

Department of War Launches Sweeping Realignment of Acquisition and Foreign Military Sales Authorities

November 12, 2025

Secretary Pete Hegseth announced details of sweeping reforms aimed at promoting competition, reducing bureaucracy, and accelerating the delivery of capabilities to warfighters at a speech at the National War College on November 7, 2025. The event gathered high level representatives from Congress, the Department of War, and of the traditional defense sector, including Lockheed Martin, Boeing, Northrop Grumman, General Dynamics, RTX, alongside startups like Anduril, Anthropic, Amazon Web Services, Meta, Microsoft, Oracle, Palantir, and Shield AI.

The reforms implemented President Trump's April 9, 2025, Executive Order 14268 titled *"Reforming Foreign Defense Sales to Improve Speed and Accountability."* This was the first Executive Order ever issued by a U.S. President on the foreign military sales (FMS) process which set in motion a substantial modernization. The Order aimed to strengthen U.S. global competitiveness, advance strategic objectives, and ensure that trusted allies and partners receive American defense systems more swiftly and reliably. See Executive Order Overhauls Foreign Military Sales: Miller Canfield.

Immediately following the speech, the U.S. Department of War (DoW) released (DOW Rapid Response (@DOWResponse) / X) a trio of memoranda outlining the overhaul addressed to Senior Pentagon Leadership, Commanders of Combatant Commands, Defense Agency, and DOW Field Activity Directors:

- *"Transforming the Defense Acquisition System into the Warfighting Acquisition System to Accelerate Fielding of Urgently Needed Capabilities to Our Warriors"* signed by Secretary Hegseth,
- *"Transforming the Defense Acquisition System into the Warfighting Acquisition System to Accelerate Fielding of Urgently Needed Capabilities to Our Warriors"* signed by Secretary Hegseth and Deputy Secretary Steve Feinberg, and
- *"Unifying the Department's Arms Transfer and Security Cooperation Enterprise to Improve Efficiency and Enable Burden-Sharing"* signed by Secretary Hegseth.

Joint Requirements and Acquisition Transformation

The first two memoranda discuss the acquisition overhaul:

- **Joint Requirements Reform:** The DoW formally disestablishes the Joint Capabilities Integration and Development System (JCIDS), long criticized for bureaucratic delay, replacing it with a streamlined framework built around Key Operational Problems (KOPs) and Mission Engineering and Integration Activities (MEIA). A new Requirements and Resourcing Alignment Board (RRAB) will prioritize funding for joint solutions and accelerate experimentation with industry.
- **Defense Acquisition Transformation:** The Defense Acquisition System (DAS) is rebranded the Warfighting Acquisition System (WAS), embedding wartime urgency and accountability into acquisition governance. The memorandum directs the USW-A&S and Service Acquisition Executives to adopt faster, portfolio-driven processes and to eliminate redundant oversight layers. The new standard: every review must justify how it speeds capability delivery to the warfighter.

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Foreign Military Sales Reform: Centralization Under Acquisition and Sustainment

The memorandum directs the realignment of the Defense Security Cooperation Agency (DSCA) and Defense Technology Security Administration (DTSA) from the Policy arm to the Under Secretary for Acquisition and Sustainment (USW-A&S). This structural change consolidates FMS and Direct Commercial Sales (DCS) under a single enterprise responsible for end-to-end planning, contracting, and production—a move intended to improve efficiency, transparency, and delivery speed across nearly \$1 trillion in active foreign sales.

Key goals include:

- Reducing bureaucracy and redundant approvals in FMS case management;
- Integrating exportability into system design at the earliest stages;
- Encouraging allied co-investment and industrial participation;
- Expanding U.S. production capacity to meet rising demand from foreign partners; and
- Aligning export policy with broader industrial-base and national-security objectives.

This initiative effectively reframes the FMS system as a strategic industrial instrument, linking arms transfers directly to U.S. manufacturing growth, supply-chain resilience, and allied burden-sharing. For contractors, integrators, and advisors, the consolidation promises clearer lines of authority and earlier industry engagement in export programs.

The memorandum instructs the Undersecretary of War for Acquisitions and Sustainment and the Undersecretary of War for Policy to draft an implementation plan for Deputy Secretary of War approval within 60 days.

In coordination with the Director of Administration and Management, Under Secretaries will assess the future placement of non-FMS and non-DCS functions within DSCA and DTSA to ensure alignment with national security goals and the National Defense Strategy (NDS). Updates to relevant issuances will follow upon plan approval.

These reforms, part of a broader “America First” initiative, aim to:

- Strengthen the U.S. defense industrial base
- Accelerate readiness and capability delivery
- Create domestic jobs
- Preserve the technological edge of U.S. warfighters

The Department emphasizes the need to eliminate regulatory redundancies and explore all viable pathways to expand production and delivery of advanced weapons systems.

Implications for Industry

Together, these actions mark a decisive shift toward industrial-base-driven national security, where FMS, acquisition, and technology export policies operate as a unified continuum. For contractors, foreign partners, and legal advisors, the reforms will likely lead to:

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- Streamlined engagement with fewer points of friction;
- Expanded opportunities for co-production and technology cooperation;
- Greater emphasis on program compliance and export control integration under A&S; and
- New scrutiny of transparency and cost-accountability measures tied to FMS and DCS cases.

As the Department develops implementation guidance over the next several months, participants in the defense and aerospace sectors—both U.S. and foreign—should monitor how these reforms reshape case execution, contracting models, and industrial participation frameworks.

Legal professionals should anticipate changes in export control frameworks and monitor developments affecting defense contractors and international partners.

Implications for Foreign Allies and Partners

For the FMS enterprise, the most significant takeaway from the Secretary's speech was the realignment of the Defense Security Cooperation Agency (DSCA), the organization most directly responsible for FMS, from the Under Secretary for Policy to the Under Secretary for Acquisition and Sustainment. The goal of that transition is to move the oversight from the office that determines "if" something should happen to the office that is responsible for "how" the sale would happen and how it would be supported in the long-term. That does not mean the Policy divisions will not have a significant role in shaping what FMS or DCS sales are allowed, but it clearly indicates a desire to focus on accelerating those decisions and getting the executors involved as the primary organization responsible. There were additional changes announced, and the Secretary noted there was "much more to come."

There is near-universal support, both in the United States and abroad for FMS reforms. Demand for U.S. defense equipment and services is at an all-time high, with the Department reporting more than 16,000 open FMS cases valued at \$903 billion supporting nearly 180 foreign nations and international organizations. In 2024 alone the total value of transferred defense articles and services and security cooperation activities conducted under the Foreign Military Sales system was \$117.9 billion, a 45.7% increase, up from \$80.9 billion in 2023, according to U.S. State Department data.

These changes, however, will take time, and reversing institutional culture and inertia is never easy. The positive takeaway from the Secretary's speech is that there is a clear-eyed understanding that the system is broken, and there appears to be the political will to codify changes and enforce accountability.

How We Can Help

Miller Canfield and Miller Canfield Global Strategies (MCGS) are uniquely positioned to assist 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. Given the turbulent period that FMS is about to undergo, all while still trying to manage an overstrained and broken system, having a team that understands the ins and outs of FMS is more critical than ever. 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 and effectively.