

Marines with 1<sup>st</sup> Tank Battalion, 1<sup>st</sup> Marine Division, and Airmen with 9<sup>th</sup> Air Support Operations Squadron, 3<sup>rd</sup> Security Force Assistance Brigade, conduct call-for-fire training during exercise Comanche Run at Fort Hood, Texas, February 26, 2019 (U.S. Marine Corps/Sahara A. Zepeda)



# The Acquisition and Cross Servicing Agreement

## An Old Tool for the Modern Military

By William M. Stephens

*Relatively small but wise investments in African security institutions today offer disproportionate benefits to Africa, Europe, and the United States in the future, creating mutual opportunities and reducing the risks of destabilization, radicalization, and persistent conflict.*

—STATEMENT OF GENERAL DAVID M. RODRIGUES, USA,  
Before the Senate Armed Services Committee,  
March 8, 2016

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In a recent issue of *Joint Force Quarterly*, Joseph Votel and Eero Keravuori presented the by-with-through (BWT) operational approach to multiple areas of operations and illustrated how the United States can

support partners by working with multinational, regional, and local forces.<sup>1</sup> The goal of this approach is to maximize the effectiveness of a mutual goal, such as regional stabilization. By working by, with, and

through regional partner forces, the U.S. military can help others build their own defense and/or governmental organizations but not necessarily through direct engagement in combat. This article expands on this concept and illustrates how the use of a simple exchange of supplies and materials by joint forces or by individual Service components via Acquisition and Cross Servicing Agreement (ACSA) transactions may assist in fulfilling General Votel's vision and promote sustainable regional defense institutions. It also expands on how forces can increase their logistics interoperability and be strategic in their BWT approach.<sup>2</sup> This article next illustrates that ACSA transactions could be tailored as an effective tool for U.S. Army train-and-assist units, multidomain task forces, or multinational forces and allow these to build partner capacity and increase access to support for other countries' forces. Lastly, this article explores and advocates for an expansion of the use and oversight of the simple, underutilized ACSA.

## Background

An ACSA is an international agreement between the United States and another country/entity that can assist in the acquisition of needed supplies or material in order to support living conditions or mission accomplishment.<sup>3</sup> *Acquisition* is defined in Department of Defense Directive 2010.9, *Acquisition and Cross-Servicing Agreements*, as "obtaining logistics support, supplies, or services under an acquisition agreement."<sup>4</sup> Logistics support, supplies, or services (LSSS) may be reciprocally paid for by the receiving/requesting country.<sup>5</sup>

When a transport ship sails into harbor, for instance, it is easy to forget how much work it took to create that picturesque scene. The challenges associated with the trip (including the years of training and experience to give the crew the requisite knowledge and skills to sail) and the backbreaking work of the longshoremen loading the supplies are underappreciated. Similarly, although the

ACSA process is relatively easy in theory, fulfilling an ACSA order and handing that item to another unit requires a significant amount of knowledge, skill, and coordination. The first step is to identify a need, and there must be a recognition that this need can be fulfilled by another partner organization. After the need is identified and it is determined that this need can be met, the recipient customer places a written order giving a full description of the goods or services required on a standardized order form. When the order is placed, the form of payment must be decided, along with the value of the item provided on a Standard Agreement Form 3381. There are many other small staffing steps by the J4, resource manager, and legal section, but in general, after entry, the United States uses the ACSA Global Automated Tracking and Reporting System to track orders, the completion of those orders, and if payment has been made for those orders.<sup>6</sup>

Payment for the requested goods or services may be accomplished in three ways, but each of these means is not necessarily mutually exclusive. The first method is direct payment—one organization pays the appropriate amount of money for the item received. If it is a direct payment, one nation is billed and the other should pay the value of the good received within 30 days. The second means is through replacement-in-kind (RIK). RIK payment allows the receiving party to replace LSSS that it receives with the LSSS "of an identical, or substantially identical, nature."<sup>7</sup> Under the RIK payment, if a nation receives food, it may repay the debt by providing an equal amount of the same type and kind of food. The last available means of payment is through an equal value exchange (EVE), which allows payment by the receiving party by paying the providing country with another type of supplies or services (or other LSSS) "of an equal value to those received."<sup>8</sup> Under the EVE payment method, if the receiving country receives fuel, it may provide security services equal to the amount of the value of the fuel. Neither RIK nor EVE repayment systems require immediate repayment. If they are not

paid within 30 days of the transactions, this "debt" is tracked, and the customer will carry the debt. This is key, especially in dealing with less well-funded allies in the developing areas of world. As the debt is tracked, it may be paid by future operations, including any other type of operations. For example, if the United States provided equipment in January 2018 during exercises to a host country, that same country may repay that debt by providing airlift services to U.S. personnel in support of a multinational operation in September.

## Applications

ACSA transactions are utilized primarily during "wartime, combined exercises, training, deployments, contingency operations, humanitarian or foreign disaster relief operations, certain peace operations under the UN [United Nations] Charter, or for unforeseen or exigent circumstances."<sup>9</sup> The authorization to use an ACSA in more innovative ways is allowed in the controlling Directive 2010.9.<sup>10</sup> This expansive language is critical, as the global nature of conflict means that there will be greater opportunities to partner with multinational or UN forces to achieve an objective. Terrorist groups, such as Boko Haram and the so-called Islamic State, do not limit themselves to a specific region, as porous borders facilitate regional influence spanning multiple countries. As a result, any successful mission/solution to counter these groups should focus on regional stability versus specific country stability.

This article does not propose that the use of a simple exchange of supplies and materials between respective defense departments is the ultimate fix to promote sustainable defense institutions or that it is a solution for rapid resupplying a fast-moving strike force. Instead, it proposes that ACSA transactions can be a multifunctional tool used for several purposes; it encompasses the spectrum of operations currently taking place, and it is also a flexible tool that can be a force multiplier for planned future operations or new Army units. By expanding this program,



Sailor assigned to USS *Curtis Wilbur* receives food from Japan Maritime Self-Defense Force helicopter air crewman for Acquisition and Cross Servicing Agreement logistics exchange during Keen Sword 19, Philippine Sea, October 31, 2018 (U.S. Navy/Emily Cooper)

it will be especially useful as a tool that can be used as part of the Army's future in fighting and winning wars.

The application of the BWT operational approach is effective in working with and equipping partner nations in order to build their capacities. The use of the ACSA is also consistent with the future vision of Army logistics to build partner capacity. As Edward Dorman and Christopher Townsend adeptly note in their article in a recent issue of *JFQ*, one nation or service cannot and should not be the sole source of support in an operation.<sup>11</sup> Instead, each partner, including the host-nation partner, should equally provide the capabilities of support to the joint coalition of forces interdependently.<sup>12</sup> In future conflicts and operations, Soldiers will be performing their regular role of maintaining the logistics tail rather than contracting for all the basic support or services.<sup>13</sup> This means that ACSA programs should

become even more prevalent and extensively used by troops on the ground. Two specific units that would benefit from the application of the ACSA program in Army operations are the Security Force Assistance Brigade (SFAB) and Multidomain Task Force (MDTF).

***Security Force Assistance Brigades.***

The Army is developing and will stand up six SFABs that will train, advise, and assist partner conventional forces.<sup>14</sup> The genesis of this authority is the 2015 National Security Strategy, which mandates that the United States train and equip local partners as well as provide operational support to confront terrorist groups in their own country—in essence, providing each country with the tools to contain and defeat terrorists in its respective location.<sup>15</sup> SFAB members should be extensively trained on ACSA, as it will be an useful method of providing the right tools, at the right time, to partner forces.<sup>16</sup>

The ACSA program could be tailored as a force multiplier to fit each SFAB respective area of operation and tailored to each different partnered conventional force.<sup>17</sup> Each partner will have different needs at different times. As the goal is to provide each country with the tools to contain and defeat terrorists in its respective location, the proper equipment must be provided in combination with training and assistance.<sup>18</sup> As indicated, the first step to any ACSA transaction is identifying a need. The SFAB could assist the partner nation with identifying the equipment or services needed as well as by listening to the troops on the ground. The SFAB could then train host-nation units and build partner capacity by requiring repayment through RIK or EVE. While payment by monetary exchange may be easier for both countries, it does not increase logistical support training or capacity.<sup>19</sup> By requiring RIK or EVE payment, the SFAB could help the partner's

logistics and transportation sections/unit fill the repayment orders and increase the institutional muscle memory for working through their own acquisition and logistics systems.

One example of how the ACSA process could assist the SFAB unit members on the ground is by the simple exchange of equipment for billeting. A ground force commander may provide a host nation with limited surveillance/detection equipment in return for billeting and security for the SFAB team, which would train the host-nation forces on how to use the equipment. In this example, the United States would obtain the equal value exchange of the equipment by being billeted and fed by the host nation while also benefiting from the increased security of a well-trained host-nation security team. As another example, an ACSA transaction may be entered with a multinational partner that is also in the same area of operations to provide fuel and security for a series of ground convoys, if the partner will provide air transportation, billeting, and security for U.S. troops in that partner's existing compound.

In either of these examples, care must be given that the exchange is actually equal and the reciprocal exchange must be a fair trade in that the training is high quality, the billeting and security is adequate, and the fuel is of the proper type. In both of these examples, presuming all of the trades are equal, the SFAB troops working shoulder to shoulder with the partner forces not only could provide material or support directly to that partner force but also would be the direct beneficiary of the exchange. Each transaction, while small in context, builds trust as well as institutional capabilities and assists in accomplishing the strategic long-term goals of the SFABs.

**Multidomain Task Force.** The ACSA process could also be a force multiplier for the newly created MDTF. This unit concept is developing new tactics for the lightning pace and greater lethality of future conflicts.<sup>20</sup> The small units in the force must be able to move quickly, live and operate in austere conditions, and be lethal.<sup>21</sup> These new units will not operate

just in one battlefield domain but must also be able to exploit opportunities and vulnerabilities that may rapidly appear and disappear in separate domains.<sup>22</sup> Instead of an attacking conventional force marching to assault an objective, the new units will be rapidly assaulting an objective via several domains either before, during, after—or a combination of all. This rapid deployment force must be able to nest within local elements in order to conduct insertions and actions where necessary and be able to operate and conduct multidomain battle across time.<sup>23</sup> These units must be able to operate quickly in order to penetrate areas quickly and avoid being targeted by conventional or antiaccess/area-denial systems.<sup>24</sup> This means each unit must have the exact equipment and capability at the exact moment when necessary. This equipment may be utilized in the assault or it may be used as sustainment during an approach. In either case, the units must be able to obtain equipment and exercise those capabilities in as short as time as possible. Previously, even if a requester attempted to obtain gear from prepositioned stocks, it could take days or weeks from the time of the request to the time the order is filled and on the way to the requestor. Even though requests can now be completed in approximately 96 hours,<sup>25</sup> utilization of an ACSA exchange would enable U.S. and partner forces to obtain the necessary stocks or capabilities much faster.

MDTF elements should work by, with, and through multinational partners or host-nation elements for maximum effectiveness.<sup>26</sup> They must use all the available resources in order to engage the objective rapidly, safely, and lethally, including working with other governmental organizations. One way to assist these troops in moving quickly through ground terrain and working across domains and time is to work with partner forces, including multinational or coalition forces and utilization of reciprocal exchanges via ACSA transactions. These transactions would allow the MDTF units to partner with multinational task force elements to engage and defeat the enemy through greater lethality without

being encumbered by a long logistics or capabilities tail.

For example, MDTF forces, integrated with local or multinational forces, in cooperation with the government of Niger could engage an element of Boko Haram on the border of Chad with air, cyber, satellite, and joint ground forces. The Boko Haram elements might flee the area and cross the border into Chad to regroup and broadcast a request for assistance to fighters in the area. Presuming there was legal and operational desire and authority, the United States could switch host-nation partners from Niger to Chad and then use the latter's supplies to restock. U.S. and Chadian forces could rapidly continue the operation utilizing the cyber, satellite, and ground capabilities to engage the Boko Haram elements in all domains.<sup>27</sup>

In this example, if U.S. forces could not reasonably use commercial resources due to the rapid speed of the operation, the geographic distance from a logistics hub, or the austere environment, they could rapidly complete the requisite ACSA paperwork and move to complete the mission. The Department of Defense (DOD) could repay the government of Chad by any means allowable without having to engage in negotiations during an ongoing mission or cease the operation because it did not have enough supplies. Repayment of equipment or services used in the mission could be completed later by an equal value exchange of items or services such as in a planned humanitarian relief operation in another part of the country at a much later time.

## Challenges

Although the logistics and support exchange may be an effective tool to build capacity and institutions, the knowledge of this tool and ensuring that it is used properly present challenges. The knowledge of this tool should be incorporated into training with U.S. forces, and there must be an increase of strategic messaging to the partner nations regarding this tool. Second, there must be increased oversight and training of this tool to ensure



USS *Mount Whitney*, moored under northern lights in Trondheim, Norway, November 4, 2018, during multilateral exercise Trident Juncture 18 (U.S. Navy/James R. Turner)

that it does not become a perpetual “gift” of supplies but remains an equitable exchange between equal partners. While the United States cannot use ACSA transactions to increase its inventory or use them when the item can be obtained from U.S. commercial sources, neither should the requesting organization be permitted to use the generosity of the ACSA program to be a routine and continual supplier of goods and services.

According to open sources, the United States is a party to ACSA agreements with only 19 African nations, including some in the areas of regional concern, such as Mali, Niger, and Chad.<sup>28</sup> An ACSA transaction successfully completed provides a strategic opportunity to broadcast a verifiable truthful message to a target audience that may shape the tactical as well as strategic environment.<sup>29</sup> This target

audience may be other leaders across subregional areas, which may lead to an increase in “demand” for the same ACSA transactions by a different country or regional partner seeking greater U.S. presence, mutual cooperation agreements, or even mutual aid agreements.<sup>30</sup> For example, if a nation’s leadership sees DOD as a valuable partner that can provide valuable logistics resources during a crisis situation, it may be willing to allow basing in a strategic location. This could provide the United States with even more opportunities to create long-term relationships and establish a long-term presence, potentially even building a greater network of partner nations, which would only lead to a greater capacity to engage in missions of a greater effect but smaller scale and at a lower cost.

The issue of costs and the disparity of U.S. contributions to the defense

of an area versus partner nations has come into focus recently as seen by the controversy in the North Atlantic Treaty Organization even after 2014, when members assured the United States that they would increase their respective contributions to 2 percent of their gross domestic product.<sup>31</sup> This attention highlights the struggle to ensure equality of payment of blood and treasure among partner nations and ensures that one nation does not become the perpetual gift giver without reciprocity. The ACSA program theoretically negates potential disparity, as each country is to contribute an equal value exchange of goods and services or pay the cash value of the item/services. Theoretically, for every dollar spent to support a partner force, that dollar must be recaptured.

Reality does not necessarily match theory, however, as seen by an inspector general’s report that was critical of the

U.S. Africa Command (USAFRICOM) use of the ACSA program in current operations.<sup>32</sup> The report indicates that “USAFRICOM did not effectively manage the ACSA orders it executed and was not required to oversee ACSA orders executed by its Subordinate Components in the USAFRICOM area of responsibility.”<sup>33</sup> It suggests that the command did not include all the essential data when processing the orders and did not track implementation properly or obtain proper assurances that the logistics support was executed properly or even that it would be reimbursed according to the DOD Instruction. As seen by the report, there will need to be significant training and oversight to ensure that the partner forces repay the debts owed to the United States. Without this additional training, oversight, and monitoring, the United States could give so much well-meaning support that a less wealthy country would not be able to repay that debt, and the trade balance would always be in deficit against the United States.

## Conclusion

The United States is increasing the spectrum of joint military operations and increasing multinational engagements to accomplish mutual objectives. The rise in nonstate actors instigating regional conflict spanning multiple countries means that any successful mission/solution to counter these groups must focus on regional stability, which necessitates regional institution-building by working by, with, and through local and multinational partners as well as by building partner capacity. Despite the increase in current operations and the proposed expansion of operations and units in the future, the U.S. military must utilize all the resources available to be a leaner, faster, more mobile force.

One way to accomplish this juxtaposition of goals is to leverage the resources of our partners and utilize some of the tools already available, such as the Acquisition and Cross Service Agreement. This simple but effective tool allows Servicemembers to operate

and thrive in future volatile, uncertain, complex, and ambiguous environments and will increase our ability to support units across a greater reach of the globe through agreements with our regional partners.<sup>34</sup> By doing so, we can simultaneously build partner capacity and increase support from other countries forces by working *with* them instead of *for* them. JFQ

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## Notes

<sup>1</sup> Joseph L. Votel and Eero R. Keravuori, “The By-With-Through Operational Approach,” *Joint Force Quarterly* 89 (2<sup>nd</sup> Quarter 2018), 40.

<sup>2</sup> Edward F. Dorman III and Christopher Townsend, “Laying the Foundation for a Strategic By-With-Through Approach,” *Joint Force Quarterly* 89 (2<sup>nd</sup> Quarter 2018), 69, 73.

<sup>3</sup> Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD[AS]), “Acquisition and Cross-Service Agreements,” available at <[www.acq.osd.mil/ic/ACSA.html](http://www.acq.osd.mil/ic/ACSA.html)>.

<sup>4</sup> Department of Defense (DOD) Directive 2010.9, *Acquisition and Cross Service Agreements* (Washington, DC: DOD, September 30, 2016).

<sup>5</sup> *Ibid.*, § E2.1.1.

<sup>6</sup> For a great legal article on the process as well as how to obtain an ACSA, see Ryan A. Howard, “Acquisition and Cross-Servicing Agreements in an Era of Fiscal Austerity,” *The Army Lawyer*, October 2013, 26–37.

<sup>7</sup> DOD Directive 2010.9, § E2.1.14.

<sup>8</sup> *Ibid.*, § E2.1.6.

<sup>9</sup> OUSD(AS), “Acquisition and Cross-Service Agreements.”

<sup>10</sup> *Ibid.*

<sup>11</sup> Dorman and Townsend, “Laying the Foundation for a Strategic By-With-Through Approach,” 69, 73.

<sup>12</sup> *Ibid.*, 73–74.

<sup>13</sup> Richard Sisk, “Army Goes Back to Basics on Supply, Maintenance,” *Military.com*, November 2, 2017, available at <[www.military.com/dodbuzz/2017/11/02/army-goes-back-basics-supply-maintenance](http://www.military.com/dodbuzz/2017/11/02/army-goes-back-basics-supply-maintenance)>.

<sup>14</sup> Matthew Cox, “Army Chief: Advise-and-Assist Units to Wear Brown, Not Green, Berets,” *Military.com*, November 2, 2017, available at <[www.military.com/daily-news/2017/11/02/army-chief-advise-assist-units-wear-brown-not-green-berets.html](http://www.military.com/daily-news/2017/11/02/army-chief-advise-assist-units-wear-brown-not-green-berets.html)>.

<sup>15</sup> *National Security Strategy* (Washington, DC: The White House, February 2015); Matthew Cox, “Army Chief: Train and Advise Troops ‘Are Not Special Forces,’” *Military.com*, October 9, 2017, available at <[www.military.com/daily-news/2017/10/09/army-chief-train-advise-troops-not-special-forces.html](http://www.military.com/daily-news/2017/10/09/army-chief-train-advise-troops-not-special-forces.html)>.

<sup>16</sup> Cox, “Army Chief: Advise-and-Assist Units.”

<sup>17</sup> *Ibid.*

<sup>18</sup> *National Security Strategy*.

<sup>19</sup> *Ibid.*

<sup>20</sup> Sydney J. Freedberg, Jr., “New Army Unit to Test Tactics: Meet the Multi-Domain Task Force,” *Breaking Defense*, March 21, 2017, available at <<https://breakingdefense.com/2017/03/new-army-unit-to-test-tactics-meet-the-multi-domain-task-force/>>.

<sup>21</sup> *Ibid.*

<sup>22</sup> *Ibid.*

<sup>23</sup> David G. Perkins, “Multi-Domain Battle: Joint Combined Arms Concept for the 21<sup>st</sup> Century,” Association of the United States Army, November 14, 2016, available at <[www.usa.org/articles/multi-domain-battle-joint-combined-arms-21st-century](http://www.usa.org/articles/multi-domain-battle-joint-combined-arms-21st-century)>.

<sup>24</sup> Freedberg, “New Army Unit to Test Tactics.”

<sup>25</sup> Sisk, “Army Goes Back to Basics on Supply, Maintenance.”

<sup>26</sup> Freedberg, “New Army Unit to Test Tactics.”

<sup>27</sup> The situation is completely hypothetical and not based on any scenario, real or fictitious. The author also understands that this scenario does not take into account the legal and operational authorities or the complexities of each country’s relationship and does not reflect the current state of operations in that area.

<sup>28</sup> Dave Hecht, “U.S. Africa Command Hosts First Ever Signing of Acquisition Cross Service Agreement,” U.S. Africa Command, September 19, 2014, available at <[www.africom.mil/media-room/article/23592/u-s-africa-command-hosts-first-ever-signing-of-acquisition-cross-servicing-agreement-acsa](http://www.africom.mil/media-room/article/23592/u-s-africa-command-hosts-first-ever-signing-of-acquisition-cross-servicing-agreement-acsa)>.

<sup>29</sup> James G. Stavridis, “Strategic Communication and National Security,” *Joint Force Quarterly* 46 (3<sup>rd</sup> Quarter 2007), 5.

<sup>30</sup> *Ibid.*

<sup>31</sup> Ivana Kottasova, “How NATO Is Funded and Who Pays What,” CNN, March 20, 2017, available at <<https://money.cnn.com/2017/03/20/news/nato-funding-explained/index.html>>.

<sup>32</sup> Department of Defense Office of Inspector General, “U.S. Africa Command’s Management of Acquisition and Cross-Servicing Agreements, DODIG-2017-121,” September 21, 2017, available at <[www.dodig.mil/reports.html/Article/1328536/us-africa-commands-management-of-acquisition-and-cross-servicing-agreements/](http://www.dodig.mil/reports.html/Article/1328536/us-africa-commands-management-of-acquisition-and-cross-servicing-agreements/)>.

<sup>33</sup> *Ibid.*

<sup>34</sup> Judith Hicks Stiehm, *The U.S. Army War College: Military Education in a Democracy* (Philadelphia: Temple University Press, 2002), 6.