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Margaret Aldred
Secretary to the Iraq Inquiry
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(by e-mail)

26 June 2015

Dear Margaret

PROCURING MILITARY EQUIPMENT

Thank you for your letter of 5 June seeking a brief statement for publication from the MOD on three issues relating to military procurement.

(1) Roles and Responsibilities for identifying equipment capability gaps, raising Urgent Operational Requirements and raising Urgent Statements of User Requirements (USURs) during Operation TELIC

Define the balance of responsibility between PJHQ, in-theatre forces, and Front Line Commands for identifying capability gaps and raising USURs, including where the primary responsibility lay.

2. Throughout the campaign the UOR Process was used to acquire new capability, or enhance existing capability, for imminent or current operations. During the planning stages for an operation, the Operational Commander's Estimate would begin the process of identifying any capability gaps of deploying units and formations.¹ While these shortfalls were amplified by the Tactical Commander's Estimate², to ensure the earliest delivery of capability, the requirement was identified and confirmed as early as possible by a collaborative effort. This required considerable coordination between PJHQ, the Front Line Commands and the tactical commander. Identified shortfalls gave rise to an Urgent Statement of User Requirements (USUR).

3. Once operations began, any subsequent shortfalls would usually be identified by in-theatre forces. A draft USUR would be originated by any user and forwarded to the Equipment Capability (EC) Cell in the Permanent Joint Headquarters (PJHQ) for processing. From 24 February 2005, a Theatre EC Cell was established in HQ MND(SE) to undertake this processing role. The EC Cell would capture the requirement and, if endorsed, forward it to PJHQ for further consideration. Concurrently, informal staffing took place, with interested parties (PJHQ, Front Line Commands, Directors of Equipment Capability, Training and Development Units and Integrated Project Teams)

¹ During Op TELIC, the Operational Commander was the Chief of Joint Operations (CJO).

² The Tactical Commander during the pre-invasion and invasion phases of Op TELIC was the General Officer Commanding (GOC) 1 (UK) Armoured Division.

working together to explore possible solutions and identify key issues, particularly in terms of integration (both platform and across the Defence Lines of Development) and support. This process aided the rapid procurement of a solution, but binding decisions were avoided at this stage. The final stage of identifying the requirement was for PJHQ to review the USUR. PJHQ J5 Ops Capability Directorate would staff the USUR internally to confirm the requirement and conduct an initial prioritisation.

4. On the basis of this information supplied by our Subject Matter Experts, there appears to be no simple answer to the question where the primary responsibility for identifying capability gaps and raising USURs lay. Clearly the emphasis in the process was on the co-operation of the various commands and branches involved. But it appears that the onus for initial identification of requirements, at least once a campaign was in progress, lay with the in-theatre commander³, while the responsibility for signing them off lay with PJHQ. Between those two stages the process of analysing the requirements and developing the solution was essentially a shared one.

Identify any alternative route for capability gaps to be identified

5. Front Line Commands maintained a Capability Shortfall Register, and the MOD centre maintained an Operational Lessons Identified Database and Joint Operational Priorities List. These were alternative routes for identification of capability gaps.

State where the responsibility for authorisation of USURs sat and at what rank/grade they could be signed off

6. If the requirement could not be met through the re-brigading of current assets, the Crisis and Deliberate Planning Section of PJHQ (J5 Ops Capability Directorate) endorsed the USUR at OF5 level⁴ and forwarded it to MoD for action.

Explain what 'Force Elements' were and to whom they reported

7. The 'Force Elements' at Annex C to Urgent Operational/Sustainability Requirements – Standing Instruction (Version 1) were the deployed units under the command of the in-theatre commander.

(2) Foreign Military Sales

What was a FMS arrangement?

8. We have taken this account of the FMS program from the website of the US Defense Security Co-Operation Agency (Home/Programs/Foreign Military Sales):

The Foreign Military Sales (FMS) program is a form of security assistance authorized by the Arms Export Control Act (AECA) and a fundamental tool of U.S. foreign policy.

Under Section 3, of the AECA, the U.S. may sell defense articles and services to foreign countries and international organizations when the President formally finds that to do so will strengthen the security of the U.S. and promote world peace.

³ Following the invasion this would have been GOC Multi-National Division South-East (GOC MND(SE)).

⁴ Rank of Navy Captain, Army Colonel, or Royal Air Force Group Captain.

Under FMS the US Government and a foreign government enter into a government-to-government sales agreement. The international agreement is called a Letter of Offer and Acceptance (LOA).

What was the process?

9. The FMS process is a complex one and is perhaps best summed up in the attached diagram. In case any of the acronyms require explanation, LOR – Letter of Request which is the formal submission to the Department of Defense to instigate a purchase; RFP – Request for Proposal; COCOM – the US Combatant Command responsible for a particular region (EUCOM being responsible for Europe); DCS – Direct Commercial Sales, or the ability for UK MoD to contract directly with a US commercial entity; P&A data – Price & Availability data; LOA – Letter of Offer and Acceptance, which is essentially the FMS Case once we countersign; UKDPO – United Kingdom Defence Procurement Office here in the British Defence Staff in the US. UKDPO is responsible for managing FMS on behalf of MoD.

Did the FMS process impose any additional difficulties or constraints in procuring equipment?

10. FMS works well for procurements of well-used and well-understood “off-the-shelf” equipment. But in cases where the MOD needs to acquire what is essentially a new capability it may be difficult for the Department of Defense to satisfy the UK teams’ need for technical or other information to inform their Safety Cases. The two nations may have different safety / airworthiness standards, or a capability might be used in a slightly different manner.

11. When dealing with a bespoke requirement FMS can add risk to the procurement process. In one case the requirement was passed from the Delivery team to UKDPO, to US Navy, to US Marine Corps (the lead US agency on the piece of equipment concerned), and eventually to the contractor. There were also many other players involved – e.g. the Defence Security Cooperation Agency who oversee FMS on the US side, Office of Defence Cooperation at the US Embassy in London, and the State Department who are the ultimate authority on US exports. Under FMS, therefore, the UK is essentially at arms length from the US supplier. The involvement of a UK vehicle integrator in the project led to additional requirements which all needed to be fed back through the chain set out above. Discussions between the various parties may take place but only once the appropriate support contracts, export licenses and Technical Assistance Agreements have been secured.

12. Added to this, the differences between the US and UK quality control processes must be taken into account. This may additional time and manpower, and in the example mentioned above had again to be managed between the Governments, rather than directly with the supplier.

13. It is also worth noting that each case under FMS will only provide an estimated cost and an estimated delivery forecast, which would not necessarily be acceptable in a domestic procurement context. These issues are not insurmountable but they can be resource intensive and can add to the complexity of managing the procurement.

(3) Theatre Entry Standards

An audit of force protection conducted by the Directorate of Operational Capability⁵ in September 2007 recommended that there was a need for the MOD to understand and articulate the level of risk that was acceptable in any operation. It said that there was no clearly defined Theatre Entry Standard governing the minimum level of protection for protected mobility.

Could the MOD please provide a brief statement explaining what action was taken after this report to address this point and supply any relevant documents to the Inquiry?

14. We offer the following as the brief statement for which you have asked:

In response to the specific issue that related to Theatre Entry Standards raised in the 2007 Directorate of Operational Capability Audit⁶, an assessment of threats to logistic and support vehicles was conducted by the Defence Science & Technology Laboratories in 2008/9⁷ and recommendations for Theatre Entry Standards for each vehicle type submitted to the Permanent Joint Headquarters⁸. As a result, additional armour was then fitted to logistic support vehicles⁹ and activities of vehicles that did not meet the standards were curtailed¹⁰.

15. Our Subject Matter Experts have however offered the following additional information which may be of use to the Inquiry. Following the 2007 DOC Audit¹¹, Theatre Entry Standards were more clearly defined and used extensively for operations. The MoD's main focus for Force Protection switched to risks faced by the force in Afghanistan following the drawdown in Iraq in 2008/9. Throughout this period, standards have not been universal; they have been applied to each capability with a view to its likely employment and the assessment of the associated threats or hazards. In each instance, measures were approved by the Operational Commander. Additionally, Force Protection governance processes were revised in the MoD Force Protection policy¹² which has remained under constant review¹³.

16. The latest iteration of Force Protection policy¹⁴ covers a broader range of operational and engagement activities¹⁵ and defines risk ownership and governance more clearly than its predecessors. This is integrated into wider MoD Risk Management processes, which have also been revised¹⁶. The designated Operational Commander¹⁷ is accountable to CDS for understanding, quantifying and reducing risk to the force and mission respectively. This risk response may require changes to activities or capabilities (noting that capability enhancements cannot mitigate all potential threats). Theatre Entry Standards offer one tool by which to direct specific capability requirements, against

⁵ Directorate of Operational Capability 'Protection of the deployed Force operational audit report 1/07'.

⁶ Directorate of Operational Capability 'Protection of the deployed Force operational audit report 1/07', para 805.

⁷ DSTL/WP36768/2, 'Cap ELS Physical Protection Plan' dated Aug 09.

⁸ Cap ELS/TGS/UORs, 'Logistic Vehicle Protection Levels – Op HERRICK' dated 31 Jul 09.

⁹ PJHQ note 090-09, 'Logistic and Support Vehicle Protection Levels' dated 08 Oct 09.

¹⁰ JtCap-SecAfghan/Operations-Equipment, 'Afghanistan - SNATCH, VECTOR and their use outside the Wire' dated 01 Apr 10.

¹¹ Directorate of Operational Capability 'Protection of the deployed Force operational audit report 1/07'.

¹² 2007DIN03-007 – Policy for the Protection of UK Forces.

¹³ Revisions published in 2012 and 2015.

¹⁴ MoD Policy for the Force Protection of Deployed UK Forces dated 21 May 15.

¹⁵ Ibid, para 5, '...all military personnel, MoD civilians and other personnel (the Whole Force) within the Committed or Engaged Force'.

¹⁶ Joint Service Publication 892, 'Risk Management'.

¹⁷ For example CJO, DSF, SJC(UK) or Single Service Commander. During Op TELIC, this was the CJO.

which the Service Commands will generate force elements for operational employment¹⁸. They are necessarily bespoke, take a 'pan-Defence Lines of Development'¹⁹ approach, and reflect an understanding of the specific environment. Theatre Entry Standards draw on accepted standards where possible²⁰. They are kept under constant review by the Operational Commander (the risk owner) as a part of their response to risk, in a dynamic operational environment.

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Yours sincerely

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¹⁸ How Defence Works (v4.1), p27-33.

¹⁹ Staff Officers' Handbook (2014), p.4.7.3, 'Training, Equipment, Personnel, Information, Concepts & Doctrine, Organisation, Infrastructure, Logistics & Sustainability and Interoperability'.

²⁰ Examples include NATO STANAG 4569 - Protection Levels for Occupants Armoured Vehicles.