

Air Force Security Assistance and Cooperation Directorate

Advancing National Security by building global partnerships one case at a time



Worldwide Warehouse Redistribution Services (WWRS)



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Apr 2015 Version 4

AFLCMC ... Providing the Warfighter's Edge

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AFLCMC/WFNJ case no. 6593 applies for tracking and record keeping purposes.



WWRS Definition



- A Tri-Service, **Virtual** Warehouse designed to transfer **Fully Serviceable** (Condition Code “A”) excess spares / support equipment from FMS Countries to fill other FMS / USG needs
 - Web-based FMS materiel redistribution service
 - Alternate source of supply
 - **Seller:** requires a FMS seller case
 - **Seller sets price**
 - **Buyer:** any blanket order FMS requisition case or USG financial instrument (MORD or MIPR)

Significant Military Equipment (SME) prohibited



WWRS Mission



- **Assist our friends / allies in reducing excess FMS inventories while also assisting them and the US Gov in filling other FMS requirements**
 - **Quality materiel (Condition Code “A”)**
 - **Reasonable price**
 - **Fast delivery (average of 75 days)**
 - **Sellers / Buyers remain anonymous**
 - **Facilitate re-investment of seller’s proceeds into FMS materiel or back into seller’s budget**



WWRS Authority & Background



- **Arms Export Control Act, Section 21(m), “Return of Defense Articles”**
- **AFSAC conceived, endorsed by SECAF**
 - **Re-invention Laboratory Initiative** **Jul 95**
 - **DSCA Test Program Approval** **Dec 97**
 - **Initial Operational Capability** **Apr 98**
 - **DSCA Declared Permanent Program** **Jun 01**
 - **Celebrating 14th anniversary** **Jun 15**



Retransfer of FMS Acquired Materiel



- **Two primary means of retransfer**
 - **US Dept of State third party transfer**
 - **Requires country to find buyer, petition Dept of State and await decision**
 - **WWRS (Tri-Service program)**
 - **Based on “e-bay” model**
 - **Cannot transfer Significant Military Equipment**
 - **Country can list items / wait for order to come in or**
 - **Countries can directly negotiate sale with each other and execute sale via WWRS using a lot buy**
 - **Seller can list thousands of items**



WWRS Tri-service Path



DSCA Jun 2001 guidance: “We ask that you work with the Navy and Army to enlist their participation in the WWRS program.”



Air Force 1998



Navy 2001



Army 2003



WWRS Buyers / Sellers 1998 - 2015



- **32 Sellers**
 - Returned \$142M+ to sellers' FMS Programs
 - Inventory growth \$5M to \$1.6B
 - Approximately 253K line items
- **62 Buyers** (includes US Army, Navy, Air Force)
 - 34K+ orders valued at \$156M+
 - Average savings 29% below DoD stock list price
 - \$63M+ buyer savings
 - Average total order process time 75 days
 - From requisition to buyer's freight forwarder delivery
 - Approved supply discrepancy (SDR) rate: 1.35%
 - Air Force goal: less than 2.0%



WWRS Inventory Saves You Money

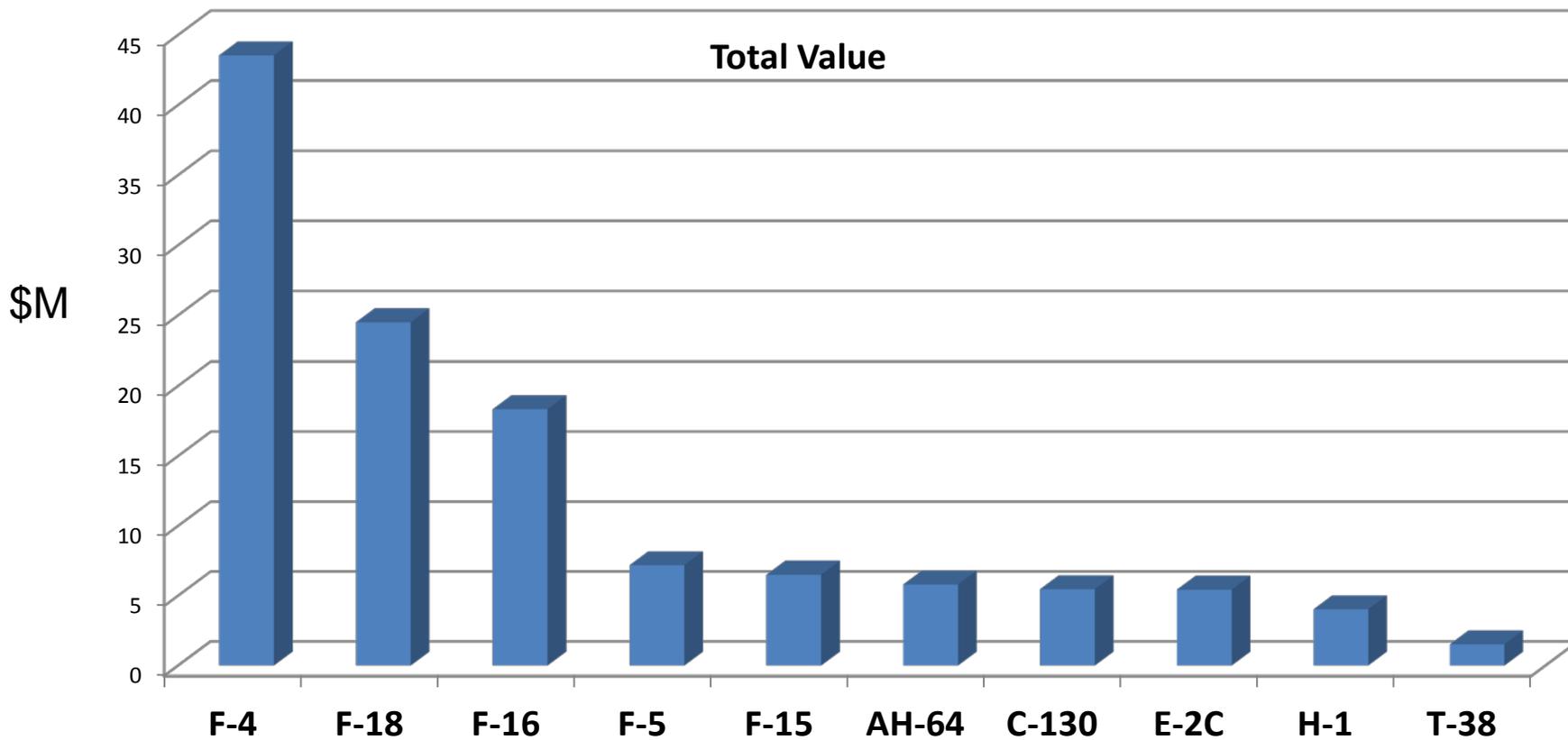


Price Category	Offers	% of Total Items	WWRS Price	% of Total WWRS	DoD Price	% of DoD
< DoD Price	127218	50.24%	\$1,017,245,447.35	74.53%	\$1,311,991,707.98	77.53%
= DoD Price	28766	11.36%	\$250,326,695.46	18.34%	\$250,326,695.46	100.00%
> DoD Price	97233	38.40%	\$97,370,601.29	7.13%	\$43,192,109.66	225.44%
Totals	253217	100.00%	\$1,364,942,744.10	100.00%	\$1,605,510,513.10	85.02%

**WWRS ALSO HAS AN URGENT BROADCAST
FUNCTION FOR ITEMS NOT LISTED**



Lifetime Top 10 WWRS Sales by Weapon System



Total Value	43.54	24.5	18.34	7.18	6.5	5.8	5.46	5.43	4.03	1.52
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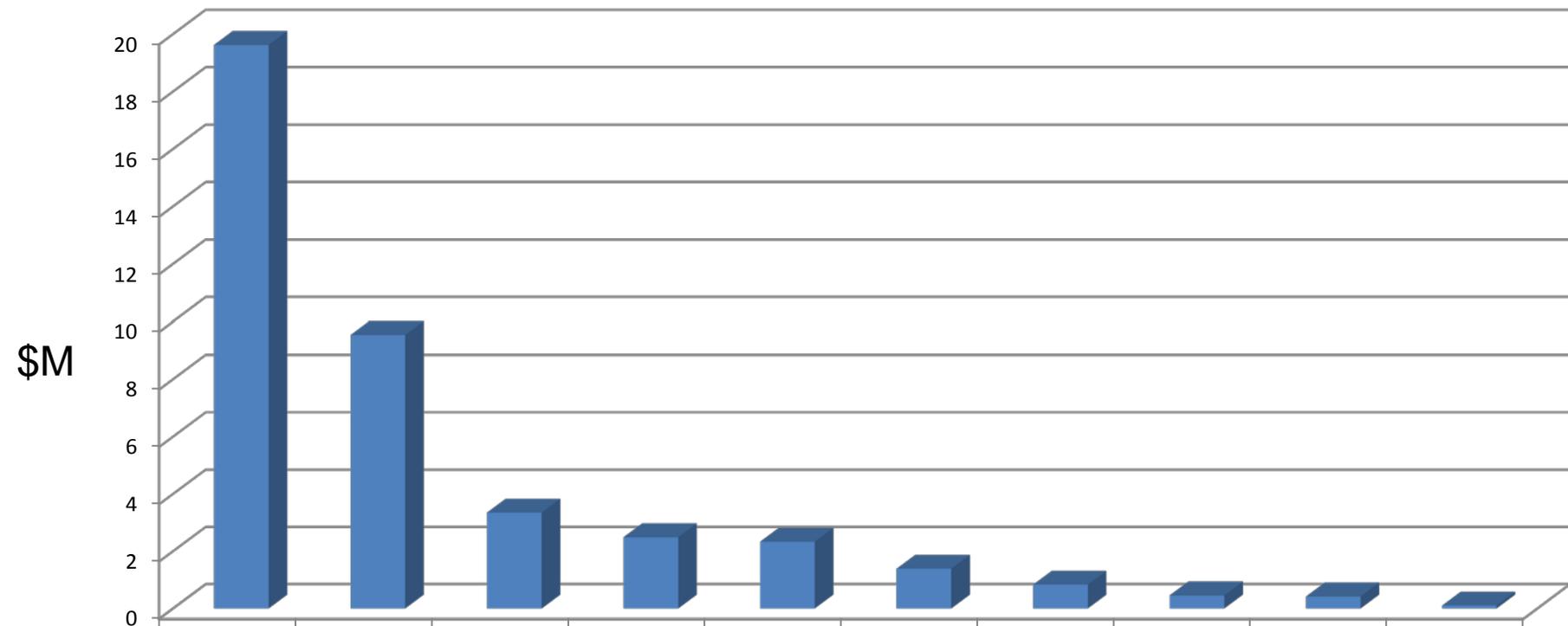
Aviation spares and all other (non-SME) FMS materiel



Top 10 WWRS Sales by Weapon System Jan 10 – Mar 15



Total Value



Total Value	F-18	F-4	F-16	F-15	H-1	F-5	E-2C	C-130	C-135	P-3
	19.62	9.53	3.35	2.49	2.33	1.39	0.83	0.46	0.42	0.1

Aviation spares and all other (non-SME) FMS materiel



WWRS Seller Participation



- **Establish a WWRS Seller FMS Case**
 - blanket order support case
 - Q case for AF / J case for Navy
- **Recommended Case/line value = 8.5% of materiel value to be transferred**
- **Terms of Sale:**
 - **Cash with acceptance: Seller provides initial deposit equal to 5% of line value, plus half of administrative surcharge (Currently $\frac{1}{2}$ of 3.5%)**
 - **Initial deposit Total = 6.75% of Line value**
 - **Balance as Billed: Subsequent funds will be billed as actual redistribution occurs**

No further scheduled payments required



Example of a Seller Case



Case value example: \$1M

- Initial deposit: \$67,500 (6.75%)
- No further scheduled payment required
 - Additional case payments (obligation authority) come from sales proceeds
 - If no sales occur, initial deposit refundable (less half 3.5% admin)
- Will fund the sale of approx. \$12M of materiel, (after which an amendment or new case would be required)

**8.5% of projected inventory recommended but not required, seller case can be requested for any value but sales cannot proceed if seller case does not have sufficient Obligation Authority for WWRS fee*



WWRS Seller Participation



- **Amendment to existing WWRS Line**
 - **Successful Sales will expend Obligation Authority**
 - Increase line value by amount wanting to be sold
 - **Terms of Sale:**
 - **Cash with acceptance: Seller provides initial deposit of half administrative surcharge (1.75%) only**
 - **Extra 5% of line value normally applied when initial case is established does not apply**
 - **Balance as Billed: Subsequent funds will be billed as actual redistribution occurs**

$\$Line\ Value\ divided\ by\ .085 = \$Inventory\ Sales\ Capability$

Example $(500K / .085 = 5,882,352.94)$



WWRS Seller Participation



- **Seller**

- **Participation rules are set by the LOA**
 - **FMS acquired items, fully serviceable & can pass edits**
 - **All parts are SDR Eligible for 1 year**
 - **Funds transportation cost to In-transit Inspection Point (IIP)**
- **In-country POC with internet access is established**
 - **POC lists inventory, responds to redistribution orders, Monitors shipments / Supply Discrepancy Reports**
 - **Establish Inventory and forward to PMO office**



WWRS Process Flow



- Items must have been previously transferred under Arms Export Control Act (**FMS purchased**)
- Items are not Significant Military Equipment (SME)
- Items are in fully functioning condition without need of repair or rehabilitation (Condition Code "A")
- Time change Items can be transferred, documents cannot be transferred without Seller approval
- Additionally the program office will screen items to ensure other unauthorized assets are not sold
 - COMSEC
 - Classified
 - Explosive
 - Shelf Life
 - Hazardous
 - Chemical



WWRS Buyer Participation



- **Buyer**
 - **Uses existing purchaser FMS blanket order support cases (No CLSSA cases)**
 - **Requisition input with RIC “FWW” -- Fill / kill to WWRS**
 - **MORD / MIPR = Transfer of funds (USAF / USN / USA)**
 - **Responsible for CONUS transportation \$100 or greater or want shipment expedited**
 - **Responsible to set up Freight Forwarder or DTS use**



WWRS Process Flow In-Transit Inspection Point



Receives

Inspects (visual)

Takes title for USG

Transfers to buyer



Sanitize

(removes country ID)

Photographic record

Repacks

Ships



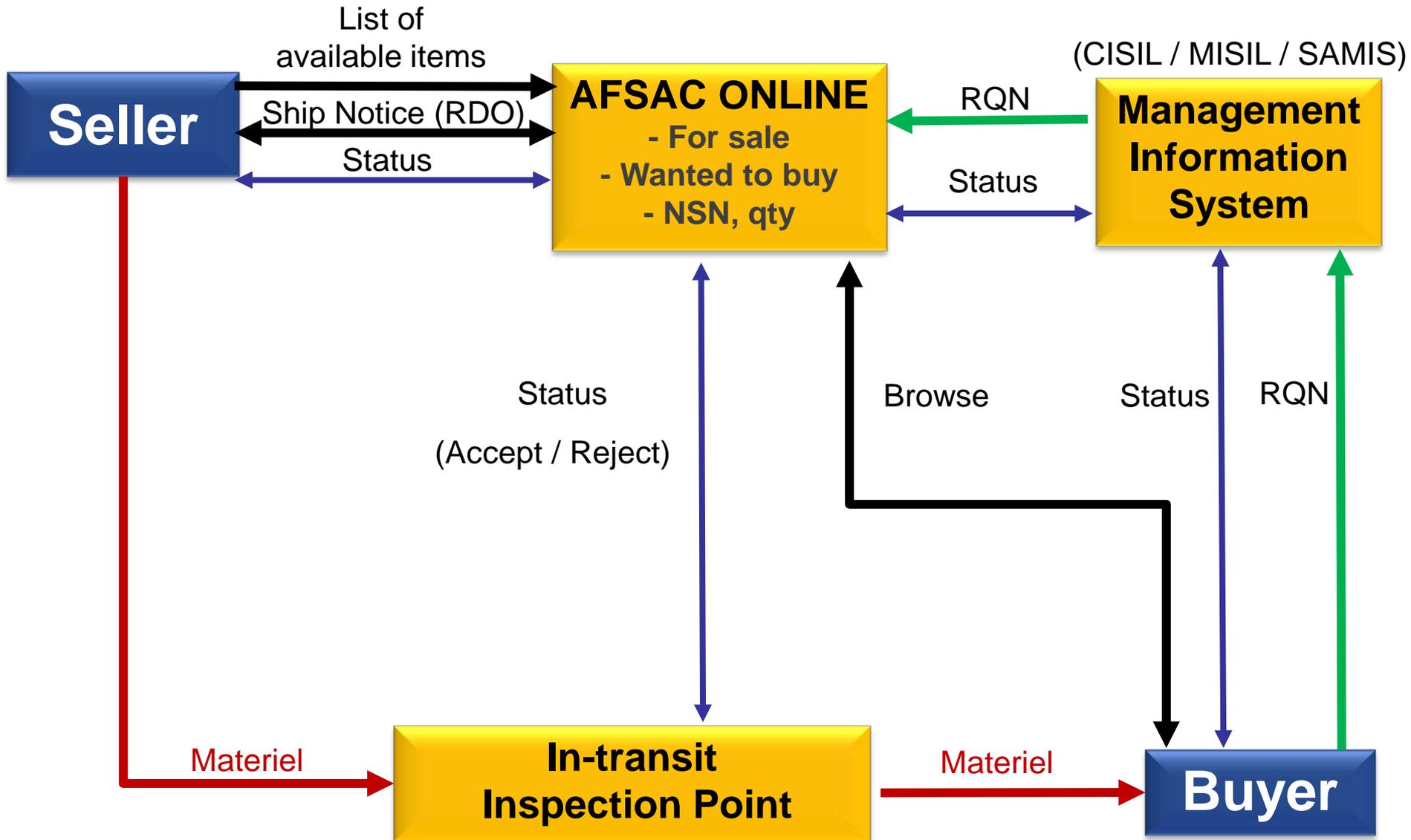
**Baker &
Associates
Centerville,
Ohio**



Normally turns Materiel in less than 1 day



WWRS Process Flow





WWRS Fee Structure



- **WWRS goal, like all FMS programs, is to be self-supporting with neither profit nor loss**
- **Fees reviewed bi-annually (spring / fall)**
- **8.5% or \$200, whichever is greater...max \$50K**
- **WWRS Fees (Paid by seller)**
 - **Funds WWRS personnel / PMO contractor admin cost**
 - **In-transit Inspection Point (IIP) service - contracted**
 - **Automated Data Processing (ADP) - contracted**
 - **Programmer - contracted**



WWRS Home Page



Log On

ORGANIZED BY ROLES

- Home
- About Us
- Buyer Information
- Seller Information
- PMO
- Resources
- Help & Training
- Contact Us

World Wide Warehouse Redistribution Services (WWRS) is a Tri-service program that facilitates the transfer of materiel, acquired under the US Arms Export Control Act. WWRS accepts materiel back on behalf of the US Government in order to fill other FMS requisitions. Materiel transfers using the WWRS process as outlined in Section 21 (m) consist of two separate two-party transfers. The first two-party transfer is between the seller and the USG, and the second two-party transfer is between the USG and the purchaser. The WWRS Program Management office is managed at Wright Patterson AFB, Ohio.

Search Our Inventory

NSN - -

Part Number

CAGE Code

Item Name

Weapon System

Search By

Search Clear

Download Entire Inventory

[Need Help?](#)
[What Are Broadcasts?](#)

Always use the NSN/NIIN to locate what you need

News

- The 2015 WWRS Program Management Review has been Cancelled due to low registration numbers. Please continue to monitor this page for dates of the 2016 PMR. Contact the Program management office if you require assistance.
 - [2015 PMR Cancellation Memo](#)

[Become a Seller!](#)
[Become a Buyer!](#)



WWRS Inventory



Log Off

Home About Us Buyer Information Seller Information PMO Resources Help & Training Contact Us

FSC - - Part Number

CAGE Code Item Name

Weapon System Search By

[Search](#) [Rows Per Page](#)

NIIN ▲	FSC	MMC	Part Number	CAGE Code	Item Name	Quantity	WWRS PRICE	DoD Price	% of DoD	Min Order Value	Seller Rating
000035919	4730	SX	108-20504		ADAPTER,STRAIGHT,PIPE TO TUBE	1	\$250.00	\$1.06	23,584.91 %	\$250.00	B
000041170	4730	SX	ST7M211T4:76301		ELBOW,TUBE	50	\$121.69	\$143.39	84.87 %	\$250.00	D
000042796	4730	SX	AE16339-6:00624		ELBOW,TUBE	9	\$199.76	\$205.15	97.37 %	\$250.00	D
000042796	4730	SX	AE16339-6		ELBOW,TUBE	63	\$151.81	\$205.15	74.00 %	\$250.00	B
000042796	4730	SX			ELBOW,TUBE	80	\$199.76	\$205.15	97.37 %	\$250.00	D

Done

Sellers/Buyers remain Anonymous

WWRS & DoD price comparison



How to Make and \$\$\$ Save Money \$\$\$



- **Lot Buys**

- A Lot Buy is defined as **15** or more line items selected by one buyer from one seller
- Terms of sale negotiated between Seller and Buyer
- Depending on the value of the lot, the seller is entitled to certain program fee discounts (see chart on next slide)





How to Make and \$\$\$ Save Money \$\$\$



- **Lot Buys (cont)**

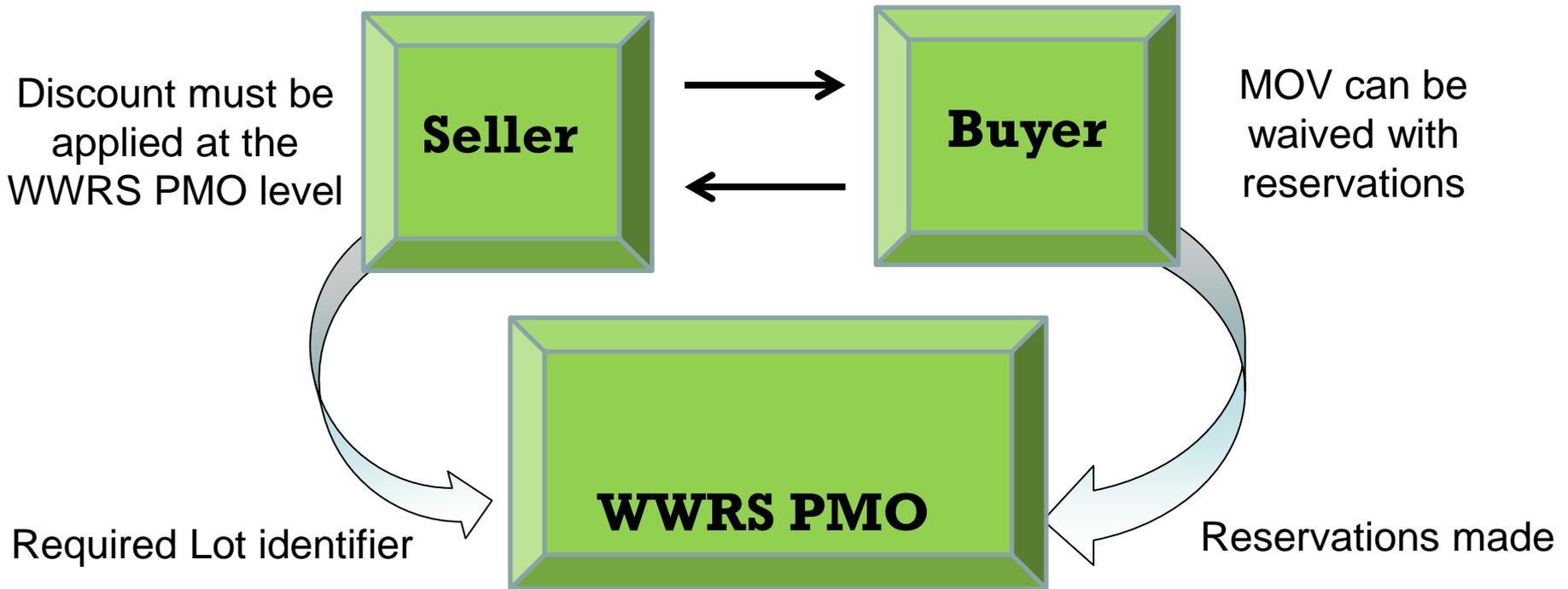
- The buyer may also be entitled to certain pricing discounts negotiated between seller / buyer. **Some sellers give as much as 50% discount off DoD price!**
- A lot buy can be set up between two countries that know each other's identity or can be anonymous
- These discounts are specified by the seller, and are visible when building a lot buy
- WWRS PMO will initiate the transfer once the final negotiation is complete (you must contact the PMO before loading the inventory or before the buyer inputs the requisition so PMO can reserve it in system)

Transfer Value (\$\$)	Discount (off standard WWRS fee)
Less than \$200,000	10% (fee 7.65%)
More than or equal to \$200,000	20% (fee 6.8%)



Lot Buys

WWRS sellers acts as the initiation point to the transfer by contacting the PMO to reserve the items



***NOTE: Lot buys are two separate two party transfers. The first is when the title transfers from seller to US and the second is when title transfers from the US to the buyer.**

Each RDO is subject to the minimum WWRS Fee (currently \$ 200.00)



Benefits of WWRS

- **Sellers**

- Recoupment of sunk spares costs
- Liberation of warehouse space (Lean Logistics)
- Provides significant funds from transfer proceeds
- Deposited into country trust fund account (6QX)

- **Buyers**

- Additional source of supply
- Cost savings
- Source for parts no longer manufactured
- Improved support (access to on the shelf material)
- Quality of assets– same / better than USG FMS



Summary



- **If your country has not incorporated WWRS into your FMS procurement process..... you are missing an opportunity to:**
 - **Save money \$\$\$ (average savings of 29% off DoD cost)**
 - **Receive highest quality materiel (SDR eligible for 1 year)**
 - **Fast Delivery (average 75 days)**
 - **Regain spent \$\$\$ in unused parts**
- **One liaison officer saved their country \$1.5M+ in one year by using WWRS**



WWRS Home Page Online Tools



- **URL**
 - <https://afsac4.wpafb.af.mil/wwrs>
- **Hosted By AFSAC Online**
 - <https://afsac.wpafb.af.mil>
 - Has a link to the WWRS Site
- **Can be linked to directly from external sites**
 - For example, Navy E-Business Suite, SCIP



Questions



WorldWide Warehouse Redistribution Services

Logistical Solutions For The Global Community