sales process, we have finalized an essential plan to modernize FMS and DCS information technology systems and are improving end-to-end arms transfer process performance metrics. This effort includes integrating DoW acquisition, industrial base, technology protection, and FMS and DCS case data to enhance forecasting of global demand against available capacity in order to meet the breadth of United States, allied, and partner requirements.

As the next step in our transformation effort, I am directing the realignment of the Defense Security Cooperation Agency (DSCA) and the Defense Technology Security Administration (DTSA) from the Under Secretary of War for Policy (USW(P)) to the USW for Acquisition and Sustainment (USW(A&S)). The USW(P) will maintain responsibility for providing strategic direction, consistent with title 10, U.S.C., section 134, to ensure alignment of



OSD012502-25/CMD015865-25

DoW's arms transfer and security cooperation activities with U.S. national security objectives and the National Defense Strategy (NDS).

Efficient delivery of defense articles and services to our allies and partners requires a collaborative approach across the acquisition and defense sales lifecycles, overseen by a single enterprise from initial planning and resource allocation through contract execution and production. Establishing this clear and unambiguous line of authority under the USW(A&S) will optimize arms transfer efficiency and responsiveness, ensuring sales effectively balance U.S. and foreign partner demand and are both programmatically viable and strategically sound, while maintaining the credibility of our defense commitments and U.S. technological edge on the battlefield. By aligning the DoW Components charged with executing FMS and DCS processes, the Warfighting Acquisition System, industrial base and sustainment activities, and technology security, we will facilitate incorporation of technology security considerations early in the acquisition life cycle, establish realistic delivery timelines, maximize U.S. operational and industrial readiness, unlock strategic opportunities to leverage allied and partner investments across the global defense industrial base, and strategically increase total defense sales.

Within 60 days, the USW(A&S) and the USW(P) will draft an implementation plan for Deputy Secretary of War approval. This implementation plan will comply with all existing legal requirements. In developing their implementation guidance, the Under Secretaries, in coordination with the Director of Administration and Management, will include a process for appropriate examination of future placement of all non-FMS and non-DCS related authorities, personnel, budget, and other related activities of DSCA and DTSA to ensure continued programmatic execution and alignment with national security objectives and the NDS. Upon approval of the realignment implementation plan, the appropriate issuances will be updated as necessary.

The United States develops and manufactures the most lethal weapons systems in the world, and thanks to the President's leadership, allies and partners are significantly increasing their spending on core defense and broader security capabilities. Through these America First improvements to the FMS and DCS enterprises, we will drive revitalization and expansion of the industrial base, contribute to the creation of American jobs, and facilitate delivery of warfighting capability at the speed of relevance while also protecting the warfighter's technological edge — but we cannot stop there. We must continue to aggressively identify and eliminate unnecessary regulatory barriers and thoroughly explore all viable options to expand our capacity to produce the world's most advanced and effective weapons systems. The readiness and security of our Warfighters, allies, and partners depend on it.