

# Executive Order Overhauls Foreign Military Sales: Building on Momentum for Reform

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April 14, 2025

On April 9, 2025, President Trump issued an Executive Order titled *"Reforming Foreign Defense Sales to Improve Speed and Accountability."* This directive is the first Executive Order ever issued by a U.S. President on the foreign military sales (FMS) process and sets in motion a substantial modernization. The Order aims to strengthen U.S. global competitiveness, advance strategic objectives, and ensure that trusted allies and partners receive American defense systems more swiftly and reliably.

While the Executive Order is historic, it builds on previously proposed reforms from Congress and the Department of Defense (DoD). In 2024, the House Foreign Affairs Committee published a "Foreign Military Sales Tiger Task Force Report," which offered legislative reforms to the FMS process (Foreign Affairs FMS Report). A 2023 "Tiger Team" report identified chronic inefficiencies in the U.S. arms sales system and laid out comprehensive recommendations for reform (DoD Tiger Team Report). Though not explicitly cited, many elements of the Executive Order reflect the Congressional and DoD findings.

## White House Fact Sheet Highlights

According to the White House, the Executive Order will:

- **Improve accountability and transparency** across the foreign defense sales system to ensure predictable and reliable delivery of U.S. products in support of foreign policy objectives.
- **Reduce regulatory friction** in the development and execution of arms transfers to ensure sales advance national interests.
- **Promote U.S. competitiveness**, revitalize the defense industrial base, and deliver cost efficiencies for both the United States and its partners.
- **Prioritize strategic partnerships** by identifying a list of key countries and defense articles that will receive expedited consideration.
- **Institutionalize exportability early** in the acquisition cycle to speed up approvals while protecting sensitive technologies.
- **Create a digital tracking and accountability system** that allows real-time visibility into the status of FMS and Direct Commercial Sales (DCS) approvals.
- **Streamline and consolidate the approval process** to reduce delays, facilitate joint operations, and improve burden-sharing with allies.

## Alignment with Tiger Team and Industry Reform Demands

The Executive Order responds to long-standing frustrations voiced by both industry stakeholders and foreign governments regarding the slow, opaque, and risk-averse nature of the current U.S. arms transfer process. In particular, it echoes recommendations made by the DoD 2023 Tiger Team, including:

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- Accelerating acquisition and release timelines for key technologies;
- Focusing FMS resources on the most strategically significant partners;
- Enhancing workforce expertise and coordination across agencies.

Together, these reforms aim to bolster U.S. credibility as a security partner while helping trusted allies access advanced capabilities amid growing regional threats.

### **Congressional Support and Competitive Implications**

Senator Jim Risch (R-Idaho), Chairman of the Senate Foreign Relations Committee, welcomed the Executive Order, stating that “our current system suffocates our ability to support our partners” and praising the new directive for its potential to “unclog the system” and push back against Russian and Chinese influence (Risch Statement).

Industry voices echoed this sentiment. As reported by *Breaking Defense*, defense firms see the order as a major opportunity to improve predictability, increase deal flow, and adapt to a changing security landscape in which U.S. competitors often outpace Washington on speed and flexibility (Breaking Defense).

### **Strategic Takeaways**

- **For Defense Contractors:** The EO signals that the U.S. government is serious about streamlining sales pathways. Firms should prepare to engage early on exportability design and prioritize systems likely to appear on the upcoming “priority end-item” list.
- **For Foreign Partners:** Allied nations should expect greater clarity and speed in the sales process. Those with longstanding requests may see movement in the near term as agencies implement new tracking and prioritization tools.
- **For Policymakers:** The order raises important policy tradeoffs between speed and oversight, especially in transactions involving sensitive technologies or countries in volatile regions.

### **What Comes Next?**

Within the next 60–120 days, the Departments of State and Defense are required to deliver:

- A list of priority defense partners;
- A list of priority end-items for expedited review;
- A plan to integrate exportability into the defense acquisition cycle;
- A prototype for a unified FMS and DCS digital tracking system.

Stakeholders should actively monitor implementation guidance and identify ways to influence agency priorities, program selections, and regulatory interpretations.

### **How We Can Help**

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Miller Canfield and Miller Canfield Global Strategies (MCGS) are uniquely positioned to assist foreign government clients in navigating the evolving U.S. defense sales landscape. With decades of experience in Foreign Military Sales (FMS), Direct Commercial Sales (DCS), and offset programs, our team offers comprehensive support throughout the procurement process. From defining requirements and engaging with U.S. agencies to negotiating agreements and managing programs, we ensure that our clients' interests are effectively represented and their defense acquisition goals are achieved efficiently.

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