

EXECUTIVE ORDER

- - - - -

REFORMING FOREIGN DEFENSE SALES TO IMPROVE SPEED AND ACCOUNTABILITY

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered:

Section 1. Purpose. To serve the interests of the American people, the United States must maintain the world's strongest and most technologically advanced military through a dynamic defense industrial base, coupled with a robust network of capable partners and allies. A rapid and transparent foreign defense sales system that enables effective defense cooperation between the United States and our chosen partners is foundational to these objectives. Reforming this system would simultaneously strengthen the security capabilities of our allies and invigorate our own defense industrial base. This mutually reinforcing approach would enhance United States warfighting capabilities by fostering healthy American supply chains, domestic production levels, and technological development.

Sec. 2. Policy. It is the policy of my Administration to:

(a) Improve accountability and transparency throughout the foreign defense sales system to ensure predictable and reliable delivery of American products to foreign partners in support of United States foreign policy objectives.

(b) Consolidate parallel decision-making when determining which military capabilities the United States will choose to provide, and to which countries.

(c) Reduce rules and regulations involved in the development, execution, and monitoring of foreign defense sales and of transfer cases to ensure alignment with United States foreign policy objectives.

(d) Increase government-industry collaboration to achieve cost and schedule efficiencies in the execution of the Foreign Military Sales (FMS) program.

(e) Advance United States competitiveness abroad, revitalize the defense industrial base, and lower unit costs for the United States and our allies and partners by integrating exportability features in the design phase, improving financing options for partners, and increasing contract flexibility overall.

Sec. 3. Phased Implementation. (a) The Secretary of State and the Secretary of Defense shall promptly:

(i) Implement National Security Presidential Memorandum 10 of April 19, 2018 (United States Conventional Arms Transfer Policy), or any successor policy directive.

(ii) Reevaluate restrictions imposed by the Missile Technology Control Regime on Category I items and consider supplying certain partners with specific Category I items, in consultation with the Secretary of Commerce.

(iii) Submit a joint letter to the Congress proposing an update to statutory congressional certification (also known as congressional notification) thresholds of proposed sales under the FMS and Direct Commercial Sales (DCS) programs in the Arms Export Control Act (22 U.S.C. 2751 *et seq.*). The Secretary of State shall also work with the Congress to review congressional notification processes to ensure the timely adjudication of notified FMS and DCS cases.

(b) Within 60 days of the date of this order:

(i) The Secretary of State, in consultation with the Secretary of Defense, shall develop a list of priority

partners for conventional arms transfers and issue updated guidance to Chiefs of the United States Diplomatic Missions regarding this list.

(ii) The Secretary of Defense, in consultation with the Secretary of State, shall:

(A) develop a list of priority end-items for potential transfer to priority partners identified by the Secretary of State in the list required by this subsection;

(B) ensure the transfer of priority end-items to priority partners would not cause significant harm to United States force readiness; and

(C) ensure the transfer of priority end-items to priority partners would advance my Administration's goal of strengthening allied burden-sharing, both by sharing the cost of end-item production and by increasing our allies' capacity to meet capability targets independently, without sustained support from the United States.

(c) (i) The Secretary of State and the Secretary of Defense shall review, update, and reissue the lists of priority partners and military end-items on an annual basis.

(ii) The Secretary of State and the Secretary of Defense shall review and update the list of defense items that can only be purchased through the FMS process (the FMS-Only List) and the United States Munitions List, 22 C.F.R. part 121, to focus protections solely on our most sensitive and sophisticated technologies, and shall establish clear criteria for including an item on the FMS-Only List.

(d) Within 90 days of the date of this order, the Secretary of State and the Secretary of Defense, in consultation with the Secretary of Commerce, shall submit a plan to the President, through the Assistant to the President for National Security Affairs (APNSA), to: improve the transparency of United States defense sales to foreign partners by developing metrics for accountability; secure exportability as a requirement in the early stages of the acquisition process; and consolidate technology security and foreign disclosure approvals.

(e) Within 120 days of the date of this order, the Secretary of Defense, with the assistance of the Secretary of State and the Secretary of Commerce, shall submit a plan to the APNSA to develop a single electronic system to track all DCS export license requests and ongoing FMS efforts throughout the case life-cycle.

Sec. 4. Definitions. For purposes of this order:

(a) "Parallel decision-making" refers to the granting of simultaneous certifications and approvals during the FMS process, as opposed to sequential decision-making where agencies wait for other agencies to make decisions before taking action.

(b) "Exportability" means the process to identify, develop, and integrate technology protection features into United States defense systems early in the acquisition process to protect critical technologies, capabilities, and program information and thus enable export to partners.

(c) "FMS-only" means defense articles that are exclusively available through the FMS process as opposed to the DCS process, as authorized in the Arms Export Control Act and described in the Security Assistance Management Manual (SAMM), Defense Security Cooperation Agency (DSCA), Chapter 4.

(d) "End-item" means the final product when assembled and ready for issue or deployment.

(e) "Foreign defense sales system" means the enterprise devoted to the transfer of defense articles, services, and training by the United States Government and United States companies to international partners and organizations.

(f) All other terms related to FMS cases shall have the meanings given to them by the SAMM, DSCA 5105.38M.

Sec. 5. General Provisions. (a) Nothing in this order shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

THE WHITE HOUSE,

April 9, 2025.