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DEFINING INTERNATIONAL CONTRACTING TERMS

THESIS

Lisa F. Brown, B.S. Tony D. White, B.S.

AFIT/GCM/LAS/94S-1

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**DEFINING INTERNATIONAL CONTRACTING TERMS**

**THESIS**

**Presented to the Faculty of the Graduate School of Logistics and Acquisition Management**

**of the Air Force Institute of Technology**

**Air University**

**In Partial Fulfillment of the**

**Requirements for the Degree of**

**Master of Science in Logistics Management**

**Lisa F. Brown, B.S.**

**Tony D. White, B.S.**

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Lisa F. Brown and Tony D. White

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## Abstract

The purpose of this thesis was to continue the research effort of establishing a baseline of contracting terms which was initiated by Lieutenant Commander (LCDR) Daniel L. Ryan. By accomplishing a thorough literature review, 51 international contracting terms and their respective existing definitions were gathered and analyzed. The results from the initial analysis were compiled and formed the basis of the draft mail questionnaire/survey which were sent to panel of experts in the international acquisitions field for feedback. Likert scale ratings (based on a six point scale from "strongly disagree" to "strongly agree" to include an "unfamiliar with term" category) and written comments from the panel of experts from the draft survey were used to improve our data collecting instrument. The revised questionnaire was then sent to a random sample of qualified National Contract Management Association (NCMA) Certified Professional Contract Managers (CPCMs) for feedback. The format for the finalized survey was the same as the draft survey. The feedback from the actual survey was used to revise the proposed definitions which resulted from the test survey. These revisions attempt to mirror the actual use of the 51 international contracting terms and add to the baseline of contracting terms. Lessons learned, recommendations and conclusions are provided for future research efforts.

# DEFINING INTERNATIONAL CONTRACTING TERMS

## I. Introduction

*The difference between the right word and the almost right word is the difference between lightning and the lightning bug. Mark Twain*

### A. General Issue

The ability to communicate is a vital skill in everyday life. An understanding of language as well as the knowledge of accepted terminology is needed to communicate effectively and to prevent unnecessary misunderstandings or miscommunications. An inability to communicate could act as a catalyst to a chain reaction of otherwise avoidable problems.

In a world of varying cultures, there exists a plethora of dictionaries for many languages. Within each language group, numerous dictionaries are written to provide some sort of basis for the language. The problem is that definitions vary from one source to another. A novice, capable only of literal interpretation, might pose the question, "Which source do we use or which source is correct?" whereas the more seasoned expert, aware of the nuances of the language, may use whichever suits his/her purpose best (6:2). This example accents the need for a standardized collection of terms.

This problem is common not only from a cultural standpoint but also in the professional business context. An analogy can be drawn comparing different professions to different cultures. Each has a primary language or lexicon with various dialects depending on the area of expertise (geographic location) within the profession (country). Also, other professions (languages) permeate and coexist. Contracting is a good example of coexisting professions because contracting draws on a variety of disciplines including law, program management, and finance and accounting during its process (27:11).

In addition to domestic conflicts of the contracting profession, more complex situations arise in dealing with foreign entities. In this technological era, the world is becoming a "smaller" place and international information and material exchange is taking a more prominent position. In

direct relation to international business, communications become more complicated because different lexicons and cultural aspects must be incorporated. These disparities may include differing social standards, business standards and legal systems. Without mutual understanding between entities, these differences could lead to frustration, false leads or impressions, and utter confusion. This international dilemma makes communication that much more important.

The purpose of this thesis is to synthesize definitions of international contracting terms. If contracting is the primary language, then international contracting is the dialect. In the contracting profession, communicating effectively is of utmost importance. To facilitate effective communications, the contracting community needs precise definitions of terms to lessen misunderstandings due to varying interpretations. These definitions will reduce any language barriers which interfere with the flow of the contracting process. "Moving towards common goals needs common understanding"(52: 1-5).

## **B. Background**

This thesis is part of a larger, more comprehensive work sponsored by the National Contract Management Association (NCMA) to construct a common language within the contracting community. The NCMA has been building this collection for over five years under the guidance of Dr. William C. Pursch, formerly of the Air Force Institute of Technology (AFIT) and Dr. David V. Lamm of the Naval Postgraduate School (NPS). This collection has been labored on by both Air Force and Naval graduate students as the subject of their theses. Most of the prior theses defined a general set of contracting terms. This thesis will focus on international contracting terms.

This research effort was conceived and begun by Lieutenant Commander (LCDR) Daniel Ryan. He was the first to study the need for baselining contract term meanings. LCDR Ryan wrote of the need to improve communication in his thesis section entitled "Why Baseline Term Meanings?"

LCDR Ryan's thesis, published in 1988, set the standard for this ongoing project. Since his thesis, all succeeding theses have used similar methodologies. LCDR Ryan's methodology consisted of a literature review to build a list of terms and develop the initial definitions, a written survey sent to a group of experts in the field asking for their agreement or disagreement on the synthesized definitions, and an analysis of the respondent's comments in order to synthesize a final definition. In summary, he used a modified Delphi method.

We intend to follow similar procedures with some modifications initiated by more recent theses. The survey was modified by the addition of the Likert scale and a comment section. Also the use of the Total Design Method (TDM) developed by Dillman (38: 3-1 - 3-9) was incorporated into this research. The use of the Likert scale and the comment section was recommended by LCDR Ryan and Capt Cannaday in their conclusions to provide an objective and subjective portion, respectively (38: 3-3). The Dillman technique of TDM was added to increase the response rate of the survey (38:3-4).

The decision for using this methodology is based on the successes of previous researchers. Their work has validated this methodology. It "leaves the researcher free to concentrate on content without the challenge of designing 'from scratch' a suitable or effective process by which to accomplish the research effort" (51:3-2).

### **C. Specific Problem**

The contracting lexicon, in general, is in a state of continual evolution which requires periodic revision to promote mutual understanding. Until recently, this revision process has been pushed to the wayside to make way for "bigger" plans of acquisition process renovation. During the Clinton administration, Vice President Al Gore presented a plan to "reinvent" the federal acquisition system. What is unfortunate is that, during these types of processes, definitions of terminology will not be recorded or will be disregarded or forgotten until a later date (48:7). This haphazard approach allows future users to "fit" the term to their need which may not match the

original intent of the term. These inconsistencies result in legal conflicts that the contracting community does not need and cannot afford.

To compound the problem of continual contracting lexicon revision, some domestically used contracting terms differ in meaning with respect to dealing with international firms and/or countries. This possibly unavoidable circumstance is yet another obstacle which the profession must contend with regards to communications. It may also require more than one standardized definition depending on domestic or international reference. There also exist terms which are entirely exclusive to international contracting which need to be recorded. Last, new terms, which are determined as becoming significant in the contracting arena, may be identified and require a definition.

**D. "Why is this project necessary?"**

1. It will help to reduce inefficiency. Presently, contracting personnel are "forced to sift through numerous regulations, directives and instructions to find the meaning of this term (48:1). The final product from this effort would create a consolidated reference for this field (24:4). Also, as pointed out by LCDR Ryan, "Misunderstanding or misuse of contracting words or terms can result in serious cost and schedule impacts, disruption of deliveries and other problems which need not occur if the basic term meanings can be made concise and agreed upon by those using them" (48:3).
2. It will expand our knowledge base, assist in training, and fortify the foundation which will, in turn, promote a common professional bond.
3. This effort will aid negotiations because international language barriers will be lessened.
4. Since contracting is "dependent upon written contracts and contractually binding agreements", it is necessary to make intentions clear (30: 6).
5. Legal issues will become more clear cut and this clarification might abate the disparities between domestic and international dealings.

As supported by the previous reasons, we need a consensus on contracting terminology.

This necessity is evident for the domestic arena and is magnified in scope for the international contracting arena.

### **E. Research Questions**

1. "How does defining terms contribute to the advancement of the contracting body of knowledge and profession in general?" (27:4)
2. "To what extent can a standard meaning be arrived at in the evolving field of contracting in which words are used with various meanings?" (30:8)

### **F. Investigative Questions**

1. Do current definitions exist for the 50 international contracting terms we have chosen?(52:1-6)
2. Are these definitions consistent?(52:1-7)
3. Does more than one meaning exist for any term?(52:1-7)
4. How are these terms used within the contracting profession today?(52:1-7)
5. To what extent are we able to distinguish between international terms and domestic terms?
6. To what extent will we be able to synthesize a single definition for all the international contracting community as compared to country-specific definitions?

In answering these research and investigative questions, we hope to establish terminology with valid and reliable synthesized definitions.

### **G. Assumptions**

1. We assume the reader is familiar with the contracting profession (27:5).
2. The researchers will pick qualified professionals or experts to respond to the surveys (24:4).
3. Consensus is an established methodology to arrive at an acceptable definition (48:7).
4. There exist terms which need to be defined in the international arena.
5. No authoritative source of contracting definitions exists (48:7).
6. International contracting terms is a growing field in need of clarification.

7. For the purpose of this thesis, "procurement", "acquisition", and "contracting" will be used interchangeably unless otherwise stated (30: 4).

#### **H. Limitations**

1. This effort is confined to the narrow scope of international terms.
2. Limited sources are available and acceptable for a literature review by us and other interested parties ( 52:1.7).
3. Term selection is subjective (27: 5).
4. The efforts of the experts may be influenced by bias in certain areas of the body of knowledge (27:5).
5. This thesis is being conducted under time and cost constraints (27:5).

#### **I. Operational Definitions**

Qualified professional or expert: National Contract Management Association (NCMA) Certified Professional Contracts Managers (CPCMs) will be used for surveying because this group distinguishes themselves as being knowledgeable and objective in their field (24:4-8).

#### **J. Thesis Overview**

This thesis consists of five chapters. This first chapter provides background and an overview of the subject as well as the objective of this research. This chapter also addresses the investigative questions, the assumptions and the limitations which will guide our research. The second chapter documents the results of the literature review conducted in order to answer investigative questions. Chapter Two also will explain the rationale we used to arrive at the synthesized definitions of the terms. Chapter Three relates the methodology associated with our research effort. Chapter Four contains the survey responses and any changes we made to the original synthesized definitions based on the responses received. Chapter Five shows a summary of the research results obtained by survey, identifies the consensus definitions we developed as a result of the survey and provides recommendations consistent with the results of our survey to give guidance to the efforts of future researchers.

## II. Literature Review

### A. Introduction

This thesis contains the following international contracting terms and respective initial synthesized definitions:

Agent Authority	Global Sourcing
Application Control Number	Gratuity
Color of Money	Host/Buyer Countries
Commercial Sale	In-Country Sourcing
Commercial-Type Items	Industrial Collaboration
Conventional Arms Transfer (CAT)	Industrial Cooperation
Cooperative Agreement	International Teaming
Cooperative Development	Joint Venture
Coproduction, International	Lesser Developed Countries
Countertrade	Letter of Offer and Acceptance (LOA)
Country Groups	Letter of Request (LOR)
Direct Procurement	Military Export Sales
Domestic Preference	Munitions List
Duty	Obligation Authority
Eurodollars	Offset (Direct and Indirect)
Exclusive License	Planning and Review Data (P&R)
Export Control Classification Number	Price and Availability Data (P&A)
Export-Import (EXIM) Bank	Reciprocal Trade Agreements
Export License	Red Flag List
Foreign Currency-Contributed Funds	Technology Transfers
Foreign Military Sales (FMS)	Third Country National
Foreign Nationals	Specially Designated National List
Foreign Ownership, Control or Influence	Validated License
Foreign Purchaser	Icoterms
International Armaments Cooperation	Transnational Solution
Multinational	

As discussed in chapter one, the overall purpose of this thesis is to provide additional entries to a standardized dictionary of contracting terms. This dictionary will help to tear down the language barriers which impede the contracting process.

This thesis has the additional responsibility of clarifying international terms. It is very important because of the wide disparity of cultural gestures, legal systems, and native languages which exist. With the increased activity in the international contracting arena and projected



increases of future dealings, this thesis will help alleviate anxiety contained within international contracting.

Chapter two will provide a presentation of terms, information found by use of a literature review with regards to these terms, and the initial synthesized definitions which appeared on the test survey.

## **B. Presentation of Terms and Initial Definitions**

This section deals with definition development of international contracting terms by incorporating the findings of our literature review. Our literature review consists of "general, professional, regulatory, academic, and/or periodical" sources (30: 24). From our gathered data, we examined the published definitions and formed the initial definitions for the survey. The format of this section is as follows: 1. published definitions, 2. main theme discussion, and 3. initial synthesized definition.

The "published definitions" section consists of a listing of "general, professional, regulatory, academic, and /or periodical" sources (30: 24). These sources also include interviews.

The "main theme discussion" section examines the published definitions and forms the initial definitions for the survey. A consensus between sources was attempted. Some term phrases were broken into root words in order to further clarify their meanings. In instances where only one definition was found, the definition was used verbatim on the survey in the hopes that it will provoke additional comments.

The "initial synthesized definition" section contains the definition which appeared on the test survey.

## **Agent Authority**

### **1. Published Definition(s)**

"the power delegated by a principal to his or her agent; a right to exercise power" (41:3).

### **2. Main Theme Discussion**

Only one source was found for this term as a whole. The Desktop guide presented "the power delegated by a principal to his or her agent; a right to exercise power" (41:3). In this instance, this definition can be verified by breaking up this term into its two basic components, agent and authority. American Heritage states an agent is "one who acts or has the power or authority to act; one that acts for or as the representative of another" (3:86). Black's, Bouvier's and DOD provide similar definitions for agent. Webster's definition for authority is the "power to influence or command thought, opinion or behavior" (58:117). Using these definitions, we synthesized the definition for agent authority.

### **3. Initial Synthesized Definition**

The power to act which is authorized or delegated by a principal to his/her agent.

Synonym: Proxy, Medium.  
Antonym: Principal.

## **Application Control Number**

### **1. Published Definition(s)**

"the preprinted control number on the Bureau of Export Administration's application for a validated license (BXA-622P). The control number is used to track the progress of the application through the Department of Commerce" (22:15).

### **2. Main Theme Discussion**

There was only one source which provided a definition for this term. We decided to use this term verbatim on the initial survey in hopes of receiving other input.

### **3. Initial Synthesized Definition**

"The preprinted control number on the Bureau of Export Administration's application for a validated license (BXA-662P). The control number is used to track the progress of the application through the Department of Commerce" (22:15).

Synonym: None.  
Antonym: None.

## **Color of Money**

### **1. Published Definition(s)**

"A term used to describe the type of procurement money used for a particular item. Different kinds of appropriated funds must be used for various procurements, e.g., RDT&E (Research, Development, Test and Evaluation), O&M (Operations and Maintenance) and FMS (Foreign Military Sales)" (41:11).

"Government funding appropriation code number (i.e., we are required to show color of money in proposals). Color of money is like colors of paint if you mix them you probably will get a mess". (44:140)

### **2. Main Theme Discussion**

The definitions of "color of money" showed very little variation. The Desktop guide provided "a term used to describe the type of procurement money used for a particular item" (41:11). NES provides a definition of "government funding appropriation code number" which we interpreted as a means to describe which "pot" different program money belonged (44:140). We determined the common theme was that "color of money" describes the origin and intended use of funds.

### **3. Initial Synthesized Definition**

This term describes the type of procurement funding and appropriation code number which will be used (i.e.,FMS).

Synonym: None.  
Antonym: None.

## **Commercial Sale**

### **1. Published Definition(s)**

"Sale made by US industry directly to a foreign buyer that is not administered by the Department of Defense through Foreign Military Sales (FMS) procedures" (41:11).

"Sale made by US Industry directly to a foreign buyer not administered by the DOD and not involving credit under the provisions of the Foreign Military Sales Act." (44:18).

"Sale made by US industry directly to a foreign buyer under the provisions of the Foreign Military Sales Act (AFR 400-3). 2. sale made by US industry directly to a foreign buyer not administered by the DOD and not involving credit under the provisions of the Arms Export Control Act. (DOD 5105.38M)" (1:134).

"The sale of defense articles or defense services made by US industry directly to a foreign buyer, and which is not administered by DOD through FMS procedures" (14:26).

### **2. Main Theme Discussion**

The definitions above are very similar in nature. The recurring theme is a transaction or sale between a domestic seller and a foreign buyer which occur under a few stipulations. The stipulations are the varying factor between the provided definitions. We determined that the stipulations are interrelated and proceeded to include them as part of the definition.

To further evaluate this term, we examined the root components of the term.

"Commercial" describes a situation "of or relating to commerce" (58:264). This must be further evaluated by determining the meaning of "commerce" which is "the exchange or buying and selling of commodities on a large scale involving transportation from place to place" (58:264). "Sale" is "the transfer of ownership of and title to property from one person to another for a price" (58:1037). These meanings support the general recurring theme of the definitions provided above.

### 3. Initial Synthesized Definition

The sale of defense articles or defense services made by US industry directly to a foreign buyer not administered by the DOD through Foreign Military Sales procedures, not involving credit under the provisions of the Foreign Military Sales Act, and not involving credit under the provisions of the Arms Export Control Act.

Synonym: Direct commercial sale.

Antonym: None.

## Commercial-Type Items

### 1. Published Definition(s)

"Any items, including those expended or consumed in use which, in addition to military use, are used and traded in normal civilian enterprise, and which are, or can be, imported/exported through normal international trade channels" (41:11).

"Articles which, in addition to having a military use are used and traded in normal civilian enterprise and which are or can be exported/imported through commercial sources (AFR 400-20). 2. any items, including those expended or consumed in use which, in addition to military use, are used and traded in normal civilian enterprise and which are, or can be imported/exported through normal international trade channels (DOD 5105.38M)" (1:134).

"Any items, including those expended or consumed in use which, in addition to military use, are used and traded in normal civilian enterprise and which are, or can be, imported/exported through normal international trade channels" (14:26).

### 2. Main Theme Discussion

The definitions collected via literature review provide almost identical interpretations of commercial type item. This suggests that this term has maintained a constant definition which is suitable for current use.

### 3. Initial Synthesized Definition

"Any items, including those expended or consumed in use that, in addition to military use, are used and traded in normal civilian enterprise and which are, or can be imported/exported through normal international trade channels" (1:132).

Synonym: None.

Antonym: None.

## **Conventional Arms Transfer (CAT)**

### **1. Published Definition(s)**

"The transfer of nonnuclear weapons, aircraft, equipment, and military services from supplier states to recipient states. The U.S. has viewed arms transfers as a useful foreign policy instrument to strengthen collective defense arrangements, maintain regional military balances, secure U.S. bases, and compensate for the withdrawal of troops. U.S. arms are transferred by grants as in the Military Assistance Program (MAP), by private commercial sales, and by government-to-government sales under foreign military sales(FMS)" (42:16-17).

"The transfer of nonnuclear weapons, aircraft, equipment and military services from supplier states to recipient states. The USG views arms transfers as a useful foreign policy instrument to strengthen collective defense arrangements, maintain regional military balances, secure U.S. bases, and compensate for the withdrawal of troops. U.S. arms may be transferred by grants, leases, loans, direct commercial sales, or government-to-government sales under FMS" (14:31).

### **2. Main Theme Discussion**

These definitions are identical in interpretation except for the deletion of leases and loans as a means of transfer in the Desktop Guide To Basic Contracting Terms 1992 definition. We decided to include leases and loans as part of the definition to solicit any comments which would help clarify this recent change or possibly acknowledge this error.

The basic interpretation of the term also matches the above definitions where "conventional" refers to "not making use of nuclear weapons" (58:286) and "transfer" refers "to convey from one person, place or situation to another" (58:1253).

### **3. Initial Synthesized Definition**

The transfer of non nuclear weapons, aircraft, equipment, and military services from supplier states to recipient states. The US has viewed arms transfers as a useful foreign policy instrument to strengthen collective defense arrangements, maintain regional military balances, secure US bases, and compensate for the withdrawal of troops. US arms may be transferred by grants as in the Military Assistance Program (MAP), private and direct commercial sales, leases, loans, or government-to-government sales under foreign military sales (FMS).

Synonym:       None.  
Antonym:       None.

## **Cooperative Agreement**

### **1. Published Definition(s)**

"Cooperative agreements and grants are a means of providing federal assistance. The cooperative agreement differs from the grant because the sponsoring federal agency is involved, collaboratively, in management of the undertaking, and because cooperative agreements are often established with private enterprise organizations. Such agreements may provide for sharing the cost as well as the management of the undertaking. (41:17).

"A legal instrument used principally for transferring money, property, or services to a State or local government or to another recipient in order to accomplish a public purpose of support or stimulation where substantial involvement is expected between the Government agency and the Recipient. 31 U.S.C. 6305. See Riley, III *Federal Contracts, Grants and Assistance* 85. A cooperative agreement is frequently similar to a COST-SHARING CONTRACT. However, a cost-sharing contract is subject to the FEDERAL ACQUISITION REGULATION (FAR), whereas a cooperative agreement is not. Thus, agencies entering into cooperative agreement generally have substantial freedom to structure the terms and conditions of the agreement. Regulatory guidance is issued by agencies in the form of assistance regulations, in cooperation with the OFFICE OF MANAGEMENT AND BUDGET (OMB). However, statutes enabling specific programs, as well as certain other regulations, may contain requirements for cooperative agreements that differ from the usual assistance regulations or even resemble ACQUISITION approaches. For example, the Cooperative Agreement with Canada is a MEMORANDUM OF UNDERSTANDING (MOU) that does not fall within the scope of 31 U.S.C. 6305. Brown, *A Federal Agency's Authority to Use a Cooperative Agreement for a Particular Project*, 18 Pub. Cont. L.J. 188 (1988) (39:103).

### **2. Main Theme Discussion**

The main impetus of these definitions is joint activity for the purpose of support and under the guidance of a sponsoring agency. The second definition made it very difficult to easily interpret the meaning of this term because of lack of conciseness. As a result, we felt our definition provided a succinct explanation without losing the true meaning of the term.

To further analyze this term, we broke it into its sub components: cooperative and agreement. According to Merriam-Webster, cooperative is "the willingness and ability to work with others" (58:288). Agreement is "an arrangement as to a course of action" (58:65).

The meanings of the root words of this term concur with the underlying interpretation of this term. Usage of this term in the contracting field has added nuances which make it unique to the profession.

### **3. Initial Synthesized Definition**

A means of engaging in joint economic activity that involves a sponsoring federal agency, in the management of the undertaking. Such agreements may provide for sharing the costs in addition to the management of the undertaking.

Synonym: Federal Assistance.

Antonym: None.

## **Cooperative Development**

### **1. Published Definition(s)**

"Any method by which governments cooperate to make better use of their collective research and development resources to include technical information exchange, harmonizing of requirements, codevelopment, interdependent research and development, and agreement on standards. Many of these elements occur prior to appointment of the program manager or occur outside the program management environment, but their results impact programs that have multinational involvement" (41:17).

"Any method by which the governments cooperate to make better use of their collective Research and Development resources, to include technical information exchanges, harmonizing of requirements, co-development, interdependent R&D, and agreement on standards" (14:32).

### **2. Main Theme Discussion**

These definitions are identical except the first definition provides an extra line of description. We feel that this is not necessary for the purpose of providing clear and concise definitions because the additional information does not add to the meaning but rather serves as a side note. The initial definition shown below is verbatim.



### **3. Initial Synthesized Definition**

"Any method by which governments cooperate to make better use of their collective research and development resources to include technical information exchange, harmonizing of requirements, codevelopment, interdependent research and development, and agreement on standards" (14:32).

Synonym: Cooperative Research and Development (CRADA).  
Antonym: None.

## **Coproduction, International**

### **1. Published Definition(s)**

"Method by which items intended for military application are produced and/or assembled under the provisions of a cooperative agreement that requires the transfer of technical information and know-how from one nation to another" (41:17).

"...occurs when industries share in the production of weapons being acquired by each government" (5:26).

"Method by which items intended for military application are produced and/or assembled in the U.S. and in one or more foreign countries under provisions of a cooperative agreement that requires the transfer of technical information and know-how from one nation to one or more other nations" (14:32).

### **2. Main Theme Discussion**

The main theme through the three definitions listed above is the "transfer" of military applicable material between two or more national entities. These entities also "share" in the activities which lead to the existence of the military applicable products. Minor modifications were made to the definitions to include industry as part of the meaning.

### **3. Initial Synthesized Definition**

The method by which industries in the US and in one or more foreign countries share in the production and/or assembly of items intended for military application. The production and/or assembly of these items fall under the provisions of a cooperative agreement that requires the transfer of technical information and know-how from one nation to one or more other nations.

Synonym: None.  
Antonym: None.

## **Countertrade**

### **1. Published Definition(s)**

"... is a reciprocal trade agreement, sometimes required as a condition of principal sale, and sometimes used by 'proactive' companies as a marketing device. Its requirements are met by the same or similar techniques (in-country sourcing, export development, technology transfers, direct investments). Principally, it is a generic term that describes any reciprocal trading arrangement, be it an offset or a commercially oriented countertrade. Since 1972, countertrade has experienced explosive growth, becoming a major tool for international trade" (2:5-6).

"A reciprocal trading arrangement, which includes a variety of transactions involving two or more parties" (26:125).

"...refers to a requirement imposed by a country on a foreign exported or supplier to purchase materials in the receiving country as part of the original sales transaction. Payment is made either partially or fully with goods instead of money. It might be considered a more elaborate form of bartering. It is one way in which to gain foreign business and/or technology" (12:174).

"A form of international trade in which purchases made by an importing nation are linked to offsetting purchases made by the exporting nation" (37:265).

### **2. Main Theme Discussion**

Countertrade is an agreement which benefits both parties in an indirect manner. The main point of this agreement is that it is conditional on reciprocity (monetary or other) between the parties. Using these primary elements, we constructed the initial definition shown below.

### **3. Initial Synthesized Definition**

An arrangement where the foreign exporter or supplier purchases materials in the receiving country to offset purchases made by the importing country.

Synonym: Reciprocal trade, offset, barter.

Antonym: None.

## Country Groups

### 1. Published Definition(s)

"Groups into which all foreign countries (except Canada) are divided for export control purposes. Letter symbols are used for country groups throughout the Export Administration Regulations as follows:

- Q - Romania
- S - Libya
- T - North America, Greenland, Mexico, Miquelon and St. Pierre Islands; Central America and the Caribbean; South America
- V - All countries not in any other group (except Canada)
- W - Czechoslovakia, Hungary, Poland
- Y - Albania, Bulgaria, Estonia, Laos, Latvia, Lithuania, Mongolian People's Republic, Union of Soviet Socialist Republic (now known as the Commonwealth of Independent States)
- Z - Cambodia, Cuba, North Korea, Vietnam" (22:15).

### 2. Main Theme Discussion

Only one definition was located for this term. The initial synthesized definition is a verbatim recitation of the definition shown above.

### 3. Initial Synthesized Definition

"The groups into which all foreign countries (except Canada) are divided for export control purposes. Letter symbols are used for country groups throughout the Export Administration Regulations as follows:

- Q - Romania
- S - Libya
- T - North America, Greenland, Mexico, Miquelon and St. Pierre Islands; Central America and the Caribbean; South America
- V - All countries not in any other group (except Canada)
- W - Czechoslovakia, Hungary, Poland
- Y - Albania, Bulgaria, Estonia, Laos, Latvia, Lithuania, Mongolian People's Republic, Union of Soviet Socialist Republic (now known as the Commonwealth of Independent States)
- Z - Cambodia, Cuba, North Korea, Vietnam" (22:15).

Synonym: None.

Antonym: None.

## **Direct Procurement**

### **1. Published Definition(s)**

"The procurement of defense supplies in the United States by a foreign government, contractor, or organization in which the supplies are purchased through commercial channels for use outside of the United States" (41:23).

"The procurement of defense supplies in the United States by a foreign government, contractor, or international organization in which the supplies are purchased through commercial channels for use by the foreign government or international organization (AR 715-23). 2. the process of bypassing the SBSS for the purchase of an item citing R&D funds (AFSCR 67-8)" (1:228).

### **2. Main Theme Discussion**

The definitions presented are almost exact except for the deletion of "international" in reference to the type of organization which procures. We decided to add "international" in our definition to incite comments with regards to the internationality of the term.

To address the fundamental meaning of the term, we broke the term into its root parts. "Direct", in this instance, refers to "marked by absence of an intervening agency, instrumentality, or influence" (58:358). "Procurement" comes from procure which means "to get possession of : obtain by particular care and effort" (58:938). These root definitions support the essence of the term.

### **3. Initial Synthesized Definition**

"The procurement of defense supplies in the United States by a foreign government, contractor, or international organization in which the supplies are purchased through commercial channels for use by the foreign government or international organization" (1:228).

Synonym:       None.

Antonym:       None.

## **Domestic Preference**

### **1. Published Definition(s)**

"Any one of a number of policies adopted by a nation's government that maintain discriminatory government procurement rules designed to establish a preference in favor of domestic suppliers" (41:24).

### **2. Main Theme Discussion**

Only one definition was found for this term. We felt that it could be improved by making it more concise without losing any meaning.

### **3. Initial Synthesized Definition**

National government policies that maintain discriminatory government procurement rules designed to establish a preference in favor of domestic suppliers.

Synonym: None.

Antonym: None.

## **Duty**

### **1. Published Definition(s)**

"Denotes a tax or impost due to the government upon the importation or exportation of goods. See 19 U.S.C.A." (8:505).

"A tax charged by a government , esp. on imports" (3:31).

"TAX, esp on imports" (37:360).

"...a tax imposed by the customs authority of the receiving country on imported goods and services. Duty rates depend upon the country of origin and can vary depending on economic and political decisions. There are three types of duties: 1. Ad Valorem Duty ("according to value"; a designated percentage of the value of the goods is assessed as a duty. 2. Specific Duty: determined by product weight or quantity and is more applicable for shipment of piece parts, small spares, or bulk materials. 3. Compound Duty: based on a combination of the above two types" (12:241-242).

## **2. Main Theme Discussion**

The heart of this term focuses on taxation. Other key points covered in these definitions include importation and exportation, and government mandate. The last definition included side notes (e.g., three types) which were unnecessary because the side notes did not add to the meaning.

## **3. Initial Synthesized Definition**

"A tax or impost due to the government upon importation or exportation of goods" (8:505).

Synonyms: Tariff, Toll.

Antonym: None.

## **Eurodollars**

### **1. Published Definition(s)**

"US Dollars that have been deposited in European Banks or European branches of US Banks" (8:554).

"American dollars invested in Europe; investments in Europe denominated in U.S. dollars: a U.S. dollar held (as by a bank) in Europe" (44:45).

"US has huge dollar balances as international reserve by other countries" (46:149).

"A United states dollar on deposit with a bank abroad, esp. in Europe" (3:469).

"A U.S. dollar held as Eurocurrency" (37:400).

### **2. Main Theme Discussion**

A number of definitions were available for this term. Slight differences were present during our analysis. We decided to try to incorporate these shades of meanings into one condensed and logical definition. We determined that the heart of the definition focused on American dollars. The problem occurs in reference to the location or use of that dollar. We hope that the respondents will assist in this clarification.

### 3. Initial Synthesized Definition

American dollars held by or on deposit with a bank abroad, especially Europe; investments in Europe denominated in US dollars.

Synonym: None.

Antonym: None.

### Exclusive License

#### 1. Published Definition(s)

"Exclusive right granted by patent holder to licensee to use, manufacture, and sell patented article. Permission to do thing and contract not to give leave to any one else to do same thing. Overman Cushion Tire Co. v. Goodyear Tire & Rubber Co., C.C.A. N.Y., 59 F.2d 998, 999. A license which binds licensor not to enlarge thereafter the scope of other licenses already granted, or increase the number of licenses, is an 'exclusive license'. Mechanical Ice Tray Corporation v General Motors Corporation, C.C.A.N.N.Y., 114 F.2d 720, 725" (8:564).

"A license covering a patent(s), technical or proprietary data, technical assistance, know-how, or any combination of these, granted by a U.S. firm to a foreign firm or government to produce, co-produce, or sell a defense article or service within a given sales territory without competition from any other licensees or from the licensor. A "non-exclusive license" is a license as described above, except that competition may be permitted with other licensees and/or the licensor" (42:26).

"A license covering a patent (s), technical or proprietary data, technical assistance, know-how, or any combination of these, granted by a US firm to a foreign firm or government to produce, coproduce, or sell a defense article or service within a given sales territory without competition from any other licenses or from the licensor. A non-exclusive license is a license as described as above, except that competition may be permitted with other licensees and/or the licensor" (19:45).

"A license covering a patent(s), technical or proprietary data, technical assistance know-how, or any combination of these, granted by a US firm to a foreign defense article or service within a given sales territory without competition from any other licenses or from the licensor. A non-exclusive license is a license as described above, except that competition may be permitted with other licensees and/or the licensor (AFR 400-3, DOD 5105.38M)" (1:273).

"A license covering a patent(s), technical or proprietary data, technical assistance, know-how, or any combination of these, granted by a US firm to a foreign firm or government to produce, coproduce or sell a defense article or service within a given sales territory without competition from any other licenses or from the licensor. A non-exclusive license is a license as described above, except that competition may be permitted with other licensees and/or the licensor" (9:38).

## **2. Main Theme Discussion**

Three of the five definitions presented were exact in wording and meaning. The other definitions support these definitions. Also, the sources which these exact definitions were extracted spanned from 1977 to 1992. This suggests that this meaning is currently acceptable. Hence, we will use a verbatim definition as our initial synthesized definition.

## **3. Initial Synthesized Definition**

"A license covering a patent(s), technical or proprietary data, technical assistance, know-how, or any combination of these, granted by a US firm to a foreign firm or government to produce, coproduce, or sell a defense article or service within a given sales territory without competition from any other licensees or from the licensor. A non-exclusive license is a license as described as above, except that competition may be permitted with other licensees and/or the licensor" (9:38).

Synonym:       None.  
Antonym:       None.

## **Export Control Classification Number (ECCN)**

### **1. Published Definition(s)**

"Each entry on the Commerce Control List is identified by an ECCN. It consists of a number (category), a letter (group), two numbers (nature of control), and a letter (level of control)" (23:15).



## **2. Main Theme Discussion**

This is another instance where only one definition was found so we used the current definition as the initial synthesized definition.

## **3. Initial Synthesized Definition**

The identification number assigned to each entry on the Commerce Control List. It consists of a number (category), a letter (group), two numbers (nature of control), and a letter (level of control).

Synonym: None.

Antonym: None.

## **Export-Import (EXIM) Bank**

### **1. Published Definition(s)**

"Independent agency of federal government whose function is to aid in financing exports and imports" (8:579).

"...charted by Congress By the Export-Import Bank Act of 1945, as amended. Its basic purpose is to assist in financing the export sale of US goods and services. The Bank's authority and resources are used to assume commercial and political risks that exporters or private sector institutions are unwilling or unable to undertake, overcome maturity and other limitations in private sector export financing, assist US exporters to meet foreign officially sponsored export credit competition, and provide leadership and guidance in export financing to the US exporting and banking communities and to foreign borrowers. The Bank is also actively assisting small and medium-size business to increase their exports" (53:486).

### **2. Main Theme Discussion**

The main theme provided by both definitions is assistance in import and export financing by an independent agency. The Black's Law Dictionary summarizes the essence of Export-Import Bank without adding extra verbiage which is included in the second definition. The Black's Law Dictionary version was used verbatim.

### **3. Initial Synthesized Definition**

"An independent agency of the federal government whose function is to aid in financing exports and imports" (8:579).

Synonyms: None.

Antonym: None.

## **Export License**

### **1. Published Definition(s)**

"... required by the ITAR (International Traffic in Arms Regulation), before exporting defense articles or technical data. Obtained from the ODTC (Office of Defense Trade Controls)" (21:42).

### **2. Main Theme Discussion**

A single definition was found for this term. To provide more clarification, we rewrote the definition in more concise and readable format.

To elucidate this term, we divided it into its parts. "Export" means "to carry or send (as a commodity) to some other place (as another country)" (58:438). A "license" is the "permission to act" (58:688). Both subunits support the basic definition. The other gradations of this definition is assumed to be from the contracting arena, specifically DOD. We hope to elicit response as to a more general definition for the entire contracting field.

### **3. Initial Synthesized Definition**

A license required by the ITAR (International Traffic in Arms Regulation) before exporting defense articles or technical data. It is obtained from the ODTC (Office of Defense Trade Controls).

Synonym: None.

Antonym: None.

## **Foreign Currency-Contributed Funds**

### **1. Published Definition(s)**

"A deposit by a foreign government of its own currency with a United States Disbursing Officer, for utilization by the United States for expenses in that country, based upon an intergovernmental agreement. Such currencies must be purchased from the United States Disbursing Officer using appropriated funds before they can be utilized pursuant to the agreement. United States dollars collected by the U.S. Disbursing Officer from the sale of these currencies are deposited into the Treasury as "miscellaneous receipts" (DOD 5000.8)" (1:303).

### **2. Main Theme Discussion**

Only one definition was available for this term and it is dated in 1981. The date of this definition gives rise to a few possibilities: 1. the meaning has not changed and is not in need of revision, 2. the term has become obsolete, and 3. the term is in need of revision but has not been a priority.

We feel this term is in need of format revision to make its definition more "readable". We do not possess the expertise to change the meaning, so it will be kept as close to the original meaning as possible.

### **3. Initial Synthesized Definition**

A foreign government's currency is purchased via the United States Disbursing Officer by the United States using appropriated funds for expenses in that country. The United States dollars collected by the US Disbursing Officer from the sale of these currencies are deposited into the Treasury as "miscellaneous receipts".

Synonym:       None.  
Antonym:       None.

## **Foreign Military Sales**

### **1. Published Definition(s)**

"1. actions on the part of the department of defense on behalf of another government to make procurements using that government's funds. 2. that portion of U.S. security assistance authorized by the Foreign Assistance Act of 1961, as amended, and the Arms Export Control Act, as amended, where the recipient provides reimbursement for defense articles and services transferred. FMS includes DOD cash sales from stocks (inventories, services, training); DOD guarantees covering financing by private or Federal Financing Bank sources for credit sales of defense articles and defense services; sales financed by appropriated direct credits; and sales funded by grants under the Military Assistance Program" (41:30).

"The selling of military equipment and services to friendly foreign governments and international organizations under the authority of the Foreign Military Sales Act of 1968 with procurement management by an Armed Forces System Project Officer" (44:51).

"That portion of U.S. security assistance authorized by the Foreign Assistance Act of 1961, as amended, and the Arms Export Control Act, as amended. This assistance differs from the Military Assistance Program and International Military Education and Training Program in that the recipient provides reimbursement for defense articles and services transferred (JCS Pub 1). Includes cash sales from stocks (inventories, services, training) by the DOD; DOD guarantees covering financing by private or Federal Financing Bank sources of credit sales of defense articles and defense services" (19:51).

"The selling of United States produced military equipment and services to friendly foreign governments under the authority of the Foreign Assistance Act of 1961, as amended (AFM 11-1). 2. Deliveries on a reimbursable or sales basis of military material or training assistance to eligible foreign countries, under provisions of the Foreign Assistance Act of 1961. (AFM 67-1). 3. that portion of United States military assistance authorized by the Foreign Assistance Act of 1961, as amended. This assistance is for both defense articles and services (including training). This assistance differs from Military Assistance Program Grant Aid in that it is purchased by the recipient country (JCS Pub 1). 4. the selling of military equipment and services to friendly foreign governments and international organizations under the authority of the Foreign Military Sales Act of 1968, as amended (AFR 400-3). 5. the selling of US-produced military equipment, training, and services to friendly foreign governments under the authority cited in AFM 400-3 (AFSCR 177-1). 6. include cash sales from stocks of the DOD; procurement for cash sales by the DOD; DOD credit sales, and DOD guaranties covering the private financing of credit sales of defense articles and defense services. (Sec. 21,22,23, and 24, respectively, AECA) (DOD 5105.38M)" (1:303-304).

"Government-to-government sales of U.S. defense items, as authorized under the Foreign Assistance Act of 1961 and the ARMS EXPORT CONTROL ACT (AECA). In the normal situation, FMS transactions involve DoD contracts with U.S. contractors for the furnishing of military equipment to a foreign government. Although recipient governments generally pay cash for the full costs associated with such sales, some programs involve loans or other arrangements to permit the purchase. A MEMORANDUM OF UNDERSTANDING (MOU) may be used. The process typically entails a letter of request from the foreign country and a letter offer and acceptance, DD Form 1513, DFARS 253.303-1513, which may require congressional approval. The Arms Export Control Act requires that FMS activities be conducted at no cost to the U.S. Government, that all costs be collected from the recipient government, and that payments be made in advance of delivery. FMS are considered a component of the U.S. Security Assistance Program, which provides defense articles, defense services, and military training to U.S. Allies and friendly foreign nations. See DFARS Subpart 225.73; DoD Manual 5105.38M, *Security Assistance Management*, and DoD Manual 7290.3M, *Foreign Military Sales Financial Management*; DSMC, Program Manager's Notebook; Reuter, *The ABCs of FMS*, 30 Cont. Mgmt. 29 (OCT 1990); Grossman, *Foreign Military Sales*, 87-12 Briefing Papers (Nov. 1987)" (39:193).

"A non appropriated fund program for eligible foreign governments to buy defense articles and services, including training, from the U.S. government. Defense articles are defined as weapons systems; munitions; aircraft/vessels; property, material and equipment necessary to furnish military assistance; and, the machinery and tools necessary for the manufacture, production, repair, storage and operation of such articles. Defense services may be defined as any service, test, inspection, repair, training, publication, or technical or other assistance necessary to furnish military assistance, except military education and training activities, which are administered under separate programs. It falls under the broad umbrella of security assistance programs" (47:29-30).

"That portion of United States security assistance authorized by the Foreign Assistance Act of 1961, as amended, and the Arms Export Control Act of 1976, as amended. This assistance differs from the Military Assistance Program and the International Military Education and Training Program in that the recipient provides reimbursement for defense articles and services transferred" (57:150).

"Sale of defense articles and services to a foreign government of international organization under authority of the Arms Export Control Act" (9:A-1).

"That portion of US security assistance authorized by the Arms Export Control Act, as amended, and conducted on the basis of formal contracts or agreements between the United States Government and an authorized recipient government or international organization. FMS includes government-to-government sales of defense articles or defense services, from DOD stocks or through new procurements under DOD-managed contracts, regardless of the source of financing" (14:42).

"...unique to the DOD and operating under the auspices of the Arms Export Control Act. FMS involve the direct or indirect sale of military products to eligible foreign governments for the purposes of strengthening national security and promoting the U.S. industrial base through international sales. FMS, as regulated under DFARS 225.73, Acquisitions for Foreign Military Sales, is a non appropriated fund program for eligible governments to buy defense products for the United States, such as weapons systems, aircraft, vessels, munitions, and related equipment and materials. FMS can also include defense services, publications and training" (12:179).

"Defense articles are defined as the following: weapons systems; munitions; aircraft/vessels; property, material, and equipment necessary to furnish military assistance; and machinery and tools necessary for manufacture, production, repair, storage, and operation of such articles. Defense services are defined as follows: services, tests, inspections, repairs, training, publications, or technical or other assistance necessary to furnish military assistance, except military education and training activities, which are administered under separate programs" (12:277).

"A sale, by the DOD, of Defense articles or Defense services to a foreign government or international organization under authority of the Arms Export Control Act. q36,702 part 271" (17:36,702).

## **2. Main Theme Discussion**

Many definitions were available to evaluate the core meaning of this term. The main emphasis of this term is the involvement of defense articles and/or services as part of the U.S. security assistance. A number of Acts were listed to note the origin of authorization which enables the application of this term.

Although concise definitions are part of the goal of this project, we felt that conciseness would not be suitable for this term because clarity and meaning would be lost. Identification of defense articles and services is needed in order to set constraints of items or actions included under this word. Also, congressional acts are needed as references because of the added meaning which result.

### **3. Initial Synthesized Definition**

A non appropriated fund program which is authorized by the Foreign Assistance Act of 1961, as amended, the Arms Export Control Act of 1976, as amended, and the Foreign Military Sales Act of 1968 with procurement management by an Armed Forces System project Officer, for eligible foreign governments to buy, directly or indirectly, defense articles and services, including training, from the US government. Defense articles are defined as weapons systems; munitions; aircraft/vessels; property, material and equipment necessary to furnish military assistance; and, the machinery and tools necessary for the manufacture, production, repair, storage and operation of such articles. Defense services may be defined as any service, test, inspection, repair, training, publication, or technical or other assistance necessary to furnish military assistance, except military education and training activities, which are administered under separate programs. It falls under the broad umbrella of security assistance programs and promotes the US industrial base.

Synonym: None.

Antonym: None.

### **Foreign Nationals**

#### **1. Published Definition(s)**

"Anyone except citizens of the United States and immigrant aliens. Includes citizens of the United Kingdom and Canada, even when they are given reciprocal-access authorizations as employees of Air Force contractors" (1:304).

#### **2. Main Theme Discussion**

We evaluated the roots of this term. "Foreign" is best defined as "born in, belonging to, or characteristic of some place or country other than the one in consideration" (58:483). "National" is defined as "one that owes allegiance to or is under the protection of a nation without regard to the more formal status of citizen or subject" (58:788). These roots suggest that foreign national is a person who is a citizen of a country where he/she is not presently.

The root definition follows the given definition closely in scope. The additions to the definition may result from nuances established in the contracting arena.

### 3. Initial Synthesized Definition

"This title includes anyone except citizens of the United States and immigrant aliens. It also includes citizens of the United Kingdom and Canada, even when they are given reciprocal-access authorizations as employees of Air Force contractors" (1:304).

Synonym: None.  
Antonym: US Citizen.

## Foreign Ownership, Control or Influence

### 1. Published Definition(s)

"Situation in which the degree of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual) is such that a reasonable basis exists for concluding that CLASSIFIED INFORMATION or special nuclear material might be compromised. DoE has procedures that require certain offerors, bidders, contractors, or subcontractors to submit information that helps in determining whether award of a contract, or continued performance of a contract, may pose an undue risk to the common defense and security because of FOCI. DEAR 904.70; DEAR 952.204-74" (39:193).

"...exists when there is a reasonable basis to conclude that the nature and extent of the FOCI is such that there is the risk that foreign dominance over the management or operations of a facility could result in the compromise of classified information or negatively impact the performance of classified contracts" (21:43).

### 2. Main Theme Discussion

The main point of this term is the reasonable belief of negative insinuation of a foreign interest. We combined the common elements of both definitions. There was superfluous information given in each definition which we left out because the information did not take away from the fundamental meaning of the term.

### 3. Initial Synthesized Definition

The situation in which the nature and extent of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual) is such that a reasonable basis exists for concluding that CLASSIFIED INFORMATION or special nuclear material might be compromised, or the performance of classified contracts may be negatively impacted.

Synonym: None.  
Antonym: None.



## **Foreign Purchaser**

### **1. Published Definition(s)**

"A foreign government, a foreign contractor, or an international organization authorized to purchase military equipment and supplies from US contractors (AFSCR 177-1)" (1:304).

### **2. Main Theme Discussion**

The definition presented above will serve as the initial definition for the test survey. In an effort to further substantiate the spirit of the term, we have analyzed the root terms. "Foreign" means "born in, belonging to, or characteristic of some place of country other than the one under consideration" (58:483). "Purchaser" comes from "purchase" which means "to obtain by paying money or its equivalent" (58:956). Both root words support the current definition which will be used to solicit response from those surveyed.

### **3. Initial Synthesized Definition**

"A foreign government, a foreign contractor, or an international organization authorized to purchase military equipment and supplies from US contractors (AFSCR 177-1)" (1:304).

Synonym:     None.  
Antonym:     None.

## **International Armaments Cooperation**

### **1. Published Definition(s)**

" It generally refers to the collaboration in developing and/or producing weapons between allied governments and industries. One approach to armaments cooperation results from government arrangements to create cooperative projects" (5:26).

"...results from defense companies entering into subcontracts, joint ventures and teaming arrangements with foreign defense companies without government insistence" (5:26).

### **2. Main Theme Discussion**

The common theme presented in the definitions provided above was a working relationship between two parties. Also, in further evaluating these definitions, the authors, Arroyo and Cook,

seem to be making more of a continuing effort to clarify this term. We decided to combine these two definitions to form a single definition.

We also assessed the roots of this term in order to further clarify its meaning.

"International" is "of, relating to, or affecting two or more nations" (58:632). "Armaments" are "arms and equipment (as of a combat unit)" (58:103). Last, "cooperation" is "the action of cooperating; a common effort" (58:288). These root words support the common theme of the definitions given by Arroyo and Cook.

### **3. Initial Synthesized Definition**

The collaboration in developing and/or producing weapons between allied governments and industries. Also, it can involve defense companies, without government insistence, entering into joint ventures, subcontracts and teaming arrangements with foreign defense companies.

Synonyms: None.

Antonyms: None.

## **Multinational**

### **1. Published Definition(s)**

"In a strict sense this term is descriptive of a firm which has centers of operation in many countries in contrast to an "international" firm which does business in many countries but is based in only one country, though the terms are often used interchangeably" (8:1015-1016).

"Having operations, subsidiaries, or investments in more than one country; of, in, or involving several or many countries" (3:821).

"Of or relating to more than two nationalities; of, relating to, or involving more than two nations; have divisions in more than two countries" (37:764).

"...designates a multitude of differing business enterprises with little in common except for their activity of investing in several countries" (28:4).

## **2. Main Theme Discussion**

The main gist of this term is that involvement of more than one nation exists. This term needed to be reevaluated to form more defined boundaries in order to better distinguish "multinational" from "international" and "global".

## **3. Initial Synthesized Definition**

An organization which has operation centers in many countries. This type of organization contrasts international organizations because international organizations deals with many countries but are based in only one country.

Synonyms: None.

Antonyms: None.

## **Global Sourcing**

### **1. Published Definitions**

"global sourcing is the ability to procurement, development and/or produce a product or material any place in the world that can give the best price and/or product." (5:26)

### **2. Main Theme Discussion**

When one thinks of global sourcing it is quite easy to separate this term into two words, global and sourcing. Global is defined in the Collier's Encyclopedia as of or relating to the entire world. Sourcing is defined best by its root word, source. Source means the place or thing from which something comes, develops, or thrives. (13:954) Combining these two separate definitions we arrive at the definition that global sourcing means finding the place or thing from which something comes, develops, or thrives anyplace in the entire world.

### **3. Initial Synthesized Definition**

The ability to procurement, development and/or produce a product or material any place in the world that can offer the best price and/or product.

Synonym: None.

Antonym: None.

# **Gratuity**

## **1. Published Definitions**

"A gratuity is defined as entertainment, gifts, or anything of value offered or given by a contractor or any agent or representative of the contractor to an officer or employee of the Government with a view to securing a contract or securing favorable treatment with respect to the awarding or amending or the making of determinations with respect to the performance of a contract." (7:18.04)

"a gratuity is something acquired or otherwise received without bargain or inducement. State ex rel. Stafford v. Fox-Great Falls theater Corporation, 114 Mont. 52, 132 P. 2d 689, 697. Something given freely or without compense; a gift. Something voluntarily given in return for a favor or especially a service, hence, a bounty; a tip; a bribe. McCook v. Long, 193 Ga. 299, 18 S.E. 2d 488, 490. Can also be called an honorarium." (8:701)

## **2. Main Theme Discussion**

A gratuity is best known as a gift. It can also be known as a tip, bounty, finder's fee or bribe. If it is illegal it then changes from a gratuity to a bribe. Bribes will not be discussed in this document.

Gifts or gratuities can be in the form of something tangible or intangible. It can be of great value or no value at all to either the buyer or seller, but not both. A gratuity must have value to one or both the buyer and seller for it to known as a gratuity.

## **3. Initial Synthesized Definition**

A gratuity is defined as entertainment, gifts, or anything of value offered or given by a contractor or any agent or representative of the contractor to an officer or employee of the Government with a view to securing a contract or securing favorable treatment with respect to the awarding or amending or the making of determinations with respect to the performance of a contract.

Synonyms: None.

Antonyms: None.

## **Host/Buyer Countries**

### **1. Published Definitions**

"a host/buyer country as the country that is buying from a multinational corporation."  
(34:23)

### **2. Main Theme Discussion**

Contract Management defines a host/buyer country as the country that is buying from a multinational corporation. The slashed word host/buyer means that the countries are both the host of the entity allowing the multinational corporations within their borders and the client of the same corporations. (34:23)

### **3. Initial Synthesized Definition**

A host/buyer country is the country that is buying from a multinational corporation.

Synonyms: Buyer, Client.

Antonyms: None.

## **Incoterms**

### **1. Published Definitions**

"There are fourteen ICOTERMS. Each clearly defines a different set of responsibilities with respect to delivery." (7:5.10(9))

ICOTERMS are internationally standardized definitions setting out the rights and responsibilities of exporter and importer regarding the arrangements and payment for the delivery of goods in international sales. (27:2)

### **2. Main Theme Discussion**

These are delivery terms established by The International Chamber of Commerce. They establish a standard set of delivery terms and definitions that offer "neutral" rules and practices. There are fourteen ICOTERMS. Each clearly defines a different set of responsibilities with respect to delivery. It is wise for all involved in international contracting to be familiar with the various ICOTERMS. All ICOTERMS impose various burdens upon the seller both from the delivery and the cost point of view. (7:5.10(9))

In drafting any contract, the provision setting forth the delivery terms should provide that they are to be defined in accordance with the current Edition of the Guide to ICOTERMS published by the International Chamber of Commerce.

### **3. Initial Synthesized Definition**

The International Chamber of Commerce has established delivery terms called ICOTERMS. They are designed to overcome the problems of conflicting national laws and interpretations by establishing a standard set of delivery terms and definitions that offer "neutral" rules and practices. All personnel involved in international contracting should become familiar with the various ICOTERMS beginning with "Ex-works," which means minimum cost coverage by the seller, and ending with the term called "Delivered Duty Paid," which means maximum cost to the seller. There are fourteen ICOTERMS. Each clearly defines a different set of responsibilities with respect to delivery. If delivery is to be at origin the Ex-works should be used because it means that the seller's only responsibility is to make the goods available on the premises. He is not responsible for loading the goods on the vehicle provided by the buyer. The buyer bears the full cost and risk involved in bring the goods from there to the desired destination, and, thus, this term represents the minimum risk for the seller. Above all, delivery Ex-works means that the goods can be delivered and paid for when they are ready to be delivered. That readiness is under the complete control of the seller. All of the other ICOTERMS impose various burdens upon the seller both from the delivery and the cost point of view.

In drafting any contract, the provision setting forth the delivery terms should provide that they are to be defined in accordance with the 1980 Edition of the Guide to ICOTERMS. This is the current guide and it is published by the International Chamber of Commerce.

Synonyms:      Delivery Terms, Terms of Delivery, INCOTERMS.  
Antonym:        None

## **In-Country Sourcing**

### **1. Published Definitions**

"suppliers offered within the geographical boundaries of the recipient purchaser country." (15:572)

## **2. Main Theme Discussion**

In-country sourcing means spending money for raw materials, subcontractors, and supplies from companies that lie within the geographical boundaries of the corporation's country with whom you are conducting business. The term in-country sourcing could also be construed to mean sources offered within the geographical boundaries of the recipient purchaser country. (15:572 )

Black's Law Dictionary defines source as " A place where something is found or whence it is taken or delivered." In-country sourcing denotes that the business takes place in the same country where the contracted effort is done. (8:1394)

## **3. Initial Synthesized Definition**

In-country sourcing means material, manufacturing or service companies located within the geographical boundaries of the recipient purchaser country.

Synonyms: Subcontract, Material Purchases.

Antonyms: None.

## **Industrial Collaboration**

### **1. Published Definitions**

"when the contract-winning company promises a subcontract part of its work to the awarding country." (34:23)

### **2. Main Theme Discussion**

Industrial Collaboration is the act of two industries working or cooperating with one another or others. Industrial Collaboration is used as a type of offset. The purchasing countries requires Industrial Collaboration with a company within their bounties as a condition of sale to a foreign corporation. There are two forms of offsetting. One involves a contractor that promises to buy a certain amount of goods from a country in return for a contract. This is more properly called an indirect offset or countertrade. The other occurs when the contract-winning company promises to subcontract part of its work to the awarding country. This second type of offsetting is called a direct offset or Industrial Collaboration. (34:23)

Another way to look at this term is to break it up into the components of industry and collaboration. Industrial is having to do with any entity which conducts business as a means of livelihood or for profit; especially when one employs much labor or capital and is a distinct branch or trade. (8:776) Collaboration is the act of working together in a joint project. (8:261) The term industrial collaboration could then be derived to mean, conducting business for a profit in connection with a joint project.

### **3. Initial Synthesized Definition**

Industrial Collaboration occurs when the contract-winning company promises to subcontract part of its work to the awarding country and is most used in the Arabian Gulf.

Synonyms: Countertrade, Offsets.

Antonyms: None

## **Industrial Cooperation**

### **1. Published Definitions**

"Action of co-operating or acting jointly with another or other. Association of persons for common benefit. In patent law, unity of action to a common end or common result, not merely a joint or simultaneous action." (8:335)

### **2. Main Theme Discussion**

Industrial Cooperation and Industrial Collaboration seem to be very similar. They both contain the terms industrial but there is a difference between the terms cooperation and collaboration. Collaboration is a much stronger commitment. Collaboration implies a working relationship that may involve a contract and exchange of proprietary data. Cooperation is much milder. It can involve only a telephone call to discuss a mutual problem.

Cooperation is defined in Collier's Dictionary as working together for a common purpose. (13:222)



### **3. Initial Synthesized Definition**

Action of co-operating or acting jointly with another or other. Association of persons for common benefit. In patent law, unity of action to a common end or common result, not merely a joint or simultaneous action.

Synonyms: Joint Venture or Partnership.

Antonyms: None.

## **International Teaming**

### **1. Published Definitions**

"The cooperation among the United States and other governments in weapon development and/or production of same." (5:23)

### **2. Main Theme Discussion**

The best way to understand International Teaming is to break it down into the two words, international and teaming. International is defined as ; of, or relating to, or concerning two or more countries. Teaming is forming a group or partnership to accomplish a mutually rewarding goal. Combining the two terms gives a definition of international teaming as relating to or concerning two or more countries forming an contractual agreement to pursue a mutually rewarding goal. (13:537, 1023)

### **3. Initial Synthesized Definition**

The cooperation among the governments of two or more nations in weapon development and/or production of same.

Synonyms: Partnership

Antonyms: None.

## **Joint Venture**

### **1. Published Definitions**

"A legal entity in the nature of a partnership engaged in the joint undertaking of a particular transaction for mutual benefit. An association of persons or companies jointly undertaking some commercial enterprise; generally all contribute assets and share risks. It requires a community of interest in the performance of the subject matter, therewith, and duty, which may be altered by agreement, to share both in profit or loss." (8:335)

"A one time grouping of two or more persons in a business undertaking. Unlike a partnership, a joint venture does not entail a continuing relationship among the parties. A joint venture is treated like a partnership for Federal income tax purposes." (8:335)

"In a joint venture, companies negotiate a teaming agreement that governs how the members will interact in pursuing or conducting business. The joint venture is characterized by joint ownership, management, and sharing profits and losses. Joint ventures can be partnerships or corporations." (5:26)

### **2. Main Theme Discussion**

Black's states that a joint venture is a formal agreement between two entities to work together. This is true but it can also involve more than two entities. It involves a contract that spells out ownership, management requirements, and profit sharing arrangement before any work is initiated. A joint venture normally involves a one time working arrangement. This working arrangement can vary from a few days to a span of years. Usually, when the joint venture becomes more permanent the agreement is changed to a more formal permanent written agreement such as a partnership or corporation. (8:335, 776)

A joint venture, as used in the government arena, involves a working relationship between the government and a group of private companies, especially multinational corporations, who are the joint venture. (46:24)

### **3. Initial Synthesized Definition**

A one time grouping of two or more persons in a business undertaking. Unlike a partnership, a joint venture does not entail a continuing relationship among the parties. In a joint venture, companies negotiate a teaming agreement that governs how the members will interact in pursuing or conducting business. The joint venture is characterized by joint ownership, management, and sharing profits and losses. Joint ventures can be partnerships or corporations.

Synonyms: Partnership, Corporation, or Teaming.

Antonyms: Sole Producer

### **Lesser Developed Countries**

#### **1. Published Definitions**

"Lesser Developed Countries examples would be Haiti, Somalia and the Sudan. These countries would have less bargaining power with multinational corporations because of the shortage of foreign currency. (2:8)

#### **2. Main Theme Discussion**

The term Lesser Developed Countries (LDCs) is almost self explanatory. These countries are less industrialized, generally poorer and depend on an agricultural economy. These countries may also be lacking socially and educationally as well as economically. (46:156, 208, 426)

LDCs generally have less bargaining power in negotiations with multinational corporations and other countries because of a shortage of foreign currency. They may have much to offer in natural resources but they cannot develop it themselves. They need the multinational corporations to help develop the nation's industries more than the multinational corporations need them.

There are very few offsets that the lesser developed countries can obtain from these corporations because of their inferior bargaining positions. Countertrading manufactured goods for local goods such as rattan baskets does not work very well. The difference in the value of the two products is too great.

### **3. Initial Synthesized Definition**

Lesser Developed Countries examples would be Haiti, Somalia and the Sudan. These countries would have less bargaining power with multinational corporations because of the shortage of foreign currency.

Synonyms: Under Developed Countries, Third World Countries  
Antonyms: World Powers, Developed Countries.

## **Letter of Offer and Acceptance (LOA)**

### **1. Published Definitions**

"U.S. Department of Defense letter by which the U.S. Government offers to sell to a foreign government or international organization U.S. defense articles or services pursuant to the Arms Export Control Act, as amended. The LOA lists the items and/or services, estimated costs, and the terms and conditions of the sale; it also provides for the signature of an appropriate foreign official to indicate acceptance." (15:575)

"The LOA is a document that requests the sale to a foreign nation. The LOA is processed for congressional notification, if required. The LOA lists the items or services, estimated costs, terms, and conditions of the sale; and payment schedules.(46:30)

### **2. Main Theme Discussion**

A letter of acceptance (LOA) is a legal document that requests a sale to a foreign government by a corporation located within the boundaries of the United States of America. This document can be approved or disapproved by the U.S. Department of Defense and/or the Department of Commerce. This approval cycle controls sales of defense products such as weapons, software, and methodologies as well as high technological products and services.

This technique works very well when followed. One of the problems with this procedure is there is no control on what the buyer does with the products or services after the sale is completed. There have been numerous cases of the original foreign buyer selling to a second foreign buyer for a substantial profit goods and services that the United States Government wouldn't sell to the second foreign buyer direct. There is no easy way to stop that problem. The U.S. Government must rely on the integrity of the country/buyer to uphold the conditions of the contract.

### **3. Initial Synthesized Definition**

U.S. Department of Defense letter by which the U.S. Government offers to sell to a foreign government or international organization U.S. defense articles or services pursuant to the Arms Export Control Act, as amended. The LOA lists the items and/or services, estimated costs, and the terms and conditions of the sale; it also provides for the signature of an appropriate foreign official to indicate acceptance.

Synonyms: Purchase Agreement.  
Antonyms: None.

## **Letter of Request (LOR)**

### **1. Published Definitions**

"The term used to identify a request from an eligible FMS (Foreign Military Sales) participant country for the purchase of U.S. defense articles and services. The request may be in message or letter form." (15:575)

"The LOR is used to request defense articles and services as well as planning and review data (P&R); price and availability data (P&A) ; or an actual letter of offer and acceptance.(LOA)The LOR must include a statement of what is desired and sufficient detail on the articles/services for the cognizant Department of Defense (DOD) component to provide a firm basis for the price estimate. The LOR is forwarded through the US. embassy (or the designated Security Assistance Office) or through the nation's in-country representative in the United States for transmission to the appropriate US. government component. The LOR is then validated to ensure that the request is from an eligible recipient, that the article/service is question may be sold, and that the request has been made through the proper channels. The LOA is supposed to contain enough details to allow the contracting officer to negotiate an award without any involvement on the part of the foreign purchaser."(47:30)

### **2. Main Theme Discussion**

The LOR is almost exclusively a FMS methodology. It is used to allow foreign countries, usually allies, to buy products from U.S. manufacturers. The LOR should contain adequate guidance to enable the United States Government to procure the requested goods and services without additional input from the ultimate purchaser. The United States acts as an intermediary for the foreign governments as a means of controlling access to manufacturing techniques, products, or services. The foreign government usually pays a little higher profit to the corporation but the basic price is the same as what the U.S. government pays for its goods and services. (47:30)

### **3. Initial Synthesized Definition**

The LOR must include a statement of what is desired and sufficient detail on the articles/services for the cognizant Department of Defense (DoD) component to provide a firm basis for the price estimate. The LOR is forwarded through the US embassy (or the designated Security Assistance Office) or through the nation's in-country representative in the United States for transmission to the appropriate U.S. government component. The LOR is then validated to ensure that the request is from an eligible recipient, that the article/service in question may be sold, and that the request has been made through the proper channels.

The LOA is supposed to contain enough details to allow the contracting officer to negotiate an award without any involvement on the part of the foreign purchaser.

Synonyms: Purchase Request.  
Antonyms: None.

## **Military Export Sales**

### **1. Published Definitions**

"All sales of defense articles and services made from U. S. source to foreign governments, foreign private firms, and international organizations, whether made by DoD or by U.S. industry directly to a foreign buyer. Such sales fall into two categories: Foreign Military Sales and Commercial Sales." (15:578)

### **2. Main Theme Discussion**

Government restrictions on the sales of certain materials, commodities, products, and weapons in foreign trade is covered under Military Export Sales. Foreign Military Sales are tightly controlled by the Department of Defense. Commercial Sales are controlled by the Department of Commerce using Congressional mandated export controls.

Export controls are one of the major means by which nations try to safeguard their national security and economic interests in the field of trade. This methodology enjoyed some early success in the form of the Battle Act but was soon eroded by the fact that most American allies freely sold their economic and strategic products to communist states. With the breakup of the USSR the U.S. is unsure who are their allies and who are their enemies. This type of control, although still needed, has become too awkward to apply. (46:145-146)

### **3. Initial Synthesized Definition**

All sales of defense articles and services made from U. S. source to foreign governments, foreign private firms, and international organizations, whether made by DoD or by U.S. industry directly to a foreign buyer. Such sales fall into two categories: *Foreign Military Sales and Commercial Sales*.

Synonyms: Foreign Military Sales, International Sales, Sales, Exports, Foreign Exports.

Antonyms: Foreign Imports, Imports, Foreign Purchases, International Purchases.

## **Munitions List**

### **1. Published Definitions**

"The U.S. Munitions List is an enumeration of defense articles and defense services and is published in the Department of State's *International Traffic in Arms Regulations*." (15:579)

"The munitions list is a compilation of all technical data, services and defense products which are controlled by the Office of Defense Trade Controls (ODTC). The ODTC follows the rules and procedures laid down in the *International Traffic of Arms Regulations (ITARS)* and the *Foreign Corrupt Practices Act*." (FCPA)(56:50)

### **2. Main Theme Discussion**

The Munitions List is just that, a list. This list contains all the common names of technical data, services and defense products that are under the direct control of the ODTC. This helps the ODTC follow the rules and procedures outlined in the ITARS and FCPA.

This list is also used in applying the procedures in Military Export Sales.

### 3. Initial Synthesized Definition

The Munitions List is a compilation of all technical data, services and defense products which are controlled by the Office of Defense Trade Controls (ODTC). The ODTC follows the rules and procedures laid down in the International Traffic of Arms Regulations (ITARs) and the Foreign Corrupt Practices Act.

The U.S. Munitions List is published in the Department of State's *International Traffic in Arms Regulations*.

Synonyms: None.

Antonyms: None.

### Obligation Authority

#### 1. Published Definitions

"Obligation Authority (OA), as used in Foreign Military Sales (FMS). A document or authority passed from DFAS-DE/F via a DD Form 2060 (or automated equivalent) to the implementing DoD component which allows obligations to be incurred against a given FMS case in an amount not to exceed the value specified in the obligational authority. The total authority received through use of the DD Form 2060 (or automated equivalent) includes Column 11 authority to incur commitments or obligations directly against the country's trust fund, and column 10 reimbursable orders." (15:580)

#### 2. Main Theme Discussion

Obligation Authority means that the entity/person has the power to bind themselves, their company, or their government contractually to perform a service.

Black's Law Dictionary defines obligation as "Law or duty binding parties to perform their agreement." It goes on to say that an obligation can be "Liabilities created by contract or law."

(8:1074) Black's Law Dictionary defines authority as, "Permission. The power delegated from the principle to his agent, control over; jurisdiction." (8:133) Putting these two definitions together we have the definition of obligation authority as; liabilities created by contract or law agreed to by an agent who has the delegated power from the principle he represents.



### **3. Initial Synthesized Definition**

Obligation Authority (OA), as used in Foreign Military Sales (FMS), is a document or authority passed from DFAS-DE/F via a DD Form 2060 (or automated equivalent) to the implementing DoD component which allows obligations to be incurred against a given FMS case in an amount not to exceed the value specified in the obligational authority. The total authority received through use of the DD Form 2060 (or automated equivalent) includes Column 11 authority to incur commitments or obligations directly against the country's trust fund, and column 10 reimbursable orders.

Synonyms: None.

Antonyms: None.

### **Offset (Direct and Indirect)**

#### **1. Published Definitions**

"Offset " is a generic term used by those in the defense, aerospace, and high-technology industries to describe reciprocal trade arrangements which compliment sale of products. The use of offsets was initiated only 20 years ago as a modified form of countertrade." (2:5,6)

"Offsets are demands by one nation or company for some type of compensation so that another nation or company can make a sale or export." (34:23)

#### **2. Main Theme Discussion**

Black's states that an offset is, "A deduction, a counterclaim; a contrary claim or demand by which a claim can be lessened or canceled. A claim that serves to counterbalance or to compensate for another claim." This legalism means a claim was already established by one party against the second party. The second party initiates an additional claim that can eliminate either fully or partially the initial claim. (8:1084)

"Offset " is a generic term used by those in industry to describe reciprocal trade arrangements which compliment sale of products. The use of offsets is a relatively new methodology started in the late 1960s. Offsetting has been commonly used as a method of financing trade.

There are two forms of offsetting, direct and indirect. One involves a contractor that promises to procure a percentage of subcontract effort within that country as a requirement for a prime contract. This is more properly called a direct offset. The other occurs when the contract-winning company promises to subcontract part of its work to the awarding country. This is called an indirect offset.

Offsets are demands by one nation or company for some type of compensation so that another nation or company can make a sale or export.

The Coca-Cola company refused to accept offsets to break into the lucrative Soviet Union Market. Their main competitor, Pepsi-Cola, broke into this market 15 years earlier by accepting Stolichnaya vodka as a reciprocal purchase, a direct offset. (2:8)

### **3. Initial Synthesized Definition**

"Offset " is a generic term used by those in the defense, aerospace, and high-technology industries to describe reciprocal trade arrangements which compliment sale of products. The use of offsets was initiated only 20 years ago as a modified form of countertrade.

There are two forms of offsetting. One involves a contractor that promises to buy a certain amount of goods from a country in return for a contract. This is more properly called countertrade. The other occurs when the contract-winning company promises a subcontract part of its work to the awarding country. This is called industrial collaboration and is most used in the Arabian Gulf.

Synonyms: Countertrade, Industrial Collaboration.

Antonyms: None.

## **Planning and Review Data (P&R)**

### **1. Published Definitions**

"When a foreign purchaser has not made a firm decision to obtain particular articles/services he may request P&R data. P&R provides rough order of magnitude (ROM) data for preliminary review and planning purposes for the possible purchase of articles and services. Such information may not be used for firm budget estimates." (47:38-39)

## **2. Main Theme Discussion**

Planning and Review Data (P&R) is basic information pertaining to costs. Although a firm decision to buy the product or services has not been made cost data is needed to help the purchaser complete his decision making process. This data is usually just an estimate but is sufficient for preliminary reviews and planning purposes.

## **3. Initial Synthesized Definition**

When a foreign purchaser has not made a firm decision to obtain particular articles/services he may request P&R data. P&R provides rough order of magnitude (ROM) data for preliminary review and planning purposes for the possible purchase of articles and services. Such information may not be used for firm budget estimates.

Synonyms: ROM (rough order of magnitude), Estimate.

Antonyms: None.

## **Price and Availability Data (P&A)**

### **1. Published Definitions**

"P&A data includes budget estimates, as well as support equipment and other costs."  
(47:39)

### **2. Main Theme Discussion**

This definition is similar to price data requested during normal government negotiations. The purchase decision is usually made before this data is requested. This additional data is called P&A data. P&A data includes budget estimates, as well as support equipment and other costs. This data should be detailed enough to transfer to the LOA without modification.

### **3. Initial Synthesized Definition**

When a purchase decision has been made then additional data may be requested. This additional data is called P&A data. P&A data includes budget estimates, as well as support equipment and other costs. This data should be detailed enough to transfer to the LOA without modification.

Synonyms: Estimate, Purchase Order.

Antonyms: None.

## **Reciprocal Trade Agreements**

### **1. Published Definitions**

"Agreement between two or more countries providing for interchange of goods between them at lower tariffs and better terms that exist between one such country and other countries. *e.g.* U.S. Reciprocal Trade Agreements Act of 1934." (8:1270)

"A *quid pro quo* (something for something) basis for international bargaining on tariff rates. While reciprocity is the basis for negotiation mutual trade concessions, it can also imply retaliation for tariff increases by other nations. Tariff rates may be raised unilaterally, but they are seldom if ever lowered without reciprocal reductions. (46:148)

### **2. Main Theme Discussion**

This term is an agreement to lower tariffs between two or more countries to better terms than exist between one of these countries and other countries. The European Economic Community (EEC) and North American Free Trade Agreement (NAFTA) are examples of reciprocal trade agreements. The history of international trade demonstrates the low-tariff periods are typically followed by a return to protectionism (with its high tariffs) when national economies are depressed. (46:160-161)

### **3. Initial Synthesized Definition**

Agreement between two or more countries providing for interchange of goods between them at lower tariffs and better terms that exist between one such country and other countries. *e.g.* U.S. Reciprocal Trade Agreements Act of 1934.

Synonyms: Trade Agreements.  
Antonyms: None.

## **Red Flag List**

### **1. Published Definitions**

"warning signs, or red flags, that may indicate a suspicious, noncompliance, or illegal export. (22:15)

## **2. Main Theme Discussion**

This term is a name for a list. This list is for exporters to see some of the potential and real problems that currently exist in their field. This publication by the Bureau of Export Administration provides a list to all exporters of typical warning signs, often called Red Flags, that may indicate a suspicious, noncompliant, or illegal export.

## **3. Initial Synthesized Definition**

A recent publication by the Bureau of Export Administration which provides a list to exporters of typical warning signs, or red flags, that may indicate a suspicious, noncompliant, or illegal export.

Synonyms: None.  
Antonyms: None.

## **Specially Designated National List**

### **1. Published Definitions**

"A list of foreign nationals and entities with which all business transactions are forbidden by authority of the Office of Foreign Assets Control." (22:15)

### **2. Main Theme Discussion**

This term is a list of foreign nationals and entities with which all business transactions are forbidden by authority of the Office of Foreign Assets Control. This office administers the regulations issued by the Treasury Department. This list is published in the Federal Register. This list is similar to the Debarred Contractor List.

### **3. Initial Synthesized Definition**

A list of foreign nationals and entities with which all business transactions are forbidden by authority of the Office of Foreign Assets Control. This office administers the regulations issued by the Treasury Department. This list is published in the *Federal Register*.

Synonyms: Debarred Contractors.  
Antonyms: None.

## **Technology Transfers**

### **1. Published Definitions**

"Technology transfer is the transfer of technology from one county to another." (5:27-28)

### **2. Main Theme Discussion**

One of the ways to explain this double worded term is to take it apart and explain each word separately. Webster's defines technology as, " a manner of accomplishing a task especially using a technical process." (58:1210) Black's states that a transfer is, " the all-encompassing term used by the Uniform Commercial Code to describe the act which passes an interest in an instrument to another. Every mode, direct and indirect, absolute or conditional, voluntary or involuntary, of disposing or parting with property or an interest in a property." (58:1496) Thus technology transfer can be said to be the method of passing a technical process or product from one interested party to another.

Technology transfer is the transfer of technology from one county to another. This is controlled by technology transfer restrictions.

### **3. Initial Synthesized Definition**

Technology transfer is the transfer of technology from one county to another.  
This is controlled by technology transfer restrictions.

Synonyms:     Head Hunting, Industrial Spying.  
Antonyms:     Proprietary Data.

## **Third Country National**

### **1. Published Definitions**

None.

## **2. Main Theme Discussion**

The definition was based entirely on a discussion with Frank Sunderhaus because we could not find it in our literature search. This seems like a very simple definition and we do not expect much disagreement. (54)

## **3. Initial Synthesized Definition**

A person who works for the U.S. Government in a foreign country who is not a citizen of that country or of the United States or a U.S. protectorate.

Synonyms: Employee.  
Antonyms: None

## **Transnational Solution**

### **1. Published Definitions**

"A concept of exporting mind-set of multiple strategic capabilities of high quality products." (45:22-25)

### **2. Main Theme Discussion**

As leader of the free world, Americans live the American dream-- the belief that everyone should have the benefits of a free, democratic society providing the availability of necessities and luxuries of life. Americans tend to want to "Americanize" the world. An example would be in Japan. The Japanese youth are using credit cards and are much less conservative than previous generations. They drink coke, smoke cigarettes, and watch baseball. The main difference is the language, with English being taught in all the schools as a second language. As this lifestyle spreads, export opportunities for American companies should increase. This could be called exporting a mind-set of multiple strategic capabilities for high quality products. This method is being used in many countries of the world to create a demand for American products where one did not exist before. This demand is the transnational solution to the problems of the American economy.

### **3. Initial Synthesized Definition**

A concept of exporting a mind-set of multiple strategic capabilities of high quality products. The most successful American export to Japan is our lifestyle.

Synonyms: Lifestyle, Mindset, Outlook on Life.

Antonym: None.

### **Validated License**

#### **1. Published Definitions**

"A document issued by, or under the authority of, the Department of Commerce in response to an application filed by an exporter before the export of goods, technology, or services." (22:150)

"It is a grant of authority given to a particular exporter for specified commodities to specified destinations for a specific end-use by a designated end-user." (22:150)

#### **2. Main Theme Discussion**

There are two types of licenses used in the export business, validated and general. A general license is for items that are permitted to be exported without a validated license. No written application is required and no document is issued by the Department of Commerce. An exporter makes his own determination that a particular export is permitted under a general license and proceeds relying on that decision. A validated license is a legal document issued by the Department of Commerce in response to an exporter's application. This written authority must be granted before the exporter can export the goods, technology, or services. It is a grant given to a particular exporter for specified commodities for a specific end-use by a designated end-user. (22:15)



### 3. Initial Synthesized Definition

A document issued by, or under the authority of, the Department of Commerce in response to an application filed by an exporter before the export of goods, technology, or services. It is a grant of authority given to a particular exporter for specified commodities to specified destinations for a specific end-use by a designated end-user.

Synonyms: Export License.

Antonyms: Import License.

### C. Summary

This chapter presented the synthesized definitions which were formed from analyzing our literature research. These terms and respective definitions appeared on a draft questionnaire/survey which was sent to a panel of experts in the international acquisitions field for review and comments. Analysis of results from the draft questionnaire/survey was used to compile a finalized version of the questionnaire/survey. The finalized version of the questionnaire/survey was sent to a randomly selected sample of National Contract Management Association (NCMA) Certified Professional Contract Managers (CPCMs) for another round of review and comments. The results of the second survey were used "to determine the extent of their agreement with the proposed definition" (6:68).

The survey and our methodology is described in chapter three, which is entitled Methodology. The results and analysis of the draft survey are located in Appendix E, and the results and analysis of the actual survey are located in chapter four, which is entitled Data Results and Analysis. Conclusions, recommendations, and lessons learned are located in chapter five, which is entitled Conclusions and Recommendations.

### **III. Methodology**

#### **A. Introduction**

The methodology used in this thesis will be identical to the methodology used by the Zigman/Stormer team on the previous thesis in this series of studies on defining contracting terms. The methodologies used by earlier researchers will be described in more detail below and in Appendix A hereof. The procedure by which consensus definitions are developed was discussed but not fully explained in Chapters I and II. This chapter provides a comprehensive explanation of the research methodology used in the accomplishment of this thesis effort.

#### **B. Methodology Overview**

The previous undertakings have established a common methodology. For the sake of consistency, the current researchers will continue to use the same methodology (with only minor variations specifically suggested by Spalding and Cushing to enhance its effectiveness). This chapter summarizes the selection of the survey population, the development and administration of the survey instrument, and the establishment of decision rules for the analysis of survey responses. The investigative questions and the methodology we intend to follow are addressed in detail in Appendix A.

The remaining paragraphs in this section will spell out the process of deriving the synthesized consensus definitions and any variations in methodology this thesis will incorporate. Additional clarification of the methodology may be found described in detail in Appendix A.

#### **C. Detailed Methodology**

##### **1. The Process**

The activity of deriving a synthesized consensus definition for each term can be explained in eight steps. Each step is summarized in subsequent paragraphs, and a more detailed description is included as Appendix A.

The following is a list of the steps which will be included in this thesis:

- a) Selection of Terms
- b) Performance of Literature Review
- c) Analysis of Literature Review
- d) Derivation of Proposed Synthesized Definitions
- e) Survey Population and Sample Derivations
- f) Description of Surveys
- g) Deviations from Previous Methodology
- h) Analysis of Survey

## **2. Definitions.**

### **a) Selection of Terms.**

The majority of these terms were selected from the 1993 graduate thesis written by Zigman and Stormer. The remaining terms were found during our Literature Review or personal interviews of contracting professionals.

### **b) Performance of Literature Review.**

An independent literature review was conducted for each term. The results of the literature review, located in Chapter II, answer investigative question 1 for each of the acquisition related terms.

### **c) Analysis of Literature Review.**

Chapter II includes a summary of the analysis performed for each term.

### **d) Derivation of the Proposed Synthesized Definitions.**

A proposed synthesized definition for each term was developed based on the analysis conducted in the previous step and was used to conduct the surveys.

**e) Survey Population and Sample Derivation.**

The draft survey was reviewed by a panel of 54 experts in international acquisitions who are members of the International Acquisition Special Topic Committee of the National Contract Management Association (NCMA) .

The sample from the actual survey population of currently active NCMA Certified Professional Contract Managers (CPCMs) was derived from a list supplied by the NCMA. The precise sample size of 145 randomly selected, currently active CPCMs was determined using the formula and methodology discussed on page 6 of Appendix A. Our calculations for sample size are in Appendix B. CPCMs are considered knowledgeable contracting professionals based on their passing NCMA's professional examination and meeting stringent educational prerequisites. This population and general methodology have been accepted as the most appropriate system for the overall project.

*(1) Added Constraint*

Some researchers did not make the distinction that CPCM members must be current NCMA members. This caused their response rates to be artificially low. These earlier mailing lists included:

- some members with inaccurate addresses,
- some who had changed career fields and were no longer actively involved in contracting, and
- some who were deceased.

We have tried to include only current NCMA members, as recommended by both previous sets of researchers. This will increase the survey response rate and add to its validity. We have imposed an additional constraint for this thesis of only using CPCMs who are current members in the survey's population.

## **f) Description of Surveys.**

Mail surveys were sent to a representative random sample of contracting professionals. This followed the previously established method which derives consensus definitions for this continuing study effort. Definitions need to be read and analyzed before making an appraisal of their validity, rather than being verbalized during a face-to-face interview or heard over the telephone during a telephone survey. This is not the type of research that allows for judgments made with a minimum of thought.

### *(1) Draft Survey*

There was a draft survey sent to 54 members of NCMA who were members of the International Acquisition Special Topic Committee. The draft survey was split into two surveys, A and B. Separation of the terms into two surveys was expected to increase the response rate and the quality of the responses. The terms from survey A were sent to 27 respondents and the terms from survey B were sent to 27 respondents. Survey A consisted of twenty-six terms and Survey B consisted of the twenty-five terms remaining after the results of the literature review were analyzed. This methodology greatly reduced the time spent on our survey by the respondents. The draft surveys were sent to these specially selected respondents to gauge the validity and content of our survey. Draft survey A is located in Appendix C and draft survey B is located in Appendix D.

### *(2) Actual Surveys*

The actual survey was the same as the draft survey except for the following differences:

- content revisions based on draft survey results located in Appendix E.
- increased sample size, and
- CPCMs chosen randomly
- Copies of the actual surveys A and B are located in Appendices F and G respectively.

*(3) First Follow Ups*

Follow ups in the form of post cards (one week after the initial round of actual surveys) were then used to remind respondents of the importance of their participation in the survey. Such follow-ups are recommended in the Dillman technique which is fully explained in pages 4-5 of Appendix A. An example of the postcard is located in Appendix H.

*(4) Second Follow Ups*

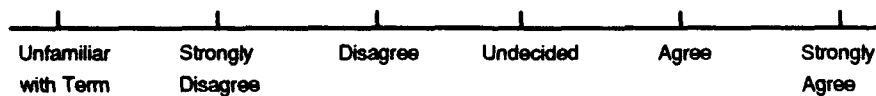
One month after mailing the initial surveys, a second copy of the survey was sent to the respondents who did not respond to the initial survey. A letter accompanied this second copy which reminded them more firmly that their input was essential to the success of this project. A copy of this letter is located in Appendix I.

**g) Deviations from Previous Methodology**

*(1) Change in Format*

Copies of Surveys A & B and associated correspondence are included as Appendices B and C, respectively, to this thesis. The survey structure is based on Zigman's and Stormer's survey development (pages 7 and 8 of Appendix A) with no exceptions.

The Likert type scale used is shown below:



(Note: The numerical values sometimes associated with a Likert scale are not included here. This is to remain consistent with the qualitative nature of this and previous research as detailed in Appendix A.)

*(2) Change in Calculation.*

The choice, recommended by the two previous research teams, "unfamiliar with term," was excluded from calculations determining the level of consensus associated with that term. If the person is honest enough to state he is unfamiliar with the term then that non-answer should not be considered in our calculations. In our research, there were participants who did not respond to

some survey items. We considered these non-answers the same as "unfamiliar with term" answers.

The calculation is described in detail on page 8 in Appendix A. The associated, proposed Decision

Rule is:

3. "Those who identify themselves as unfamiliar with a term will be excluded from calculations determining the level of consensus associated with that term" (51:3-5).

#### **h) Analysis of Surveys**

The survey responses were examined, analyzed and categorized. The results of the draft survey is located in Appendix E while the actual survey analysis is discussed, in detail, in Chapter IV. Each proposed synthesized definition, depending on the survey results, has either

- been modified to reflect the survey's recommended changes; or
- been used as the final synthesized consensus definition.

#### **D. SUMMARY**

Chapters I and II provided the background for the current research effort and summarized the literature review. This chapter has described the methodology we used for this thesis. Essentially, the proposed synthesized definitions that reached a consensus are used verbatim as the final consensus definitions. Where consensus was reached, but comments presented a similar disagreement or a valuable suggestion was tendered for improvement of a specific term, the authors revised the definitions to reflect the additional knowledge. Appendix A and the variations listed above in Chapter III detail the methodology that guided this research effort. Complete results of the mail surveys, as they were conducted, and related analyses of the comments received are described in Chapter IV, which follows. Chapter V provides the researchers' conclusions and recommendations.

## IV. Data Analysis and Results

### A. Introduction

This thesis contains the following international contracting terms and respective finalized definitions:

Agent Authority	Global Sourcing
Application Control Number	Gratuity
Color of Money	Host/Buyer Countries
Commercial Sale	In-Country Sourcing
Commercial-Type Items	Industrial Collaboration
Conventional Arms Transfer (CAT)	Industrial Cooperation
Cooperative Agreement	International Teaming
Cooperative Development	Joint Venture
Coproduction, International	Lesser Developed Countries
Countertrade	Letter of Offer and Acceptance (LOA)
Country Groups	Letter of Request (LOR)
Direct Procurement	Military Export Sales
Domestic Preference	Munitions List
Duty	Obligation Authority
Eurodollars	Offset (Direct and Indirect)
Exclusive License	Planning and Review Data (P&R)
Export Control Classification Number	Price and Availability Data (P&A)
Export-Import (EXIM) Bank	Reciprocal Trade Agreements
Export License	Red Flag List
Foreign Currency-Contributed Funds	Technology Transfers
Foreign Military Sales (FMS)	Third Country National
Foreign Nationals	Specially Designated National List
Foreign Ownership, Control or Influence	Validated License
Foreign Purchaser	Icoterms
International Armaments Cooperation	Transnational Solution
Multinational	

As discussed in chapter one, the overall purpose of this thesis is to provide additional entries to a standardized dictionary of contracting terms. This dictionary will help to tear down the language barriers which impede the contracting process.

This thesis has the additional responsibility of clarifying international terms. It is very important because of the wide disparity of cultural gestures, legal systems, and native languages, which exist. With the increased activity in the international contracting arena and projected



increases of future dealings, this thesis will help alleviate the anxiety contained within international contracting.

Chapter two presented the literature review research and the resulting initial synthesized definitions. These terms and respective definitions were used on a draft survey which was sent to an international acquisition panel of experts for evaluation. The feedback received from this draft survey was used to revise our questionnaire. A compilation of draft survey findings, analysis of these findings, and revisions for the actual survey are located in Appendix E.

A detailed description of the methodology is located in chapter three and in Appendices A and B. The methodology included discussion about the literature review, the surveys, and the calculations involved throughout our analysis.

This chapter provides a summary of the survey response rate and overall perception of participant responses, demographical information about the respondents, analysis of the results from the actual questionnaire, and finalized forms of the definitions and/or terms.

## **B. Draft Survey**

A total of 54 questionnaires were sent out to a panel of international acquisition experts who are current members of the National Contract Management Association (NCMA) as well as Certified Professional Contract Managers (CPCMs). Two surveys, one contained 26 terms and the other contained 25 terms, were each sent to 27 potential respondents. Out of the 54 questionnaires sent out, 25 questionnaires were returned. Four surveys were returned because the participants felt they did not have enough current experience, due to retirement or change of occupational duties, to validly answer the questionnaire. Two surveys were sent back because of incorrect addresses. The total number of unusable questionnaires was six. This leaves 21 surveys which contained useful information for this thesis project. This number is small but we considered these respondents as a panel of experts to help formulate the definitions for the actual survey.

On the whole, most of the terms received strong consensus from the participants. A majority of the comments, which were received, provided useful information for improving the

definition and/or term. These comments were used to provide more clarity, conciseness, and information to better the definitions and increase consensus. The comments which were discarded were derogatory, without being constructive towards the project and/or the researchers, and deserved no consideration. The actual results of the draft survey is included in Appendix E.

### **C. Actual Survey**

A total of 290 questionnaires were sent out to a random sample of National Contract Management Association (NCMA) Certified Professional Contract Managers (CPCMs). Two surveys, one contained 26 terms and the other contained 25 terms, were each sent to 145 potential respondents. Out of the 290 questionnaires sent out, 197 questionnaires were returned. 10 surveys were returned because the participants felt they did not have enough current experience, due to retirement or change of occupational duties, to validly answer the questionnaire. Eight surveys were sent back because of incorrect addresses. The total number of unusable questionnaires was 20. This leaves 187 surveys which contained useful information for this thesis project. This number of surveys far exceeds the required sample size of 132 needed to successfully analyze our data.

The response rate for the actual survey exceeded our initial expectations. The total amount of responses was 205 out of 290 surveys, or 71%. Out of the responses received, 187 or 66% were useful to our thesis effort. If we threw out the unusable responses out of the total amount of surveys which were sent out, our response rate goes from 66% to 68%.

On the whole, most of the terms received strong consensus from the participants. A majority of the comments, which were received, provided useful information for improving the definition and/or term. These comments were used to provide more clarity, conciseness, and information to better the definitions and increase consensus. The comments which were discarded were derogatory. They were totally negative either towards the project and/or the researchers and deserved no consideration.

## B. Demographics

This section provides a compilation of demographical information of the panel of experts in international acquisition which was used to evaluate the draft survey prior to final release to a random sample of NCMA CPCMs.

**Where are you presently employed?**

Survey Version	A	B	A + B	%
Government Contracting Activity	30	48	78	41%
Commercial Contracting Activity	30	27	57	30%
Academic Institution	4	5	9	5%
Other	29	14	47	24%

**What is the primary activity of your current job position?**

Survey Version	A	B	A + B	%
Contracting/Acquisition	71	72	143	76%
Manufacturing/Production	0	4	4	2%
Accounting/Audit	2	2	4	2%
Pricing	2	1	3	2%
Engineering	0	0	0	0%
Research	2	0	2	1%
Legal	2	1	3	2%
Other	14	14	28	15%

**What is your primary area of expertise?**

Survey Version	A	B	A + B	%
Contracting/ Acquisition	81	88	169	90%
Manufacturing/ Production	0	0	0	0%
Accounting/ Audit	2	1	3	2%
Pricing	3	1	4	3%
Engineering	0	1	1	0%
Research	0	0	0	0%
Legal	1	0	1	0%
Other	6	3	9	5%

**How many years of experience do you have in your area of expertise?**

Survey Version	A	B	A + B	%
5 years or less	1	8	9	5%
6-10 years	6	26	32	17%
11-15 years	11	27	38	20%
16-20 years	16	13	29	16%
20+ years	59	20	79	42%

**C. International Contracting Terms and Finalized Definitions**

This section presents the data collected from the actual questionnaire/survey, analysis and discussion of the data, and the finalized definitions.

**Agent Authority**

**1. Actual Questionnaire Definition**

The specific limits of the power to act which is authorized or delegated by a principal to his/her agent.

Synonym: Proxy, Medium.

Antonym: Principal.

## 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
3	1	0	1	4	63	21	84
3%	1%	0%	1%	4%	68%	23%	94%

### a. Survey Comments

Agree. I would have used "power of attorney" instead of medium as a synonym

Agree. Suggest deletion of medium

Agree. Don't like either synonym. Not appropriate for contracting business. "Proxy" normally relates to stockholders. Don't see how "medium" relates at all except as someone "in between".

Agree. Synonyms are weak.

Agree. The synonym words may be weak. If someone acts for you, "proxy" is not strong enough.

Agree, Do not think "medium" is appropriate. Also believe "proxy" should be use in govt acquisition.

Agree. In the commercial environment the term "delegation of authority" or "delegated authority" is most common.

Agree. Possible synonym: contracting officer

No Likert Rating. Suggest deletion of "the specific limits of".

Agree. Power "to" act, not just limits.

Agree. Only if changed to "A limited power to act....".

Agree. Suggest adding 'implied'

Agree. Add: An agent's authority may be expressed, implied, or apparent.

Agree. Maybe say: Specific, limited power to act....--the definition here stresses the limits too much and authority = power, NOT limits. Otherwise it is fine. Get rid of medium.

Change antonym to 'principal authority'.

Disagree. Agent authority is that which is granted by the principal and/or that which is perceived by a reasonable, prudent businessman (apparent or implied authority). Maybe a cross reference to apparent or implied.

### b. Analysis and Discussion

Although a large majority of the respondents agreed with the presented definition (94%), the researchers believe that the comments were very useful. The comments were grouped into two categories--one deals with Synonym and antonyms, and the other deals with "how" and "to what extent" of the limits of authority. The resulting definition is presented below.

### 3. Finalized Definition

The specific limited power (expressed, apparent, or implied) to act which is authorized or delegated by a principal to his/her agent.

Synonym: Delegated Authority, Contracting Officer  
Antonym: Principal Authority

### Application Control Number

#### 1. Actual Questionnaire Definition

The preprinted control number on the Bureau of Export Administration's application for a validated license (BXA-662P). One use of the control number is to track the progress of the application through the Department of Commerce.

Synonym: None.  
Antonym: None.

#### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
3	54	2	0	6	24	4	28
3%	59%	2%	0%	6%	26%	4%	78%

##### a. Survey Comments

**Strongly Disagree.** While the definition may correctly apply to a BOE application, the generic application control number could refer to other documents.

**Unfamiliar with term and Strongly Agree.** While being unfamiliar with the Bureau of Export Administration methodology, the use of a control number is to track progress through the administration processes. Therefore, I would strongly agree with this.

##### b. Analysis and Discussion

Although 28 out of 36 responses agreed with the current definition, it has been brought to our attention by the previous comments that this is not an "international only" term. The final definition was made more generic.

### 3. Finalized Definition

The preprinted control number of the Bureau of Export Administration's application for a validated license (BXA-662P). One use of the control number is to track the progress of the application through the administrative process.

Synonym: None.  
Antonym: None.

### Color of Money

#### 1. Actual Survey Definition

This term describes the type of procurement funding and appropriation code number which will be used (e.g., FMS).

Synonym: None.  
Antonym: None.

#### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
3	11	5	7	6	48	13	61
3%	12%	5%	8%	6%	52%	14%	77%

##### a. Survey Comments

**Strongly Disagree.** This term can refer to many other types of funding--more than just procurement. It can include O&M operations and maintenance and R&D.

**Strongly Disagree.** Appropriation terms and conditions are different for different agencies.

**Disagree.** For Synonym, Type and kind of money are used interchangeably for color of money. Using the word "procurement" funding is a misnomer for the army. Army procurement funding is associated only with production requirements. Your "e.g." really should identify "RDT&E, Production, O&S, as well as FMS (which could also be 'special defense acquisition funds (SDAF) for FMS). Also include construction funding.

Appropriation code number is fine.

**Disagree.** Refers to RDT&E, Procurement, O&M.

**Agree.** I would have also interpreted this to mean 6.1, 6.2, 6.3 type funds

**Agree.** The example of FMS is a weak one. Better to use DBOF, procurement appropriation or a more common one.

**Agree.** Normally one thinks more of 'US' funds categories than FMS even though FMS are likewise identified. Change "FMS" to 'R&D funding'.

Agree. Also used in broader context such as IR&D monies vs B&P (bid and proposal) and vs production monies, i.e., contract award monies. I agree though that it primarily refers to govt funding and appropriation but its use is being stretched to cover commercial application.

Strongly Agree. Possible Synonym: basic appropriations. Annual Accounts: OMN-1yr, MPN-1yr food for ships; multiyr-SCN (shipbuilding), PAMN (aircraft, missiles), OPN (other), RDTEN (research)

Agree. Add O&M, R&D to example.

Strongly Disagree. Represents an "expression" that describes..vs term. Describes types of appropriations to which procurement applications restrictions are stated.

Disagree. Delete the terms "procurement" and "code number"

Disagree. This term is often used to reference to the investment accounts but also to the O&M accounts. Inclusion of the term "procurement" tends to lead one to a consideration of the investment accounts only.

Undecided. The definition should also address the fiscal year allowability for use of the identified funds.

Undecided. Insert "This term 'is jargon and refers to' the type...." instead of "describes")

Undecided. Suggest not using "procurement"--not necessary and can be confusing.

"Procurement" is one type of funding as opposed to R&D and O&M funding. Suggest not using FMS as an example. FMS is too unusual. It's no year money. FMS NOT known to most people. Either eliminate examples or put down more common ones such as R&D.

Agree. Also 'year'.

Agree. I think that you should also add that the significance of different colored money is that the funding is restricted to that type of procurement and cannot be used interchangeably with other colored money. Also, elaborate more on example--R&D, etc.

Agree. Rewrite: This term describes the type of procurement funding 'and/or' appropriation code number which 'could' be used...

Agree. More definition of "colors", codes, etc. would be helpful.

Strongly Agree. Should read: ..."describes the type of procurement and identifies the appropriation code number attached to it".

## **b. Analysis and Discussion**

The majority of the respondents tended to agree with the survey definition.

Although many agreed with the definition, the respondents (agree and disagree) voiced many ideas to improve the definition. The areas of interest included the types of examples given for this term and word usage within the definition. Using these suggestions to improve the content of this definition, we formulated the definition as presented in the following section.



### 3. Finalized Definition

This term is jargon and refers to the type of funding and /or identifies the appropriation code number which could be attached to it. This term also addresses the fiscal year allowability for use of applicable funding (e.g., O&M, RDT&E, IR&D, FMS).

Synonym: Basic Appropriations, Type of Money, Kind of Money.  
Antonym: None.

## Commercial Foreign Sale

### 1. Actual Questionnaire Definition

The sale of articles or services made by US industry directly to a foreign buyer that is not administered by the DOD through Foreign Military Sales procedures and does not involve credit under the provisions of the Foreign Military Sales Act or the Arms Export Control Act.

Synonym: Direct commercial sale.  
Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
1	13	1	2	2	58	16	74
1%	14%	1%	2%	2%	63%	17%	94%

#### a. Survey Comments

Agree. Change synonym to "Direct international sale."  
Agree. Possible antonym might be "Foreign Military Sale".  
Strongly Agree. Possible antonym: FMS.

Disagree. A DOD only definition.  
Strongly Agree. Rather than DOD, should read: "by an agency of the US govt." DOD is not the only govt agency involved in foreign sales.

#### b. Analysis and Discussion

A 94% agreement resulted from survey respondents. Despite the fact that the bulk of participants agreed with the survey definition, a number of comments were taken into consideration. Several comments dealt with antonym/synonym issues. Others discussed a

need for more generalized definition instead of a DOD specific definition. These comments were carefully considered and the researchers determined that they would be constructive changes. The changes to this definition are reflective of the comments made by the respondents.

### 3. Finalized Definition

The sale of articles or services made by US industry directly to a foreign buyer that is not administered by an agency of the US government through Foreign Military Sales procedures and does not involve credit under the provisions of the Foreign Military Sales Act or the Arms Export Control Act.

Synonym: Direct commercial sale, direct international sale  
 Antonym: Foreign Military Sales.

## Commercial-Type Item

### 1. Actual Questionnaire Definition

Any items, including those expended or consumed in use that, in addition to military use, are used and traded in normal civilian enterprise and which are, or can be imported/exported through normal international trade channels.

Synonym: None.  
 Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
3	1	4	14	8	50	13	63
3%	1%	4%	15%	9%	54%	14%	71%

#### a. Survey Comments

Strongly Disagree. I could agree if you change "military use" to 'government use'.

Disagree. It is believed that GSA used letter terms in its contracts to describe the item. GSA deals with various sales, e.g., to states, which is not clear above.

Disagree. Rewrite: Any items used and traded in normal civilian enterprise and which are, or can be imported/exported through normal international trade channels and which can be expended or consumed in military use.

Agree. Insert after "military use, are used 'or potentially to be used' and traded in normal..."

Agree, if changed to "Any items, including those expended or consumed in use, that, in addition to government use are used and traded in normal private enterprise and which are, or can be, imported/exported through normal international trade channels.

Strongly Disagree. Commercial items are throughout the Govt. See no need for reference to military use.

Strongly Disagree. Commercial item is one sold in substantial quantities to the general public. A commercial item may have a "dual use" for military applications. Additionally, the exportability of the item has no intrinsic value to its definition as "commercial"--some computer products require special consideration prior to export.

Disagree. If the item is "used and traded in normal civilian enterprise", why isn't it just simply a "commercial item"? Why is it called "commercial type"? Delete "in addition to military use".

Disagree. Rewrite: Item that is used and traded in normal civilian enterprises. Expansions are unnecessary and confusing.

Disagree. I would tend to define this as "commercial off-the-shelf items as opposed to items manufactured or produced in accordance with a military specification".

Disagree. Known as Standard Commercial Item. The "type" indicates that the commercial item is in a product family available commercially but has been modified to some extent to meet govt requirements. e.g., a "ruggedized" computer.

Disagree. Implies is used for military. But it might not be used by military and still can be used. (This would be rare). Insert 'either as is or with minor modifications' after "Any items"

Undecided. I'm not certain about the part regarding export through international trade channels. Can all commercial items be sold internationally?

Undecided. Can also mean a non developmental item that has been produced for sale in the commercial marketplace.

Disagree. A commercial item doesn't have to be "in addition to military use"--think from a civilian federal standpoint.

Disagree. Commercial implies the manufacturing of an item by more than one source and in sufficient quantities to have market outside the military.

Agree, "in addition to military use"--usually are primarily commercial (biggest market) and secondarily adopted for military use.

Agree. Possible synonym: "off-the-shelf item". Possible antonym: "military specification item".

Agree. Possible synonym: Dual use item

No Likert Rating. Possible synonym: dual use item.

Undecided. Recommend adding "manufactured" between "are" and "used" in second line

Agree. Accepted in the trade. Replace "are" at beginning of second line with 'could be'.

## **b. Analysis and Discussion**

This term met consensus but was close to the minimum requirement of two-thirds agreement by respondents. The abundance of comments brings to light some major concerns.

Several of the comments inferred that some respondents may have confused "commercial-type item" with "commercial item." This confusion may have resulted from misreading the term or being under the assumption that the two terms are synonymous.

Other comments noted that this definition could be made more generic by inserting "government use" for "military use."

Some respondents offered alternate definitions as well as possible Synonym or antonyms. The researchers feel that a compilation of these suggested definitions and other word usage comments will better represent this term. The resulting definition is presented in the following section.

### **3. Finalized Definition**

Any items, either as is or with minor modification, including those expended or consumed in use that, in addition to government use, are manufactured, used or potentially to be used, and traded in normal civilian enterprise and which are, or can be imported/exported through normal international trade channels.

Synonym: Dual Use Item.  
Antonym: Military Specification Item.

## **Conventional Arms Transfer (CAT)**

### **1. Actual Questionnaire Definition**

The transfer of non nuclear weapons, aircraft, equipment, state of the art items and military services from supplier states to recipient states. US arms may be transferred by grants as in the Military Assistance Program (MAP), private and direct commercial sales, leases, loans, or government-to-government sales under foreign military sales (FMS).

Synonym: None.  
Antonym: None.

## 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
2	36	0	3	5	42	5	47
2%	39%	0%	3%	5%	45%	5%	85%

### a. Survey Comments

No Likert rating. "States": I always think of the 50 states and I believe you mean more than that. Can you use something else or just delete to read "from suppliers to recipients"?

Disagree. This definition is too long and doesn't stress the "conventional" aspect enough. Just say: the transfer of non-nuclear weapons, aircraft or equipment from one country to another. Possible synonym: non-nuclear arms transfer. Possible antonym: nuclear arms transfer.

Undecided. If your definition is intended to include all "non-nuclear" weapons (biological and chemical being "conventional") then a restatement as follows: The transfer of non nuclear weapons from supplier states...in the Military Assistance Program (MAP), direct commercial sales...

### b. Analysis and Discussion

This definition has been modified slightly for easier understanding upon prompting by the first comment listed above. The second comment will not be used because of the research gathered from our literature review and the verifying 85% agreement of respondents. The third comment was considered, but the suggested revised definition and accompanying synonym/antonym will not be used in whole.

## 3. Finalized Definition

The transfer of non nuclear weapons, aircraft, equipment, state of the art items and military services from supplier to recipient. US arms may be transferred by grants as in the Military Assistance Program (MAP), private and direct commercial sales, leases, loans, or government-to-government sales under foreign military sales (FMS).

Synonym: Non Nuclear Arms Transfer.

Antonym: Nuclear Arms Transfer.

## Cooperative Agreement

### 1. Actual Questionnaire Definition

A means of engaging in joint economic activity that involves a sponsoring federal agency, in the management of the undertaking. Such agreements may provide for sharing the costs in addition to the management of the undertaking.

Synonym: None.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
2	6	6	7	8	57	7	64
2%	6%	6%	8%	9%	61%	8%	75%

#### a. Survey Comments

Strongly Disagree. Federal Grants and Cooperative Agreements Act requires that agency be **SUBSTANTIALLY INVOLVED**. That may OR may not include **MANAGEMENT**. Strongly Disagree. Can also be used in area of Financial Assistance. Does not need to include management of the undertaking.

Strongly Disagree. This is a type of financial assistance similar to a grant but with substantial involvement by the govt.

Strongly Disagree. Federal agency does not need to be sponsor in such agreements nor does federal agency need to be involved in management. In fact in STTR and SBIR programs, the private party must be manager of the project. If the definition is intended to be limited to international procurement matters (FMS, etc.), the definition may be appropriate. Rewrite: A means of engaging in joint economic activity that involves a federal agency, in the undertaking. Such agreements may provide for sharing of costs in addition to the technical accomplishment of the undertaking.

Disagree. Cooperative agreement can also share technical information responsibilities as well as those of cost and management. Possible synonym: Memorandum of Agreement (MOA).

Undecided. "management of the undertaking" where "management" may be too strong of a term.

Agree. Delete "in the management of the undertaking"--allows the emphasis to be on the "shared" management of the undertaking which better reflects how these agreements work.

Strongly Disagree. Is a cooperative agreement only for joint economic activity--I don't think so, but it is a written agreement between two parties.

Disagree. I am not very familiar with the term but am of the opinion in my dealings with private industry that cooperative agreements are made all the time in private enterprise in which there is absolutely no govt involvement, save for maybe an approval requirement.

Disagree. Cooperative agreement is an agreement between two or more parties; it does not have to involve economics.

Undecided. Partnership agreements-joint venture, are cooperative agreements limited to federal agencies? What about state/local level?

Undecided. Should not limit the definition to require "federal agency" to be a sponsor. A cooperative agreement might be exercised between two commercial ventures.

Undecided. Incomplete. Change to "A means of engaging in joint economic activity 'between' a sponsoring federal agency 'and private business enterprise' in the ...."

Agree. Could be an agency at the state, county, city or lower political subdivision level. Does not have to be only "federal agency."

Agree. This continues to take on more meaning in our current environment. The govt sometimes uses this to initiate a procurement by providing funding to a contractor via the use of a cooperative agreement.

Agree. You might add: frequently used between federal agency and state agencies, universities, and other non-profit entities.

Agree. Rewrite maybe: An agreement between a federal agency and one or more commercial and/or non-profit companies or education institutions to work together on, or jointly fund a project.

Strongly Agree. Definition should specify that the joint economic activity involves both commercial business and the govt.

Strongly Disagree. This is a term with clear definition in law--public benefit; benefit to govt.

Agree, if "in addition to" replaced with 'and/or'. Depends upon the terms of agreement.

Agree. Possible synonym: Memorandum of understanding (MOU)

## **b. Analysis and Discussion**

Although this term received a 75% consensus, the authors believe that the numerous comments made it necessary to reevaluate this definition.

Many of the definitions dealt with "management of the undertaking" with respect to the parties involved. Suggestions to include shared financial assistance or cost and/or shared technical information responsibility in addition to management have been adopted in the revised definition.

Also, the definition has been expanded for use in any context ranging from all levels of government to all levels of business enterprise to include nonprofit organizations.

Another point discussed in various comments was the reference to "joint economic activity." This problem area is resolved in the finalized definition.

Suggested synonyms were also included within the comments.

### 3. Finalized Definition

An agreement between two or more entities (i.e., any level of government agency, commercial and/or nonprofit organizations) which would serve to benefit all concerned. Such an agreement may provide for sharing the responsibility of cost and management in addition to the technical information and accomplishment of the undertaking.

Synonym: Memorandum of Agreement (MOA),  
Memorandum of Understanding (MOU).

Antonym: None.

## Cooperative Development

### 1. Actual Questionnaire Definition

Any method by which governments or organizations cooperate to make better use of their collective research and development resources to include technical information exchange, harmonizing of requirements, codevelopment, interdependent research and development, and agreement on standards.

Synonym: Cooperative Research and Development.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
2	12	1	1	3	66	10	76
2%	13%	1%	1%	3%	69%	11%	94%

#### a. Survey Comments

Agree. Insert 'including but not limited to,' after "research and development resources".

Antonym: independent development.

Agree. if change "and" in second line to 'and/or' and "to include" in second line to 'including, e.g.'.

#### b. Analysis and Discussion

Ninety-four percent of the participants of this survey agreed with this term and its respective definition. The comments gathered for this term deal with "wordsmithing" issues which seek to form a more clarified definition. The revisions do not change the meaning of the definition and the results are presented below.



### 3. Finalized Definition

Any method by which governments or organizations cooperate to make better use of their collective research and/or development resources including but not limited to technical information exchange, harmonizing of requirements, codevelopment, interdependent research and development, and agreement on standards.

Synonym: Cooperative Research and Development.  
Antonym: Independent Development.

## Coproduction, International

### 1. Actual Questionnaire Definition

The method by which industries in the US and in one or more foreign countries share in the production and/or assembly of items intended for military and/or nonmilitary application. The production and/or assembly of these items fall under the provisions of a cooperative agreement that requires the safe transfer of technical information and know-how from one nation to one or more other nations.

Synonym: None.  
Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
2	17	1	4	6	56	7	63
2%	18%	1%	4%	6%	61%	8%	85%

#### a. Survey Comments

**Strongly Disagree.** It does not require a safe transfer of technical knowledge in all cases.  
**Disagree.** Rewrite definition as: The method by which industries in one or more foreign countries share in the production and/or assembly of items intended for military and/or nonmilitary application. The production and/or assembly of these items "may" fall under the provisions of a cooperative agreement "(might be a subcontract, etc.)" that "might" require the safe transfer of technical....

**Undecided.** Coproduction in Army procurement usually relates to exchange of technical data to produce hardware end items. If technical information is all that is exchanged, this term could be misleading. If know-how includes satisfying the transfer of data and processes for future competitive purposes, then the definition is okay.

**Agree.** This sometimes takes on the designation and/or results in a technical assistance agreement (TAA) being executed by the parties.

**Agree.** Normally handle through technical assistance agreements, manufacturing agreements and/or technical assistance and license agreements.

No likert Rating. Change "the US and in one or more foreign countries" to 'more than one country'.

Agree. Change "the US and in one" to 'two'. Not united to US participation

#### **b. Analysis and Discussion**

The percentage of agreement for this term was 85%. Despite the agreed consensus, the researchers feel the comments which were included in addition to the likert rating on the surveys were very constructive in helping to improve our definition.

One major concern of a few participants was the addition of extra needed information to make the definition complete. Other participants provided comments which questioned parts of the definition. The suggestions provided were incorporated. Another concern was a need for a more generalized definition.

The improved definition is presented in the subsequent section.

### **3. Finalized Definition**

The method by which industries in two or more countries share in the production and/or assembly of items intended for military and/or nonmilitary application. The production and/or assembly of these items may fall under the provisions of a cooperative agreement that might require the safe transfer of technical information and know-how from one nation to one or more other nations. Other results from such a method may include a technical assistance agreement (TAA), manufacturing agreement, and/or technical assistance and license agreements.

Synonym: None.

Antonym: None.

## **Countertrade**

### **1. Actual Questionnaire Definition**

An arrangement where the foreign exporter or supplier purchases materials in the receiving country to offset purchases made by the importing country.

Synonym: Reciprocal trade, offset, barter.

Antonym: None.

## 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
2	24	0	6	4	46	11	57
2%	26%	0%	6%	4%	50%	12%	85%

### a. Survey Comments

Disagree. I don't think "purchases" is the right word. Countertrade is the practice of accepting materials, frequently through a third country, in lieu of currency for purchases made by a country without internationally traded currency.

Agree. Offset or countertrade can also include the selling entity providing "free" services/support as consideration for the purchase of its product. (not just materials). There are many instances where offset req'ts have been met in whole or part by training and technology transactions for w/o purchased manufacturer's.

Unfamiliar with term. Should "receiving" and "importing" be the same word?

Disagree. Difficult to group the meaning. Receiving country vs importing country--they both wind up importing, do they not?

Strongly Agree. Change "receiving to" to 'importing' to keep it simple and in harmony with "importing country" at the end of the sentence.

Agree. Insert 'in whole, or in part,' after "receiving country to offset".

### b. Analysis and Discussion

An 85% agreed consensus was collected from the survey respondents. Again, a substantial amount of comments was offered by the participants. Upon evaluation of the comments, the researchers found changes that were needed in the definition as suggested by the respondents. It is our opinion that these changes keep with the spirit and intent of the term.

One concern was that "services/support" can be used instead of material consideration only. Also, the use of certain words ("purchasing", "importing" versus "receiving") were questioned. All points were valid in the improvement process of this definition and were used in the final version.

### 3. Finalized Definition

An arrangement where the foreign exporter or supplier accepts materials and/or services/support, in lieu of receiving currency, in the importing country to offset purchases made by the importing country.

Synonym: Reciprocal trade, offset, barter.

Antonym: None.

## Country Groups

### 1. Actual Questionnaire Definition

The groups into which all foreign countries (except Canada) are divided for export control purposes. Letter symbols are used for country groups throughout the Export Administration Regulations as follows:

Q - Romania

S - Libya

T - North America, Greenland, Mexico, Miquelon and St. Pierre Islands; Central America and the Caribbean; South America

V - All countries not in any other group (except Canada)

W - Czechoslovakia, Hungary, Poland

Y - Albania, Bulgaria, Estonia, Laos, Latvia, Lithuania, Mongolian People's Republic, Union of Soviet Socialist Republic (now known as the Commonwealth of Independent States)

Z - Cambodia, Cuba, North Korea, Vietnam

Synonym: None.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	40	1	3	10	29	4	33
6%	44%	1%	3%	11%	31%	4%	70%

#### a. Survey Comments

No Likert Rating. The "letter designations" are too volatile as to make a dictionary unmanageable. Also commerce is considering their elimination.

Strongly Disagree. Delete letters and their definitions. Reference where info comes from. These listings can be changed which would make the definition incorrect.

Disagree. In view of NAFTA--shouldn't Mexico be joined with Canada in a unique group?

Disagree. EAR utilized is sale of commercial/dual use items. Change "W-Hungary, Poland, Czech Republic, Slovak Republic", "Y- add Vietnam, Cambodia" , "Z- delete Vietnam, Cambodia"

Undecided. Is Mexico now treated like Canada?

Agree. Delete "Y" and "Z"; too risky

Agree, if letters are correct as shown

Agree. Replace "divided" with 'categorized'.

#### **b. Analysis and Discussion**

Even though this term reached a majority consensus in favor of keeping this definition intact, the researchers feel that a valid point about the volatility of the letter symbols was made. World politics is in constant uproar and we agree that the letter symbols should not be included in the dictionary. In lieu of including these symbols, a reference will be made to an frequently updated source, the Export Administration Regulations (EAR). This action will respond to the other comments concerning particular letter representations.

### **3. Finalized Definition**

The groups into which all foreign countries (except Canada) are categorized for export control purposes. Letter symbols used for country groups are located throughout the Export Administration Regulations.

Synonym: None.

Antonym: None.

## **Direct Procurement**

### **1. Actual Questionnaire Definition**

The procurement of defense and/or supplies in the United States by a foreign government, contractor, or international organization in which the supplies are purchased through commercial channels for use by the foreign government or international organization.

Synonym: None.

Antonym: None.

**2. Actual Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
5	12	3	13	10	44	9	53
5%	13%	3%	14%	10%	46%	9%	67%

**a. Survey Comments**

Disagree. Insert 'US' prior "defense and/or supplies" and commercial prior supplies.  
Delete "in the United States"

Agree. Possible insert of 'materials' after "The procurement of defense".

Agree. Insert 'materials, systems,' after "The procurement of defense."

Strongly Disagree. Once again the complete focus is at the federal level. Other levels of govt do direct procurement.

Disagree. Not always used in relation to foreign govts, etc.

Disagree. Direct procurement can also mean "direct funding cite" for inter military (MIPR) or other govt agency dollars for an acquisition. Doesn't necessarily mean it would be for a foreign govt, contractor, or international organization.

Agree. Rewrite: the procurement of defense or other supplies in....which the supplies are purchases directly from commercial entities. Antonym: FMS.

Disagree. Definition of word should not be limited to foreign unless "foreign" is in word. i.e.phrase being defined.

Disagree. Should be "direct foreign procurement."

Agree. If change "Direct Procurement" to 'Direct Foreign Procurement' and "supplies" in first line to 'commercial-type items'.

Agree. Possible synonym: non-FMS, Possible antonym: FMS.

**b. Analysis and Discussion**

The consensus on this particular term is not as strong as most of the other terms. but it still met the two-thirds requirement for majority consensus.

Several of the comments addressed the typing mistake which deleted a word from the definition. This typing error is corrected in the final version of the definition.

Other comments referred to the "narrowness" of the definition. To resolve this issue, we decided to alter the term itself and supplement the definition with some of the suggestions which were offered.

The final comments concerned possible Synonym/antonyms and some wordsmithing which would not change the meaning of the term.

### 3. Finalized Definition

#### (Direct Foreign Procurement)

The procurement of defense and/or commercial materials, systems and/or supplies by a foreign government, contractor, or international organization in which the materials, systems, and/or supplies are purchased through commercial channels for use by the foreign government or international organization.

Synonym: None.  
 Antonym: Foreign Military Sales.

### Domestic Preference

#### 1. Actual Questionnaire Definition

National government policies that maintain government procurement rules designed to establish a preference in favor of domestic suppliers.

Synonym: None.  
 Antonym: None.

#### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
4	0	2	2	3	60	22	82
4%	0%	2%	2%	3%	63%	24%	92%

##### a. Survey Comments

Undecided. Replace "maintain" with 'support', 'require', 'dictate'?  
 Undecided. Should it be "in favor of domestic suppliers 'or products'?"  
 Agree. Insert "its" before "domestic suppliers".

Strongly Disagree. These policies could come from state and local govts as well as "national govts".  
 Strongly Disagree. Local govt and other levels can use "domestic preference", not just "national".

**Disagree. Rewrite:** A policy establishing a preference in favor of domestic suppliers OR A policy which states that the organization favors doing business with organizations in its own country. Note that companies have domestic preference policies too, having nothing to do with govt procurement. And it might relate to either buying or selling or both.

**Undecided. Rewrite:** Govt procurement rules designed to establish a preference in favor of domestic suppliers IAW National Policy.

**Agree. Rewrite:** Govt procurement rules designed to establish a preference in favor of domestic suppliers. You also might mention NAFTA, which identifies Canadian and Mexican suppliers as "domestic".

**No Likert rating.** Add "Buy American, etc." for synonym.

**Agree.** Possible synonym: Buy American Act, Domestic Content

**Agree.** Possible synonym: Buy American Act.

**Strongly Agree.** Antonym: no preference.

### **b. Analysis and Discussion**

Ninety-two percent of the participants decided that this definition was suitable for this ongoing compilation of contracting terms. Although the percent of agreement was high, the researchers believe that the comments would greatly contribute to a better definition.

One set of comments deals with minor word alteration which would not change the meaning. Another set of comments elaborates on the fact that domestic preference is not solely a national government policy, but could include organizations such as lower forms of government or business corporations. The researchers agree with the second set of comments because this would form a more generic definition. The last set of comments gives ideas for more Synonym and antonyms. The results of these inputs are shown in the next section.

### **3. Finalized Definition**

A policy which establishes rules to support an organizational preference in favor of domestic suppliers or products.

**Synonym:** Buy American Act, Domestic Content.

**Antonym:** No Preference.



## Duty

### 1. Actual Questionnaire Definition

A tax or impost due to the government upon importation or exportation of goods.

Synonym: Tariff, Toll.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
3	0	0	2	4	67	17	84
3%	0%	0%	2%	4%	73%	18%	93%

#### a. Survey Comments

No Likert Rating. Impost?

Undecided. "or impost"--?

Agree. "impost" not a known term.

Agree. Not familiar with "impost".

Agree. "impost"--it's kind of archaic--is it really necessary? How about "charge" instead?

Agree. Unfamiliar with "impost".

Agree, if change "the government" to "'A' government".

Disagree. I would revise definition to read: a tax to the govt upon import of goods.--Duty is not due on export from US.

Agree. DOD recoupment of non-recurring cost is an example of such a duty on the export of goods.

Agree. I've never heard of a "duty" on exports.

#### b. Analysis and Discussion

This term received 93% agreement from the participants of the survey. Although a high rate of agreement was collected, we believe that the comments should be considered.

A majority of the comments questioned the meaning of "impost." To deter from future confusion, we have removed this word from the definition. Another issue dealt with exports. These comments were made because of a lack of information on the part of the respondent. One respondent did give an example of a duty on an export which verified our

literature review findings. The last comment merely made the definition more generic to where it could apply to other governments as well as our own.

### 3. Finalized Definition

A tax or charge due to the government upon importation or exportation of goods.

Synonym: Tariff, Toll.

Antonym: None.

## Eurodollars

### 1. Actual Questionnaire Definition

American dollars held by or on deposit with a European bank or European Branches of US Banks.

Synonym: None.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	14	2	3	12	46	10	56
6%	15%	2%	3%	13%	50%	11%	77%

#### a. Survey Comments

Strongly Disagree. Could be confused with Euromarket currencies or transactions using dollars which are not American owned.

Disagree. Not confined to European Banks or Markets. Euromarkets operate in Tokyo, Singapore, Hong Kong, etc.

Undecided. Tend to believe this means "European" currency

#### b. Analysis and Discussion

Although consensus was ascertained for this term, the comments made the researchers aware of a need to better clarify this term. In response to the first comment, Eurodollars is not "European" currency. Eurodollars are "American" currency held by

European branches of US Banks and European banks which include branches located in other markets such as Hong Kong. The revised definition is presented below.

**3. Finalized Definition**

American dollars held by or on deposit with a European bank located in Europe and/or Euromarkets located elsewhere (e.g., Tokyo, Hong Kong, Singapore) or European Branches of US Banks.

Synonym: None.

Antonym: None.

**Exclusive (Non-exclusive) License**

**1. Actual Questionnaire Definition**

A license covering a patent(s), applications for a patent(s), technical or proprietary data, technical assistance, know-how, trademarks, trade names, copyrights, or any combination of these, granted by a US firm to a foreign firm or government, or from a foreign firm or government to a US firm to produce, coproduce, or sell a defense or nondefense article or service within a given sales territory without competition from any other licensees or from the licensor. A non-exclusive license is a license as described as above, except that competition may be permitted with other licensees and/or the licensor.

Synonym: None.

Antonym: None.

**2. Actual Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
4	8	1	10	4	63	5	68
4%	9%	1%	11%	4%	66%	5%	82%

**a. Survey Comments**

No Likert Rating. Rewrite: A license 'to solely use' a patent(s)...of these, granted by 'the holder to' firm or government to produce....within a given territory...any other licenses. A non-exclusive license is a license as described as above, except that 'the holder is not restricted from granting multiple licensees'.

No Likert Rating. Substitute "foreign firm or govt" on second line with 'another entity'.

Disagree. Irrespective of the purpose of the license, an exclusive license is granted to one party only. A non-exclusive license may be granted to multiple parties. Rewrite: A license...technical or proprietary data, 'computer software'...or any combination of these, granted by 'one party to another' to 'use', produce, coproduce,...

Disagree. License could be between a domestic firm and another domestic firm.

Disagree. Definition should also provide for licensing arrangements between companies in the same country.

Disagree. The above is very narrow definition as exclusive and non-exclusive licenses are common to the licensing of software.

Disagree. Your definition gives only international licenses; if that is what you mean then change the phrase being defined. Insert 'or individual' after "granted by a US firm

Disagree. These terms are broader than your definition--use info on foreign as an example, not part of the definition.

Disagree. Insert 'or corporation' after "to a foreign firm or government" in third line.

(Example: Maney Aircraft is a licensee for Rockwell Corp.)

Undecided. Underlined "granted by a US firm to ...to a US firm to produce, coproduce"--

OK in context of foreign sales, but in general business use it is not necessarily accurate.

Could apply from a US firm to another US firm.

Undecided. Normally associated above definition for selling a DEFENSE article or service, not "nondefense" article or service as well.

Agree. Don't limit definition to foreign license.

Agree, but could be domestic firm or govt also (third line).

Agree. Can also be domestic firms

Agree. Since definition is in the context with international transactions, the term should probably be expanded to add the multinational context.

Agree. Alternate defn: A license granted by one entity to another to sell or produce or service an item within a given sales territory without competition from any other licensees or from the licensor. A non-exclusive license permits competition with other licensees or the licensor. -- In addition, a license does not always involve intellectual property.

## **b. Analysis and Discussion**

It is our opinion that the definition for this term, despite the 82% consensus, needs to be expanded to fit such a broad term, i.e., reworded to fit all contexts of use which includes domestic to international arenas. Justification stems from the plethora of comments which were concerned with this issue. This common concern was expressed by survey participants who agreed with the definition as well as those who disagreed with the definition. As a result, the researchers believed it was due consideration. The definition was reformulated using suggestions from the respondent comments and previous literature review research. The resulting definition is provided below.

### 3. Finalized Definition

A license covering a patent(s), applications for a patent(s), technical or proprietary data, computer software, technical assistance, know-how, trademarks, tradenames, copyrights, or any combination of these, granted by one entity to another (e.g., government to firm, firm to firm, government to corporation, et cetera) to sell, produce, or coproduce an article or service within a given sales territory without competition from any other licensees or from the licensor. A non-exclusive license is a license as described as above, except that competition may be permitted with other licensees and/or the licensor.

Synonym: None.

Antonym: None.

### Export Control Classification Number (ECCN)

#### 1. Actual Questionnaire Definition

The identification number assigned to each entry on the Commerce Control List. It consists of a number (category), a letter (group), two numbers (nature of control), and a letter (level of control).

Synonym: None.

Antonym: None.

#### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
4	48	0	0	7	29	5	34
4%	52%	0%	0%	8%	31%	5%	83%

##### a. Survey Comments

Agree. Controls dual use and commercial items--not munitions (even in commercial sale) which are covered by ITAR CFR Pt. 120-130.

Strongly Agree, if add 'which identifies the commodity and applicable export restrictions' after "and a letter (level of control)" which is covered in Exploring Export Opportunities, 1991.

##### b. Analysis and Discussion

A consensus was found on this term, but there were few respondents which were familiar with this term. We do not foresee this lack of knowledge as a problem because this definition was supported by experts in international acquisition during the draft

version of this survey as well as our thorough literature review. The comments above produced additional meaning for the term which will be reflected in the revised definition.

### 3. Finalized Definition

The identification number assigned to each entry on the Commerce Control List. It consists of a number (category), a letter (group), two numbers (nature of control), and a letter (level of control) which identifies the commodity, not to include munitions, and applicable export restrictions.

Synonym: None.  
 Antonym: None.

## Export-Import (EXIM) Bank

### 1. Actual Questionnaire Definition

An independent agency of the federal government whose function is to aid in financing exports and imports.

Synonym: None.  
 Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
2	17	0	2	4	60	8	68
2%	18%	0%	2%	4%	65%	9%	92%

#### a. Survey Comments

Undecided, change "federal" to 'US'.  
 Agree, insert US before "federal government".

Strongly Agree, if rewrite: An independent agency of the federal government that provides loans, loan guarantees, and credit risk insurance coverage to US exporters and foreign importers.

#### b. Analysis and Discussion

A majority of the respondents agreed with this definition. The useful comments made by the participants included subject matter such as inserting "US" prior to "federal

government" and adding business actions of the institution as support by literature review research to the definition for better clarification. These additions were adopted to make a better definition as presented in the following section.

### 3. Finalized Definition

An independent agency of the US federal government that provides loans, loan guarantees, and credit risk insurance coverage to US exporters and foreign importers.

Synonym: None.  
 Antonyms: None.

## Export License

### 1. Actual Questionnaire Definition

A license required by the ITAR (International Traffic in Arms Regulation) before exporting defense articles or technical data. This license is obtained from the Department of State through the ODTC (Office of Defense Trade Controls). This license is also required by the Department of Commerce before exporting commercial articles or technical data.

Synonym: None.  
 Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
3	19	6	4	2	48	11	59
3%	20%	6%	4%	2%	53%	12%	83%

#### a. Survey Comments

Strongly Disagree. Export licenses are required for other than defense articles or data and do not go through ITAR.

Strongly Disagree. Last sentence needs to be limited to ITAR-controlled items.

Strongly Disagree. Insert 'US' after "A license required by the".

Strongly Disagree. Much too narrow--commerce also issues export licenses and other export license controls are exercised by dept of energy, nuclear regulatory commission, etc.

Disagree. It should be made clear that DOC and ODTC issue separate licenses under separate requests.

Disagree. Commercial licenses are from Dept. of Commerce. Too broad for ITAR.  
 Agree. Need to make point about export licenses also being applicable to commercial items earlier. Export license or exemption cite is required for all exports.

**b. Analysis and Discussion**

Eighty-three percent of the responses from the survey were in agreement with the given definition provided in the actual survey. The comments collected imply the need for a more accurate definition. Expanding the depth of the definition will increase consensus and make it more applicable over the entire field of contract management.

**3. Finalized Definition**

This license is required by the Department of Commerce before exporting commercial articles or technical data. Other export license controls are exercised by other US federal agencies (e.g., Department of Energy, Nuclear Regulation Commission). Under a separate request, this license is required by the US ITAR (International Traffic in Arms Regulation) before exporting defense articles or technical data which is obtained from the Department of State through the ODTC (Office of Defense Trade Controls).

Synonym: None.  
 Antonym: None.

**Foreign Currency-Contributed Funds**

**1. Actual Questionnaire Definition**

A foreign government's currency is purchased via the United States Disbursing Officer by the United States using appropriated funds for expenses in that country . The United States dollars collected by the US Disbursing Officer from the sale of these currencies are deposited into the Treasury as "miscellaneous receipts."

Synonym: None.  
 Antonym: None.

**2. Actual Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
2	58	1	4	9	18	1	19
2%	63%	1%	4%	10%	19%	1%	58%



**a. Survey Comments**

Disagree. "Miscellaneous receipts" does not lend itself to management controls. A more descriptive category is suggested

Disagree. Deposited funds should be deposited as offset to expenditure against the appropriated funds account.

Undecided. Rewrite: "This occurs when" "a foreign govt's currency is ...". United States dollars collected by the US Disbursing Officer from the sale of 'foreign' currencies...

Strongly Disagree. Rewrite for clarity: The US Disbursing Officer, using appropriated funds, purchases a foreign govts' currency to acquire goods and services in that country.

**b. Analysis and Discussion**

This term did not meet the required two-thirds agreement for consensus. We used the comments to improve upon the term at our discretion, but this term will fall under the recommendation to be reevaluated. The finalized definition for this term for the purposes of this thesis effort is presented in the following section.

**3. Finalized Definition**

The US Disbursing Officer, using appropriated funds, purchases a foreign governments' currency to acquire goods and services in that country. The United States dollars collected by the US Disbursing Officer from the sale of these currencies are deposited into the Treasury as "miscellaneous receipts" to offset expenditure against the appropriated funds account.

Synonym: None.

Antonym: None.

## Foreign Military Sales (FMS)

### 1. Actual Questionnaire Definition

A non appropriated fund program which is authorized by the Foreign Assistance Act of 1961, as amended, the Arms Export Control Act of 1976, as amended, and the Foreign Military Sales Act of 1968 with procurement management by an Armed Forces System project Officer, for eligible foreign governments or international organizations to buy, directly or indirectly, defense articles and services, including training, from the US government. Defense articles are defined as weapons systems; munitions; aircraft/vessels; property, material and equipment necessary to furnish military assistance; and, the machinery and tools necessary for the manufacture, production, repair, storage and operation of such articles. Defense services may be defined as any service, test, inspection, repair, training, publication, or technical or other assistance necessary to furnish military assistance, except military education and training activities, which are administered under separate programs.

Synonym: None.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
3	5	1	3	10	64	7	71
3%	5%	1%	3%	11%	69%	8%	84%

#### a. Survey Comments

Strongly Disagree. Should be redrafted into a simpler form

Disagree. Too long.

Disagree. Defense articles and services should be separately defined.

Undecided. Simplify definition.

Undecided. Definition is too long and detailed. Don't think you need to be so specific in defining "defense articles and services" in this definition.

Undecided. To define "sales" as a "program" appears grammatically peculiar if not wrong.

Maybe 'sales under the auspices of ...'. Shouldn't Defense articles and services be defined elsewhere?

Undecided. Too wordy.

Agree. Very lengthy definition.

Agree. Defense Article, Defense Service and Defense Technical data are defined in ITAR 22 CFR Pt 120.6, 120.9, and 120.10.

Agree. Extremely wordy.

**b. Analysis and Discussion**

The majority of the respondents (84%) find this definition acceptable for this term. A number of comments were made despite the consensus. Most of the comments addressed the length and/or grammatical issues of the definition. To make this definition more consistent with the other definitions, we have shortened it by referencing the source in which defense articles and services are defined. We feel this will adequately compensate for not including these definitions within the present overall definition.

**3. Finalized Definition**

Sales under the auspices of a non appropriated fund program which is authorized by the Foreign Assistance Act of 1961, as amended, the Arms Export Control Act of 1976, as amended, and the Foreign Military Sales Act of 1968 with procurement management by an Armed Forces System project Officer, for eligible foreign governments or international organizations to buy, directly or indirectly, defense articles and services, including training, from the US government. Defense articles and defense services are defined in ITAR 22 CFR Pt 120.6 and 120.9.

Synonym: None.  
Antonym: None.

**Foreign Nationals**

**1. Actual Questionnaire Definition**

This title includes anyone except citizens of the United States and immigrant aliens. It also includes citizens of the United Kingdom and Canada, even when they are given reciprocal-access authorizations as employees of DOD contractors.

Synonym: None.  
Antonym: US Citizen.

**2. Actual Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
4	2	1	4	7	63	12	75
4%	2%	1%	4%	8%	68%	13%	86%

### **a. Survey Comments**

No Likert Rating. Why does this term only relate to the US. Other countries contain foreign nationals. It should not be defined as specifically relating to the US.

Undecided. Possible change "title" to 'term'.

Agree. Get rid of plural somewhere. Replace "anyone" with 'everyone' or else drop the "s".

Strongly Agree. Replace "DOD" with 'Department of Defense'.

No Likert Rating. Insert 'living, working, or visiting in the US' after "This title includes anyone". Is "immigrant aliens" the right term?

Disagree. Should not include immigrant aliens until they become US citizen. Possible synonym: Foreigner.

Agree. Often differentiate between holder of an immigrant alien registration card (green card and non-green card holders).

### **b. Analysis and Discussion**

Eighty-six percent of the participants agreed with the definition for this term as presented in the actual survey. The comments provided by participants of the actual survey brought more insight into the intent of this term.

One comment pointed out that this term is not strictly a "US" term and suggests a more generalized term that would apply to all countries. Other comments dealt with grammatical issues that are easy to fix. The last set of comments concerned the issue of "immigrant aliens." The researchers believe "immigrant aliens" suits this definition but needs further clarification. These minor changes are presented in the subsequent section.

## **3. Finalized Definition**

This term includes everyone living, working, or visiting a country except citizens of that particular country and immigrant aliens who possess a green card or other form of citizenship for the respective country.

Synonym: None.

Antonym: Citizen.

## Foreign Ownership, Control or Influence (FOCI)

### 1. Actual Questionnaire Definition

1. The nature and extent of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual).
2. The situation in which the nature and extent of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual) is such that a reasonable basis exists for concluding that classified information or special nuclear material might be compromised, or the performance of classified contracts may be negatively impacted.

Synonym: None.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
2	16	0	2	7	55	11	66
2%	17%	0%	2%	8%	59%	12%	88%

#### a. Survey Comments

Undecided. Unsure if restriction to classified information is necessary.

Agree. Antonym: domestic ownership.

#### b. Analysis and Discussion

This term received an 88% consensus from those respondents who familiar with the term. Also, minimal comments were received indicating that this definition is indicative of current usage. The comments available to the researchers concerned synonym/antonym issues and the reference to classified information. It is our opinion that the definition should remain intact and also adopt the antonym suggested. The restriction on classified information will remain because of the support of the questionnaire participants and our literature review.

### 3. Finalized Definition

1. The nature and extent of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual).
2. The situation in which the nature and extent of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual) is such that a reasonable basis exists for concluding that classified information or special nuclear material might be compromised, or the performance of classified contracts may be negatively impacted.

Synonym: None.  
Antonym: Domestic Ownership.

### Foreign Purchaser

#### 1. Actual Questionnaire Definition

A foreign government, a foreign contractor, or an international organization authorized to purchase military and/or nonmilitary equipment and supplies from US contractors.

Synonym: None.  
Antonym: None.

#### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
4	4	2	3	1	67	12	79
4%	4%	2%	3%	1%	73%	13%	93%

##### a. Survey Comments

Strongly Disagree. We are a foreign purchaser in some markets. This is not generic enough. There should be no reference to US contractors.

Strongly Disagree. Authorization is not required for ordinary sales, and businesses other than contractors engage in international trade. Rewrite: any buyer in a country other than the seller's country.

No Likert Rating. Suggest insert 'an individual foreign national' after "A foreign govt. a foreign contractor," and replace "contractors" (the last word) with 'firms or individuals'. Agree. Insert 'individual' after "foreign contractor".

Disagree. A foreign purchaser can also purchase data/information/technology as well as military or nonmilitary equipment and supplies. Shouldn't limit to hardware--what about computer software/data/firmware, etc.?

## **b. Analysis and Discussion**

A majority of the respondents agreed with the definition for foreign purchaser as presented by the questionnaire. A number of comments were collected which proved to be useful in supplementing the existing definition without changing its intent.

One comment pointed out that the term needs to be more generic which follows suit with the purpose of this thesis project. Other comments suggested the insertion of "firms" and "individuals" in the definition. Still another comment expressed that current purchases are not limited to "equipment and supplies." The last two sets of comments were carefully considered and adopted to improve the definition.

## **3. Finalized Definition**

A foreign government, a foreign firm, a foreign individual, or an international organization authorized to purchase military and/or nonmilitary equipment, supplies, and/or data/information/technology from a country other than the buyer's country.

Synonym: None.  
Antonym: None.

## **International Armaments Cooperation**

### **1. Actual Questionnaire Definition**

The collaboration in developing and/or producing weapons between allied governments and industries. Also, it can involve defense companies, without government insistence, entering into joint ventures, subcontracts and teaming arrangements with foreign defense companies.

Synonym: None.  
Antonyms: None.

### **2. Actual Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
2	21	2	0	11	51	6	57
2%	23%	2%	0%	12%	55%	6%	81%

**a. Survey Comments**

Undecided. Rewrite: The collaboration between allied governments and industries in developing and/or producing weapons. Also,....

**b. Analysis and Discussion**

This term far exceeded the two-thirds consensus required to accept the definition for use in this contract management project. The only constructive comment provided by the participants dealt with rewriting part of the definition for easier reading and understanding. This suggested improvement was incorporated in the final definition.

**3. Finalized Definition**

The collaboration between allied governments and industries in developing and/or producing weapons. Also, it can involve defense companies, without government insistence, entering into joint ventures, subcontracts and teaming arrangements with foreign defense companies.

Synonym: None.  
Antonyms: None.

**Multinational Organization**

**1. Actual Questionnaire Definition**

An organization which has operation centers in many countries.

Synonym: None.  
Antonyms: None.

**2. Actual Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
3	1	1	4	2	66	16	82
3%	1%	1%	4%	2%	72%	16%	92%

**a. Survey Comments**

No Likert Rating. Change "many countries" to 'more than one country'. Insert 'with an' after "This type of organization contrasts" then fix subject-verb agreement (singular). Disagree. Change word "many" to "two or more". Antonym: domestic organization. Agree. Change "many" to 'more than one'.



Agree, if changed to "An organization which 'operates in more than one country'".  
Agree. Change "many" to 'more than one OR more than two'.  
Agree. Insert 'two or more' instead of "many".  
Strongly Agree, Rewrite: An organization which has operations in many countries. It simplifies it.

Disagree. Rewrite: An organization which has multicountry membership.  
Agree. "operation" OR multi-country membership.

Strongly Disagree. Does it have to have "operation centers"?--I do not think so.  
Disagree. Operation centers in other countries does not make an organization multinational.  
Agree. In addition to operating centers in other countries, I would consider who controls and/or can direct or make company policy regardless of location.

#### **b. Analysis and Discussion**

Ninety-two percent of the respondents agreed with the definition which appeared in the actual survey. Although a large majority agreed with the definition, this term drew many comments from both agreeing and disagreeing participants.

Many of the comments addressed the issue of changing "many" to "more than one." The researchers find that the overwhelming amount of responses which advocate this opinion is provides ample support for a change in the definition.

Another issue concerned "operation centers." Suggestions for change included "multicountry membership" or just "operations in more than one country." In response to these comments, the researchers have decided to delete "centers" from the definition.

The other issues were very minor in comparison. These comments were concerned with synonym/antonym suggestions.

### **3. Finalized Definition**

An organization which has operations in more than one country.

Synonym: None.  
Antonyms: Domestic Organization.

## Global Sourcing

### 1. Actual Questionnaire Definition

The ability to procure, develop and/or produce a product or material any place in the world which can offer the best price and/or product.

Synonym: None.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
7	6	1	5	6	64	9	73
7%	6%	1%	5%	6%	65%	9%	86%

#### a. Survey Comments

Strongly disagree, global sourcing is soliciting sources worldwide.

Disagree, this definition only implies the definition is pertinent for products. I believe it should include services as well.

Disagree, what about delivery?

Disagree, The ability to procure a product or material from multiple suppliers/vendors which offer competitive pricing with acceptable quality from around the world. Suggested Antonym: monopoly

Undecided, I think the three abilities are very distinct and global sourcing would probably mean different things in different areas.

Undecided, global sourcing is not contingent upon obtaining the best price and/or product. It merely refers to geographically unrestricted sourcing.

Agree, best price and/or product may not be the deciding criteria

Agree, should services be included in the definition?

Agree, delete which can offer the best price and/or product

Agree, replace ability to procure, develop and/or produce with the activity of procuring, developing and/or producing.

Agree, ability to buy the product, service, or material anywhere in the world

Agree, does not address services. What does the last nine words add? The words develop and/or produce bring a US Government flavor to the definition. Why?

#### b. Analysis and Discussion

A review of these comments finds there are three different points made. The first pertains to services. This word is considered appropriate and is incorporated into the final

definition. The second major comment is a disagreement with the term "best". Generally a business should aspire to get the best price possible in procurement. There are also other circumstances that price is not a criteria. In view of this exception and to make the term more generic the word "best" is dropped from the final definition. The final major comment refers to the US Government flavor of this definition. The final definition is changed to reduce that affect.

One antonym was suggest, monopoly. This change will not be made because it is not appropriate.

### 3. Finalized Definition

The activity of procuring, developing and producing a product, material, or service any place in the world.

Synonym: None.  
 Antonym: None.

## Gratuity

### 1. Actual Questionnaire Definition

A gratuity can be comprised of entertainment, gifts, or anything of value offered or given by a contractor or any agent or representative of the contractor to an officer or employee of the Government with a view to securing a contract or securing favorable treatment with respect to the awarding or amending or the making of determinations with respect to the performance of a contract.

Synonym: None.  
 Antonyms: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	1	4	11	6	51	19	70
6%	1%	4%	11%	6%	52%	19%	77%

## a. Survey Comments

No answer, a gratuity is anything of value...a contractor.... to secure favorable treatment in the proposal or performance of a contract.

Disagree, could be offered by other than contractor not one sided

Disagree, may be just advertising, not necessarily intended to receive favorable treatment

Disagree, officer or employee of the government should be expanded to "of the buyer"

Disagree, the providing of something of value with the intent of influencing behavior toward a certain outcome.

Undecided, the definition describes a bribe. A bribe is please, a gratuity is thank you.

Undecided, unless there is another term, gratuity should also entail "modifications", that is the influencing of modifications

Undecided, wordy, anything of value received from the contractor or his agent to obtain favor with respect to Government contract award or performance

Agree, this definition is kind of wordy. The word "or" is used eight times.

Agree, a gratuity does not have to be international

The appearance of an impropriety through a gratuity is as bad as the act itself.

Agree, too limited a definition, broader application

Agree, delete "can be comprised of entertainment, gift" and replace with "is".

Agree, stop after the word government.

Agree, synonym: Bribe

Agree, synonym: Gift

Agree, definition OK but should be expanded to cover parties other than contractor and government.

Agree, add synonym to bribe, change "with a view to" to "for the purpose of"

Agree, any buyer not just Government

Agree, might consider that a "gratuity can be offered by a foreign employee to a contractor, e.g., quid pro quo for not protesting a government action.. Unfortunately this is not generally seen as illegal.

Agree, "with a view toward securing..." is added language. My experience is that this to exist when a "gratuity is offered/accepted.

Agree, delete "by a contractor or any agent or representative of the contractor" Definition is overly restrictive regarding where gratuities come from.

Agree, suggested synonym: Lobby

Agree, however value requires definition, possibly less than \$25.

Agree, a more general impact is recommended, i.e. "with a view to affecting a procurement official's actions or decision." Gratuities can be targeted long before award, i.e., in developing acquisition strategy.

Agree, does not address that the "appearance" of receiving a gratuity, even is not meant

Agree, Government should be deleted to make this a more general definition

Strongly agree, you have defined gratuity in negative terms when it is essentially a benign word. To use a definition similar to proposed you should call it an illegal gratuity

Strongly agree, gratuities can be offered to commercial contracting representatives as well

Strongly agree, can apply to procurement professionals outside the government too.  
Strongly agree, not sure I agree with the inclusion of the offeror's "intention" as part of the definition.

Strongly agree, does not address the "appearance" of receiving a gratuity. Even if the contractor did not mean it. IAW definition. A gratuity should not be accepted because of perception.

Strongly agree, gratuity can also be merchandise with the company logo given to potential customers

Strongly agree, strike everything after government. It is impossible to determine contractor intent.

Strongly Agree, A dollar threshold should be established by the definition or the definition should state the procuring activity is to establish a threshold.

Strongly agree, this definition should focus on something of value being proposed for favorable treatment whether it's in private industry or government

#### **b. Analysis and Discussion**

This word drew many comments. The main comment was that the definition was too narrow. It should be broadened to include all buyers, not just government. The final definition will take those comments into consideration. The second major comment was the negativity of the definition. Some went so far as to state that the definition describes a bribe, not a gratuity. The line between these two terms is very gray. Generally a gratuity is considered legal while a bribe is illegal. The most eloquent statement on this theme was "A bribe is please, a gratuity is thank you." Although this is not always the case, it does put this term in a more positive manner. The intent of this definition is to be general. A few comments dwelt on a dollar amount. Stating a dollar threshold for a gratuity would date the definition and make it too specific. The government has one threshold, contractors have many different ones. Although this synthesized definition achieved a consensus based on a 77% agreement rate, there is much confusion on what constitutes a gratuity. The final definition is more general and contains less negativity to help overcome this confusion.

### 3. Finalized Definition

A gratuity can be comprised of entertainment, gifts, or anything of value offered or given by a contractor or any agent or representative of the contractor to an employee of a procuring entity with a view toward securing favorable treatment.

Synonym: Legal bribe, gift.

Antonyms: None.

### Host/Buyer Countries

#### 1. Actual Questionnaire Definition

A host/buyer country is the country that is buying from a multinational corporation.

Synonym: Buyer, Client.

Antonyms: None.

#### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	24	0	11	14	38	5	43
6%	24%	0%	11%	14%	39%	5%	63%

##### a. Survey Comments

Unfamiliar with term, Multinational is a bad term

Unfamiliar with term, The "host" portion seems to imply that the multinational corporation is based in or has a presence in, buyer country (as in "host or parasite")

Unfamiliar with term, vendor could be newly formed, organization performing its "first overseas job"

Disagree, not convinced this corporation must be multinational

Disagree, question "multinational corporation" only

Disagree, replace multinational corporation with not incorporated within its country

Disagree, when we refer to host country, we usually mean the country hosting an operation or exercise

Disagree, a host/buyer is the country that is buying a product/service from outside its own geographical boundaries

Undecided, weak

Undecided, what about buying from another country's government?

Undecided, Add "or a foreign corporation/entity"

Undecided, term seems to imply more than is in definition

Agree, delete the word multinational, could be a domestic corporation

Agree, could this include the government of a nation?

Agree, use buyer rather than host/buyer to me host implies other things

Agree, disagree that the host/buyer country buys only from a "multinational corporation"

Agree, a host/buyer may buy from government agencies as well as multinational corporations.

Agree, may be required by the country to buy materials/supplies from locals

#### **b. Analysis and Discussion**

Consensus was not reached on this term because the level of consensus was only 63%. This caused us some serious concerns until we looked closer at the fact that 24 respondents annotated the survey as unfamiliar with this term with an additional 14 noting that they were undecided.

Most respondents questioned the term "multinational" or "multinational company". The most positive comment was to replace the term with the statement "is buying goods or services outside its own boundaries". This change will be used in place of "multinational corporation" in the final definition.

### **3. Finalized Definition**

A host/buyer country is the country that is buying goods and services outside its own boundaries.

Synonym: Buyer, Client.

Antonyms: Seller.

## **Icoterms**

### **1. Actual Questionnaire Definition**

The International Chamber of Commerce has established delivery terms called INCOTERMS. They are designed to overcome the problems of conflicting national laws and interpretations by establishing a standard set of delivery terms and definitions that offer "neutral" rules and practices. All personnel involved in international contracting should become familiar with the various INCOTERMS beginning with "Ex-works," which means minimum cost coverage by the seller, and ending with the term called "Delivered Duty Paid," which means maximum cost to the seller. There are fourteen INCOTERMS. Each clearly defines a different set of responsibilities with respect to delivery. If delivery is to be at origin the Ex-works should be used because it means that the seller's only responsibility is to make the goods available on the premises. He is not responsible for loading the goods on the vehicle provided by the buyer. The buyer bears the full cost and risk involved in bring the goods from there to the desired destination, and, thus, this term represents the minimum risk for the seller. Above all, delivery Ex-works means that the goods can be delivered and paid for when they are ready to be delivered. That readiness is under the complete control of the seller. All of the other INCOTERMS impose various burdens upon the seller both from the delivery and the cost point of view.

In drafting any contract, the provision setting forth the delivery terms should provide that they are to be defined in accordance with the 1990 Edition of the Guide to INCOTERMS. This is the current guide and it is published by the International Chamber of Commerce.

Synonym:       Delivery Terms, Terms of Delivery.

Antonym:       None.

### **2. Actual Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
8	48	1	2	14	21	4	25
8%	49%	1%	2%	14%	22%	4%	60%



#### **a. Survey Comments**

Unfamiliar with term, replace "1990 edition" with " most current edition"

Unfamiliar with term, definition is too long. I didn't read it. This definition strays and loses its focus by concentrating on Ex-works. Should shorten the definition. Suggested synonym : International Trade

Unfamiliar with term, you spent a great deal of verbiage to describe Ex-works. You should rewrite this definition using only the portion I have not marked out.

Disagree. The International Chamber of Commerce established delivery terms are called ICOTERMS. (International Commerce Terms). Each term imposes various burdens upon the seller both from delivery and cost point of view. They are designed to overcome. Delete from "All personnel..." to the end of paragraph 1.

Undecided, be careful about citing a publication date, it can be outdated quickly

Undecided, delete all of the first paragraph except for first, second, and last sentences

Agree, industry usually opts to not use these since they include some requirements that industry may not want to apply, like arbitration

Agree, you still need to define the term. Does ICOTERMS mean International Contracting Terms?

#### **b. Analysis and Discussion**

This term also does not meet the criteria of 66% consensus or better. Half of the respondents were unfamiliar with this term and another 14 were undecided. This term is very specific and would probably only be known by someone who was involved in international procurement. This term only had 60% consensus. It is also interesting to note the lack of comments. There were only 8 comments and only one appeared to know what the term meant.

There were two main comments. The first comment was on the use of a date in the definition. This was an oversight on our part. A date would not allow the term to be generic and could lead the reader to the wrong conclusion. The second is on specifically what this term is an acronym for. ICOTERMS is an acronym for International Contracting Terms and this statement is included in the final synergized definition.

### 3. Finalized Definition

The International Chamber of Commerce established delivery terms. They are designed to overcome the problems of conflicting national laws and interpretations by establishing a standard set of delivery terms and definitions that offer "neutral" rules and practices. There are fourteen different terms. Each of the fourteen clearly defines a different set of responsibilities with respect to delivery. All of individual terms impose various burdens upon the seller both from the delivery and the cost point of view.

In drafting any contract, the provision setting forth the delivery terms should provide that they are to be defined in accordance with the current Edition of the Guide to ICOTERMS (International Contracting Terms). This is a guide published by the International Chamber of Commerce.

Synonym: Delivery Terms, Terms of Delivery.

Antonym: None.

### In-Country Sourcing

#### 1. Actual Questionnaire Definition

In-country sourcing means procuring material, manufacturing or services from companies which are located within the geographical boundaries of the recipient purchaser country.

Synonym: Subcontract, Material Purchases.

Antonym: None.

#### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	9	0	1	2	61	19	80
6%	9%	0%	1%	2%	62%	20%	96%

##### a. Survey Comments

Unfamiliar with term, "recipient purchaser is confusing. Perhaps you could say " located in the same country as the buyer"

Agree, I would insert sub assemblies after the word, "material".

Agree, use clearer term than "recipient purchaser"

Agree, we can do better than "recipient purchaser". The term is too fuzzy.

Agree, delete Synonym

Agree, may be required by the country to buy material and services from locals

Agree, suggested synonym : "in-country" and "out-country"

Agree, Synonyms are poor. Don't really address definition

Strongly agree, good definition

Strongly agree, additional Synonyms are domestic sourcing and offshore restrictions

#### **b. Analysis and Discussion**

The survey showed a high level of consensus for this term's proposed definition.

Nevertheless, the respondents offered a number of suggestions regarding the wording and content of the definition. Most prominent were comments on "recipient purchaser". The final definition reflects a deletion of this term.. The rest of the comments were editorial and did not change the *definition for the better.*

The recommended synonym of domestic sourcing is excellent and is used in the final synergized definition. The other suggestions of the synonym of offshore restrictions is too suggestive of a country with shores and was not used.

### **3. Finalized Definition**

The procuring of material, manufacturing or services from companies which are located within the same country as the buyer.

Synonym: Domestic sourcing.

Antonym: None.

## **Industrial Collaboration**

### **1. Actual Questionnaire Definition**

Industrial Collaboration occurs when the contract-winning company promises to subcontract part of its work to a company or individual located within the boundaries of the awarding country.

Synonym: Countertrade, Offsets.

Antonym: None

## 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	25	2	7	14	40	4	44
6%	26%	2%	7%	14%	41%	4%	66%

### a. Survey Comments

No Answer, Industrial Collaboration is when one company shares its technology with another either foreign or domestic. Offset is though to be associated with foreign sales only and is an agreement to purchase products form that country.

Unfamiliar with term, Intra-country collaboration

Unfamiliar with term, collaboration does not necessarily imply a subcontract

Unfamiliar with term, industrial collaboration is not specific to this instance alone, has many other meanings.

Unfamiliar with term, why limited to country boundaries?

Unfamiliar with term, collaboration has some negative connotation

Unfamiliar with term, what about when companies agree prior to award as to who gets to win this time but no promise of a subcontract?

Unfamiliar with term, could have a domestic definition between types of industries

Strongly Disagree, Industrial collaboration agreement exist for cost containment purposes, despite any contract award. Normally such arrangements are effected using a consignment approach. Your definition more accurately describes a co-production scenario.

Disagree, industrial collaboration occurs when a contract-winning company promises to subcontract part of its work to a company or individual located within the boundaries of the awarding country

Disagree, what you define to me is, in-country sourcing. Industrial Collaboration is what is defined below as Industrial Cooperation

Disagree, better to use offset (Direct and Indirect)

Disagree, industrial collaboration doesn't have to be involved with any specific contract won by someone.

Disagree, would not this term also apply to relationships other than offsets and countertrades?

Disagree, need definition to be more specific to procurement

Undecided, All it means is two or more companies within an industry who agree to work together toward a common legal goal

Undecided, "Industrial Collaboration" brings to mind such terms as "price fixing", etc.

Undecided, I still prefer the term offset, industrial collaboration implies it was voluntary

Undecided, not a good definition, avoid using the term in the definition

Undecided, Industrial Collaboration occurs when a company offers to or actually obtains one or more associated companies or subcontracts part of its work to a company or individual to perform a contract

Undecided, this could simply apply to companies attempting to expand market or technical areas without relation to specific awards or companies.

Agree, shouldn't this also say for the economic benefit of the companies or individuals located within the awarding countries.

Agree, change to company winning the contract vs contract winning company

Agree, needs to be stronger than a promise

Agree, offsets are usually a condition of sale

Agree, I think it means industrial companies working together for a common purpose

Agree, your definition implies that this always happens during the pre-award phase

Agree, this one definition could be many more

#### **b. Analysis and Discussion**

This term barely meets the consensus criteria. This was caused by a large number of respondents who were unfamiliar with the term. There were also an additional 14 that were undecided. This term is also controversial because collaboration has negative connotations. The main comment was that collaboration can take place between companies domestically as well as internationally. The synergized definition reflects that change. One of the pertinent comments mentions that collaboration is stronger than a promise. The final definition states that the promise usually is in writing. The remaining exceptions were very strong single statements of what the respondent believes collaboration to be. There was no consensus in their comments.

### **3. Finalized Definition**

**Industrial Collaboration** occurs when one company promises, usually in writing, to subcontract part of its work to another company or individual in exchange for some type of consideration.

**Synonym:** Countertrade, Offsets.

**Antonym:** None

## Industrial Cooperation

### 1. Actual Questionnaire Definition

The action of persons or organizations co-operating or acting jointly with another entity. The association of persons or organizations for their common benefit. In patent law, unity of action to achieve a common end or common result, not merely a joint or simultaneous action.

Synonym: Joint Venture or Partnership.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
7	7	0	2	11	66	5	71
7%	7%	0%	2%	11%	68%	5%	85%

#### a. Survey Comments

Undecided, synonym: Teaming Partner

Undecided, last sentence doesn't add anything to understanding for a procurement professional

Undecided, Delete" not merely a joint or simultaneous action"

Undecided, needs to address proprietary information, exclusive rights, etc., shared/not shared.

Disagree, Industrial Coordination could mean many relationships other than joint venture or partnership.

Agree, replace "another entity " with " mutual interest" Suggested antonym: Competition

Agree, change to with one another for their common benefit. Eliminate second sentence

Agree, I think "joint venture" is more commonly used term as I have seen it used

Agree, Synonym : Industrial Collaboration

Agree, delete " of persons or"

Agree, like collaboration but generally with a written purpose, scope, and limitation etc.

Agree, co-contractor team would be appropriate when co-operating parties do not desire a joint venture or partnership

Agree, the action of persons or organizations acting jointly with another entity for their common benefit

Agree, Synonym: Team Relationship Basis for teaming arrangements

## b. Analysis and Discussion

The consensus was very high on this term. The main comment from respondents was eliminate the second sentence and add the information to the first. This change is included as part of the final definition. The remaining comments are about changing words to better reflect the individual respondents interpretation of cooperation. In the author's opinion these additional words would not increase the quality of this definition. There was also one recommendation for an antonym, competition. This comment was incorporated into the final synergized definition.

## 3. Finalized Definition

The action of persons or organizations co-operating or acting jointly with another entity for their common benefit. In patent law, unity of action to achieve a common end or common result, not merely a joint or simultaneous action.

Synonym: Joint Venture or Partnership.  
Antonym: Competition.

## International Teaming

### 1. Actual Questionnaire Definition

The cooperation among the governments of two or more nations and/or the organizations within these same nations in weapon development and/or production.

Synonym: Partnership.  
Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
7	9	1	14	13	47	7	54
7%	9%	1%	15%	13%	48%	7%	66%

#### a. Survey Comments

No answer, delete "in weapons or development and/or production"

Unfamiliar with term, international teaming is not exclusive to weapon development

Unfamiliar with term, limited to "weapon"?

Disagree, why constrain definition to weapon development and/or production

Disagree, why constrain the definition to "weapon" related activities?

Disagree, why does this deal solely with "weapon development and/or production"?

Could include major systems and other "large scale" pursuits

Undecided, definition needs to include the word "partnership" and how partnership structures can vary, i.e., primary/secondary, senior & associate, etc.

Undecided, recommend expanding your definition beyond a military application

Undecided, applies to other than weapon development/production. Team to achieve one common purpose or end.

Undecided, could apply to activities beyond weapon development/production

Agree, international teaming extends beyond weapons systems and can apply to commercial manufacturing

Agree, does not need to be restricted to weapons, could be commercial aircraft or project

Agree, broader application, production, development, research, or economies of scale

Agree, expand beyond "weapon" development to "product" development

Agree, does not necessarily apply to just weapon development or production

Agree, suggested synonym: international joint venture

Agree, modify to say "any related organizations/companies

Agree, can't it also relate to partnerships to expand markets, reach access, etc.?

Agree, delete after "weapons" and replace with contractual arrangements

Agree, why only weapon development?

Agree, why does it reference just weapon development and/or production?

Agree, change weapon to product

Strongly agree, there is usually a formal agreement that defines the cooperation/responsibilities of the parties

#### **b. Analysis and Discussion**

Although this term had a very low consensus the authors are confident that this definition in its final form will be acceptable. The overwhelming comment from the respondents was about weapon development. They stated that the word "weapon" should be changed to "product". The authors agree with those comments. The final definition reflects a change to that portion of the definition.

There was one suggested additional synonym, international joint venture. This will be included in the final definition.



### 3. Finalized Definition

The cooperation among the governments of two or more nations and/or the organizations within these same nations in product development, production and/or services.

Synonym: Partnership, International Joint Venture.

Antonym: None.

## Joint Venture

### 1. Actual Questionnaire Definition

A one time grouping of two or more entities in a business undertaking. Unlike a partnership, a joint venture does not entail a continuing relationship among the parties. In a joint venture, companies negotiate a teaming agreement which governs how the members will interact in pursuing or conducting business. The joint venture is characterized by joint ownership, management, and the sharing of profits and losses. Joint ventures can be partnerships or corporations.

Synonym: Partnership, Corporation, or Teaming.

Antonym: Sole Producer.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
7	0	1	8	2	59	21	80
7%	0%	1%	8%	2%	61%	21%	88%

#### a. Survey Comments

No answer, don't know if a corporation can be a joint venture

Disagree, can't the joint ventures be sole producers?

Disagree, delete last word "teaming" the joint venture "may be" characterized

Add to the last sentence, " or a mere agreement to work towards a common goal."

Disagree, teaming agreement does not equal a joint venture. Joint venture is set up legally.

Both or more companies act as one. Teaming arrangements, prime/sub or leader/follower relationships are not the same as a joint venture.

Undecided, many joint ventures do continue. Disagree with one time grouping

Agree, a teaming arrangement I have worked expressly stated they were not Joint Ventures

Agree, the "one time" term implies it only happens once. Actually two companies could team in several joint ventures for different work.

Agree, delete last sentence, it contradicts key statement in second sentence.

Agree, add the word specified before business

Agree, consortium?

Agree, my understanding is that joint ventures are formed for specific activities especially pursuing and performing a particular contract.

Agree, don't use the term being defined in the definition

Agree, it has been my experience that "teaming arrangements" are often negotiated with no intent to form a joint venture per se.

Agree, if a joint venture is finite (when a goal is reached), then international teaming is less finite? needs clarifying

Strongly agree, this should also include equal investment

Strongly agree, Synonym partnership and corporation are not good

Strongly agree, your definition states that a joint venture doesn't entail a continuing relationship. I feel this is misleading because a joint venture can continue for years

#### **b. Analysis and Discussion**

Only three respondents disagreed with this definition. The main disagreement was not with the definition but with the synonym, teaming. The final definition does not contain the synonym, teaming because teaming is not as formal as a joint venture.

The consensus on this term was very high but even the respondents who agreed made comments. One respondent suggested the word "specified" before business. The final definition considers that. One overall statement was that the term does not belong in the definition. The final synergized definition below was redone deleting the term "joint venture."

### **3. Finalized Definition**

A one time legal grouping of two or more entities in a specified business undertaking. This grouping does not necessarily entail a continuing relationship among the parties. Members usually negotiate a teaming agreement which governs how they will interact in pursuing or conducting business. This business arrangement is characterized by joint ownership, management, and the sharing of profits and losses.

Synonym: Partnership, Corporation.

Antonym: Sole Producer

## Lesser Developed Countries

### 1. Actual Questionnaire Definition

Lesser Developed Countries are countries who have less bargaining power with international corporations because of a shortage of foreign currency and political power.

Synonym: Under Developed Countries, Third World Countries.

Antonym: World Powers, Developed Countries.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	7	5	21	11	43	5	48
6%	7%	5%	22%	11%	44%	5%	56%

#### a. Survey Comments

Unfamiliar with term, when you use the term "less" in a definition you must then indicate "less than what?" Also what does shortage of "currency/power" mean? Definition should probably be rewritten without the use of "relative to" or "dependent upon" terminology  
Unfamiliar with term, economics plays a part there somewhere.

Strongly disagree, most important it means they are less developed.

Strongly Disagree, need not have anything to do with bargaining or political power.

Refers to economic state (i.e. GNP) or level of infrastructure

Strongly disagree, a standard must exist. If a country doesn't meet the standard it is less developed

Strongly disagree, even prior to fragmentation, Yugoslavia was a lesser developed country yet, it had much bargaining power due to historical ties. Developed vs under-developed has more to do with standards of existence & civilization sophistication

Disagree, should reference more general economic limitations than just currency. Doesn't this refer to technological advancement and poverty?

Disagree, inset political power, technological or manufacturing capability. Recommend differentiating between LDC and Under Developed Country

Disagree, LDCs are also characterized by lack or inability to utilize natural resources.

Disagree, definition should be consistent with International Foreign Trade definition for LDC

Disagree, the reasons for lesser bargaining power are both political and economic and are not necessarily limited to the reasons given here.

Disagree, also applies to political, social, and economic conditions.

Disagree, you have included a possible result as part of your condition

Disagree, has to do with industrial/technology base being less also

Undecided, a LDC also is less experienced due to lack of manufacturing experience, facilities, and expertise

Undecided, in general I agree, however a number of former Bloc countries meet this definition. Is your intent to include Poland, for example?

Undecided, this definition is very narrow for a term which can be used in many disciplines.

Undecided, add " or economic strength" to the last sentence.

Undecided, LDCs have a low GNP, little or no infrastructure, education, training, or economy. Countries vs corporations is a stretch.

Undecided, believe definition needs to be expanded to include comment of degree of industrialization, workforce self sufficiency, etc.

Agree, cause and effect problem. LDCs are not LDCs because they lack political power

Agree, change less to minimal or little

Agree, do they always have less bargaining power because of shortage of money and political power?

Agree, these countries are also less industrially and technologically advanced.

Agree, why not use the standard terminology, third world or under developed?

Agree, add and are less developed culturally and technically

Agree, bargaining power is not the determinant factor in classifying LDCs.

Agree, add another antonym: Super Power

Agree, other causes lower industrial capability

Agree, they are less developed because they have less industry and infrastructure

Agree, replace who with that and add industrial development after currency

Agree, I agree if limiting definitions to the contracting field.

Agree, goes deeper than bargaining power and shortage of currency/power.

Technologically and educationally less developed. Less resources.

#### **b. Analysis and Discussion**

This term does not meet the percentage for consensus. The comments centered on the fact that there are many more criteria than bargaining power in determining if a country is lesser developed or not. The terms used were industrial, economic, technology, cultural, and political. The authors were trying to use the term in a narrow sense combining both a contract and an international slant. This technique did not work. This term will be put on the suggested list of new terms for additional study. The final synergized definition below is the authors' attempt to incorporate those comments.

### 3. Finalized Definition

Countries who have less power internationally because of a lack of sufficient economic, technological, political, educational or cultural expertise to overcome these or other shortages.

Synonym: Under Developed Countries, Third World Countries.

Antonym: World Powers, Developed Countries.

## Letter of Offer and Acceptance (LOA)

### 1. Actual Questionnaire Definition

United States Department of Defense letter by which the United States Government offers to sell to a foreign government or international organization United States defense articles or services pursuant to the Arms Export Control Act, as amended. The LOA lists the items and/or services, estimated costs, and the terms and conditions of the sale. It also provides for the signature of an appropriate foreign official to constitute acceptance.

Synonym: Purchase Agreement.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	21	0	6	8	46	11	57
6%	22%	0%	6%	8%	47%	11%	81%

#### a. Survey Comments

Unfamiliar with term, add "by a foreign purchaser" after the word used in the first line.

Unfamiliar with term, Not familiar with Arms Control Act but equate term to FMS

Unfamiliar with term, is this exclusive to US Defense articles/services?

Undecided, recommend adding in the relationship of the Department of State in this transaction.

Agree, only DOD?

Agree, LOA is a specific term used as part of the Foreign Military Sales Program.

Agree, this is used in subcontracts also

Agree, I do not believe "international organization: is included in the definition.

Agree, the LOA usually results in a purchase agreement. LOA's are generally proposal offers leading to a general contract or additional offers.

Agree, why restrict term to DOD letter? Could it be a letter between two companies?

Agree, agree with definition but I did not think it applies just to foreign governments

Strongly agree, this definition provides an example that is too specific to convey LOAs.

Strongly agree, synonym has very weak link to LOA. Are LOAs only used by DOD?

#### **b. Analysis and Discussion**

While consensus on this term was reasonably good there was one fact left out of the original definition. The fact is this term is specific for US Government Foreign Military Sale. (FMS) This oversight is corrected in the final definition. The two main comments from the respondents asked if this term was particular to FMS and foreign governments. The answer to both is yes.

### **3. Finalized Definition**

United States Department of Defense letter by which the United States Government offers to sell to a foreign government or international organization United States defense articles or services pursuant to the Arms Export Control Act, as amended. The LOA lists the items and/or services, estimated costs, and the terms and conditions of the sale. It also provides for the signature of an appropriate foreign official to constitute acceptance. This term is exclusively used in Foreign Military Sales (FMS).

Synonym: Purchase Agreement.

Antonym: None.

## Letter of Request (LOR)

### 1. Actual Questionnaire Definition

The LOR is a document used to request defense articles and services as well as planning and review data (P&R); price and availability data (P&A) ; or an actual letter of offer and acceptance. (LOA)

The LOR must include a statement of what is desired and sufficient detail on the articles/services for the cognizant Department of Defense (DoD) component to provide a firm basis for the price estimate. The LOR is forwarded through the US embassy (or the designated Security Assistance Office) or through the nation's in-country representative in the United States for transmission to the appropriate US government component. The LOR is then validated to ensure that the request is from an eligible recipient, that the article/service in question may be sold, and that the request has been made through the proper channels.

The LOR is supposed to contain enough details to allow the contracting officer to negotiate an award without any involvement on the part of the foreign purchaser.

Synonym: Purchase Request.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
7	32	0	3	13	37	6	43
7%	33%	0%	3%	13%	38%	6%	74%

#### a. Survey Comments

No answer, I have not heard the LOR phrase in my business experience which includes 14 years of international related procurement. We deal with P&R, P&A, and LOA.

No answer, why not just call it a purchase request?

Unfamiliar with term, why not expand to other types of products?

Unfamiliar with term, Last paragraph not correct. Negotiate means involvement of both parties and each other

Disagree, LOR is used by the buyer to establish budget requirements and examine alternatives.

Undecided, does not necessarily apply only to foreign countries

Undecided, suggested Synonym: Request for Price and Delivery, Request for Quote, Request for Proposal. Why is this term used in lieu of the above Synonym?

Undecided, why not expand to other types of products?

Agree, specify Department of State involvement

Agree, is the LOA used only by DOD? If not, make the definition more general

Agree, how does a CO negotiate without the involvement of the other party?

Agree, restricted to DOD?

#### **b. Analysis and Discussion**

The comment from the one disagree states that the LOR is used by the buyer to establish budget requirements and examine alternatives. While that may be true it does not belong in the definition. The second general comment was does this term only apply to DOD. That is true and will be noted in the final definition. The last main comment was how does a CO negotiated without the involvement of the other party. In this case the CO is empowered to negotiated for a third party, usually a foreign government, with a contractor. This misunderstanding does not necessitate a change to the definition.

There were also suggestions for synonyms, Request for Price and Delivery, Request for Quote and Request for Proposal. Although good, these terms are too general to handle the specific FMS slant of this term and will not be considered in the final synergized definition below.



### 3. Finalized Definition

This term is exclusively used in Foreign Military Sales (FMS). This is a document used to request articles and services as well as planning and review data (P&R); price and availability data (P&A); or an actual letter of offer and acceptance.(LOA)

This document must include a statement of what is desired and sufficient detail on the articles/services for the cognizant Department of Defense (DoD) component to provide a firm basis for the price estimate. This document is forwarded through the US embassy (or the designated Security Assistance Office) or through the nation's in-country representative in the United States for transmission to the appropriate US government component. The document is then validated to ensure that the request is from an eligible recipient, that the article/service in question may be sold, and that the request has been made through the proper channels.

This document is supposed to contain enough details to allow the contracting officer to negotiate an award without any involvement on the part of the foreign purchaser.

Synonym: Purchase Request.

Antonym: None.

## Military Export Sales

### 1. Actual Questionnaire Definition

All sales of defense articles and services made from U. S. source to foreign governments, foreign private firms, and international organizations, whether made by DoD or by United States industry directly to a foreign buyer. Such sales fall into two categories: Foreign Military Sales and Commercial Sales.

Synonym: Foreign Military Sales, International Sales, Sales, Exports, Foreign Exports.

Antonym: Foreign Imports, Imports, Foreign Purchases, International Purchases.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	6	0	0	3	69	14	83
6%	6%	0%	0%	3%	71%	14%	97%

#### a. Survey Comments

Undecided, may need to widen the scope of definition

Agree, phrase "US source" is awkward.

Agree, I do not believe "international organization" is included in the definition.

Agree, change "to a foreign buyer" to "for a foreign buyer".

Agree, delete "made from" and replace with "by a".

Agree, replace "services made from US" with " services made by a US"

#### **b. Analysis and Discussion**

There was an extremely high level of consensus on this term. The authors will not make any changes to this definition except for minor editorial changes to enhance the meaning.

### **3. Finalized Definition**

All sales of defense articles and services made from a U. S. source to foreign governments, foreign private firms, and international organizations, whether made by DoD or by a US industry directly to a foreign buyer. Such sales fall into two categories: Foreign Military Sales and Commercial Sales.

**Synonym:** Foreign Military Sales, International Sales, Sales, Exports, Foreign Exports.

**Antonym:** Foreign Imports, Imports, Foreign Purchases, International Purchases.

## **Munitions List**

### **1. Actual Questionnaire Definition**

The Munitions List is a compilation of all technical data, services and defense products which are controlled by the Office of Defense Trade Controls (ODTC). The ODTC follows the rules and procedures laid down in the *International Traffic of Arms Regulations (ITARS)* and the *Foreign Corrupt Practices Act*.

The United States Munitions List is published in the Department of State's *International Traffic in Arms Regulations*.

**Synonym:** None.

**Antonym:** None.

## 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	29	0	0	7	50	6	56
6%	30%	0%	0%	7%	51%	6%	90%

### a. Survey Comments

Unfamiliar with term, I think industry still considers the Munitions List Synonym with ITAR.

Undecided, should be International Traffic in Arms Regulation not "of".  
Undecided, add (22CFR 120-130) to end of definition. Office of Defense Trade Controls formally Office of Munitions Control. Munitions List is equal to ITAR. Foreign Corrupt Practices Act is related but not the origin of the term or necessary to state what the munitions list is.

### b. Analysis and Discussion

This term had no disagreements. The comment to change "of" to "in" is appropriate and will be included in the final definition. A formal cite is not necessary for clarity. It will not be considered. This term had a high degree of consensus and minimal changes were required on the final synergized definition below.

## 3. Finalized Definition

The Munitions List is a compilation of all technical data, services and defense products which are controlled by the Office of Defense Trade Controls (ODTC). The ODTC follows the rules and procedures laid down in the International Traffic in Arms Regulations (ITAR) and the Foreign Corrupt Practices Act.

The United States Munitions List is published in the Department of State's *International Traffic of Arms Regulations*.

Synonym: None.

Antonym: None.

## Obligation Authority

### 1. Actual Questionnaire Definition

Obligation Authority (OA), as used in Foreign Military Sales (FMS), is a document or authority passed from Defense Finance and Accounting Service via a DD Form 2060 (or automated equivalent) to the implementing DoD component which allows obligations to be incurred against a given FMS case in an amount not to exceed the value specified in the obligational authority. The total authority received through use of the DD Form 2060 (or automated equivalent) includes the authority to incur commitments or obligations directly against the country's trust fund, and reimbursable orders.

Synonym: None.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	32	1	2	8	46	3	49
6%	33%	1%	2%	8%	47%	3%	83%

#### a. Survey Comments

Unfamiliar with term, obligation authority usually is used in conjunction with Congressional Legislation

Unfamiliar with term, what about non DOD?

Strongly disagree, insert written documentation and move a "DD form 2060 (or automated equivalent)" after authority. Put a "the" in front of DFAS.

Disagree, my contracting experience is international, not FMS.

Undecided, what about non DOD?

Agree, this is, by your own admission, a narrow definition of obligation authority

Agree, I do not see or hear of the obligation authority at the prime contractor's level

Agree, we view the 2040 as the commitment document

Agree, obligation authority exists on all transactions not just FMS related.

Agree, agree with definition for FMS, but obligation authority has other applications as well

## **b. Analysis and Discussion**

The consensus on this term was high. There was no main comment to focus upon so each comment was considered by itself in light of making the definition as clear and concise as possible. The authors decided to drop the first reference to DD form 2060 because it was redundant. This is a narrow form of definition for this term because of the inclusion of the statement about FMS. Making this term more generic would make it closer to the term permission or authority.

## **3. Finalized Definition**

Obligation Authority (OA), as used in Foreign Military Sales (FMS), is a document or authority passed from Defense Finance and Accounting Service to the implementing DoD component which allows obligations to be incurred against a given FMS case in an amount not to exceed the value specified in the obligational authority. The total authority received through use of the DD Form 2060 (or automated equivalent) includes the authority to incur commitments or obligations directly against the country's trust fund, and reimbursable orders.

Synonym:       None.  
Antonym:       None.

## **Offset (Direct and Indirect)**

### **1. Actual Questionnaire Definition**

"Offset " is a generic term used by those in the defense, aerospace, and high-technology industries to describe reciprocal trade arrangements which compliment sale of products. The use of offsets was initiated only 20 years ago as a modified form of countertrade.

There are two forms of offsetting. One involves a contractor that promises to buy a certain amount of goods from a country in return for a contract. This is more properly called countertrade. The other occurs when the contract-winning company promises a subcontract part of its work to the awarding country. This is called industrial collaboration and is most used in the Arabian Gulf.

Synonym:       Countertrade, Industrial Collaboration.  
Antonym:       None.

## 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	14	2	5	5	57	9	56
6%	15%	2%	5%	5%	58%	9%	72%

### a. Survey Comments

No answer, change "defense, aerospace" to " government contracting"

Unfamiliar with term, Indirect - any type of goods country produces (i.e. dishes, horses, candy, etc.) Direct - products for use in the end item.

Unfamiliar with term, industry promises to buy a certain amount of goods when the country is not sophisticated enough to produce items that could be used in the system

Unfamiliar with term, can't offset involve commercial products or services?

Disagree, "Offset" is a generic term used by those in the military export sales. This is a form of offset, called indirect. Delete countertrade. Last sentence should read, " This form of offset, called direct, may also be identified as industrial collaboration."

Agree, are you certain only defense, aerospace, and high-tech industries use this term?

Agree, delete last line, "This is called Industrial Collaboration."

Agree, you failed to explain the difference between direct and indirect offset

Agree, offset can also apply to payment provisions in a contract

Agree, offsets are usually thought of in U.S. Balance of Trade Issues

Agree, delete, " The use of offsets was initiated only 20 years ago as a modified form of countertrade."

Agree, offset has other meanings in contracting financial arena.

Agree, last sentence should read "This can be a form of Industrial Collaboration."

Agree, but is the definition broad enough. Aren't there other forms of offsets?

Agree, agree except for the last sentence

Strongly agree, offset is used in contract admin. in recovering moneys for various reasons

Strongly agree, OK but offset is generic enough to have other meanings such as offsets in defective pricing actions.

Strongly agree, agree with concepts. Definition needs some work though. What is indirect and direct?

### b. Analysis and Discussion

In this age of negotiations, offsets should be a term recognized by everyone.

Fourteen of the respondents stated they were unfamiliar with the term. The main comment was on the difference between direct and indirect. This oversight was corrected in the final definition. The second major comment was on the use of a "over 20 years ago" in the

definition. A specific date was not used but the words " in the late sixties" was substituted for the generalization for clarity. The last major comment was on the use of the words defense and aerospace. They have been deleted and high technology industries left in to make the final definition more generic.

### 3. Finalized Definition

"Offset " is a generic term used by those in the high-technology industries to describe reciprocal trade arrangements which compliment sale of products. The use of offsets was initiated in the late sixties as a modified form of countertrade.

There are two forms of offsetting. One involves a contractor that promises to subcontract, within the boundaries of the buyer country, a portion of the goods/services as a requirement of the prime contract. This is a indirect offset. The other occurs when the contract-winning company promises a subcontract part of its work to the awarding country. This is called an direct offset or sometimes industrial collaboration.

Synonym: Countertrade, Industrial Collaboration.

Antonym: None.

## Planning and Review Data (P&R)

### 1. Actual Questionnaire Definition

When a foreign purchaser has not made a firm decision to obtain particular articles/services he may request P&R data. P&R provides rough order of magnitude (ROM) data for preliminary review and planning purposes for the possible purchase of articles and services. Such information may not be used for firm budget estimates.

Synonym: ROM (rough order of magnitude), Estimate.

Antonyms: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	30	0	2	7	49	4	53
6%	31%	0%	2%	7%	50%	4%	87%

### **a. Survey Comments**

No answer, not always a foreign purchaser

Unfamiliar with term, change " may" to "should" and "estimates" to "planning"

Unfamiliar with term, add synonym: Price and Delivery

Unfamiliar with term, why must this be limited to foreign purchasers.

Unfamiliar with term, stick with the term ROM.

Disagree, I would not limit the definition to foreign purchasers.

Agree, change "may not" to "should"

Agree, what kind of data? Financial? Technical?

Agree, from who?

Agree, such information is not intended to be used for firm budget estimates

### **b. Analysis and Discussion**

This term is normally associated with FMS buys. The definition, as written, received a very high consensus. The main comment was should it only be a foreign purchaser, wouldn't any purchaser request this type of data? It does not have to be a foreign purchaser. The final definition dropped that word.

The other main comment was about that last sentence of the definition. True, this information should not be used for firm budget estimates but sometimes is used for budget estimates that are not firm. The last sentence in the final definition is changed to reflect this opinion.

### **3. Finalized Definition**

When a purchaser has not made a firm decision to obtain particular articles/services he may request P&R data. P&R provides rough order of magnitude (ROM) data for preliminary review and planning purposes for the possible purchase of articles and services. Such information should not be used for budget estimates.

Synonym: ROM (rough order of magnitude), Estimate.

Antonym: None.



## Price and Availability (P&A)

### 1. Actual Questionnaire Definition

When a purchase decision has been made then additional data may be requested. This additional data is called P&A data. P&A data includes budget estimates, as well as support equipment and other costs. This data should be detailed enough to transfer to the LOA without modification.

Synonym: Estimate, Purchase Order.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	24	0	6	9	49	4	53
6%	25%	0%	6%	9%	50%	4%	78%

#### a. Survey Comments

No answer, insert P&A after before data. Delete second sentence.

No answer, change data to cost.

No answer, in my line of work, we would gather P&A data based on a customer's possible desire to submit a purchase request, depending on the outcome of our research, i.e., What is it going to cost and is it available.

Unfamiliar with term, budget estimates and support equipment don't seem to be talking about the same thing.

Unfamiliar with term, request a price and when article can be delivered. Does not necessarily mean a purchase decision has been made.

Unfamiliar with term, purchase orders seems to be a weak connection to P&A Data.

Disagree, add "and accurate" after "detailed" in last sentence.

Disagree, suggested Synonym: Price and Delivery Request, ROM quote, Proposal.

When initial data is requested, for budgeting/planning purposes, for an item/service that may not be completely defined.

Undecided, P&A in the general contracting arena is for planning purposes to aid in decision making - perhaps comparing different models, potential upgrades, in-house vs contract manufacturing or services.

Agree, this term is used throughout industry, as a synonym for RFQ

Agree, P&A can also include estimated delivery times (availability)

Agree, delete first sentence and replace with, "After a purchase decision is made the seller can request additional data.

Agree, Price and Delivery is the term used with industry. A purchase decision does not need to be made and frequently is not before P&A data is supplied.

#### **b. Analysis and Discussion**

Although the consensus was very high there are two problems with the original definition. The first is the second sentence does not add anything to the definition . It is dropped in the final. The second is sentence structure in the third sentence. It didn't flow. The final definition does. These were two of the main comments.

The last comment worth mentioning was to add the word, "and accurate" after "detailed". If the data was detailed and not accurate it would still be useless. Although the other comments were considered the authors did not use them to enhance the final definition.

### **3. Finalized Definition**

When a purchase decision has been made then additional data may be requested. P&A data includes budget estimates and cost of support equipment as well as other costs. This data should be detailed and accurate enough to transfer to the Letter of Offer and Acceptance (LOA) without modification.

Synonym: Estimate, Purchase Order.  
Antonym: None.

## **Reciprocal Trade Agreements**

### **1. Actual Questionnaire Definition**

Agreement between two or more countries providing for interchange of goods between them at lower tariffs and better terms that exist between one such country and other countries. *e.g.* United States Reciprocal Trade Agreements Act of 1934.

Synonym: Trade Agreements.  
Antonyms: None.

## 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
7	3	0	2	2	72	12	84
7%	3%	0%	2%	2%	74%	12%	95%

### a. Survey Comments

No answer, delete after "that exist" and replace with " that could exist under general trade regulations."

Agree, insert "than those" after "better terms".

Agree, how does NAFTA play into this?

Agree, couldn't the definition also include services?

Agree, suggested antonym: Trade Restrictions

Agree, change to "better terms than exist" not " better terms that exist"

Agree, I understand the intent of the definition, but it could use some clarification to be better understood.

### b. Analysis and Discussion

The consensus of this term was extremely high. Most respondents agreed with the definition but wanted to change the words after better terms to "than those that exist" from "that exist". The final definition is changed in the suggested manner. One comment was how does NAFTA play into this? The North American Free Trade Agreement is a form of a reciprocal trade agreement.

A suggestion was also made for an additional antonym, Trade Restrictions. The authors agree with that suggestion and also added another antonym, Trade Barriers.

## 3. Finalized Definition

Agreement between two or more countries providing for interchange of goods between them at lower tariffs and better terms than those that exist between one such country and other countries. *e.g.* United States Reciprocal Trade Agreements Act of 1934.

Synonym: Trade Agreements.

Antonym: Trade Restrictions, Trade Barriers.

## Red Flag List

### 1. Actual Questionnaire Definition

A recent publication by the Bureau of Export Administration which provides a list to exporters of typical warning signs, or red flags, which may indicate a suspicious, noncompliant, or illegal export.

Synonym: None.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	49	0	1	10	30	2	32
6%	50%	0%	1%	10%	31%	2%	77%

#### a. Survey Comments

Disagree, the Bureau of Export Admin. publishes a "Red Flag" list to provide a written record of exporters who may be noncompliant or performing illegally.

Undecided, I have not personally seen a Red Flag List.

#### b. Analysis and Discussion

The consensus was high enough on this term to accept it as originally presented.

The respondents either agreed with the term or had not seen it before.

### 3. Finalized Definition

A recent publication by the Bureau of Export Administration which provides a list to exporters of typical warning signs, or red flags, which may indicate a suspicious, noncompliant, or illegal export.

Synonym: None.

Antonym: None.

## Specially Designated National List

### 1. Actual Questionnaire Definition

A list of foreign nationals and entities with which all business transactions are forbidden by authority of the Office of Foreign Assets Control. This office administers the regulations issued by the Treasury Department. This list is published in the *Federal Register*.

Synonym: Debarred Contractors.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	44	0	1	9	36	2	38
6%	45%	0%	1%	9%	37%	2%	79%

#### a. Survey Comments

Unfamiliar with term, sounds like you made up a term for "Debarred List".

Undecided, insert "with the U.S. Government" after transactions.

Undecided, I don't think of the Debarred List as a list of Foreign Nationals forbidden by the Office of Foreign Assets Control

Agree, Specially Designated National List is kind of vague.

Agree, similar to the table of Denial Orders?

Agree, add Denial List.

#### b. Analysis and Discussion

The comments seem to dwell on the term, Debarred List. This term is for the foreign problems while the Debarred List is for the US domestic problems. The second comment was about Denial Orders. Was this another term for Denial Orders. No it is not. This is a separate term that is specific to foreign nationals and entities. A consensus was reached but still 44 respondents were not familiar with this term. The subsequent final definition makes no changes.

### 3. Finalized Definition

A list of foreign nationals and entities with which all business transactions are forbidden by authority of the Office of Foreign Assets Control. This office administers the regulations issued by the Treasury Department. This list is published in the *Federal Register*.

Synonym: Debarred Contractors.  
Antonym: None.

### Technology Transfers

#### 1. Actual Questionnaire Definition

Technology transfer is the transfer of technology from one country to another. This is controlled by technology transfer restrictions.

Synonym: Head Hunting, Industrial Spying.  
Antonym: Proprietary Data.

#### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	5	5	9	11	56	6	62
6%	5%	5%	9%	11%	58%	6%	71%

##### a. Survey Comments

No answer, broaden the statement, "from one country to another"

Unfamiliar with term, Industry involved with technology transfers through the use of licensing and manufacturing agreements. Your definition implies something illegitimate  
Unfamiliar with term, I understand but the definition seems so clinical given the impact.

Strongly Disagree, disagree with the synonym "Industrial Spying". Technology transfer can occur between U.S. Defense and commercial industries.

Strongly disagree, uses term to define itself. Should include explanation of technology.  
Delete negative Synonym

Strongly Disagree, technology transfer is practiced within DOD as disseminating knowledge

Strongly Disagree, disagree with Synonym. This is a "circular" definition that just restates the term you are trying to define by putting the words in a different order.

Disagree, technology transfers governed by the Department of Commerce Regulations. Some countries try to bypass the regulations by shipping goods through a third country.

Disagree, such transfers can also occur among companies providing services.  
Disagree, technology transfer is the conveyance or transmittal of technology from one country to another. This is controlled by Technology Transfer restrictions and export controls.

Disagree, definition is too narrow.

Undecided, change "country" to "party".

Undecided, technology transfer can occur between two companies in the same country

Undecided, your Synonym and antonyms give me trouble.

Undecided, poor Synonym

Unfamiliar with term, using same words to define, Need to define "transfer" and "technology"

Undecided, definition OK but don't like the choice of Synonym

Undecided, what is the difference between a transfer and a transfusion? Should your definition also include transfusions?

Agree, technology transfer is the transfer of technology from one country to another. This is controlled by technology transfer restrictions.

Agree, something done under the ITAR's

Agree, disagree with Synonym

Agree, recommend including Department of Commerce involvement, delete negative terms

Agree, need to add additional information concerning : Licenses, ITAR, and Proprietary Information Agreements

Agree, is this legal or illegal, Synonym seem to indicate it is illegal rather than legal

Agree, disagree with Synonym

Agree, technology transfer is often legitimate and sometimes inadvertent.

Agree, could also apply to transfer of technology between two companies in the same country. Which would not be restricted unless these were proprietary information and anti-trust issues.

Agree, not necessarily from one country to another, It is quite common in the U.S. to develop multiple sources of arms equipment

Agree, this term is also used to describe the transfer of technology from a government entity to private industry.

Agree, don't agree with the Synonym

Agree, limited to international?

Agree, technology transfer can also mean transferring technology from the Government (i.e. R&D laboratories within the government) to private industry

Agree, also includes transfers between corporations having different nationalities.

Agree, Proprietary Data

Agree, could expand the definition to include data, software and hardware, not just technology.

Agree, technology transfer is also the transfer of technology to a foreign person or company that is resident but not a "permanent resident" of the U.S.

Agree, technology transfer is an issue not just between countries, but also between corporations within a country.

Agree, definition is too narrow.

Agree, not only from one country to another but from one company/industry to another as well.

Agree, delete all Synonym, add synonym of "trade secrets". Technology transfer is the transfer of technology from one company to another. For ITAR item between countries, this is controlled by technology assistance agreements (TAA) and Manufacturing Licenses Agreements (MLA).

Agree, Synonyms are not good. Definition could use more information.

#### **b. Analysis and Discussion**

This definition does meet the requirement of two thirds agreement or more to be considered a consensus. This definition is the combination of two simple words. The respondents made more comments on this term because of that recognition. The main comments dwelt on the Synonyms. The Synonyms were put in to solicit comments and they did. All the comments on the Synonyms were negative. The final definition does not have these Synonyms. Another major comment was to enlarge the definition to cover companies as well as countries. This was done by changing the word "country" to "entity." The following final synergized definition takes these three primary comments into consideration.

### **3. Finalized Definition**

The moving of knowledge, expertise, data, hardware or software from one entity to another. Internationally, this is controlled by technology transfer restrictions.

Synonym: Licensing Agreement.

Antonym: Proprietary Data.

### **Third Country National**

#### **1. Actual Questionnaire Definition**

A person who works for the United States Government in a foreign country but who is not a citizen of that country, or of the United States, or a United States protectorate.

Synonym: Employee.

Antonym: None.



## 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
7	13	0	2	14	57	5	62
7%	13%	0%	2%	14%	59%	5%	79%

### a. Survey Comments

No answer, also, is not a citizen of either two involved countries.

Unfamiliar with term, a person who is a citizen of a foreign country.

Disagree, what would be an example? Consider many Filipinos under status of force agreements.

Agree, synonym: Expatriate

Agree, I believe that person does not have to be working for us.

Agree, Third Country National may also work for U.S. Government contractor.

Agree, I thought it was a citizen of a third country.

Agree, suggested synonym: Foreign Employee

### b. Analysis and Discussion

The term had a high consensus. One comment stated this definition also applies to U.S. Government contractors. The authors agree with this comment and changed the final definition.

## 3. Finalized Definition

A person who works for the United States Government or a U.S. Government contractor in a foreign country but who is not a citizen of that country, or of the United States, or a United States protectorate.

Synonym: Employee.

Antonym: None.

## Transnational Solution

### 1. Actual Questionnaire Definition

A concept of exporting a mind-set of multiple strategic capabilities of high quality products. The most successful American export to Japan is our lifestyle.

Synonym: Lifestyle, Mindset, Outlook on Life.

Antonym: None.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	52	2	9	10	17	2	19
6%	53%	2%	9%	10%	18%	2%	48%

#### a. Survey Comments

Unfamiliar with term, I have not run into this term.

Unfamiliar with term, how is lifestyle and solution Synonym? I disagree with that.

Unfamiliar with term, this is a non-word with a gobbledy-gook definition.

Unfamiliar with term, I have not ever heard of this term before.

Unfamiliar, example is an opinion.

Unfamiliar with term, never heard of it. Whose solution? Definition by specific example is notional

Unfamiliar with term, doesn't sound like you have defined a solution.

Disagree, totally unclear, sounds like gibberish!

Disagree, needs to be more focused and specific to be useful.

Disagree, a concept of exporting a mind-set of multiple strategic capabilities across national lines.

Disagree, the definition is not very understandable.

Undecided, unclear, delete "The most" and replace with "One".

Undecided, although not familiar with this term, it doesn't appear to make sense.

Agree, except disagree with the last sentence in your definition.

#### b. Analysis and Discussion

This term was a poor choice and the lack of consensus revealed that fact. Over half of the respondents were unfamiliar with this term. The authors will delete the last line based on comments and add the words "across national lines" to the end of the first

sentence for clarity. This term is a candidate for further research. The following definition is the best that can be formulated at this time.

### 3. Finalized Definition

A concept of exporting a mind-set of a requirement for high quality products across national lines.

Synonym: Lifestyle, Mindset, Outlook on Life.  
 Antonym: None.

## Validated License

### 1. Actual Questionnaire Definition

A document issued by, or under the authority of, the Department of Commerce in response to an application filed by an exporter before the export of goods, technology, or services. It is a grant of authority given to a particular exporter for specified commodities to specified destinations for a specific end-use by a designated end-user.

Synonym: Export License.  
 Antonym: Import License.

### 2. Actual Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
6	32	0	2	7	47	4	51
6%	33%	0%	2%	7%	48%	4%	85%

#### a. Survey Comments

Unfamiliar with term, more commonly referred to as Export License.  
 Unfamiliar with term, antonym should be spelled Import.

Undecided, add "to export" after exporter and delete "for"

Agree, insert after Department of Commerce and approved by the Department of Defense/Project Management Office.

Agree, add or Department of State before the Department of Commerce

Agree, what's the definition of export license?

Agree, can apply to importer or exporter.

## **b. Analysis and Discussion**

The main comment was on the spelling of the word import. This is corrected in the final definition. Another comment that has merit is adding the Department of State before the Department of Commerce. This is done in the final definition. The remaining comments did not add any quality to the definition and will not be considered. The following is the final proposed definition.

### **3. Finalized Definition**

A document issued by, or under the authority of, the Department of State or Department of Commerce in response to an application filed by an exporter before the export of goods, technology, or services. It is a grant of authority given to a particular exporter for specified commodities to specified destinations for a specific end-use by a designated end-user.

Synonym: Export License.

Antonym: Import License.

## **D. Summary**

This chapter presented the analysis of data collected from the actual survey and finalized versions of the international contracting terms and their respective definitions which were included in this thesis effort. The finalized versions of the terms and definitions culminated from incorporating respondents' feedback to provide more clarity, reflect current usage of the term, and increase consensus. Also, these revised definitions reflect the opinion of the majority of CPCMs who participated in this project. A listing of the finalized definitions are located in Appendix J.

Chapter Five will provide an overall thesis summary, conclusions made with regards to project events and milestones, and recommendations for future research which will continue to feed this body of knowledge.

## **V. Conclusions and Recommendations**

### **A. Introduction**

The purpose of this thesis effort and all subsequent thesis efforts was to provide a baseline of terminology for the contract management profession. As the contracting profession grows, its lexicon will expand and evolve. The participants of this continuing project are tasked with the responsibility of forming definitions of contracting terms to reflect current usage in the field. These actions provide a means to facilitate the goal of effective and efficient communication. Communication is the key to success in our increasingly complex world. Our contribution to this effort focused on an escalating facet of this lexicon, international contracting terms.

The events leading to the end product of finalized, proposed definitions closely mimicked previous efforts. The foundation for this project was laid out in Chapter One. Chapter One included an introduction of the general issue at hand, background information, the specific problem and associated explanations, a series of research and investigative questions, assumptions, limitations, and an overview. Chapter Two presented the literature review research data, analysis of the data, and the results in the form of the initial set of synthesized definitions. These definitions and their respective terms were compiled to form a draft survey for evaluation by a panel of experts in the international acquisitions arena. Chapter Three presented the methodology which was used throughout this project. The procedures for the surveys were discussed. Also, calculations relevant to the data analysis were provided. Chapter Four summarized the information from the draft and actual surveys. This information included the research data, analysis, and results.

This final chapter presents the conclusions from our thesis experience and research results, and recommendations for future researchers to consider. These conclusions and recommendations will most likely be similar to those of previous efforts.

## **B. Conclusions**

Overall, this thesis provided experience and insight of an in-depth research process. This particular project produced a number of conclusions.

First, *unanimous consensus is very rare. A wide range of opinions will most likely be present (6:142). Regardless of the range of opinions, common trends can be sorted and combined with objective rankings to form a majority agreement.*

Second, the methodology used throughout this research process is valid (30:113). This conclusion is a result of the cumulative use throughout the duration of this lexicon project. The Dillman method proved to be very useful in increasing survey response rates. This method was not used for the draft survey where the response rate was approximately 50 %. When the researchers inserted this method as part of the actual survey process, the response rate increased to approximately 67%.

Third, this methodology is subjective (30:114). Researcher bias is unavoidable. The effort of the researcher plays a large role in forming the final product. One attempt to lower researcher bias included the use of the draft questionnaire. By letting a panel of experts evaluate the initial synthesized definitions, a more credible and less biased product was produced to be sent out to the random sample of Certified Professional Contract Managers (CPCMs) who belonged to the National Contract Management Association (NCMA).

Fourth, this lexicon is continually evolving. New terms will surface with current literature and other terms may drop out due to obsolescence. The continuation of this project is necessary. The contracting language, just like the English language, is constantly in need of revision.

Last, and peculiar to this particular thesis, not all the terms we categorized as international terms were strictly international in every context of use. In many of these instances, a modified generic definition was formed. These generic definitions incorporated other contexts as well as the international aspect of the term without losing the intent of its meaning.

## **C. Recommendations**

The researchers would like to offer several recommendations for the thesis process, in general. These recommendations are not necessarily listed in order of importance.

1. Keep careful documentation of all information gathered. This will prevent extra unnecessary effort later in the course of events.
2. Make duplicates of everything. This is in particular reference to data on various software and hardware sources.
3. Construct a realistic schedule with built-in leeway for any problems which may arise, and then stick to it. This process could prevent a lot of undue stress.
4. Front load the effort as much as possible and keep a consistent pace. Recommend at least two hours per week for the participants to maintain focus and continuity.

Specific recommendations which pertain to this particular thesis effort include the following:

1. Continue research in the field of international contracting. A list of 36 potential international contracting terms are contained in Appendix K of this thesis.
2. Reevaluate international contracting terms which did not receive consensus throughout the duration of this effort. These terms include foreign currency-contributed funds, host/buyer countries, icoterms, lesser developed countries, and transnational solution.
3. Continue to build upon this foundation of contracting terms to keep up with current trends in the contracting profession.
4. Continue to use the same methodology to include to the draft survey. The draft survey helps to form more credible definitions for the actual survey and to decrease researcher bias. The Dillman method served as an asset in increasing the response rate of the actual survey.
5. Request the most current listing of addresses of CPCMs from NCMA. This action will help to avoid receiving incorrect addresses.

6. A poll of currency in the contracting arena for the random sample of participants is suggested to be sent prior to sending out the actual surveys. This will help to avoid receiving unusable questionnaire responses due to retirement of more than five years or occupation movement out of the contracting field for extended periods of time.

#### **D. Summary**

This chapter discussed various conclusions and recommendations of the researchers which resulted from this thesis effort.

In conclusion, this overall project is very relevant to the issue of professionalism in the contracting arena. As subsequent research teams continue to build on this foundation, the efforts of all the participants will bear fruit in the form of a contracting dictionary. This lexicon can be used to build contracts that are low on misunderstanding and vague meanings. The lexicon can help the professional in the performance of his work. It cannot take the place of diligence and experience in the contracting profession.



## **Appendix A: Spalding and Cushing Methodology**

*Note: The following Methodology is quoted directly from Spalding and Cushing's Thesis, "Defining Contract Terms" (61:3-2 to 3-14), with the exception of the items in brackets which were added by the current researchers to denote specific clarifying changes or to denote that they had, in fact, examined specific references independently as well. Therefore, it should be noted that the citation numbers listed in parentheses do not apply to the present thesis. This (Appendix A) is presented to provide the reader insight into and rationale for use of the current methodology.*

### **III. METHODOLOGY**

Chapter I identified three investigative questions, enumerated below. The development of answers to these questions guided this thesis effort. The manner in which the answers are developed constitutes the methodology of this research.

#### **Investigative Questions**

For each of fifty-one contracting terms addressed by this effort, the following questions must be answered:

1. What are the current definitions of this term in the existing literature?
2. Are the definitions found in various sources consistent? Are they complementary? Are there conflicts among published definitions? Is more than one meaning supported by existing literature?
3. Are the published definitions consistent with operational definitions currently in use?

The approach to be implemented in answering the investigative questions posed above can be summarized under the steps listed below. It is emphasized that this approach is *qualitative* in nature. Although some quantitative techniques are used, in development of the appropriate sample size, for example, language, which is the essence of this research, cannot be reduced to mathematics. As will be emphasized in the discussion of decision rules for data analysis which will

follow, the researchers' judgment, based on a combined experience of thirty years in various contracting functions, supersedes any number-based criterion for decisions.

The first step in the execution of the proposed research effort (which, when completed, answers investigative questions 1. and 2.) is the development of the synthesized definition(s) for each term. This step is accomplished through a review and exegesis of the existing contracting literature. Where multiple sources offer the same or very similar definitions for a particular term, the level of agreement among published definitions will be considered high. In that event, the analysis associated with development of the synthesized definition(s) will be limited to ensuring that the selected published definition or researcher-produced composite is clear, complete, and concise. When a higher level of variation among published sources is noted, development of synthesized definitions will require a more critical analysis. In that case, the synthesized definition will be based on more extensive research into the term's background, as well as the researchers' judgment based on experience in the contracting field. An additional objective of the literature review is to identify other terms which can be used interchangeably with the subject term (synonyms), and terms which have the opposite meaning (antonyms).

Once the synthesized definitions have been developed the next step in the research effort is to assess the level of agreement, or consensus, within the professional community regarding the synthesized definition(s) of each term, and to adjust the proposed definitions as necessary to increase the level of agreement to an acceptable percentage. ("Acceptable" is more precisely defined below.) This is accomplished (and investigative question 3 is answered) through a combination of (a) a mail survey administered to recognized contracting professionals, and (b) application of a modified Delphi approach [described later] to the results of the initial mailing.

### **Survey Method**

A mail survey was selected as the appropriate vehicle for submission of the synthesized definitions to contracting professionals for their review and evaluation. This format has several significant advantages over the other available alternatives (personal interviews or a telephone

survey). While personal interviews offer the advantages of a high response rate and the ability to obtain detailed information, there are several drawbacks. The cost in administrative time is such that only a relatively small number of persons would be sampled. Additionally, restrictions on funds, as well as time, would require that the sample be taken from only a few localities, at most. A third consideration is that in order for useful, quality responses to be obtained, it is necessary that the respondents read the proposed definitions carefully and thoughtfully. It is suggested that a one-on-one interview does not offer the environment most conducive to that process, since the respondent might be distracted by the interviewer or feel pressured to rush through his analysis rather than take up more of the interviewer's time. Finally, it seems apparent that the best (i.e., most complete and well-reasoned) results on the survey will be achieved when the respondent is able to complete the survey at a time most convenient for him or her. Unfortunately, a personal interview, although carefully scheduled is often not really convenient for the interviewee.

The telephone interview offers the advantages of a high response rate and a very quick turnaround time. However, the primary drawbacks to this vehicle parallel those for the personal interview. Specifically, the cost in administrative time is prohibitive; restrictions on time would dictate that the number of contacts be fairly small. Perhaps most importantly, however, is the difficulty associated with conveying the synthesized definitions, some of which are quite lengthy, to the respondents telephonically. To be analyzed competently, the definitions must be *read*, as opposed to *heard*. Additionally, a well thought response is generally not compatible with a telephone survey, where the object is often to obtain a response "off the top of" the interviewee's head. Thus, as with personal interviews, the telephone survey does not offer the environment most conducive to the thought processes that will yield, for our purposes, a quality response.

A mail survey has not been selected for this research "by default". On the contrary, [this] method offers distinct advantages, given our emphasis on the need for respondents to see and read the synthesized definitions, and have adequate time to reflect on them, at a time convenient to the respondents, as well as the very definite limits on the researchers' time. The mail survey can meet

all those criteria. Previously, the main drawbacks associated with mail surveys were a low response rate and a relatively slow turnaround time. In fact, past thesis students working on this dictionary project who used mail surveys reported response rates as low as 14% (25:3-4). However, the Dillman technique (taken from his book, *Mail and Telephone Surveys: The Total Design Method* [25]) incorporated by Moyle [47] and Shelley [59] resulted in very high response rates to their surveys (25:5-2; 30:35-36). (The Dillman technique is discussed below in more detail.) The relatively longer time it takes to receive responses to mail surveys was considered in developing the timeline for this thesis effort. Based on the foregoing, the mail survey was determined to be most appropriate, considering the circumstances of the research effort.

#### *The Dillman Technique.*

Simply stated, the Dillman technique is a process used to increase the rate of response to mail surveys by: (a) convincing potential respondents that the purpose of the study is worthwhile, and that their response is important; and (b) issuing repeated reminders to nonrespondents appealing for their participation in the study. As Moyle [47] points out, the *Total Design Method* (TDM) developed by Dillman is flexible (25:3-5). Per Dillman [25], if the TDM is followed "in complete detail", the response rate will be around 77%, and use of a tailored version will yield a response of about 71% (14:21). Since the 71% rate is more than adequate for purposes of this study, an abbreviated form of the Dillman Technique will be applied.

In order to accomplish the first step of his technique, Dillman suggests use of a survey cover letter which will convey the purpose of the questionnaire, the usefulness of the study with which it is associated, the importance of the recipient's responses to the success of the study, and the confidential nature of the information to be provided (14:165-170). The cover letters attached to each of the two surveys sent out as part of this research were written with Dillman's advice in mind. . .

Dillman [25] suggests that the repeated reminders to nonrespondents be accomplished in the following manner:

Exactly 1 week [after the initial mailing] a postcard follow-up is sent to all recipients of the first mailing. Preprinted, but with an individually typed name and address on one side and an individually applied signature on the other, the note on this postcard is written as a thank you for those who have already returned their questionnaires, and a reminder to those who have not. A second follow-up is mailed to nonrespondents exactly three weeks after the original mailing. It consists of a cover letter that basically informs them that their questionnaire has not yet been received and includes a restatement of the basic appeals from the original cover letter, a replacement questionnaire, and another return envelope. The third and final follow-up is mailed 7 weeks after the original mailing. It consists of a cover letter and still another questionnaire and return envelope, and it is sent by certified mail to the remaining nonrespondents. (14:163)

For purposes of this study, the first follow-up was sent within two weeks of the initial mailing. The second follow-up was sent after four weeks. Based on the level of responses received after two mailings, no third follow-up was sent. The same procedures were applied to the survey sent out to those terms which did not generate consensus based on the results of the initial surveys. It should be noted that the researchers kept track of which potential respondents had replied by assigning each survey recipient a number, and annotating that number on the first page of that person's survey form. . .

### **Survey Population.**

Having decided upon a mail survey, the population and sample to whom the survey should be directed must be identified. The target population used by a number of past thesis students working on the dictionary project (including Moyle) was the NCMA Fellows. This group was selected because:

1) they are a representative body from government, industry, academia, and professional education; 2) they are diversely but highly educated; 3) they are considered experts in their field of interest; and 4) they are familiar with this ongoing research. (25:3-6)

As might be expected of such a distinguished group, the number of NCMA Fellows is fairly small (there were 600 in 1988) (17:23). Eventually, most or all of the Fellows had been surveyed in association with one of the dictionary theses. Rather than overburden the Fellows with renewed requests to complete dictionary-related surveys, thesis students working on this project began to

use Certified Professional Contracts Managers (CPCM's) as the target population. Shelley [59] was among the first to use this group (30:30). CPCM's are considered to be an appropriate population to survey based on their recognized contracting expertise, validated by their having met certain educational requirements and passed a rigorous professional examination administered by the NCMA.

### Sample Size and Selection.

A mailing list of CPCM's containing 4113 names was provided by the NCMA (26). The desired sample size was calculated using the following formula, implemented by Shelley [58], and taken from the *Guide for the Development of the Attitude and Opinion Survey* (30:31; 5:11-14):

$$n = \frac{N(z^2) * p(1-p)}{(N-1)(d^2) + [(z^2) * p(p-1)]} \quad \text{where:}$$

$n$  = sample size

$N$  = population size of 4113, less 148 names previously used by Shelly (4113 - 148 = 3965)

$p$  = maximum sample size factor (.5)

$d$  = desired interval range ( $\pm .10$ ); and

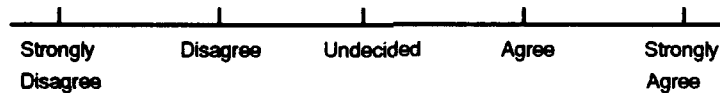
$z$  = [1.645 at the] 90% confidence level for estimating intervals within which to expect the population proportion

The maximum sample size factor is as specified by Emory, in *Business Research Methods* (15:258). The  $z$  value is taken from the table of normal curve areas in *Statistics for Business and Economics* based on a subject decision to use a 90% confidence level (24:1173). The  $d$  value is a subjective decision. Solving for  $n$  yields a sample size of 67. Assuming a 50% response rate to the surveys will be achieved, 134 surveys must be sent in order to receive 67 responses. Based on a cursory review of the mailing list, which showed that, of those CPCM's known to the researchers, a surprising number were listed under incorrect addresses, the number of surveys to be sent was increased to 145.

Because of the large number of terms being addressed in this thesis, it was decided that asking individual respondents to evaluate all the definitions would be overly presumptuous. Therefore, two surveys, one addressing 25 terms and the other 26, were submitted to (different) random samples of 145 Certified Professional Contracting Managers (CPCM's). The recipients of the surveys were selected by generating 290 random numbers between 1 and 3965 (using [the Lotus 1-2-3®] random number generator), and taking the mailing labels from the (alphabetized) list based on their numerical position on the list in accordance with random numbers.

### Survey Development.

The survey instruments. . . present the synthesized definition(s) developed for each term, and ask the respondents to rate their agreement with the definition(s) on a Likert scale as shown below.



(Note that numerical values sometimes associated with the Likert scale are not included. This is in keeping with the qualitative nature of this research, as discussed above.) Additional comments are solicited, both in the instructions for completing the questionnaire, and by providing space for comments under each proposed definition's Likert scale. A minimal amount of demographic information (area of expertise, years of experience, etc.) is requested under the heading, "Background Information".

In keeping with the Dillman [25] technique, the questionnaire was arranged so that it was not necessary to turn the page in the middle of any question. Dillman points out that having to flip pages "makes the questionnaire less attractive to respondents", and can making answering the questions more difficult (14:144-146).

## **Analysis of Results.**

Before sending out the initial surveys, the researchers developed the following decision rules for use in analysis of the survey results. However, it should be reiterated that, because of the qualitative nature of this research, the researchers' judgment takes precedence over any number-based decision criterion (see decision rule 2, below).

### *Decision Rules:*

(1) If two thirds of the survey respondents agree with the proposed definition of a term, it will be accepted as the consensus definition. If fewer than two thirds agree, a modified Delphi approach (see below) will be pursued. ("Agree" means that a respondent has selected either "agree" or "strongly agree" on the Likert scale shown above.)

(2) If two thirds of the respondents agree with the proposed definition, but the minority makes a point that, in the researchers' opinion, is valid, the term will be subjected to a modified Delphi approach.

It is noted that the "two thirds" criterion marks a departure from the methodologies used by most of the previous researchers on the thesis project. In many instances, those students used 50% agreement as the criterion for deciding whether a synthesized definition could be accepted as proposed. For example, Moyle's [47] decision rule was as follows:

If 50% or more of the respondents agreed with the definition then the comments provided by those who disagreed with the description were incorporated only when: 1) similar comments were made by those who agreed, or 2) the recommended change was supported by the literature. (25:3-8)

In theory, if a 50% rule is used, a synthesized definition can be accepted as a consensus definition when *exactly* 50% of respondents agree, meaning that *exactly* 50% disagree, so that there is not consensus about the term, but rather, *complete lack* of agreement. Therefore, these researchers have elected to use a more conservative "two thirds" criterion.



### **Modified Delphi Approach.**

Since language consists of complex concepts, replete with subtleties and nuances, use of a Delphi approach, wherein experts reach agreement through an iterative, interactive process of discussion and evaluation, would fit very well with the goals of the dictionary project. However, time, funding, and unavailability of the appropriate experts for an extended time preclude the use of this technique in its full form. Nevertheless, the researchers have elected to incorporate a modified Delphi approach, compatible with the limitations of this study, into the process of analysis of responses. For those terms subject to continued analysis per the decision rules above, a second survey incorporating revised proposed definitions will be mailed to those who responded to the first survey (a smaller, but responsive, sample). The revisions to the initial synthesized definitions will be based on the suggestions and comments offered by all respondents (those who agreed with the first definition as well as those who did not) to the initial survey. Although time and funding will not permit enough iterations to achieve absolute agreement by all, this second survey is anticipated to result in an improved level of consensus. As before, if two thirds of respondents to this second survey agree with the proposed definition as revised, it will be accepted as a consensus definition. If less than two thirds agree with the revised version, the term will be recommended as the subject of further research in a later thesis.

## Appendix B: Calculation for Sample Size

### Sample Size and Selection.

A mailing list of CPCM's containing 2684 names was provided by the NCMA (39). The desired sample size was calculated using the following formula, implemented by Shelley [58], and taken from the *Guide for the Development of the Attitude and Opinion Survey* (15:31; 5:11-14):

$$n = \frac{N(z^2) * p(1-p)}{(N-1)(d^2) + [(z^2) * p(p-1)]} \quad \text{where:}$$

$n$  = sample size

$N$  = population size of 2739, less 55 names previously used in the test survey or thrown out because they were instructors at the Air Force Institute of Technology (AFIT)

$p$  = maximum sample size factor (.5)

$d$  = desired interval range ( $\pm .10$ ); and

$z$  = [1.645 at the] 90% confidence level for estimating intervals within which to expect the population proportion

The maximum sample size factor is as specified by Emory, in *Business Research Methods* (22:258). The  $z$  value is taken from the table of normal curve areas in *Statistics for Business and Economics* based on a subjective decision to use a 90% confidence level (35:1173). The  $d$  value is a subjective decision. Solving for  $n$  yields a sample size of 66. Assuming a 50% response rate to the surveys will be achieved, 132 surveys must be sent in order to receive 67 responses. Based on a cursory review of the mailing list, which showed that, of those CPCM's known to the researchers, a surprising number were listed under incorrect addresses, the number of surveys to be sent was increased to 145.

## Appendix C: Draft Survey A

AFIT/LSP (Dr. Pursch)

### Participation in Graduate Thesis Research

Dear Certified Professional Contracting Manager (CPCM):

Under the sponsorship of the National Contract Management Association (NCMA), graduate students at the Air Force Institute of Technology (AFIT) and the Naval Postgraduate School (NPS) are attempting to compile a dictionary of contracting terms to be used to enhance effective communication within the contracting profession. Working definitions of critical terms have been developed based on a review of current contracting literature. However, actual usage of each term within the environment of the workplace cannot be determined through such a review. Therefore, a survey of contracting professionals is being undertaken in order to ascertain the degree to which literature-based definitions correspond with actual usage.

The enclosed survey is being distributed to a randomly selected group of CPCMs. You are being asked to respond by giving your expert opinion concerning the accuracy and completeness of selected literature-based definitions. Because the survey is being sent to a relatively small number of experts, it is important that each recipient complete and return it. Your participation is greatly encouraged.

Your responses to this survey will remain confidential. Each questionnaire has been assigned an identification number for mailing purposes. This will enable your name to be checked off when your questionnaire is returned. However, your name will not be associated with your responses.

For your convenience in returning the completed survey, a stamped, pre-addressed envelope is enclosed. Should you have any questions about the purpose or completion of the survey, please feel free to call Ms. Lisa Brown at (513) 429-7180.

Thank you for your assistance. Remember - your participation is important!

Sincerely,

WILLIAM C. PURSCH, Ph.D., CPCM  
Professor of Contracting Management  
School of Systems and Logistics

2 ATCH  
1. Questionnaire  
2. Envelope

**Survey A**

**INSTRUCTIONS FOR COMPLETING THIS QUESTIONNAIRE**

This questionnaire contains proposed definitions of 25 contracting terms. The purpose of this questionnaire is to survey contracting professionals to ascertain the level of their concurrence with the proposed definitions.

To complete this questionnaire, please:

Circle the rating that best describes your level of agreement with the proposed definition; and

Provide any additional comments/suggestions you have regarding the proposed definition, as well as any synonyms or antonyms you feel are appropriate.

**PLEASE SUBMIT YOUR RESPONSES BY 31 MAR 1994.**

Your assistance is appreciated.

Lisa F. Brown  
AFIT/LAA  
2950 P Street  
Wright-Patterson AFB OH 45433-7765

## Background Information

1. Where are you presently employed?
  - A. Government contracting activity
  - B. Commercial contracting activity
  - C. Academic institution
  - D. Other
  
2. What is the primary activity of your current job position?
  - A. Contracting/acquisition
  - B. Manufacturing/production
  - C. Accounting/audit
  - D. Pricing
  - E. Engineering
  - F. Research
  - G. Legal
  - H. Other
  
3. What is your primary of expertise?
  - A. Contracting/acquisition
  - B. Manufacturing/production
  - C. Accounting/audit
  - D. Pricing
  - E. Engineering
  - F. Research
  - G. Legal
  - H. Other
  
4. How many years of experience do you have in your area of expertise?
  - A. 5 years or less
  - B. 6-10 years
  - C. 11-15 years
  - D. 16-20 years
  - E. 20+ years

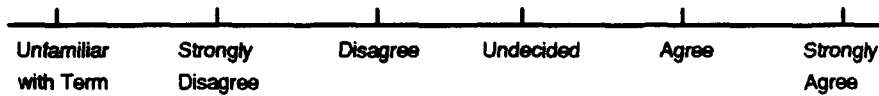
## Agent Authority

The power to act which is authorized or delegated by a principal to his/her agent.

Synonym: Proxy, Medium.

Antonym: Principal.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

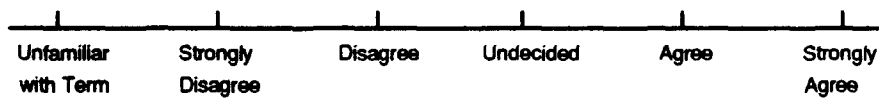
## Application Control Number

The preprinted control number on the Bureau of Export Administration's application for a validated license (BXA-662P). The control number is used to track the progress of the application through the Department of Commerce.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

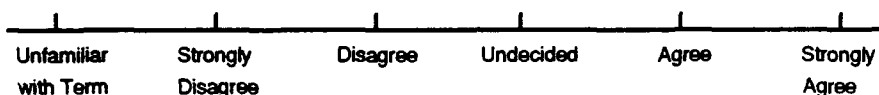
## Color of Money

This term describes the type of procurement funding and appropriation code number which will be used (i.e.,FMS).

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

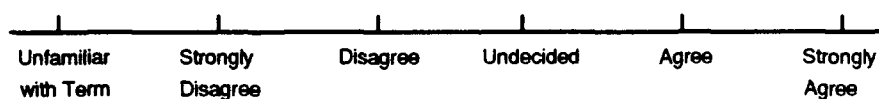
## Commercial Sale

The sale of defense articles or defense services made by US industry directly to a foreign buyer not administered by the DOD through Foreign Military Sales procedures, not involving credit under the provisions of the Foreign Military Sales Act, and not involving credit under the provisions of the Arms Export Control Act.

Synonym: Direct commercial sale.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

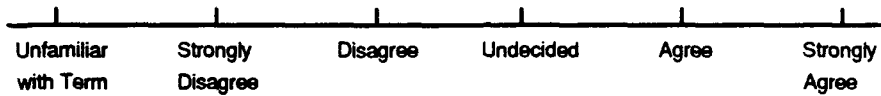
### Commercial-Type Item

Any items, including those expended or consumed in use that, in addition to military use, are used and traded in normal civilian enterprise and which are, or can be imported/exported through normal international trade channels.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

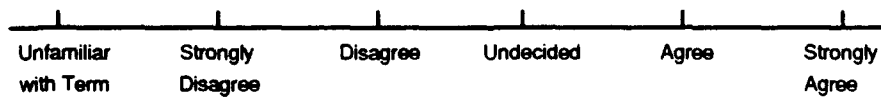
### Conventional Arms Transfer (CAT)

The transfer of non nuclear weapons, aircraft, equipment, and military services from supplier states to recipient states. The US has viewed arms transfers as a useful foreign policy instrument to strengthen collective defense arrangements, maintain regional military balances, secure US bases, and compensate for the withdrawal of troops. US arms may be transferred by grants as in the Military Assistance Program (MAP), private and direct commercial sales, leases, loans, or government-to-government sales under foreign military sales (FMS).

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:



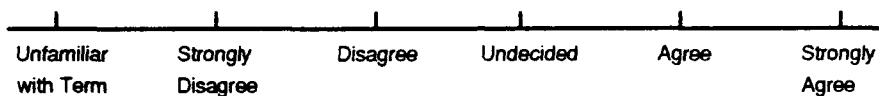
## Cooperative Agreement

A means of engaging in joint economic activity that involves a sponsoring federal agency, in the management of the undertaking. Such agreements may provide for sharing the costs in addition to the management of the undertaking.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

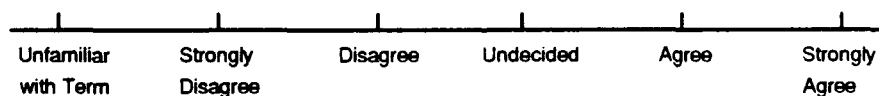
## Cooperative Development

Any method by which governments cooperate to make better use of their collective research and development resources to include technical information exchange, harmonizing of requirements, codevelopment, interdependent research and development, and agreement on standards.

Synonym: Cooperative Research and Development (CRADA).

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

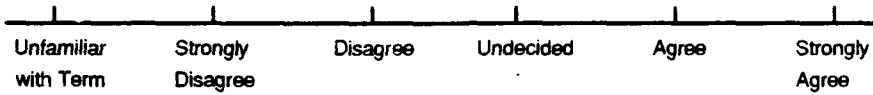
## Coproduction, International

The method by which industries in the US and in one or more foreign countries share in the production and/or assembly of items intended for military application. The production and/or assembly of these items fall under the provisions of a cooperative agreement that requires the transfer of technical information and know-how from one nation to one or more other nations.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

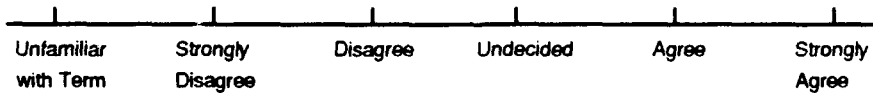
## Countertrade

An arrangement where the foreign exporter or supplier purchases materials in the receiving country to offset purchases made by the importing country.

Synonym: Reciprocal trade, offset, barter.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

## Country Groups

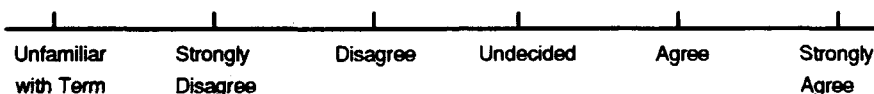
The groups into which all foreign countries (except Canada) are divided for export control purposes. Letter symbols are used for country groups throughout the Export Administration Regulations as follows:

- Q - Romania
- S - Libya
- T - North America, Greenland, Mexico, Miquelon and St. Pierre Islands; Central America and the Caribbean; South America
- V - All countries not in any other group (except Canada)
- W - Czechoslovakia, Hungary, Poland
- Y - Albania, Bulgaria, Estonia, Laos, Latvia, Lithuania, Mongolian People's Republic, Union of Soviet Socialist Republic (now known as the Commonwealth of Independent States)
- Z - Cambodia, Cuba, North Korea, Vietnam

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

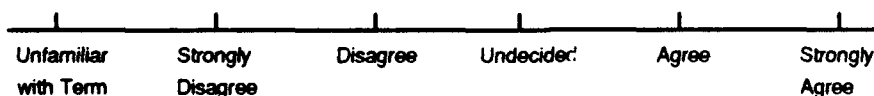
## Eurodollars

American dollars held by or on deposit with a bank abroad, especially Europe; investments in Europe denominated in US dollars.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

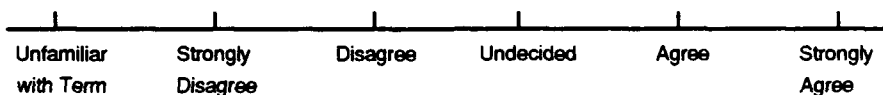
### Direct Procurement

The procurement of defense supplies in the United States by a foreign government, contractor, or international organization in which the supplies are purchased through commercial channels for use by the foreign government or international organization

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

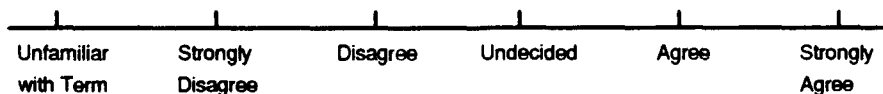
### Domestic Preference

National government policies that maintain discriminatory government procurement rules designed to establish a preference in favor of domestic suppliers.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

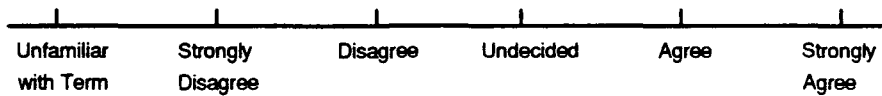
### Exclusive (Non-exclusive) License

A license covering a patent(s), technical or proprietary data, technical assistance, know-how, or any combination of these, granted by a US firm to a foreign firm or government to produce, coproduce, or sell a defense article or service within a given sales territory without competition from any other licensees or from the licensor. A non-exclusive license is a license as described as above, except that competition may be permitted with other licensees and/or the licensor.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

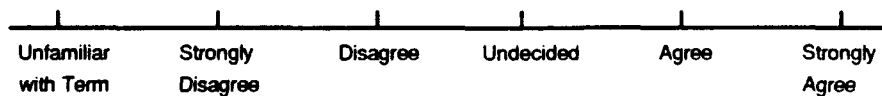
### Export Control Classification Number (ECCN)

The identification number assigned to each entry on the Commerce Control List. It consists of a number (category), a letter (group), two numbers (nature of control), and a letter (level of control).

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

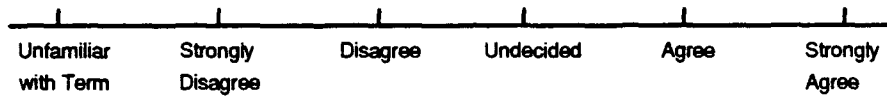
## Export License

A license required by the ITAR (International Traffic in Arms Regulation) before exporting defense articles or technical data. It is obtained from the ODTC (Office of Defense Trade Controls).

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

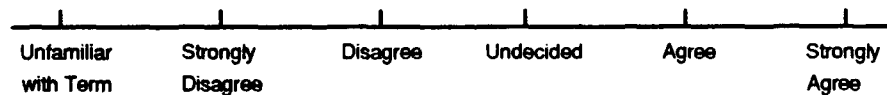
## Foreign Currency-Contributed Funds

A foreign government's currency is purchased via the United States Disbursing Officer by the United States using appropriated funds for expenses in that country . The United States dollars collected by the US Disbursing Officer from the sale of these currencies are deposited into the Treasury as "miscellaneous receipts".

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

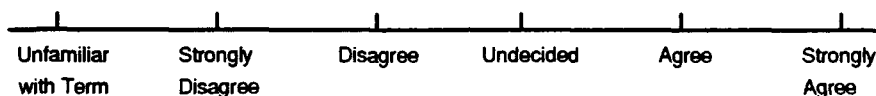
## Foreign Military Sales (FMS)

A non appropriated fund program which is authorized by the Foreign Assistance Act of 1961, as amended, the Arms Export Control Act of 1976, as amended, and the Foreign Military Sales Act of 1968 with procurement management by an Armed Forces System project Officer, for eligible foreign governments to buy, directly or indirectly, defense articles and services, including training, from the US government. Defense articles are defined as weapons systems; munitions; aircraft/vessels; property, material and equipment necessary to furnish military assistance; and, the machinery and tools necessary for the manufacture, production, repair, storage and operation of such articles. Defense services may be defined as any service, test, inspection, repair, training, publication, or technical or other assistance necessary to furnish military assistance, except military education and training activities, which are administered under separate programs. It falls under the broad umbrella of security assistance programs and promotes the US industrial base.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

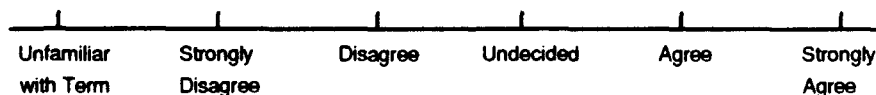
## Foreign Purchaser

A foreign government, a foreign contractor, or an international organization authorized to purchase military equipment and supplies from US contractors.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

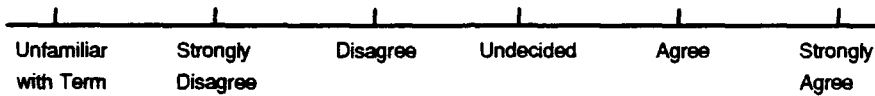
## Foreign Nationals

This title includes anyone except citizens of the United States and immigrant aliens. It also includes citizens of the United Kingdom and Canada, even when they are given reciprocal-access authorizations as employees of Air Force contractors.

Synonym: None.

Antonym: US Citizen.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

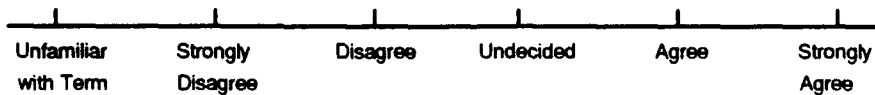
## Foreign Ownership, Control or Influence (FOCI)

The situation in which the nature and extent of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual) is such that a reasonable basis exists for concluding that CLASSIFIED INFORMATION or special nuclear material might be compromised, or the performance of classified contracts may be negatively impacted.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:



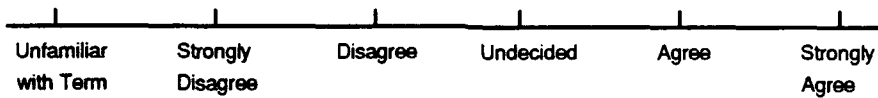
## International Armaments Cooperation

The collaboration in developing and/or producing weapons between allied governments and industries. Also, it can involve defense companies, without government insistence, entering into joint ventures, subcontracts and teaming arrangements with foreign defense companies.

Synonyms: None.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

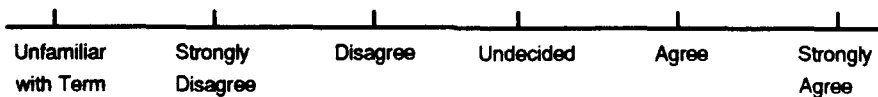
## Multinational Organization

An organization which has operation centers in many countries. This type of organization contrasts international organizations because international organizations deals with many countries but are based in only one country.

Synonyms: None.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

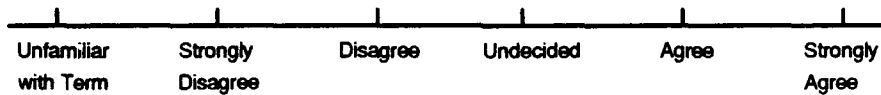
## Export-Import (EXIM) Bank

An independent agency of the federal government whose function is to aid in financing exports and imports.

Synonyms: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

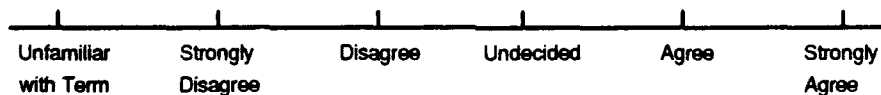
## Duty

A tax or impost due to the government upon importation or exportation of goods.

Synonyms: Tariff, Toll.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

## Appendix D : Draft Survey B

AFIT/LSP (Dr. Pursch)

Participation in Graduate Thesis Research

Dear Certified Professional Contracting Manager (CPCM):

Under the sponsorship of the National Contract Management Association (NCMA), graduate students at the Air Force Institute of Technology (AFIT) and the Naval Postgraduate School (NPS) are attempting to compile a dictionary of contracting terms to be used to enhance effective communication within the contracting profession. Working definitions of critical terms have been developed based on a review of current contracting literature. However, actual usage of each term within the environment of the workplace cannot be determined through such a review. Therefore, a survey of contracting professionals is being undertaken in order to ascertain the degree to which literature-based definitions correspond with actual usage.

The enclosed survey is being distributed to a randomly selected group of CPCMs. You are being asked to respond by giving your expert opinion concerning the accuracy and completeness of selected literature-based definitions. Because the survey is being sent to a relatively small number of experts, it is important that each recipient complete and return it. Your participation is greatly encouraged.

Your responses to this survey will remain confidential. Each questionnaire has been assigned an identification number for mailing purposes. This will enable your name to be checked off when your questionnaire is returned. However, your name will not be associated with your responses.

For your convenience in returning the completed survey, a stamped, pre-addressed envelope is enclosed. Should you have any questions about the purpose or completion of the survey, please feel free to call Mr. Tony D. White at (513) 429-2066.

Thank you for your assistance. Remember - your participation is important!

Sincerely,

WILLIAM C. PURSCH, Ph.D., CPCM  
Professor of Contracting Management  
School of Systems and Logistics

2 ATCH  
1. Questionnaire  
2. Envelope

**Survey B**

**INSTRUCTIONS FOR COMPLETING THIS QUESTIONNAIRE**

This questionnaire contains proposed definitions of 25 contracting terms. The purpose of this questionnaire is to survey contracting professionals to ascertain the level of their concurrence with the proposed definitions.

To complete this questionnaire, please:

Circle the rating that best describes your level of agreement with the proposed definition; and

Provide any additional comments/suggestions you have regarding the proposed definition, as well as any synonyms or antonyms you feel are appropriate.

**PLEASE SUBMIT YOUR RESPONSES BY 31 MAR 1994.**

Your assistance is appreciated.

Tony D. White  
AFIT/LAA  
2950 P Street  
Wright-Patterson AFB OH 45433-7765

## Background Information

1. Where are you presently employed?
  - A. Government contracting activity
  - B. Commercial contracting activity
  - C. Academic institution
  - D. Other
  
2. What is the primary activity of your current job position?
  - A. Contracting/acquisition
  - B. Manufacturing/production
  - C. Accounting/audit
  - D. Pricing
  - E. Engineering
  - F. Research
  - G. Legal
  - H. Other
  
3. What is your primary area of expertise?
  - A. Contracting/acquisition
  - B. Manufacturing/production
  - C. Accounting/audit
  - D. Pricing
  - E. Engineering
  - F. Research
  - G. Legal
  - H. Other
  
4. How many years of experience do you have in your area of expertise?
  - A. 5 years or less
  - B. 6-10 years
  - C. 11-15 years
  - D. 16-20 years
  - E. 20+ years

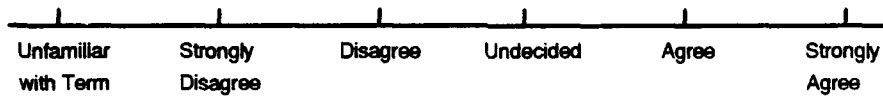
**Global Sourcing**

The ability to procurement, development and/or produce a product or material any place in the world that can offer the best price and/or product.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

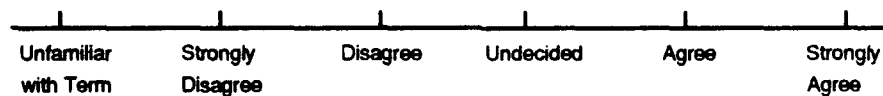
**Gratuity**

A gratuity is defined as entertainment, gifts, or anything of value offered or given by a contractor or any agent or representative of the contractor to an officer or employee of the Government with a view to securing a contract or securing favorable treatment with respect to the awarding or amending or the making of determinations with respect to the performance of a contract.

Synonyms: None.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

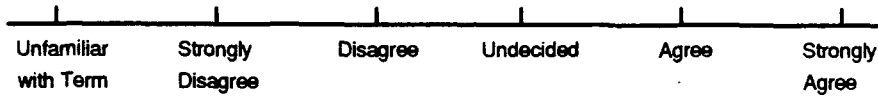
### Host/Buyer Countries

A host/buyer country is the country that is buying from a multinational corporation.

Synonyms: Buyer, Client.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

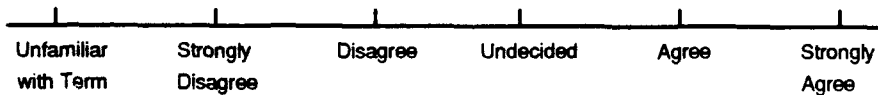
### In-Country Sourcing

In-country sourcing means material, manufacturing or service companies located within the geographical boundaries of the recipient purchaser country.

Synonyms: Subcontract, Material Purchases.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

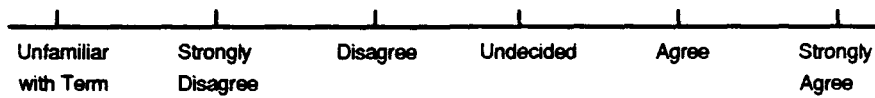
## Industrial Collaboration

Industrial Collaboration occurs when the contract-winning company promises to subcontract part of its work to the awarding country and is most used in the Arabian Gulf.

Synonyms: Countertrade, Offsets.

Antonyms: None

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

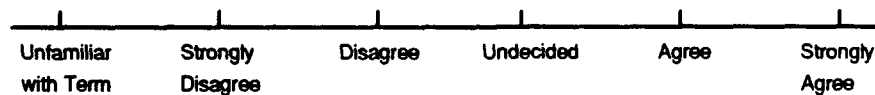
## Industrial Cooperation

Action of co-operating or acting jointly with another or other. Association of persons for common benefit. In patent law, unity of action to a common end or common result, not merely a joint or simultaneous action.

Synonyms: Joint Venture or Partnership.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:



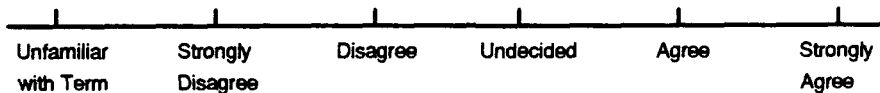
## International Teaming

The cooperation among the governments of two or more nations in weapon development and/or production of same.

Synonyms: Partnership.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

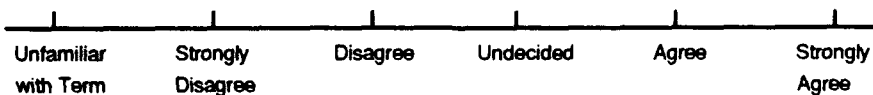
## Joint Venture

A one time grouping of two or more persons in a business undertaking. Unlike a partnership, a joint venture does not entail a continuing relationship among the parties. In a joint venture, companies negotiate a teaming agreement that governs how the members will interact in pursuing or conducting business. The joint venture is characterized by joint ownership, management, and sharing profits and losses. Joint ventures can be partnerships or corporations.

Synonyms: Partnership, Corporation, or Teaming.

Antonyms: Sole Producer

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

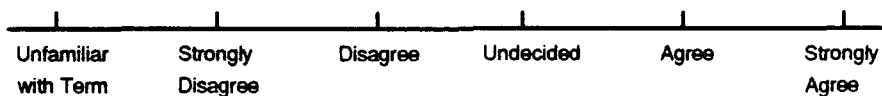
## Lesser Developed Countries

Lesser Developed Countries examples would be Haiti, Somalia and the Sudan. These countries would have less bargaining power with multinational corporations because of the shortage of foreign currency.

Synonyms: Under Developed Countries, Third World Countries

Antonyms: World Powers, Developed Countries.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

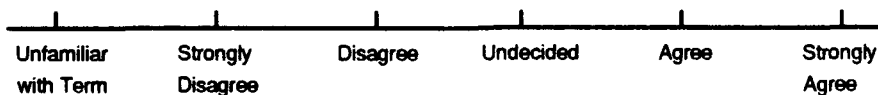
## Letter of Offer and Acceptance (LOA)

U.S. Department of Defense letter by which the U.S. Government offers to sell to a foreign government or international organization U.S. defense articles or services pursuant to the Arms Export Control Act, as amended. The LOA lists the items and/or services, estimated costs, and the terms and conditions of the sale; it also provides for the signature of an appropriate foreign official to indicate acceptance.

Synonyms: Purchase Agreement.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

## Letter of Request (LOR)

The LOR is a document used to request defense articles and services as well as planning and review data (P&R); price and availability data (P&A) ; or an actual letter of offer and acceptance. (LOA)

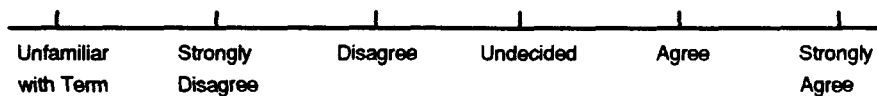
The LOR must include a statement of what is desired and sufficient detail on the articles/services for the cognizant Department of Defense (DoD) component to provide a firm basis for the price estimate. The LOR is forwarded through the US embassy (or the designated Security Assistance Office) or through the nation's in-country representative in the United States for transmission to the appropriate US government component. The LOR is then validated to ensure that the request is from an eligible recipient, that the article/service in question may be sold, and that the request has been made through the proper channels.

The LOA is supposed to contain enough details to allow the contracting officer to negotiate an award without any involvement on the part of the foreign purchaser.

Synonyms: Purchase Request.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

## Military Export Sales

All sales of defense articles and services made from U. S. source to foreign governments, foreign private firms, and international organizations, whether made by DoD or by U.S. industry directly to a foreign buyer. Such sales fall into two categories: Foreign Military Sales and Commercial Sales.

Synonyms: Foreign Military Sales, International Sales, Sales, Exports, Foreign Exports.

Antonyms: Foreign Imports, Imports, Foreign Purchases, International Purchases.

DO YOU AGREE WITH THIS DEFINITION?

\_\_\_\_\_

Unfamiliar with Term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
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COMMENTS:

## Munitions List

The Munitions List is a compilation of all technical data, services and defense products which are controlled by the Office of Defense Trade Controls (ODTC). The ODTC follows the rules and procedures laid down in the International Traffic of Arms Regulations (ITARS) and the Foreign Corrupt Practices Act.

The U.S. Munitions List is published in the Department of State's *International Traffic in Arms Regulations*.

Synonyms: None.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?

\_\_\_\_\_

Unfamiliar with Term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
-------------------------	----------------------	----------	-----------	-------	-------------------

COMMENTS:

## Obligation Authority

Obligation Authority (OA), as used in Foreign Military Sales (FMS), is a document or authority passed from DFAS-DE/F via a DD Form 2060 (or automated equivalent) to the implementing DoD component which allows obligations to be incurred against a given FMS case in an amount not to exceed the value specified in the obligational authority. The total authority received through use of the DD Form 2060 (or automated equivalent) includes Column 11 authority to incur commitments or obligations directly against the country's trust fund, and column 10 reimbursable orders.

Synonyms: None.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?

\_\_\_\_\_

Unfamiliar with Term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
-------------------------	----------------------	----------	-----------	-------	-------------------

COMMENTS:

## Offset\_(Direct and Indirect)

"Offset " is a generic term used by those in the defense, aerospace, and high-technology industries to describe reciprocal trade arrangements which compliment sale of products. The use of offsets was initiated only 20 years ago as a modified form of countertrade.

There are two forms of offsetting. One involves a contractor that promises to buy a certain amount of goods from a country in return for a contract. This is more properly called countertrade. The other occurs when the contract-winning company promises a subcontract part of its work to the awarding country. This is called industrial collaboration and is most used in the Arabian Gulf.

Synonyms: Countertrade, Industrial Collaboration.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?

Unfamiliar with Term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
-------------------------	----------------------	----------	-----------	-------	-------------------

COMMENTS:

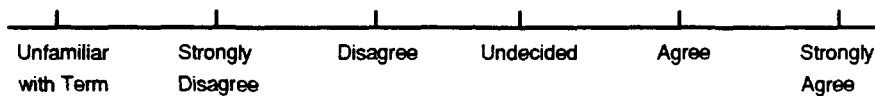
### Planning and Review Data (P&R)

When a foreign purchaser has not made a firm decision to obtain particular articles/services he may request P&R data. P&R provides rough order of magnitude (ROM) data for preliminary review and planning purposes for the possible purchase of articles and services. Such information may not be used for firm budget estimates.

Synonyms: ROM (rough order of magnitude), Estimate.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

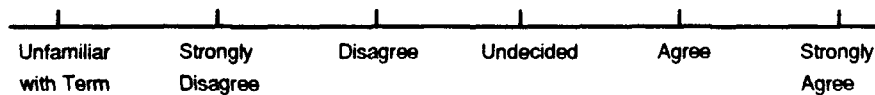
### Price and Availability Data (P&A)

When a purchase decision has been made then additional data may be requested. This additional data is called P&A data. P&A data includes budget estimates, as well as support equipment and other costs. This data should be detailed enough to transfer to the LOA without modification.

Synonyms: Estimate, Purchase Order.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

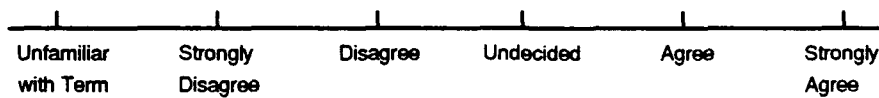
## Reciprocal Trade Agreements

Agreement between two or more countries providing for interchange of goods between them at lower tariffs and better terms that exist between one such country and other countries. *e.g.* U.S. Reciprocal Trade Agreements Act of 1934.

Synonyms: Trade Agreements.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

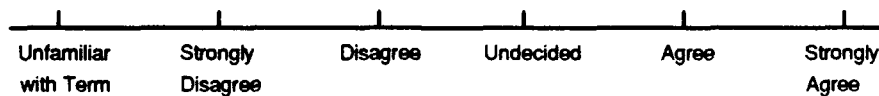
## Red Flag List

A recent publication by the Bureau of Export Administration which provides a list to exporters of typical warning signs, or red flags, that may indicate a suspicious, noncompliant, or illegal export.

Synonyms: None.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:



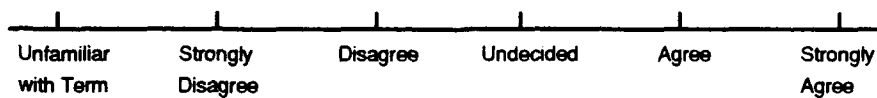
## Technology Transfers

Technology transfer is the transfer of technology from one county to another.  
This is controlled by technology transfer restrictions.

Synonyms: Head Hunting, Industrial Spying.

Antonyms: Proprietary Data.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

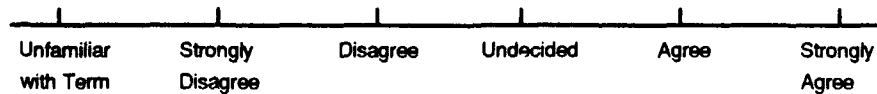
## Third Country National

A person whole works for the U.S. Government in a foreign country who is not a citizen of that country or of the United States or a U.S. protectorate.

Synonyms: Employee.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

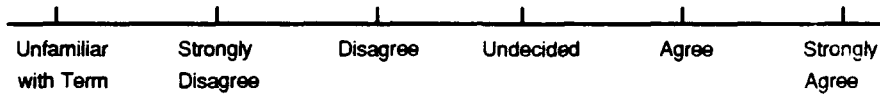
## Specially Designated National List

A list of foreign nationals and entities with which all business transactions are forbidden by authority of the Office of Foreign Assets Control. This office administers the regulations issued by the Treasury Department. This list is published in the *Federal Register*.

Synonyms: Debarred Contractors.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

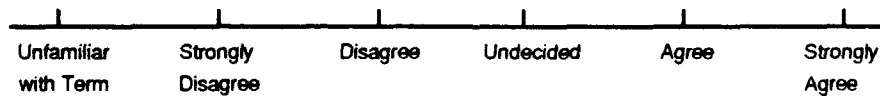
## Validated License

A document issued by, or under the authority of, the Department of Commerce in response to an application filed by an exporter before the export of goods, technology, or services. It is a grant of authority given to a particular exporter for specified commodities to specified destinations for a specific end-use by a designated end-user.

Synonyms: Export License.

Antonyms: Inport License.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

## Incoterms

The International Chamber of Commerce has established delivery terms called ICOTERMS. They are designed to overcome the problems of conflicting national laws and interpretations by establishing a standard set of delivery terms and definitions that offer "neutral" rules and practices. All personnel involved in international contracting should become familiar with the various ICOTERMS beginning with "Ex-works," which means minimum cost coverage by the seller, and ending with the term called "Delivered Duty Paid," which means maximum cost to the seller. There are fourteen ICOTERMS. Each clearly defines a different set of responsibilities with respect to delivery. If delivery is to be at origin the Ex-works should be used because it means that the seller's only responsibility is to make the goods available on the premises. He is not responsible for loading the goods on the vehicle provided by the buyer. The buyer bears the full cost and risk involved in bring the goods from there to the desired destination, and, thus, this term represents the minimum risk for the seller. Above all, delivery Ex-works means that the goods can be delivered and paid for when they are ready to be delivered. That readiness is under the complete control of the seller. All of the other ICOTERMS impose various burdens upon the seller both from the delivery and the cost point of view.

In drafting any contract, the provision setting forth the delivery terms should provide that they are to be defined in accordance with the 1980 Edition of the Guide to ICOTERMS. This is the current guide and it is published by the International Chamber of Commerce.

Synonyms: Delivery Terms, Terms of Delivery.

Antonym: None

DO YOU AGREE WITH THIS DEFINITION?

\_\_\_\_\_

Unfamiliar with Term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
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COMMENTS:

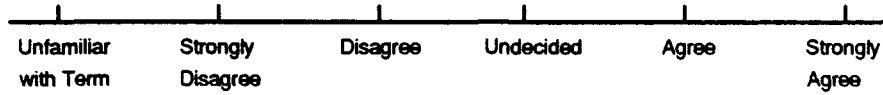
## Transnational Solution

A concept of exporting a mind-set of multiple strategic capabilities of high quality products. The most successful American export to Japan is our lifestyle.

Synonyms: Lifestyle, Mindset, Outlook on Life.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

## APPENDIX E: Draft Survey Analysis

### A. Introduction

This thesis contains the following international contracting terms:

Agent Authority	Global Sourcing
Application Control Number	Gratuity
Color of Money	Host/Buyer Countries
Commercial Sale	In-Country Sourcing
Commercial-Type Items	Industrial Collaboration
Conventional Arms Transfer (CAT)	Industrial Cooperation
Cooperative Agreement	International Teaming
Cooperative Development	Joint Venture
Coproduction, International	Lesser Developed Countries
Countertrade	Letter of Offer and Acceptance (LOA)
Country Groups	Letter of Request (LOR)
Direct Procurement	Military Export Sales
Domestic Preference	Munitions List
Duty	Obligation Authority
Eurodollars	Offset (Direct and Indirect)
Exclusive License	Planning and Review Data (P&R)
Export Control Classification Number	Price and Availability Data (P&A)
Export-Import (EXIM) Bank	Reciprocal Trade Agreements
Export License	Red Flag List
Foreign Currency-Contributed Funds	Technology Transfers
Foreign Military Sales (FMS)	Third Country National
Foreign Nationals	Specially Designated National List
Foreign Ownership, Control or Influence	Validated License
Foreign Purchaser	Icoterms
International Armaments Cooperation	Transnational Solution
Multinational	

This appendix presents the demographical information about the international acquisition panel of experts, their review and comments of the terms and respective initial synthesized definitions which were formed from the information gathered on the researchers' thorough literature review, our analysis of respondents feedback, and a revised definition for each term which appeared on the actual survey.

### B. Demographics

This section provides a compilation of demographical information of the panel of experts in international acquisition which was used to evaluate the draft survey prior to final release to a

random sample of National Contract Management Association (NCMA) Certified Professional Contract Managers (CPCMs).

**Where are you presently employed?**

Survey Version	A	B	A + B	%
Government Contracting Activity	3	4	7	33%
Commercial Contracting Activity	5	2	7	33%
Academic Institution	0	2	2	10%
Other	3	2	5	24%

**What is the primary activity of your current job position?**

Survey Version	A	B	A + B	%
Contracting/Acquisition	8	6	14	66%
Manufacturing/Production	0	0	0	0%
Accounting/Audit	1	0	1	5%
Pricing	0	0	0	0%
Engineering	0	1	1	5%
Research	0	0	0	0%
Legal	1	0	1	5%
Other	1	3	4	19%

**What is your primary area of expertise?**

Survey Version	A	B	A + B	%
Contracting/ Acquisition	9	9	18	85%
Manufacturing/ Production	0	0	0	0
Accounting/ Audit	1	0	1	5%
Pricing	0	0	0	0%
Engineering	0	1	1	5%
Research	0	0	0	0%
Legal	1	0	1	5%
Other	0	0	0	0%

**How many years of experience do you have in your area of expertise?**

Survey Version	A	B	A + B	%
5 years or less	0	0	0	0%
6-10 years	0	2	2	10%
11-15 years	3	2	5	23%
16-20 years	1	1	2	10%
20+ years	7	5	12	57%

**C. Presentation of Terms and Test Questionnaire Definition Revisions**

This section presents the international contracting terms, a compilation of draft survey respondents comments, and the revisions which were put into the actual survey.

**Agent Authority**

**1. Initial Synthesized Definition**

The power to act which is authorized or delegated by a principal to his/her agent.

Synonym: Proxy, Medium.

Antonym: Principal.

## 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	1	0	5	5	10
0%	0%	0%	9%	0%	45.5%	45.5%	91%

### a. Survey Comments

Disagree. Agent authority defines the specific limits of the power to act given or delegated by a principal.

### b. Analysis and Discussion

Although there was 91% agreed consensus for this definition, we felt that the comment which came from the disagreed party added meaning to this term. The researchers added "specific limits of power" to the definition because it further clarified the definition.

## 3. Revisions for Actual Questionnaire

The specific limits of the power to act which is authorized or delegated by a principal to his/her agent.

Synonym: Proxy, Medium.

Antonym: Principal.

## Application Control Number

### 1. Initial Synthesized Definition

"The preprinted control number on the Bureau of Export Administration's application for a validated license (BXA-662P). One use of the control number is to track the progress of the application through the Department of Commerce" (21:15).

Synonym: None.

Antonym: None.



## 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	2	0	0	1	3	5	8
0%	18%	0%	0%	9%	27%	46%	89%

### a. Survey Comments

Undecided. Probably used for other purposes as well.

### b. Analysis and Discussion

This definition received 89% agreed consensus. Since the agreed consensus included more than two-thirds of the respondents, we decided to keep the definition as is for the actual survey.

The comment provided from the "undecided" respondent received some consideration, but our literature review did not reveal any other "purposes" and the respondent did not provide any other "purposes" for further investigation. Because of the lack of substantiating information and a majority agreed consensus, this comment was disregarded.

## 3. Revisions for Actual Questionnaire

"The preprinted control number on the Bureau of Export Administration's application for a validated license (BXA-662P). One use of the control number is to track the progress of the application through the Department of Commerce" (21:15).

Synonym: None.

Antonym: None.

## Color of Money

### 1. Initial Synthesized Definition

This term describes the type of procurement funding and appropriation code number which will be used (i.e., FMS).

Synonym: None.

Antonym: None.

## 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	3	0	0	0	4	4	8
0%	27%	0%	0%	0%	36.5%	36.5%	100%

### a. Survey Comments

Agree. Change "i.e." to 'e.g.'.

### b. Analysis and Discussion

This definition received 100% agreement. The only comment for this term provided a grammatical change which was implemented by the researchers. Other than this minor change, this definition will be placed in the actual survey in its current configuration.

## 3. Revision for Actual Questionnaire

This term describes the type of procurement funding and appropriation code number which will be used (e.g.,FMS).

Synonym: None.

Antonym: None.

## Commercial Sale

### 1. Initial Synthesized Definition

The sale of defense articles or defense services made by US industry directly to a foreign buyer not administered by the DOD through Foreign Military Sales procedures, not involving credit under the provisions of the Foreign Military Sales Act, and not involving credit under the provisions of the Arms Export Control Act.

Synonym: Direct commercial sale.

Antonym: None.

## 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	2	3	2	3	1	4
0%	0%	18%	27.5%	18%	27.5%	9%	36.5%

### a. Survey Comments

Undecided. Is this always a foreign buyer?

Disagree. Why just defense articles or defense services? Could other articles and/or services, e.g., Air Traffic Control articles and services, not also be considered a commercial sale?

Strongly Disagree. Commercial sale is anything sold to private sector. I think you mean 'commercial export sale' or 'foreign commercial sale.'

Disagree. Definition is good for foreign sale; most commercial sales have nothing to do with foreign sales. Change term to 'Commercial Foreign Sale'.

Disagree. In this context, foreign procurement activity is with the Air Force. Somehow, commercial and defense items aren't directly linked.

Strongly Disagree. Could also be sale of non-defense items.

### b. Analysis and Discussion

This definition only received 36.5% agreed consensus which indicates that this definition needs improvement to match its current use. A majority of the disagreed comments focused around two issues: terminology revision and types of articles or services rendered under such a transaction.

Upon the suggestion and the provided justification, the researchers decided to change "Commercial Sale" to "Commercial Foreign Sale." The researchers feel that this modification will better fit the international contracting scope and possibly avoid confusion with domestic usage.

Many of the sources referenced throughout our literature review were DOD oriented which resulted in a biased definition. To form a more generalized definition, the researchers deleted the "defense" allusion of articles or services.

### 3. Revisions for Actual Questionnaire

#### (Commercial Foreign Sale)

The sale of articles or services made by US industry directly to a foreign buyer that is not administered by the DOD through Foreign Military Sales procedures and does not involve credit under the provisions of the Foreign Military Sales Act or the Arms Export Control Act.

Synonym: Direct commercial sale.

Antonym: None.

### Commercial-Type Items

#### 1. Initial Synthesized Definition

Any items, including those expended or consumed in use that, in addition to military use, are used and traded in normal civilian enterprise and which are, or can be imported/exported through normal international trade channels.

Synonym: None.

Antonym: None.

#### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
2	0	0	1	0	4	4	8
18%	0%	0%	9%	0%	36.5%	36.5%	89%

##### a. Survey Comments

Disagree. There are commercial items bought by DOD that has no military use, e.g., toilet paper, hammer, wrenches, etc.

No Likert Rating. It is defined as "something produced for the military which in addition to military use...". If you intend to say an item which while used by the military...?

No Likert rating. Dual purpose; dual use.

Agree. Newer definitions are evolving in legislation to accommodate technology changes in the commercial marketplace.

## b. Analysis and Discussion

A majority of the respondents agreed with the current definition. The additional comments did not provide any useful information that might change the current definition.

Two of the comments did not make any sense to the researchers and were disregarded. One comment confused "commercial-type item" with 'commercial item' and was also disregarded. The last comment enlightened the researchers to the fact that this term is evolving, but did not provide current changes. We decided to keep the definition in its current state and keep a careful watch for comments from actual survey respondents.

### 3. Revisions for Actual Questionnaire

Any items, including those expended or consumed in use that, in addition to military use, are used and traded in normal civilian enterprise and which are, or can be imported/exported through normal international trade channels.

Synonym: None.

Antonym: None.

## Conventional Arms Transfer (CAT)

### 1. Initial Synthesized Definition

The transfer of non nuclear weapons, aircraft, equipment, and military services from supplier states to recipient states. The US has viewed arms transfers as a useful foreign policy instrument to strengthen collective defense arrangements, maintain regional military balances, secure US bases, and compensate for the withdrawal of troops. US arms may be transferred by grants as in the Military Assistance Program (MAP), private and direct commercial sales, leases, loans, or government-to-government sales under foreign military sales (FMS).

Synonym: None.

Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	1	1	0	1	6	2	8
0%	9%	9%	0%	9%	55%	18%	80%

**a. Survey Comments**

Agree. A bit long for a definition.

Strongly Disagree. Too much hyperbole.

Undecided. I assume there are no blanks inserted--word processor misprinted. Although non-nuclear weapons are mentioned--How do you protect release of "state-of- art"?

**b. Analysis and Discussion**

A consensus in favor of keeping the definition the same was received. Additional comments mainly addressed the length and structure of the definition. One comment included the issue of non nuclear "state-of-art" weapons.

In response to the comments, the researchers condensed the definition in an attempt to get rid of superfluous information and also included "state-of-art" items in the definition to keep abreast of the current technological era.

**3. Revisions for Actual Questionnaire**

The transfer of non nuclear weapons, aircraft, equipment, state of the art items and military services from supplier states to recipient states. US arms may be transferred by grants as in the Military Assistance Program (MAP), private and direct commercial sales, leases, loans, or government-to-government sales under foreign military sales (FMS).

Synonym: None.

Antonym: None.

**Cooperative Agreement**

**1. Initial Synthesized Definition**

A means of engaging in joint economic activity that involves a sponsoring federal agency, in the management of the undertaking. Such agreements may provide for sharing the costs in addition to the management of the undertaking.

Synonym: Federal Assistance.

Antonym: None.

**2. Draft Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	0	0	8	3	11
0%	0%	0%	0%	0%	73%	27%	100%

**a. Survey Comments**

None.

**b. Analysis and Discussion**

This term and definition received 100% consensus. The term and definition will appear unchanged in the actual survey.

**3. Revisions for Actual Questionnaire**

A means of engaging in joint economic activity that involves a sponsoring federal agency in the management of the undertaking. Such agreements may provide for sharing the costs in addition to the management of the undertaking.

Synonym: None.  
 Antonym: None.

**Cooperative Development**

**1. Initial Synthesized Definition**

Any method by which governments cooperate to make better use of their collective research and development resources to include technical information exchange, harmonizing of requirements, codevelopment, interdependent research and development, and agreement on standards.

Synonym: Cooperative Research and Development (CRADA).  
 Antonym: None.

**2. Draft Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	1	0	8	2	10
0%	0%	0%	9%	0%	73%	18%	91%

### **a. Survey Comments**

Disagree. There are a lot of cooperative development which are not "governments". Doesn't cooperative development imply a goal? Does it include pure research? Definition says it does.

Agree. What is the "A" in "CRADA"?

### **b. Analysis and Discussion**

A majority of the respondents agreed with the current presentation of this term. One comment provided extra insight as to the extent of this term. In response, we added "organization" in addition to government involvement. Also, "CRADA" was deleted to avoid unnecessary confusion. These two changes were the only alterations to the definition.

## **3. Revisions for Actual Questionnaire**

Any method by which governments or organizations cooperate to make better use of their collective research and development resources to include technical information exchange, harmonizing of requirements, codevelopment, interdependent research and development, and agreement on standards.

Synonym: Cooperative Research and Development.  
Antonym: None.

## **Coproduction, International**

### **1. Initial Synthesized Definition**

The method by which industries in the US and in one or more foreign countries share in the production and/or assembly of items intended for military application. The production and/or assembly of these items fall under the provisions of a cooperative agreement that requires the transfer of technical information and know-how from one nation to one or more other nations.

Synonym: None.  
Antonym: None.



## 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	1	1	0	5	4	9
0%	0%	9%	9%	0%	46%	36%	82%

### a. Survey Comments

Strongly Disagree. Does this come under a subheading about military spending? There are coproduction efforts sponsored by the govt. which are not military application.

Disagree. Question "transfer". What safeguards for protection of technical information? Knowledge is power--how is it protected?

### b. Analysis and Discussion

An 82% consensus was gathered for this term. The comments which were provided by the respondents who disagreed revealed to the researchers that the current intent of this term was not fully realized by the present definition. In response to the comments, the addition of "non military" application and "safe" transfer were made to the definition. Results from the actual survey will verify or refute these changes.

## 3. Revisions for Actual Questionnaire

The method by which industries in the US and in one or more foreign countries share in the production and/or assembly of items intended for military and/or nonmilitary application. The production and/or assembly of these items fall under the provisions of a cooperative agreement that requires the safe transfer of technical information and know-how from one nation to one or more other nations.

Synonym: None.  
Antonym: None.

## Countertrade

### 1. Initial Synthesized Definition

An arrangement where the foreign exporter or supplier purchases materials in the receiving country to offset purchases made by the importing country.

Synonym: Reciprocal trade, offset, barter.  
Antonym: None.

## 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	1	0	5	5	10
0%	0%	0%	9%	0%	45.5%	45.5%	91%

### a. Survey Comments

Disagree. This is offset.

### b. Analysis and Discussion

A majority of the respondents agreed with the current definition of this term. The comment provided was not taken into consideration because "countertrade" is just one type of offset as discovered through our literature review. The definition remains unchanged.

## 3. Revisions for Actual Questionnaire

An arrangement where the foreign exporter or supplier purchases materials in the receiving country to offset purchases made by the importing country.

Synonym: Reciprocal trade, offset, barter.

Antonym: None.

## Country Groups

### 1. Initial Synthesized Definition

"The groups into which all foreign countries (except Canada) are divided for export control purposes. Letter symbols are used for country groups throughout the Export Administration Regulations as follows:

Q - Romania

S - Libya

T - North America, Greenland, Mexico, Miquelon and St. Pierre Islands; Central America and the Caribbean; South America

V - All countries not in any other group (except Canada)

W - Czechoslovakia, Hungary, Poland

Y - Albania, Bulgaria, Estonia, Laos, Latvia, Lithuania, Mongolian People's Republic, Union of Soviet Socialist Republic (now known as the Commonwealth of Independent States)

Z - Cambodia, Cuba, North Korea, Vietnam" (21:15).

Synonym: None.

Antonym: None.

## 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
1	3	0	0	0	4	3	7
9%	27%	0%	0%	0%	37%	27%	100%

### a. Survey Comments

No Likert Rating. Aware that letter symbols apply, but no comment on which or why.

### b. Analysis and Discussion

Of the respondents who were familiar with the term, there was 100% agreement with the term. The comment provided by a respondent who did not rate this term served as support for the definition as is.

## 3. Revisions for Actual Questionnaire

"The groups into which all foreign countries (except Canada) are divided for export control purposes. Letter symbols are used for country groups throughout the Export Administration Regulations as follows:

Q - Romania

S - Libya

T - North America, Greenland, Mexico, Miquelon and St. Pierre Islands; Central America and the Caribbean; South America

V - All countries not in any other group (except Canada)

W - Czechoslovakia, Hungary, Poland

Y - Albania, Bulgaria, Estonia, Laos, Latvia, Lithuania, Mongolian People's Republic, Union of Soviet Socialist Republic (now known as the Commonwealth of Independent States)

Z - Cambodia, Cuba, North Korea, Vietnam" (21:30).

Synonym: None.

Antonym: None.

## Direct Procurement

### 1. Initial Synthesized Definition

The procurement of defense supplies in the United States by a foreign government, contractor, or international organization in which the supplies are purchased through commercial channels for use by the foreign government or international organization

Synonym: None.

Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
1	0	1	0	0	6	3	9
9%	0%	9%	0%	0%	55%	27%	90%

#### a. Survey Comments

Strongly Disagree. Why just defense supplies?

No Likert Rating. How does this dove-tail with "commercial sale"?

#### b. Analysis and Discussion

A 90% consensus was reached on this term. The definition of this term remained the same except for the inclusion of "non defense" supplies as pointed out by the first comment above. The inclusion of this change made the definition more for the general contracting population rather than only DOD professionals.

In response to the second comment, this term dove-tails "commercial sale" in that we are referencing "supplies" under direct procurement versus "articles and services" under commercial sale.

### 3. Revisions for Actual Questionnaire

The procurement of defense and/or supplies in the United States by a foreign government, contractor, or international organization in which the supplies are purchased through commercial channels for use by the foreign government or international organization.

Synonym: None.  
Antonym: None.

### Domestic Preference

#### 1. Initial Synthesized Definition

National government policies that maintain discriminatory government procurement rules designed to establish a preference in favor of domestic suppliers.

Synonym: None.  
Antonym: None.

#### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	1	2	4	4	8
0%	0%	0%	9%	18%	36.5%	36.5%	73%

##### a. Survey Comments

Undecided. Weak term.

Agree. Succinct.

Disagree. "Discriminatory" is too harsh--take it out!

Agree. "Preference"--is this specific enough?

##### b. Analysis and Discussion

This term was agreed upon by 73% of the respondents. The definition remained the same except for the deletion of "discriminatory" in the first line. The researchers felt, after some consideration, that this word was too harsh and need to be excluded from the definition.

In response to "preference" as being specific enough, we decided that the term will remain as stated.

### 3. Revisions for Actual Questionnaire

National government policies that maintain government procurement rules designed to establish a preference in favor of domestic suppliers.

Synonym: None.  
Antonym: None.

## Duty

### 1. Initial Synthesized Definition

A tax or impost due to the government upon importation or exportation of goods.

Synonym: Tariff, Toll.  
Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	0	0	6	5	11
0%	0%	0%	0%	0%	55%	45%	100%

#### a. Survey Comments

None.

#### b. Analysis and Discussion

This term and definition will remain unchanged in the actual survey because of the 100% consensus and the lack of comments to influence otherwise.

### 3. Revisions for Actual Questionnaire

A tax or impost due to the government upon importation or exportation of goods.

Synonym: Tariff, Toll.  
Antonym: None.

## Eurodollars

### 1. Initial Synthesized Definition

American dollars held by or on deposit with a bank abroad, especially Europe; investments in Europe denominated in US dollars.

Synonym: None.  
Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	2	1	1	2	3	2	5
0%	18%	9%	9%	18%	28%	18%	56%

#### a. Survey Comments

Disagree. I do not believe that it is technically correct to call Eurodollars investments.

Strongly Disagree. I thought Eurodollars were a "currency" based on a mixture of European country currencies.

Unfamiliar with term. If I understand this Eurodollars include Americans who hold accounts in Europe and monies anywhere in the world as long as they are American dollars?

Undecided. Really denominated in US dollars?

#### b. Analysis and Discussion

Since we did not reach a consensus of two-thirds of the respondents, we decided to reevaluate the definition with the collected survey comments and research from our literature review in order to formulate a better definition.

We took into consideration the comment about "investments" and deleted the word from our definition. From our literature review, "Eurodollars" are monies, denominated in US dollars, which are held by European Banks which are located in Europe as well as

branches in other locations. In addition to US currency held in European Banks, this term also encompasses US currencies held by European Branches of US Banks.

From this information, we revised the term as presented in the following section.

### 3. Revisions for Actual Questionnaire

American dollars held by or on deposit with a European bank or European Branches of US Banks.

Synonym: None.

Antonym: None.

### Exclusive License

#### 1. Initial Synthesized Definition

A license covering a patent(s), technical or proprietary data, technical assistance, know-how, or any combination of these, granted by a US firm to a foreign firm or government to produce, coproduce, or sell a defense article or service within a given sales territory without competition from any other licensees or from the licensor. A non-exclusive license is a license as described as above, except that competition may be permitted with other licensees and/or the licensor.

Synonym: None.

Antonym: None.

#### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
1	1	2	1	0	3	3	6
9%	9%	18%	9%	0%	27.5%	27.5%	67%

##### a. Survey Comments

Strongly Disagree. Why just granted by a US firm? Could also be granted to a US firm by a foreign firm or govt.

Disagree. This isn't only used in defense. Agree if you delete "defense" in third line.

Strongly Disagree. Definition can also include trademarks, trade names, copyrights and applications for patents, trademarks, copyrights, etc.



## **b. Analysis and Discussion**

This definition barely meets the threshold of what these researchers consider a majority consensus. Also, we feel that the comments provided add valuable information to be incorporated in the definition. All the suggestions have been included in the revised definition.

Last, after careful consideration of our literature review research, we decided to change to term itself to include "non-exclusive."

### **3. Revisions for Actual Questionnaire**

#### **(Exclusive (Non-exclusive) License)**

A license covering a patent(s), applications for a patent(s), technical or proprietary data, technical assistance, know-how, trademarks, trade names, copyrights, or any combination of these, granted by a US firm to a foreign firm or government, or from a foreign firm or government to a US firm to produce, coproduce, or sell a defense or non defense article or service within a given sales territory without competition from any other licensees or from the licensor. A non-exclusive license is a license as described as above, except that competition may be permitted with other licensees and/or the licensor.

Synonym: None.

Antonym: None.

### **Export Control Classification Number (ECCN)**

#### **1. Initial Synthesized Definition**

The identification number assigned to each entry on the Commerce Control List. It consists of a number (category), a letter (group), two numbers (nature of control), and a letter (level of control).

Synonym: None.

Antonym: None.

#### **2. Draft Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
1	3	0	0	0	3	4	7
9%	27%	0%	0%	0%	27%	37%	100%

**a. Survey Comments**

None.

**b. Analysis and Discussion**

A 100% agreement on this term and definition was gathered from those respondents who were familiar with the term and decided to provide a Likert rating. Since no comments were provided, this term will remain as is.

**3. Revisions for Actual Questionnaire**

The identification number assigned to each entry on the Commerce Control List. It consists of a number (category), a letter (group), two numbers (nature of control), and a letter (level of control).

Synonym: None.

Antonym: None.

**Export-Import (EXIM) Bank**

**1. Initial Synthesized Definition**

An independent agency of the federal government whose function is to aid in financing exports and imports.

Synonym: None.

Antonym: None.

**2. Draft Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
1	1	0	0	0	5	4	9
9%	9%	0%	0%	0%	46%	36%	100%

**a. Survey Comments**

No Likert Rating. Did not realize it is a Fed'l agency.

**b. Analysis and Discussion**

This is another term and definition which accomplished 100% agreement from respondents who were familiar with the term and provided an objective rating. The only

comment provided did not supply any additional information. This definition will remain unchanged.

### 3. Revisions for Actual Questionnaire

An independent agency of the federal government whose function is to aid in financing exports and imports.

Synonym: None.

Antonym: None.

## Export License

### 1. Initial Synthesized Definition

A license required by the ITAR (International Traffic in Arms Regulation) before exporting defense articles or technical data. It is obtained from the ODTC (Office of Defense Trade Controls).

Synonym: None.

Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	2	0	2	0	5	2	7
0%	18%	0%	18%	0%	46%	18%	78%

#### a. Survey Comments

Disagree. ITAR licenses are obtained from Dept. of State through ODTC.

Disagree. Also uses in commercial context with the Dept. of Commerce export licenses.

#### b. Analysis and Discussion

This definition incurred some changes eventhough 78% of the respondents agreed with the definition. We felt that the comments provided substantial information which elicited the need to alter the definition. The data from both comments were included in the revision.

### 3. Revisions for Actual Questionnaire

A license required by the ITAR (International Traffic in Arms Regulation) before exporting defense articles or technical data. This license is obtained from the Department of State through the ODTC (Office of Defense Trade Controls). This license is also required by the Department of Commerce before exporting commercial articles or technical data.

Synonym: None.

Antonym: None.

### Foreign Currency-Contributed Funds

#### 1. Initial Synthesized Definition

A foreign government's currency is purchased via the United States Disbursing Officer by the United States using appropriated funds for expenses in that country . The United States dollars collected by the US Disbursing Officer from the sale of these currencies are deposited into the Treasury as "miscellaneous receipts".

Synonym: None.

Antonym: None.

#### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	6	0	0	0	4	1	5
0%	55%	0%	0%	0%	36%	9%	100%

##### a. Survey Comments

None.

##### b. Analysis and Discussion

This term and definition will remain unchanged because of the 100% agreement of those respondents familiar with this term and provided a positive response. Also, no comments were provided.

### 3. Revisions for Actual Questionnaire

A foreign government's currency is purchased via the United States Disbursing Officer by the United States using appropriated funds for expenses in that country . The United States dollars collected by the US Disbursing Officer from the sale of these currencies are deposited into the Treasury as "miscellaneous receipts."

Synonym: None.  
Antonym: None.

## Foreign Military Sales

### 1. Initial Synthesized Definition

A non appropriated fund program which is authorized by the Foreign Assistance Act of 1961, as amended, the Arms Export Control Act of 1976, as amended, and the Foreign Military Sales Act of 1968 with procurement management by an Armed Forces System project Officer, for eligible foreign governments to buy, directly or indirectly, defense articles and services, including training, from the US government. Defense articles are defined as weapons systems; munitions; aircraft/vessels; property, material and equipment necessary to furnish military assistance; and, the machinery and tools necessary for the manufacture, production, repair, storage and operation of such articles. Defense services may be defined as any service, test, inspection, repair, training, publication, or technical or other assistance necessary to furnish military assistance, except military education and training activities, which are administered under separate programs. It falls under the broad umbrella of security assistance programs and promotes the US industrial base.

Synonym: None.  
Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	0	1	7	3	10
0%	0%	0%	0%	9%	64%	27%	91%

#### a. Survey Comments

Agree. Read like an encyclopedia rather than a definition.

Agree. Except for "country groups" all other definitions are 2-4 lines long. Seems inconsistent.

Undecided. Needs three paragraphs or three separate definitions--FMS, Defense articles, and Defense services.

## **b. Analysis and Discussion**

The comments provided by the respondents dealt with length and syntax of the definition. Since we have positive consensus, we will not alter the definition except to delete the last sentence since it does not add essential information. In response to the comments about the length of this definition, these researchers feel that it is necessary to include the clarification of defense articles and defense services to provide the true intent of this term.

## **3. Revisions for Actual Questionnaire**

A non appropriated fund program which is authorized by the Foreign Assistance Act of 1961, as amended, the Arms Export Control Act of 1976, as amended, and the Foreign Military Sales Act of 1968 with procurement management by an Armed Forces System project Officer, for eligible foreign governments or international organizations to buy, directly or indirectly, defense articles and services, including training, from the US government. Defense articles are defined as weapons systems; munitions; aircraft/vessels; property, material and equipment necessary to furnish military assistance; and, the machinery and tools necessary for the manufacture, production, repair, storage and operation of such articles. Defense services may be defined as any service, test, inspection, repair, training, publication, or technical or other assistance necessary to furnish military assistance, except military education and training activities, which are administered under separate programs.

Synonym:       None.  
Antonym:       None.

## **Foreign Nationals**

### **1. Initial Synthesized Definition**

This title includes anyone except citizens of the United States and immigrant aliens. It also includes citizens of the United Kingdom and Canada, even when they are given reciprocal-access authorizations as employees of Air Force contractors.

Synonym:       None.  
Antonym:       US Citizen.

## 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	0	1	6	4	10
0%	0%	0%	0%	9%	55%	36%	91%

### a. Survey Comments

Agree. Is this for an Air Force publication? First indication it is specifically AF, rather than DOD wide.

### b. Analysis and Discussion

The only modification made to this definition is the change from "Air Force contractors" to 'DOD contractors.' This change was made to make this a more generic definition rather than an US Air Force specific definition. Otherwise, this definition received 91% agreement from the respondents.

## 3. Revisions for Actual Questionnaire

This title includes anyone except citizens of the United States and immigrant aliens. It also includes citizens of the United Kingdom and Canada, even when they are given reciprocal-access authorizations as employees of DOD contractors.

Synonym: None.  
Antonym: US Citizen.

## Foreign Ownership, Control or Influence

### 1. Initial Synthesized Definition

The situation in which the nature and extent of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual) is such that a reasonable basis exists for concluding that CLASSIFIED INFORMATION or special nuclear material might be compromised, or the performance of classified contracts may be negatively impacted.

Synonym: None.  
Antonym: None.

## 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
1	2	0	1	1	3	3	6
9%	18%	0%	9%	9%	27.5%	27.5%	75%

### a. Survey Comments

**Disagree.** Stop after "(government, organization, or individual)". Foreign ownership or control has nothing to do with classified info receipt, although supply of classified info may not be given to a foreign owned or controlled company.

**Undecided.** Is FOCI always negative (certainly or reasonably a basis for compromise); or can it also be an innocuous adjective?

### b. Analysis and Discussion

Although a majority of the respondents agreed with this definition, these researchers found it necessary to reevaluate the definition because of the comments provided. In conjunction with the gathered comments, we reassessed our literature review results and determined that two definitions may be needed for this phrase. The following definition is the outcome of our research appraisal.

## 3. Revisions for Actual Questionnaire

1. The nature and extent of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual).

2. The situation in which the nature and extent of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual) is such that a reasonable basis exists for concluding that classified information or special nuclear material might be compromised, or the performance of classified contracts may be negatively impacted.

Synonym: None.

Antonym: None.



## Foreign Purchaser

### 1. Initial Synthesized Definition

A foreign government, a foreign contractor, or an international organization authorized to purchase military equipment and supplies from US contractors.

Synonym: None.  
Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	1	0	7	3	10
0%	0%	0%	9%	0%	64%	27%	91%

#### a. Survey Comments

Disagree. Can be in the commercial sector as well.

#### b. Analysis and Discussion

This term achieved a 91% agreement from the survey respondents. There has been a change to include a "non military" category of equipment and supplies in an attempt to provide a more generalized definition for the entire contracting profession. Other than the afore mentioned modification, the definition remains unchanged.

### 3. Revisions for Actual Questionnaire

A foreign government, a foreign contractor, or an international organization authorized to purchase military and/or nonmilitary equipment and supplies from US contractors.

Synonym: None.  
Antonym: None.

## International Armaments Cooperation

### 1. Initial Synthesized Definition

The collaboration in developing and/or producing weapons between allied governments and industries. Also, it can involve defense companies, without government insistence, entering into joint ventures, subcontracts and teaming arrangements with foreign defense companies.

Synonym: None.

Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	1	0	8	2	10
0%	0%	0%	9%	0%	73%	18%	91%

#### a. Survey Comments

Agree. Why would govt. "insist" on business joining? "insistence" vs. 'assistance'.

Disagree. Any arrangement between defense companies and foreign defense companies to produce weapons would require a manufacturing license agreement from the Dept. of State. This provides govt. oversight so I cannot agree with your definition where you state "without govt. insistence". I view insistence and oversight as almost the same, but certainly not enough difference to support this definition.

Agree. Should "insistence" be 'assistance'?

#### b. Analysis and Discussion

The comments collected from the surveys raised issues in which the researchers reassessed the information gathered from the literature review. We feel that, with a 91% agreed consensus and the literature review compilation, the definition will stand as is. We hope that further clarification may be received as a result of the actual questionnaire.

### 3. Revisions for Actual Questionnaire

The collaboration in developing and/or producing weapons between allied governments and industries. Also, it can involve defense companies, without government insistence, entering into joint ventures, subcontracts and teaming arrangements with foreign defense companies.

Synonym: None.  
Antonym: None.

## Multinational

### 1. Initial Synthesized Definition

An organization which has operation centers in many countries. This type of organization contrasts international organizations because international organizations deals with many countries but are based in only one country.

Synonym: None.  
Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	0	2	5	4	9
0%	0%	0%	0%	18%	46%	36%	82%

#### a. Survey Comments

Undecided. Problem with use of "based".

Strongly Agree. Replace "contrasts" with 'differs from'?

Undecided. Is the second sentence necessary in a simple definition. Couldn't an int'l organization also be a multinational org?

#### b. Analysis and Discussion

This definition was condensed into a more simple version. The comments, as previously presented in the section above, revealed that extra, unneeded information was included in this definition. This extra information could only serve to confuse matters. As a result, a more succinct definition was constructed.

This newly constructed definition does not detract from the intent of this term and also addresses the other comments collected from the surveys.

### 3. Revisions for Actual Questionnaire

An organization which has operation centers in many countries.

Synonym: None.

Antonym: None.

## Global Sourcing

### 1. Initial Synthesized Definition

The ability to procurement, development and/or produce a product or material any place in the world which can offer the best price and/or product.

Synonym: None.

Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	1	1	7	1	8
0%	0%	0%	10%	10%	70%	10%	80%

#### a. Survey Comments

Undecided, what about identifying sources?

Disagree, delete "procurement, development and/or produce" and replace with "locate".

Agree, change "procurement" to "procure" and "development" to "develop."

Agree, change "procurement" to "procure" and "development" to "develop." Service?

Agree, change "procurement" to "procure" and "development" to "develop."

#### b. Analysis and Discussion

The main comment from respondents was on changing procurement and development to procure and develop. The revised survey below contains those changes.

### 3. Revisions for Actual Survey

The ability to procure, develop and/or produce a product or material any place in the world which can offer the best price and/or product.

Synonym: None.

Antonym: None.

## Gratuity

### 1. Initial Synthesized Definition

A gratuity is defined as entertainment, gifts, or anything of value offered or given by a contractor or any agent or representative of the contractor to an officer or employee of the Government with a view to securing a contract or securing favorable treatment with respect to the awarding or amending or the making of determinations with respect to the performance of a contract.

Synonym: None.  
Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	1	0	8	1	9
0%	0%	0%	10%	0%	80%	10%	90%

#### a. Survey Comments

Disagree, replace the words, "of the Government" with "another firm".  
Agree, a contractor or any other individual with a vested interest in the contract.

#### b. Analysis and Discussion

With such a high degree of consensus the author was reluctant to change the definition for the final survey. A minor change was made in the first sentence to eliminate the word "define" from the definition.

### Revisions for Actual Survey

A gratuity can be comprised of entertainment, gifts, or anything of value offered or given by a contractor or any agent or representative of the contractor to an officer or employee of the Government with a view to securing a contract or securing favorable treatment with respect to the awarding or amending or the making of determinations with respect to the performance of a contract.

Synonym: None.  
Antonym: None.

## Host/Buyer Countries

### 1. Initial Synthesized Definition

A host/buyer country is the country that is buying from a multinational corporation.

Synonym: Buyer, Client.

Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	3	0	1	2	4	0	4
0%	30%	0%	10%	20%	10%	0%	57%

#### a. Survey Comments

Disagree, why limit to multinational corporations?

Undecided, change "multinational corporation" to "organizations both public and private."

#### b. Analysis and Discussion

The two comments suggested changing the words "multinational corporation" to other words. I couldn't change the definition to read both ways. Since almost 60% of the respondents agreed with the definition as it stood, the author decided not to change the definition for the final survey.

### 3. Revisions for Actual Survey

A host/buyer country is the country that is buying from a multinational corporation.

Synonym: Buyer, Client.

Antonym: None.

## Icoterms

### 1. Initial Synthesized Definition

The International Chamber of Commerce has established delivery terms called INCOTERMS. They are designed to overcome the problems of conflicting national laws and interpretations by establishing a standard set of delivery terms and definitions that offer "neutral" rules and practices. All personnel involved in international contracting should become familiar with the various INCOTERMS beginning with "Ex-works," which means minimum cost coverage by the seller, and ending with the term called "Delivered Duty Paid," which means maximum cost to the seller. There are fourteen INCOTERMS. Each clearly defines a different set of responsibilities with respect to delivery. If delivery is to be at origin the Ex-works should be used because it means that the seller's only responsibility is to make the goods available on the premises. He is not responsible for loading the goods on the vehicle provided by the buyer. The buyer bears the full cost and risk involved in bring the goods from there to the desired destination, and, thus, this term represents the minimum risk for the seller. Above all, delivery Ex-works means that the goods can be delivered and paid for when they are ready to be delivered. That readiness is under the complete control of the seller. All of the other INCOTERMS impose various burdens upon the seller both from the delivery and the cost point of view.

In drafting any contract, the provision setting forth the delivery terms should provide that they are to be defined in accordance with the 1980 Edition of the Guide to INCOTERMS. This is the current guide and it is published by the International Chamber of Commerce.

Synonym: Delivery Terms, Terms of Delivery.  
Antonym: None

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	7	0	0	1	0	2	2
0%	70%	0%	0%	10%	0%	20%	67%

#### a. Survey Comments

Undecided, ICOTERMS should be INCOTERMS, The latest version is 1990.. Why single out only a single INCOTERM?

## **b. Analysis and Discussion**

The author has found this term spelled both ways and decided on one way for consistency. The revised definition changed 1980 to 1990 to reflect the most current version.

## **3. Revisions for Actual Survey**

The International Chamber of Commerce has established delivery terms called INCOTERMS. They are designed to overcome the problems of conflicting national laws and interpretations by establishing a standard set of delivery terms and definitions that offer "neutral" rules and practices. All personnel involved in international contracting should become familiar with the various INCOTERMS beginning with "Ex-works," which means minimum cost coverage by the seller, and ending with the term called "Delivered Duty Paid," which means maximum cost to the seller. There are fourteen INCOTERMS. Each clearly defines a different set of responsibilities with respect to delivery. If delivery is to be at origin the Ex-works should be used because it means that the seller's only responsibility is to make the goods available on the premises. He is not responsible for loading the goods on the vehicle provided by the buyer. The buyer bears the full cost and risk involved in bring the goods from there to the desired destination, and, thus, this term represents the minimum risk for the seller. Above all, delivery Ex-works means that the goods can be delivered and paid for when they are ready to be delivered. That readiness is under the complete control of the seller. All of the other INCOTERMS impose various burdens upon the seller both from the delivery and the cost point of view.

In drafting any contract, the provision setting forth the delivery terms should provide that they are to be defined in accordance with the 1990 Edition of the Guide to INCOTERMS. This is the current guide and it is published by the International Chamber of Commerce.

Synonym: Delivery Terms, Terms of Delivery.  
Antonym: None

## **In-Country Sourcing**

### **1. Initial Synthesized Definition**

In-country sourcing means material, manufacturing or services companies located within the geographical boundaries of the recipient purchaser country.

Synonym: Subcontract, Material Purchases.  
Antonym: None.



## 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	0	0	10	0	10
0%	0%	0%	0%	0%	100%	0%	100%

### a. Survey Comments

Agree, add territories.  
Agree, sentence construction faulty.

### b. Analysis and Discussion

The 100% consensus was overwhelming but the sentence construction was faulty.

The revised definition corrects that problem.

## 3. Revisions for Actual Survey

In-country sourcing means procuring material, manufacturing or services from companies which are located within the geographical boundaries of the recipient purchaser country.

Synonym: Subcontract, Material Purchases.  
Antonym: None.

## Industrial Collaboration

### 1. Initial Synthesized Definition

Industrial Collaboration occurs when the contract-winning company promises to subcontract part of its work to the awarding country and is most often used in the Arabian Gulf.

Synonym: Countertrade, Offsets.  
Antonym: None

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	2	0	2	4	2	0	2
0%	20%	0%	20%	40%	20%	0%	25%

**a. Survey Comments**

Disagree, swap the synonym with the prime.  
Disagree, too vague to specify what is going on, countertrade is better.  
Agree, I don't know if I agree with the Arabian Gulf is most used. Most countries if procuring large dollar items or systems request offsets.

**b. Analysis and Discussion**

The consensus on this term is very low. The comment on the Arabian Gulf is valid. Any mention of a specific country or location has been eliminated from the revised definition. The author is not defining countertrade and does not intend to switch to that term.

**3. Revisions for Actual Survey**

Industrial Collaboration occurs when the contract-winning company promises to subcontract part of its work to a company or individual located within the boundaries of the awarding country.

Synonym: Countertrade, Offsets.  
Antonym: None

**Industrial Cooperation**

**1. Initial Synthesized Definition**

Action of co-operating or acting jointly with another or other. Association of persons for their common benefit. In patent law, unity of action to achieve a common end or common result, not merely a joint or simultaneous action.

Synonym: Joint Venture or Partnership.  
Antonym: None.

**2. Draft Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	1	0	2	1	5	1	6
0%	10%	0%	20%	10%	5%	1%	67%

**a. Survey Comments**

Disagree, joint venture or partnership is more accepted.

Disagree, not a good definition.

Undecided, needs to read better. Know what you mean but this doesn't say it.

**b. Analysis and Discussion**

Consensus was OK but the definition needs to flow better. The author did some minor "word smithing" in hopes of increasing the consensus percentage on the actual survey. The comment on disagree, not a good definition was not helpful in formulating a revised definition or even improving the draft definition.

**3. Revisions for Actual Survey**

The action of persons or organizations co-operating or acting jointly with another entity. The association of persons or organizations for their common benefit. In patent law, unity of action to achieve a common end or common result, not merely a joint or simultaneous action.

Synonym: Joint Venture or Partnership.

Antonym: None.

**International Teaming**

**1. Initial Synthesized Definition**

The cooperation among the governments of two or more nations and/or the organizations within these same nations in weapon development and/or production.

Synonym: Partnership.

Antonym: None.

**2. Draft Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	2	1	7	0	7
0%	0%	0%	20%	10%	7%	0%	70%

**a. Survey Comments**

Undecided, why limit to weapons?

Disagree, doesn't have to be in weapon development but occurs mostly there.

Disagree, too narrow a definition, could be among companies, between companies and government, etc.

Agree, add the words, "or companies" after " government".

Agree, add..."and/or organizations" after the word "nations".

**b. Analysis and Discussion**

The major comment is on weapons, but there is a 70% agreement on the way the definition stands as it is. The author will allow the definition to go on to the final survey as it was originally written.

**3. Revisions for Actual Survey**

The cooperation among the governments of two or more nations and/or the organizations within these same nations in weapon development and/or production.

Synonym: Partnership.

Antonym: None.

**Joint Venture**

**1. Initial Synthesized Definition**

A one time grouping of two or more entities in a business undertaking. Unlike a partnership, a joint venture does not entail a continuing relationship among the parties. In a joint venture, companies negotiate a teaming agreement which governs how the members will interact in pursuing or conducting business. The joint venture is characterized by joint ownership, management, and the sharing of profits and losses. Joint ventures can be partnerships or corporations.

Synonym: Partnership, Corporation, or Teaming.

Antonym: Sole Producer

**2. Draft Questionnaire Feedback**

No Liker. Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	1	0	8	1	9
0%	0%	0%	10%	0%	8%	10%	90%

**a. Survey Comments**

Strongly Agree, can a sole producer be a joint venture?

**b. Analysis and Discussion**

Since there was a 90% consensus no changes were made on the actual definition.

**3. Revisions for Actual Survey**

A one time grouping of two or more entities in a business undertaking. Unlike a partnership, a joint venture does not entail a continuing relationship among the parties. In a joint venture, companies negotiate a teaming agreement which governs how the members will interact in pursuing or conducting business. The joint venture is characterized by joint ownership, management, and the sharing of profits and losses. Joint ventures can be partnerships or corporations.

Synonym: Partnership, Corporation, or Teaming.  
Antonym: Sole Producer

**Lesser Developed Countries**

**1. Initial Synthesized Definition**

Lesser Developed Countries examples would be Haiti, Somalia and the Sudan. These countries would have less bargaining power with multinational corporations because of a shortage of foreign currency.

Synonym: Under Developed Countries, Third World Countries  
Antonym: World Powers, Developed Countries.

**2. Draft Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
1	1	0	4	2	1	1	2
10%	10%	0%	40%	20%	10%	10%	25%

**a. Survey Comments**

No Likert Rating, only one of many factors, how about an objective criteria.  
Disagree, not a good definition.  
Disagree, delete the names of the countries.

**b. Analysis and Discussion**

This definition needs a lot of work. One comment stated to delete the names of countries. While that adds clarity now, future changes may make the inclusion of specific names confusing. Another comment said that it was only one of many factors but did not suggest any other factors as criteria. The revised definition eliminated the names of specific countries but left the main portion of the original definition intact.

**3. Revisions for Actual Survey**

Lesser Developed Countries are countries who have less bargaining power with international corporations because of a shortage of foreign currency and political power.

Synonym: Under Developed Countries, Third World Countries  
Antonym: World Powers, Developed Countries.

**Letter of Offer and Acceptance (LOA)**

**1. Initial Synthesized Definition**

United States Department of Defense letter by which the United States Government offers to sell to a foreign government or international organization United States defense articles or services pursuant to the Arms Export Control Act, as amended. The LOA lists the items and/or services, estimated costs, and the terms and conditions of the sale. It also provides for the signature of an appropriate foreign official to constitute acceptance.

Synonym: Purchase Agreement.  
Antonym: None.

**2. Draft Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	0	0	9	1	10
0%	0%	0%	0%	0%	90%	10%	100%

**a. Survey Comments**

Agree, why limit to just DOD?  
Agree, I didn't think an LOA only applied to foreign or international. See next definition LOR

## **b. Analysis and Discussion**

There was 100% agreement on the definition. Comments came from respondents who agreed with the definition but asked a question they were curious about.

### **3. Revisions for Actual Survey**

United States Department of Defense letter by which the United States Government offers to sell to a foreign government or international organization United States defense articles or services pursuant to the Arms Export Control Act, as amended. The LOA lists the items and/or services, estimated costs, and the terms and conditions of the sale. It also provides for the signature of an appropriate foreign official to constitute acceptance.

Synonym: Purchase Agreement.

Antonym: None.

## **Letter of Request (LOR)**

### **1. Initial Synthesized Definition**

The LOR is a document used to request defense articles and services as well as planning and review data (P&R); price and availability data (P&A) ; or an actual letter of offer and acceptance. (LOA)

The LOR must include a statement of what is desired and sufficient detail on the articles/services for the cognizant Department of Defense (DoD) component to provide a firm basis for the price estimate. The LOR is forwarded through the US embassy (or the designated Security Assistance Office) or through the nation's in-country representative in the United States for transmission to the appropriate US government component. The LOR is then validated to ensure that the request is from an eligible recipient, that the article/service in question may be sold, and that the request has been made through the proper channels.

The LOR is supposed to contain enough details to allow the contracting officer to negotiate an award without any involvement on the part of the foreign purchaser.

Synonym: Purchase Request.

Antonym: None.

## 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	3	0	0	1	5	1	6
0%	30%	0%	0%	10%	50%	10%	86%

### a. Survey Comments

Undecided, why can't this apply to internal offers?

### b. Analysis and Discussion

This definition was left intact because of the lack of comments and the high rate of consensus.

## 3. Revisions for Actual Survey

The LOR is a document used to request defense articles and services as well as planning and review data (P&R); price and availability data (P&A) ; or an actual letter of offer and acceptance. (LOA)

The LOR must include a statement of what is desired and sufficient detail on the articles/services for the cognizant Department of Defense (DoD) component to provide a firm basis for the price estimate. The LOR is forwarded through the US embassy (or the designated Security Assistance Office) or through the nation's in-country representative in the United States for transmission to the appropriate US government component. The LOR is then validated to ensure that the request is from an eligible recipient, that the article/service is question may be sold, and that the request has been made through the proper channels.

The LOR is supposed to contain enough details to allow the contracting officer to negotiate an award without any involvement on the part of the foreign purchaser.

Synonym: Purchase Request.

Antonym: None.



## **Military Export Sales**

### **1. Initial Synthesized Definition**

All sales of defense articles and services made from U. S. source to foreign governments, foreign private firms, and international organizations, whether made by DoD or by United States industry directly to a foreign buyer. Such sales fall into two categories: Foreign Military Sales and Commercial Sales.

**Synonym:** Foreign Military Sales, International Sales, Sales, Exports, Foreign Exports.

**Antonym:** Foreign Imports, Imports, Foreign Purchases, International Purchases.

### **2. Draft Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	0	0	8	2	10
0%	0%	0%	0%	0%	80%	20%	100%

#### **a. Survey Comments**

None.

#### **b. Analysis and Discussion**

The were no comments and 100% consensus. No changes were made to the revised definition.

### **3. Revisions for Actual Survey**

All sales of defense articles and services made from U. S. source to foreign governments, foreign private firms, and international organizations, whether made by DoD or by United States industry directly to a foreign buyer. Such sales fall into two categories: Foreign Military Sales and Commercial Sales.

**Synonym:** Foreign Military Sales, International Sales. Sales, Exports, Foreign Exports.

**Antonym:** Foreign Imports, Imports, Foreign Purchases, International Purchases.

## Munitions List

### 1. Initial Synthesized Definition

The Munitions List is a compilation of all technical data, services and defense products which are controlled by the Office of Defense Trade Controls (ODTC). The ODTC follows the rules and procedures laid down in the International Traffic of Arms Regulations (ITARS) and the Foreign Corrupt Practices Act.

The United States Munitions List is published in the Department of State's *International Traffic in Arms Regulations*.

Synonym: None.  
Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	3	0	0	0	5	2	7
0%	30%	0%	0%	0%	50%	20%	100%

#### a. Survey Comments

None.

#### b. Analysis and Discussion

The were no comments and 100% consensus. No changes were made to the revised definition.

### 3. Revisions for Actual Survey

The Munitions List is a compilation of all technical data, services and defense products which are controlled by the Office of Defense Trade Controls (ODTC). The ODTC follows the rules and procedures laid down in the International Traffic of Arms Regulations (ITARS) and the Foreign Corrupt Practices Act.

The United States Munitions List is published in the Department of State's *International Traffic in Arms Regulations*.

Synonym: None.  
Antonym: None.

## Obligation Authority

### 1. Initial Synthesized Definition

Obligation Authority (OA), as used in Foreign Military Sales (FMS), is a document or authority passed from Defense Finance and Accounting Service via a DD Form 2060 (or automated equivalent) to the implementing DoD component which allows obligations to be incurred against a given FMS case in an amount not to exceed the value specified in the obligational authority. The total authority received through use of the DD Form 2060 (or automated equivalent) includes the authority to incur commitments or obligations directly against the country's trust fund, and reimbursable orders.

Synonym: None.

Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	4	0	0	0	6	0	6
0%	40%	0%	0%	0%	60%	0%	100%

#### a. Survey Comments

None.

#### b. Analysis and Discussion

The were no comments and 100% consensus. No changes were made to the revised definition.

### 3. Revisions for Actual Survey

Obligation Authority (OA), as used in Foreign Military Sales (FMS), is a document or authority passed from Defense Finance and Accounting Service via a DD Form 2060 (or automated equivalent) to the implementing DoD component which allows obligations to be incurred against a given FMS case in an amount not to exceed the value specified in the obligational authority. The total authority received through use of the DD Form 2060 (or automated equivalent) includes the authority to incur commitments or obligations directly against the country's trust fund, and reimbursable orders.

Synonym: None.

Antonym: None.

## Offset (Direct and Indirect)

### 1. Initial Synthesized Definition

"Offset " is a generic term used by those in the defense, aerospace, and high-technology industries to describe reciprocal trade arrangements which compliment sale of products. The use of offsets was initiated only 20 years ago as a modified form of countertrade.

There are two forms of offsetting. One involves a contractor that promises to buy a certain amount of goods from a country in return for a contract. This is more properly called countertrade. The other occurs when the contract-winning company promises a subcontract part of its work to the awarding country. This is called industrial collaboration and is most used in the Arabian Gulf.

Synonym: Countertrade, Industrial Collaboration.

Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	1	0	8	1	9
0%	0%	0%	1%	0%	80%	10%	90%

#### a. Survey Comments

Agree, direct & indirect....

Disagree, use specific date or delete.

#### b. Analysis and Discussion

The were two comments and 90% consensus. One stated something cryptic about direct and indirect. The other change said use specific date or change. Since only one comment was made on each issue no changes were made to the revised definition.

### 3. Revisions for Actual Survey

"Offset " is a generic term used by those in the defense, aerospace, and high-technology industries to describe reciprocal trade arrangements which compliment sale of products. The use of offsets was initiated only 20 years ago as a modified form of countertrade.

There are two forms of offsetting. One involves a contractor that promises to buy a certain amount of goods from a country in return for a contract. This is more properly called countertrade. The other occurs when the contract-winning company promises a subcontract part of its work to the awarding country. This is called industrial collaboration and is most used in the Arabian Gulf.

Synonym: Countertrade, Industrial Collaboration.

Antonym: None.

### Planning and Review Data (P&R)

#### 1. Initial Synthesized Definition

When a foreign purchaser has not made a firm decision to obtain particular articles/services he may request P&R data. P&R provides rough order of magnitude (ROM) data for preliminary review and planning purposes for the possible purchase of articles and services. Such information may not be used for firm budget estimates.

Synonym: ROM (rough order of magnitude), Estimate.

Antonym: None.

#### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	2	0	0	0	7	1	8
0%	20%	0%	0%	0%	70%	10%	100%

##### a. Survey Comments

None.

**b. Analysis and Discussion**

The were no comments and 100% consensus. No changes were made to the revised definition.

**3. Revisions for Actual Survey**

When a foreign purchaser has not made a firm decision to obtain particular articles/services he may request P&R data. P&R provides rough order of magnitude (ROM) data for preliminary review and planning purposes for the possible purchase of articles and services. Such information may not be used for firm budget estimates.

Synonym: ROM (rough order of magnitude), Estimate.  
Antonym: None.

**Price and Availability (P&A)**

**1. Initial Synthesized Definition**

When a purchase decision has been made then additional data may be requested. This additional data is called P&A data. P&A data includes budget estimates, as well as support equipment and other costs. This data should be detailed enough to transfer to the LOA without modification.

Synonym: Estimate, Purchase Order.  
Antonym: None.

**2. Draft Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	1	0	8	1	9
0%	0%	0%	10%	0%	80%	10%	90%

**a. Survey Comments**

None.

**b. Analysis and Discussion**

The were no comments and a 90% consensus. No changes were made to the revised definition.

### 3. Revisions for Actual Survey

When a purchase decision has been made then additional data may be requested. This additional data is called P&A data. P&A data includes budget estimates, as well as support equipment and other costs. This data should be detailed enough to transfer to the LOA without modification.

Synonym: Estimate, Purchase Order.  
Antonym: None.

## Reciprocal Trade Agreements

### 1. Initial Synthesized Definition

Agreement between two or more countries providing for interchange of goods between them at lower tariffs and better terms that exist between one such country and other countries. *e.g.* United States Reciprocal Trade Agreements Act of 1934.

Synonym: Trade Agreements.  
Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	0	0	1	9	0	9
0%	0%	0%	0%	10%	90%	0%	90%

#### a. Survey Comments

Undecided, OK, but I thought RTA covers more.

#### b. Analysis and Discussion

The was one comment made and all it said was he thought that RTA covered more but did not explain anything else. Consensus was 90%; therefore, no changes were made to the revised definition.

### 3. Revisions for Actual Survey

Agreement between two or more countries providing for interchange of goods between them at lower tariffs and better terms that exist between one such country and other countries. *e.g.* United States Reciprocal Trade Agreements Act of 1934.

Synonym: Trade Agreements.

Antonym: None.

### Red Flag List

#### 1. Initial Synthesized Definition

A recent publication by the Bureau of Export Administration which provides a list to exporters of typical warning signs, or red flags, which may indicate a suspicious, noncompliant, or illegal export.

Synonym: None.

Antonym: None.

#### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	6	0	1	1	2	0	2
0%	60%	0%	10%	10%	20%	0%	50%

##### a. Survey Comments

None.

##### b. Analysis and Discussion

Sixty percent of the respondents did not recognize this term. Of the ones who did, 50% agreed with it. This is a term that is either familiar or not. The author decided not to change the offer based on no comments and 50% consensus.



### 3. Revisions for Actual Survey

A recent publication by the Bureau of Export Administration which provides a list to exporters of typical warning signs, or red flags, which may indicate a suspicious, noncompliant, or illegal export.

Synonym: None.  
Antonym: None.

## Technology Transfers

### 1. Initial Synthesized Definition

Technology transfer is the transfer of technology from one county to another. This is controlled by technology transfer restrictions.

Synonym: Head Hunting, Industrial Spying.  
Antonym: Proprietary Data.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	0	1	0	2	6	1	7
0	0	10%	0%	20%	60%	10%	70%

#### a. Survey Comments

Strongly Disagree, with the Synonym.  
Undecided, do not agree with antonym.

#### b. Analysis and Discussion

There was a 70% consensus on this term. The two comments disagreed with the synonyms and antonyms, not the term. The author decided to leave the term as is in order to solicit additional input on the actual survey.

### 3. Revisions for Actual Survey

Technology transfer is the transfer of technology from one county to another. This is controlled by technology transfer restrictions.

Synonym: Head Hunting, Industrial Spying.  
Antonym: Proprietary Data.

## Third Country National

### 1. Initial Synthesized Definition

A person whole works for the United States Government in a foreign country who is not a citizen of that country or of the United States or a United States protectorate.

Synonym: Employee.

Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	1	0	0	3	6	0	6
0%	10%	0%	0%	30%	60%	0%	67%

#### a. Survey Comments

Unfamiliar with term, change "whole" to "who".

Undecided, how about a contractor instead of the government?

Agree, change "whole" to "who".

#### b. Analysis and Discussion

The main comment from the respondents was to change "whole" to "who". That was the original intent and was an oversight by the author. The other comment asked, how about a contractor instead of the government? This term only deals with the United States Government. No changes were made on the revised definition except for the typo on the word who.

### 3. Revisions for Actual Survey

A person who works for the United States Government in a foreign country but who is not a citizen of that country, or of the United States, or a United States protectorate.

Synonym: Employee.

Antonym: None.

## Transnational Solution

### 1. Initial Synthesized Definition

A concept of exporting a mind-set of multiple strategic capabilities of high quality products. The most successful American export to Japan is our lifestyle.

Synonym: Lifestyle, Mindset, Outlook on Life.

Antonym: None.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	7	0	0	0	3	0	3
0	70%	0%	0%	0%	30%	0%	100%

#### a. Survey Comments

None.

#### b. Analysis and Discussion

The were no comments and 100% consensus. No changes were made to the revised definition. I expected more, but too many respondents were unfamiliar with the term.

### 3. Revisions for Actual Survey

A concept of exporting a mind-set of multiple strategic capabilities of high quality products. The most successful American export to Japan is our lifestyle.

Synonym: Lifestyle, Mindset, Outlook on Life.

Antonym: None.

## **Specially Designated National List**

### **1. Initial Synthesized Definition**

A list of foreign nationals and entities with which all business transactions are forbidden by authority of the Office of Foreign Assets Control. This office administers the regulations issued by the Treasury Department. This list is published in the *Federal Register*.

Synonym: Debarred Contractors.  
Antonym: None.

### **2. Draft Questionnaire Feedback**

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	5	0	0	0	5	0	5
0%	50%	0%	0%	0%	50%	0%	100%

#### **a. Survey Comments**

None.

#### **b. Analysis and Discussion**

The were no comments and 100% consensus. No changes were made to the revised definition.

### **3. Revisions for Actual Survey**

A list of foreign nationals and entities with which all business transactions are forbidden by authority of the Office of Foreign Assets Control. This office administers the regulations issued by the Treasury Department. This list is published in the *Federal Register*.

Synonym: Debarred Contractors.  
Antonym: None.

## Validated License

### 1. Initial Synthesized Definition

A document issued by, or under the authority of, the Department of Commerce in response to an application filed by an exporter before the export of goods, technology, or services. It is a grant of authority given to a particular exporter for specified commodities to specified destinations for a specific end-use by a designated end-user.

Synonym: Export License.

Antonym: Import License.

### 2. Draft Questionnaire Feedback

No Likert Rating	Unfamiliar with term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Percent Agree
0	2	0	0	0	7	2	9
0%	20%	0%	0%	0%	70%	20%	100%

#### a. Survey Comments

None.

#### b. Analysis and Discussion

The were no comments and 100% consensus. No changes were made to the revised definition.

### 3. Revisions for Actual Survey

A document issued by, or under the authority of, the Department of Commerce in response to an application filed by an exporter before the export of goods, technology, or services. It is a grant of authority given to a particular exporter for specified commodities to specified destinations for a specific end-use by a designated end-user.

Synonym: Export License.

Antonym: Import License.

## **D. Summary**

This appendix has presented the proposed definitions for the actual questionnaire/survey which resulted from the outcome of the draft survey. The next step of our methodology was to send the revised version of our survey to a randomly selected sample of Certified Professional Contract Managers (CPCMs) who belonged to the National Contract Management Association (NCMA). The second survey, explained in more detail in chapter three, will determine the amount of agreement for the proposed definitions at this point in time. The results, analysis, and finalized definitions were presented in chapter four. The conclusions, and recommendations were compiled in chapter five.

## Appendix F: Actual Survey A

AFIT/LSP (Dr. Pursch)

Participation in Graduate Thesis Research

Dear Certified Professional Contracting Manager (CPCM):

Under the sponsorship of the National Contract Management Association (NCMA), graduate students at the Air Force Institute of Technology (AFIT) and the Naval Postgraduate School (NPS) are attempting to compile a dictionary of contracting terms to be used to enhance effective communication within the contracting profession. Working definitions of critical terms have been developed based on a review of current contracting literature. However, actual usage of each term within the environment of the workplace cannot be determined through such a review. Therefore, a survey of contracting professionals is being undertaken in order to ascertain the degree to which literature-based definitions correspond with actual usage.

The enclosed survey is being distributed to a randomly selected group of CPCMs. You are being asked to respond by giving your expert opinion concerning the accuracy and completeness of selected literature-based definitions. Because the survey is being sent to a relatively small number of experts, it is important that each recipient complete and return it. Your participation is greatly encouraged.

Your responses to this survey will remain confidential. Each questionnaire has been assigned an identification number for mailing purposes. This will enable your name to be checked off when your questionnaire is returned. However, your name will not be associated with your responses.

For your convenience in returning the completed survey, a stamped, pre-addressed envelope is enclosed. Should you have any questions about the purpose or completion of the survey, please feel free to call Ms. Lisa Brown at (513) 429-7180.

Thank you for your assistance. Remember - your participation is important!

Sincerely,

WILLIAM C. PURSCH, Ph.D., CPCM  
Professor of Contracting Management  
School of Systems and Logistics

2 ATCH  
1. Questionnaire  
2. Envelope

## Survey A

### INSTRUCTIONS FOR COMPLETING THIS QUESTIONNAIRE

This questionnaire contains proposed definitions of 25 contracting terms. The purpose of this questionnaire is to survey contracting professionals to ascertain the level of their concurrence with the proposed definitions.

To complete this questionnaire, please:

Circle the rating that best describes your level of agreement with the proposed definition; and

Provide any additional comments/suggestions you have regarding the proposed definition, as well as any synonyms or antonyms you feel are appropriate.

**PLEASE SUBMIT YOUR RESPONSES BY 13 MAY 1994.**

Your assistance is appreciated.

Lisa F. Brown  
AFIT/LAA  
2950 P Street  
Wright-Patterson AFB OH 45433-7765



## Background Information

1. Where are you presently employed?
  - A. Government contracting activity
  - B. Commercial contracting activity
  - C. Academic institution
  - D. Other
  
2. What is the primary activity of your current job position?
  - A. Contracting/acquisition
  - B. Manufacturing/production
  - C. Accounting/audit
  - D. Pricing
  - E. Engineering
  - F. Research
  - G. Legal
  - H. Other
  
3. What is your primary of expertise?
  - A. Contracting/acquisition
  - B. Manufacturing/production
  - C. Accounting/audit
  - D. Pricing
  - E. Engineering
  - F. Research
  - G. Legal
  - H. Other
  
4. How many years of experience do you have in your area of expertise?
  - A. 5 years or less
  - B. 6-10 years
  - C. 11-15 years
  - D. 16-20 years
  - E. 20+ years

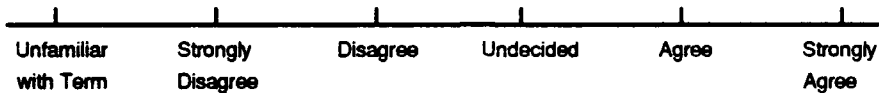
## Agent Authority

The specific limits of the power to act which is authorized or delegated by a principal to his/her agent.

Synonym: Proxy, Medium.

Antonym: Principal.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

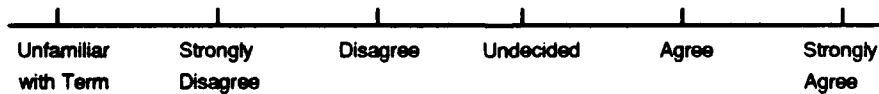
## Application Control Number

The preprinted control number on the Bureau of Export Administration's application for a validated license (BXA-662P). One use of the control number is to track the progress of the application through the Department of Commerce.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

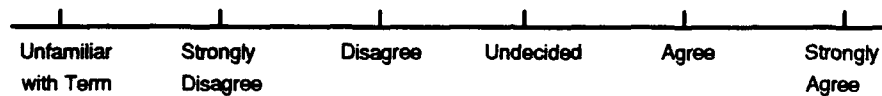
## Color of Money

This term describes the type of procurement funding and appropriation code number which will be used (e.g., FMS).

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

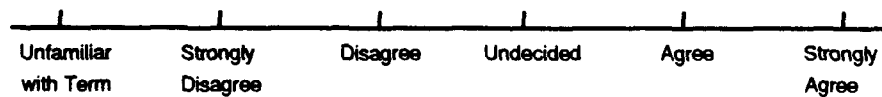
## Commercial Foreign Sale

The sale of articles or services made by US industry directly to a foreign buyer that is not administered by the DOD through Foreign Military Sales procedures and does not involve credit under the provisions of the Foreign Military Sales Act or the Arms Export Control Act.

Synonym: Direct commercial sale.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

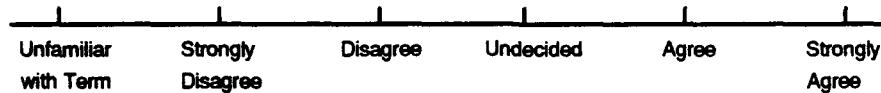
## Commercial-Type Item

Any items, including those expended or consumed in use that, in addition to military use, are used and traded in normal civilian enterprise and which are, or can be imported/exported through normal international trade channels.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

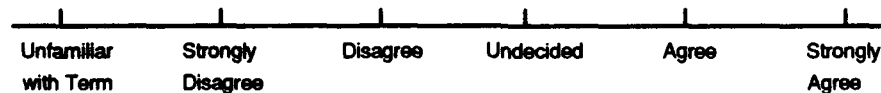
## Conventional Arms Transfer (CAT)

The transfer of non nuclear weapons, aircraft, equipment, state of the art items and military services from supplier states to recipient states. US arms may be transferred by grants as in the Military Assistance Program (MAP), private and direct commercial sales, leases, loans, or government-to-government sales under foreign military sales (FMS).

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

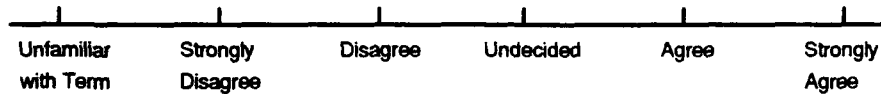
## Cooperative Agreement

A means of engaging in joint economic activity that involves a sponsoring federal agency, in the management of the undertaking. Such agreements may provide for sharing the costs in addition to the management of the undertaking.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

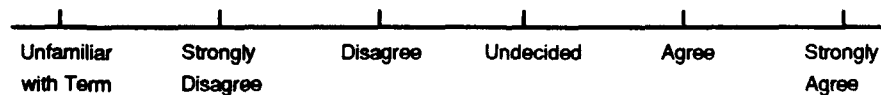
## Cooperative Development

Any method by which governments or organizations cooperate to make better use of their collective research and development resources to include technical information exchange, harmonizing of requirements, codevelopment, interdependent research and development, and agreement on standards.

Synonym: Cooperative Research and Development.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

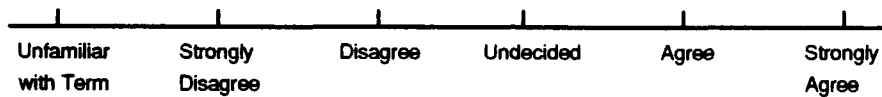
## Coproduction, International

The method by which industries in the US and in one or more foreign countries share in the production and/or assembly of items intended for military and/or nonmilitary application. The production and/or assembly of these items fall under the provisions of a cooperative agreement that requires the safe transfer of technical information and know-how from one nation to one or more other nations.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

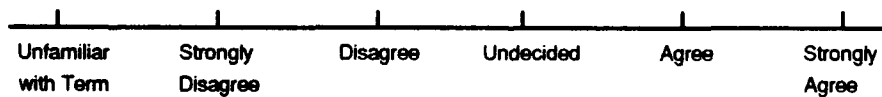
## Countertrade

An arrangement where the foreign exporter or supplier purchases materials in the receiving country to offset purchases made by the importing country.

Synonym: Reciprocal trade, offset, barter.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

## Country Groups

The groups into which all foreign countries (except Canada) are divided for export control purposes. Letter symbols are used for country groups throughout the Export Administration Regulations as follows:

Q - Romania

S - Libya

T - North America, Greenland, Mexico, Miquelon and St. Pierre Islands; Central America and the Caribbean; South America

V - All countries not in any other group (except Canada)

W - Czechoslovakia, Hungary, Poland

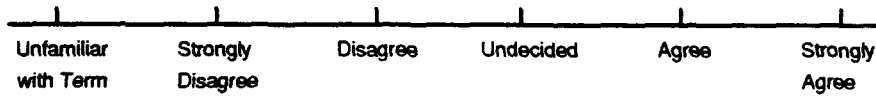
Y - Albania, Bulgaria, Estonia, Laos, Latvia, Lithuania, Mongolian People's Republic, Union of Soviet Socialist Republic (now known as the Commonwealth of Independent States)

Z - Cambodia, Cuba, North Korea, Vietnam

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

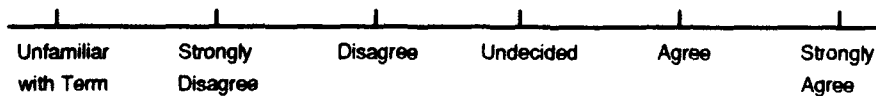
## Eurodollars

American dollars held by or on deposit with a European bank or European Branches of US Banks.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

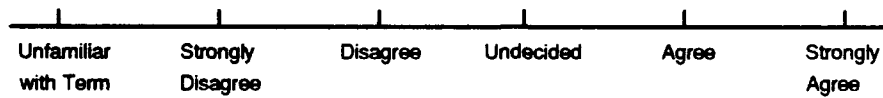
## Direct Procurement

The procurement of defense and/or supplies in the United States by a foreign government, contractor, or international organization in which the supplies are purchased through commercial channels for use by the foreign government or international organization.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

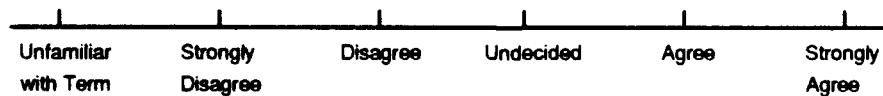
## Domestic Preference

National government policies that maintain government procurement rules designed to establish a preference in favor of domestic suppliers.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:



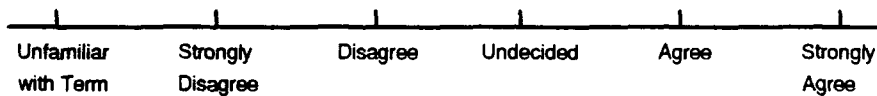
### Exclusive (Non-exclusive) License

A license covering a patent(s), applications for a patent(s), technical or proprietary data, technical assistance, know-how, trademarks, tradenames, copyrights, or any combination of these, granted by a US firm to a foreign firm or government, or from a foreign firm or government to a US firm to produce, coproduce, or sell a defense or nondefense article or service within a given sales territory without competition from any other licensees or from the licensor. A non-exclusive license is a license as described as above, except that competition may be permitted with other licensees and/or the licensor.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

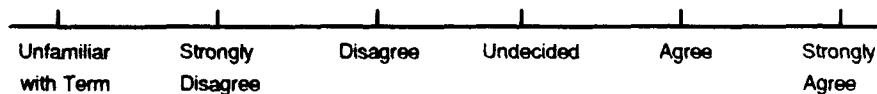
### Export Control Classification Number (ECCN)

The identification number assigned to each entry on the Commerce Control List. It consists of a number (category), a letter (group), two numbers (nature of control), and a letter (level of control).

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

## Export License

A license required by the ITAR (International Traffic in Arms Regulation) before exporting defense articles or technical data. This license is obtained from the Department of State through the ODTC (Office of Defense Trade Controls). This license is also required by the Department of Commerce before exporting commercial articles or technical data.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?

\_\_\_\_\_

Unfamiliar with Term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
-------------------------	----------------------	----------	-----------	-------	-------------------

COMMENTS:

## Foreign Currency-Contributed Funds

A foreign government's currency is purchased via the United States Disbursing Officer by the United States using appropriated funds for expenses in that country. The United States dollars collected by the US Disbursing Officer from the sale of these currencies are deposited into the Treasury as "miscellaneous receipts."

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?

\_\_\_\_\_

Unfamiliar with Term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
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COMMENTS:

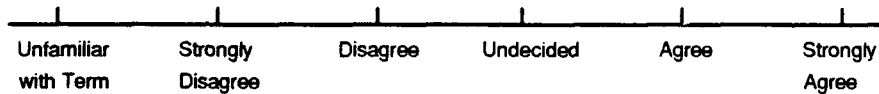
## Foreign Military Sales (FMS)

A non appropriated fund program which is authorized by the Foreign Assistance Act of 1961, as amended, the Arms Export Control Act of 1976, as amended, and the Foreign Military Sales Act of 1968 with procurement management by an Armed Forces System project Officer, for eligible foreign governments or international organizations to buy, directly or indirectly, defense articles and services, including training, from the US government. Defense articles are defined as weapons systems; munitions; aircraft/vessels; property, material and equipment necessary to furnish military assistance; and, the machinery and tools necessary for the manufacture, production, repair, storage and operation of such articles. Defense services may be defined as any service, test, inspection, repair, training, publication, or technical or other assistance necessary to furnish military assistance, except military education and training activities, which are administered under separate programs.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

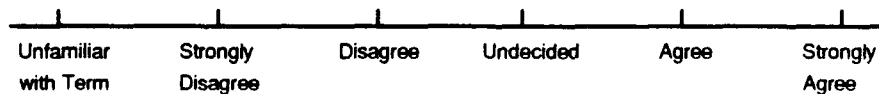
## Foreign Purchaser

A foreign government, a foreign contractor, or an international organization authorized to purchase military and/or nonmilitary equipment and supplies from US contractors.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

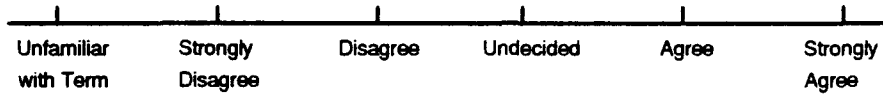
## Foreign Nationals

This title includes anyone except citizens of the United States and immigrant aliens. It also includes citizens of the United Kingdom and Canada, even when they are given reciprocal-access authorizations as employees of DOD contractors.

Synonym: None.

Antonym: US Citizen.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

## Foreign Ownership, Control or Influence (FOCI)

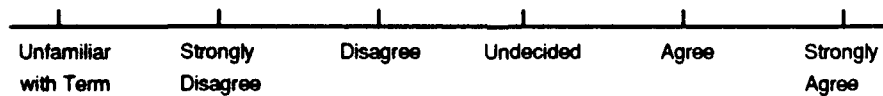
1. The nature and extent of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual).

2. The situation in which the nature and extent of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual) is such that a reasonable basis exists for concluding that classified information or special nuclear material might be compromised, or the performance of classified contracts may be negatively impacted.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

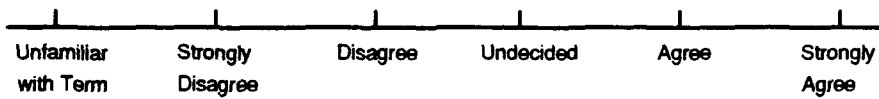
## International Armaments Cooperation

The collaboration in developing and/or producing weapons between allied governments and industries. Also, it can involve defense companies, without government insistence, entering into joint ventures, subcontracts and teaming arrangements with foreign defense companies.

Synonyms: None.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

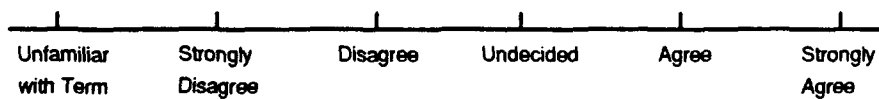
## Multinational Organization

An organization which has operation centers in many countries.

Synonyms: None.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

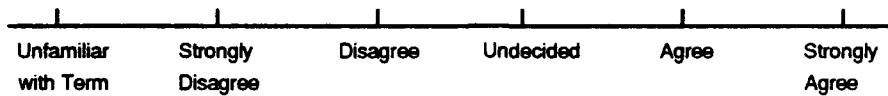
## Export-Import (EXIM) Bank

An independent agency of the federal government whose function is to aid in financing exports and imports.

Synonyms: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

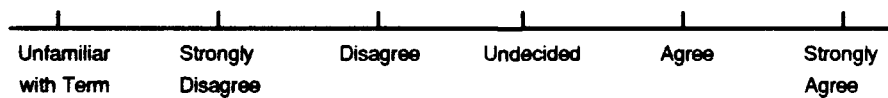
## Duty

A tax or impost due to the government upon importation or exportation of goods.

Synonyms: Tariff, Toll.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

## Appendix G: Actual Survey B

AFIT/LSP (Dr. Pursch)

Participation in Graduate Thesis Research

Dear Certified Professional Contracting Manager (CPCM):

Under the sponsorship of the National Contract Management Association (NCMA), graduate students at the Air Force Institute of Technology (AFIT) and the Naval Postgraduate School (NPS) are attempting to compile a dictionary of contracting terms to be used to enhance effective communication within the contracting profession. Working definitions of critical terms have been developed based on a review of current contracting literature. However, actual usage of each term within the environment of the workplace cannot be determined through such a review. Therefore, a survey of contracting professionals is being undertaken in order to ascertain the degree to which literature-based definitions correspond with actual usage.

The enclosed survey is being distributed to a randomly selected group of CPCMs. You are being asked to respond by giving your expert opinion concerning the accuracy and completeness of selected literature-based definitions. Because the survey is being sent to a relatively small number of experts, it is important that each recipient complete and return it. Your participation is greatly encouraged.

Your responses to this survey will remain confidential. Each questionnaire has been assigned an identification number for mailing purposes. This will enable your name to be checked off when your questionnaire is returned. However, your name will not be associated with your responses.

For your convenience in returning the completed survey, a stamped, pre-addressed envelope is enclosed. Should you have any questions about the purpose or completion of the survey, please feel free to call Mr. Tony D. White at (513) 429-2066.

Thank you for your assistance. Remember - your participation is important!

Sincerely,

WILLIAM C. PURSCH, Ph.D., CPCM  
Professor of Contracting Management  
School of Systems and Logistics

2 ATCH  
1. Questionnaire  
2. Envelope

## **Survey B**

### **INSTRUCTIONS FOR COMPLETING THIS QUESTIONNAIRE**

This questionnaire contains proposed definitions of 25 contracting terms. The purpose of this questionnaire is to survey contracting professionals to ascertain the level of their concurrence with the proposed definitions.

To complete this questionnaire, please:

Circle the rating that best describes your level of agreement with the proposed definition; and

Provide any additional comments/suggestions you have regarding the proposed definition, as well as any synonyms or antonyms you feel are appropriate.

**PLEASE SUBMIT YOUR RESPONSES BY 13 MAY 1994.**

Your assistance is appreciated.

Tony D. White  
AFIT/LAA  
2950 P Street  
Wright-Patterson AFB OH 45433-7765



### Background Information

1. Where are you presently employed?
  - A. Government contracting activity
  - B. Commercial contracting activity
  - C. Academic institution
  - D. Other
  
2. What is the primary activity of your current job position?
  - A. Contracting/acquisition
  - B. Manufacturing/production
  - C. Accounting/audit
  - D. Pricing
  - E. Engineering
  - F. Research
  - G. Legal
  - H. Other
  
3. What is your primary area of expertise?
  - A. Contracting/acquisition
  - B. Manufacturing/production
  - C. Accounting/audit
  - D. Pricing
  - E. Engineering
  - F. Research
  - G. Legal
  - H. Other
  
4. How many years of experience do you have in your area of expertise?
  - A. 5 years or less
  - B. 6-10 years
  - C. 11-15 years
  - D. 16-20 years
  - E. 20+ years

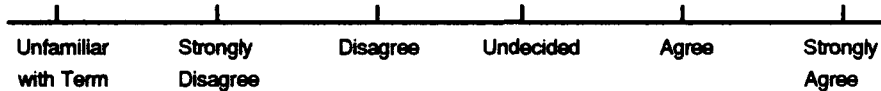
## Global Sourcing

The ability to procure, develop and/or produce a product or material any place in the world which can offer the best price and/or product.

Synonym: None.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

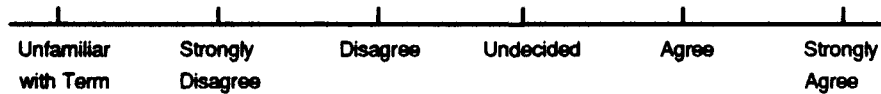
## Gratuity

A gratuity can be comprised of entertainment, gifts, or anything of value offered or given by a contractor or any agent or representative of the contractor to an officer or employee of the Government with a view to securing a contract or securing favorable treatment with respect to the awarding or amending or the making of determinations with respect to the performance of a contract.

Synonyms: None.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

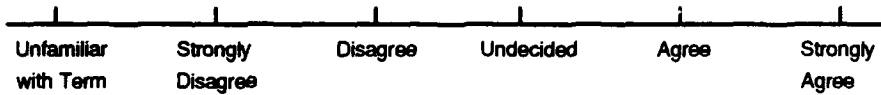
### **Host/Buyer Countries**

A host/buyer country is the country that is buying from a multinational corporation.

Synonyms: Buyer, Client.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

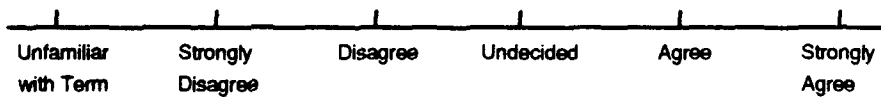
### **In-Country Sourcing**

In-country sourcing means procuring material, manufacturing or services from companies which are located within the geographical boundaries of the recipient purchaser country.

Synonyms: Subcontract, Material Purchases.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

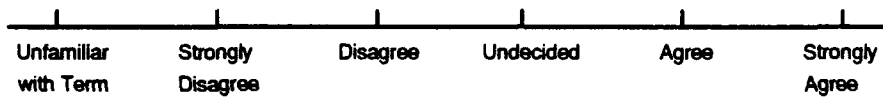
## Industrial Collaboration

Industrial Collaboration occurs when the contract-winning company promises to subcontract part of its work to a company or individual located within the boundaries of the the awarding country.

Synonyms: Countertrade, Offsets.

Antonyms: None

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

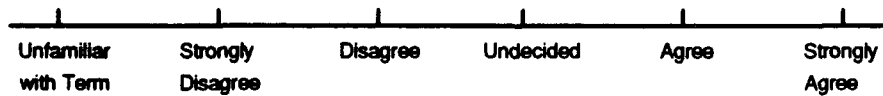
## Industrial Cooperation

The action of persons or organizations co-operating or acting jointly with another entity. The association of persons or organizations for their common benefit. In patent law, unity of action to acheive a common end or common result, not merely a joint or simultaneous action.

Synonyms: Joint Venture or Partnership.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

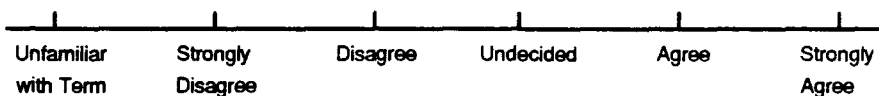
## International Teaming

The cooperation among the governments of two or more nations and/or the organizations within these same nations in weapon development and/or production.

Synonyms: Partnership.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

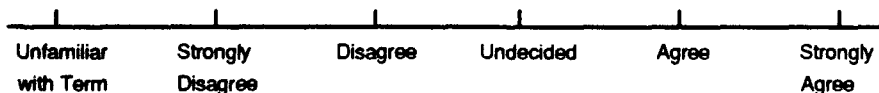
## Joint Venture

A one time grouping of two or more entities in a business undertaking. Unlike a partnership, a joint venture does not entail a continuing relationship among the parties. In a joint venture, companies negotiate a teaming agreement which governs how the members will interact in pursuing or conducting business. The joint venture is characterized by joint ownership, management, and the sharing of profits and losses. Joint ventures can be partnerships or corporations.

Synonyms: Partnership, Corporation, or Teaming.

Antonyms: Sole Producer

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

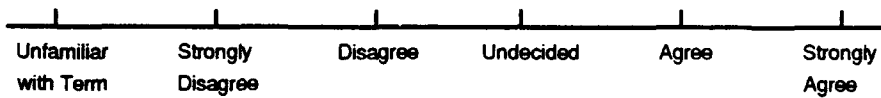
## Lesser Developed Countries

Lesser Developed Countries are countries who have less bargaining power with international corporations because of a shortage of foreign currency and political power.

Synonyms: Under Developed Countries, Third World Countries

Antonyms: World Powers, Developed Countries.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

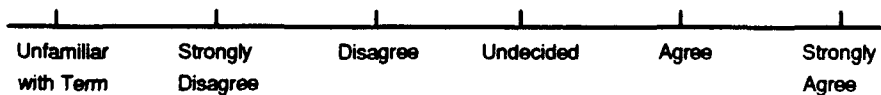
## Letter of Offer and Acceptance (LOA)

United States Department of Defense letter by which the United States Government offers to sell to a foreign government or international organization United States defense articles or services pursuant to the Arms Export Control Act, as amended. The LOA lists the items and/or services, estimated costs, and the terms and conditions of the sale. It also provides for the signature of an appropriate foreign official to constitute acceptance.

Synonyms: Purchase Agreement.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

## Letter of Request (LOR)

The LOR is a document used to request defense articles and services as well as planning and review data (P&R); price and availability data (P&A) ; or an actual letter of offer and acceptance. (LOA)

The LOR must include a statement of what is desired and sufficient detail on the articles/services for the cognizant Department of Defense (DoD) component to provide a firm basis for the price estimate. The LOR is forwarded through the US. embassy (or the designated Security Assistance Office) or through the nation's in-country representative in the United States for transmission to the appropriate US. government component. The LOR is then validated to ensure that the request is from an eligible recipient, that the article/service is question may be sold, and that the request has been made through the proper channels.

The LOR is supposed to contain enough details to allow the contracting officer to negotiate an award without any involvement on the part of the foreign purchaser.

Synonyms: Purchase Request.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?

Unfamiliar with Term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
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COMMENTS:

## Military Export Sales

All sales of defense articles and services made from U. S. source to foreign governments, foreign private firms, and international organizations, whether made by DoD or by United States industry directly to a foreign buyer. Such sales fall into two categories: Foreign Military Sales and Commercial Sales.

Synonyms: Foreign Military Sales, International Sales, Sales, Exports, Foreign Exports.

Antonyms: Foreign Imports, Imports, Foreign Purchases, International Purchases.

DO YOU AGREE WITH THIS DEFINITION?

\_\_\_\_\_

Unfamiliar with Term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
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COMMENTS:

## Munitions List

The Munitions List is a compilation of all technical data, services and defense products which are controlled by the Office of Defense Trade Controls (ODTC). The ODTC follows the rules and procedures laid down in the International Traffic of Arms Regulations (ITAR) and the Foreign Corrupt Practices Act.

The United States Munitions List is published in the Department of State's *International Traffic in Arms Regulations*.

Synonyms: None.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?

\_\_\_\_\_

Unfamiliar with Term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
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COMMENTS:



## Obligation Authority

Obligation Authority (OA), as used in Foreign Military Sales (FMS), is a document or authority passed from Defense Finance and Accounting Service via a DD Form 2060 (or automated equivalent) to the implementing DoD component which allows obligations to be incurred against a given FMS case in an amount not to exceed the value specified in the obligational authority. The total authority received through use of the DD Form 2060 (or automated equivalent) includes the authority to incur commitments or obligations directly against the country's trust fund, and reimbursable orders.

Synonyms: None.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?

Unfamiliar with Term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
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COMMENTS:

## Offset\_(Direct and Indirect)

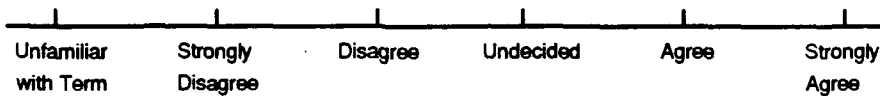
"Offset " is a generic term used by those in the defense, aerospace, and high-technology industries to describe reciprocal trade arrangements which complement sale of products. The use of offsets was initiated only 20 years ago as a modified form of countertrade.

There are two forms of offsetting. One involves a contractor that promises to buy a certain amount of goods from a country in return for a contract. This is more properly called countertrade. The other occurs when the contract-winning company promises to subcontract a part of its work to the awarding country. This is called industrial collaboration.

Synonyms: Countertrade, Industrial Collaboration.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

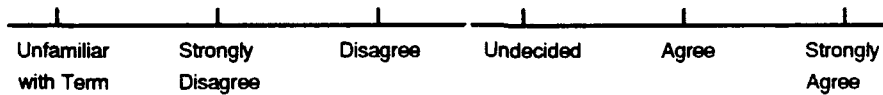
### Planning and Review Data (P&R)

When a foreign purchaser has not made a firm decision to obtain particular articles/services he may request P&R data. P&R provides rough order of magnitude (ROM) data for preliminary review and planning purposes for the possible purchase of articles and services. Such information may not be used for firm budget estimates.

Synonyms: ROM (rough order of magnitude), Estimate.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

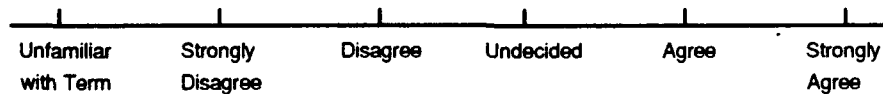
### Price and Availability Data (P&A)

When a purchase decision has been made then additional data may be requested. This additional data is called P&A data. P&A data includes budget estimates, as well as support equipment and other costs. This data should be detailed enough to transfer to the LOA without modification.

Synonyms: Estimate, Purchase Order.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

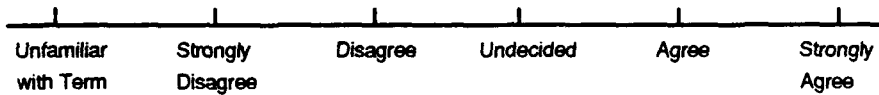
## Reciprocal Trade Agreements

Agreement between two or more countries providing for interchange of goods between them at lower tariffs and better terms than exist between one such country and other countries. *e.g.* United States Reciprocal Trade Agreements Act of 1934.

Synonyms: Trade Agreements.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

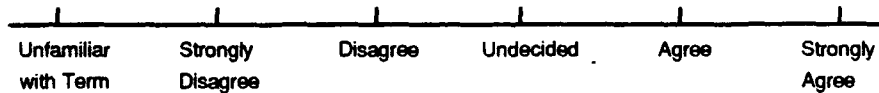
## Red Flag List

A recent publication by the Bureau of Export Administration which provides a list to exporters of typical warning signs, or red flags, which may indicate a suspicious, noncompliant, or illegal export.

Synonyms: None.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

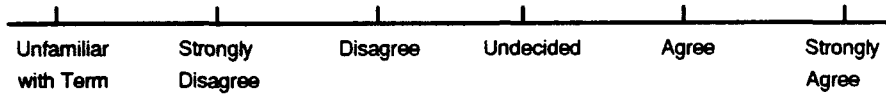
## Technology Transfers

Technology transfer is the transfer of technology from one country to another.  
This is controlled by technology transfer restrictions.

Synonyms: Head Hunting, Industrial Spying.

Antonyms: Proprietary Data.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

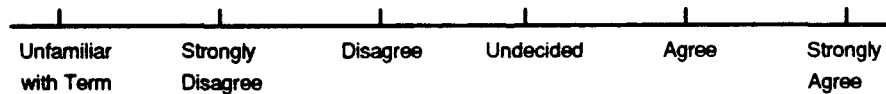
## Third Country National

A person who works for the United States Government in a foreign country but who is not a citizen of that country, or of the United States, or a United States protectorate.

Synonyms: Employee.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

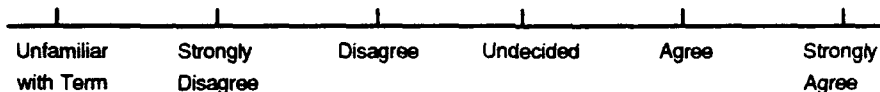
### Specially Designated National List

A list of foreign nationals and entities with which all business transactions are forbidden by authority of the Office of Foreign Assets Control. This office administers the regulations issued by the Treasury Department. This list is published in the *Federal Register*.

Synonyms: Debarred Contractors.

Antonyms: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

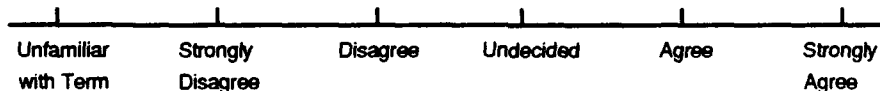
### Validated License

A document issued by, or under the authority of, the Department of Commerce in response to an application filed by an exporter before the export of goods, technology, or services. It is a grant of authority given to a particular exporter for specified commodities to specified destinations for a specific end-use by a designated end-user.

Synonyms: Export License.

Antonyms: Inport License.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:

## INCOTERMS

The International Chamber of Commerce has established delivery terms called INCOTERMS. They are designed to overcome the problems of conflicting national laws and interpretations by establishing a standard set of delivery terms and definitions that offer "neutral" rules and practices. All personnel involved in international contracting should become familiar with the various INCOTERMS beginning with "Ex-works," which means minimum cost coverage by the seller, and ending with the term called "Delivered Duty Paid," which means maximum cost to the seller. There are fourteen INCOTERMS. Each clearly defines a different set of responsibilities with respect to delivery. If delivery is to be at origin the Ex-works should be used because it means that the seller's only responsibility is to make the goods available on the premises. He is not responsible for loading the goods on the vehicle provided by the buyer. The buyer bears the full cost and risk involved in bring the goods from there to the desired destination, and, thus, this term represents the minimum risk for the seller. Above all, delivery Ex-works means that the goods can be delivered and paid for when they are ready to be delivered. That readiness is under the complete control of the seller. All of the other INCOTERMS impose various burdens upon the seller both from the delivery and the cost point of view.

In drafting any contract, the provision setting forth the delivery terms should provide that they are to be defined in accordance with the 1990 Edition of the Guide to INCOTERMS. This is the current guide and it is published by the International Chamber of Commerce.

Synonyms: Delivery Terms, Terms of Delivery.

Antonym: None

DO YOU AGREE WITH THIS DEFINITION?

\_\_\_\_\_

Unfamiliar with Term	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
-------------------------	----------------------	----------	-----------	-------	-------------------

COMMENTS:

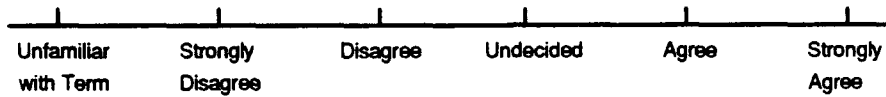
## Transnational Solution

A concept of exporting a mind-set of multiple strategic capabilities of high quality products. The most successful American export to Japan is our lifestyle.

Synonyms: Lifestyle, Mindset, Outlook on Life.

Antonym: None.

DO YOU AGREE WITH THIS DEFINITION?



COMMENTS:



## Appendix H: Follow-Up Postcard for Actual Survey

AFIT/LAA (Brown & White)  
2950 P Street  
Wright-Patterson AFB OH 45433-7765

OFFICIAL BUSINESS

On 20 Apr 94, a Survey on International Contracting Terms was mailed to you. If you have already completed and returned the survey--thank you for your time and effort!

If you have not completed the survey, please respond before 13 May 94. Your participation is very important.

If you have not received the survey, or have misplaced it, please call Lisa Brown at (513) 429-7180 or Tony White at (513) 429-2066, and another survey will be sent.

## **Appendix I: Follow-Up Letter for Actual Survey**

**FROM:** AFIT/LAA  
2950 P Street  
Wright-Patterson AFB OH 45433-7765

**SUBJ:** Follow-Up to Survey on International Contracting Terms

**TO:** Survey Respondents

1. A survey on International Contracting Terms was mailed to you. We were not able to survey everyone, therefore, your personal response is particularly important. If you have already completed and returned the survey, we would like to thank you for your time and effort and ask that you would recycle this paper.
2. If you have not returned the survey, please fill it out and send it today. Only through your support will we be able to accurately assess a consensus on these contracting terms.
3. If you have not received the survey, or have misplaced it, please call Lisa Brown at (513) 255-7777, x2321 or Tony White at (513) 429-2066 and another survey will be sent.

## **Appendix J: Finalized Terms and Definitions**

### **Agent Authority**

The specific limited power (expressed, apparent, or implied) to act which is authorized or delegated by a principal to his/her agent.

Synonym: Delegated Authority, Contracting Officer  
Antonym: Principal Authority

### **Application Control Number**

1. The preprinted control number of the Bureau of Export Administration's application for a validated license (BXA-662P). One use of the control number is to track the progress of the application through the administration processes.

Synonym: None.  
Antonym: None.

### **Color of Money**

This term is jargon and refers to the type of funding and /or identifies the appropriation code number which could be attached to it. This term also addresses the fiscal year allowability for use of applicable funding (e.g., O&M, RDT&E, IR&D, FMS).

Synonym: Basic Appropriations, Type of Money, Kind of Money.  
Antonym: None.

### **Commercial Foreign Sale**

The sale of articles or services made by US industry directly to a foreign buyer that is not administered by an agency of the US government through Foreign Military Sales procedures and does not involve credit under the provisions of the Foreign Military Sales Act or the Arms Export Control Act.

Synonym: Direct commercial sale, direct international sale  
Antonym: Foreign Military Sales.

### **Commercial-Type Item**

Any items, either as is or with minor modification, including those expended or consumed in use that, in addition to government use, are manufactured, used or potentially to be used, and traded in normal civilian enterprise and which are, or can be imported/exported through normal international trade channels.

Synonym: Dual Use Item.  
Antonym: Military Specification Item.

### **Conventional Arms Transfer (CAT)**

The transfer of non nuclear weapons, aircraft, equipment, state of the art items and military services from supplier to recipient. US arms may be transferred by grants as in the Military Assistance Program (MAP), private and direct commercial sales, leases, loans, or government-to-government sales under foreign military sales (FMS).

Synonym: Non Nuclear Arms Transfer.  
Antonym: Nuclear Arms Transfer.

### **Cooperative Agreement**

An agreement between two or more entities (i.e., any level of government agency, commercial and/or nonprofit organizations) which would serve to benefit all concerned. Such an agreement may provide for sharing the responsibility of cost and management in addition to the technical information and accomplishment of the undertaking.

Synonym: Memorandum of Agreement (MOA),  
Memorandum of Understanding (MOU).  
Antonym: None.

### **Cooperative Development**

Any method by which governments or organizations cooperate to make better use of their collective research and/or development resources including but not limited to include technical information exchange, harmonizing of requirements, codevelopment, interdependent research and development, and agreement on standards.

Synonym: Cooperative Research and Development.  
Antonym: Independent Development.

## **Coproduction, International**

The method by which industries in two or more countries share in the production and/or assembly of items intended for military and/or nonmilitary application. The production and/or assembly of these items may fall under the provisions of a cooperative agreement that might require the safe transfer of technical information and know-how from one nation to one or more other nations. Other results from such a method may include a technical assistance agreement (TAA), manufacturing agreement, and/or technical assistance and license agreements.

Synonym: None.  
Antonym: None.

## **Countertrade**

An arrangement where the foreign exporter or supplier accepts materials and/or services/support, in lieu of receiving currency, in the importing country to offset purchases made by the importing country.

Synonym: Reciprocal trade, offset, barter.  
Antonym: None.

## **Country Groups**

The groups into which all foreign countries (except Canada) are categorized for export control purposes. Letter symbols are used for country groups are located throughout the Export Administration Regulations.

Synonym: None.  
Antonym: None.

## **Direct Foreign Procurement**

The procurement of defense and/or commercial materials, systems and/or supplies by a foreign government, contractor, or international organization in which the materials, systems, and/or supplies are purchased through commercial channels for use by the foreign government or international organization.

Synonym: None.  
Antonym: Foreign Military Sales.

## **Domestic Preference**

A policy which establishes rules to support an organizational preference in favor of domestic suppliers or products.

Synonym: Buy American Act, Domestic Content.

Antonym: No Preference.

## **Duty**

A tax or charge due to the government upon importation or exportation of goods.

Synonym: Tariff, Toll.

Antonym: None.

## **Export-Import (EXIM) Bank**

An independent agency of the US federal government that provides loans, loan guarantees, and credit risk insurance coverage to US exporters and foreign importers.

Synonym: None.

Antonym: None.

## **Eurodollars**

American dollars held by or on deposit with a European bank located in Europe and/or Euromarkets located elsewhere (e.g., Tokyo, Hong Kong, Singapore) or European Branches of US Banks.

Synonym: None.

Antonym: None.

## **Exclusive (Non-exclusive) License**

A license covering a patent(s), applications for a patent(s), technical or proprietary data, computer software, technical assistance, know-how, trademarks, trade names, copyrights, or any combination of these, granted by one entity to another (e.g., government to firm, firm to firm, government to corporation, et cetera) to sell, produce, or coproduce an article or service within a given sales territory without competition from any other licensees or from the licensor. A non-exclusive license is a license as described as above, except that competition may be permitted with other licensees and/or the licensor.

Synonym: None.

Antonym: None.

### **Export Control Classification Number (ECCN)**

The identification number assigned to each entry on the Commerce Control List. It consists of a number (category), a letter (group), two numbers (nature of control), and a letter (level of control) which identifies the commodity, not to include munitions, and applicable export restrictions.

Synonym: None.

Antonym: None.

### **Export License**

This license is required by the Department of Commerce before exporting commercial articles or technical data. Other export license controls are exercised by other US federal agencies (e.g., Department of Energy, Nuclear Regulation Commission). Under a separate request, this license is required by the US ITAR (International Traffic in Arms Regulation) before exporting defense articles or technical data which is obtained from the Department of State through the ODTA (Office of Defense Trade Controls).

Synonym: None.

Antonym: None.

### **Foreign Currency-Contributed Funds**

The US Disbursing Officer, using appropriated funds, purchases a foreign governments' currency to acquire goods and services in that country. The United States dollars collected by the US Disbursing Officer from the sale of these currencies are deposited into the Treasury as "miscellaneous receipts" to offset expenditure against the appropriated funds account.

Synonym: None.

Antonym: None.

### **Foreign Military Sales (FMS)**

Sales under the auspices of a non appropriated fund program which is authorized by the Foreign Assistance Act of 1961, as amended, the Arms Export Control Act of 1976, as amended, and the Foreign Military Sales Act of 1968 with procurement management by an Armed Forces System project Officer, for eligible foreign governments or international organizations to buy, directly or indirectly, defense articles and services, including training, from the US government. Defense articles and defense services are defined in ITAR 22 CFR Pt 120.6 and 120.9.

Synonym: None.

Antonym: None.

## **Foreign Nationals**

This term includes everyone living, working, or visiting a country except citizens of that particular country and immigrant aliens who possess a green card or other form of citizenship for the respective country.

Synonym: None.  
Antonym: Citizen.

## **Foreign Ownership, Control or Influence (FOCI)**

1. The nature and extent of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual).
2. The situation in which the nature and extent of ownership, control, or influence over an offeror, bidder, contractor, or subcontractor by a foreign interest (government, organization, or individual) is such that a reasonable basis exists for concluding that classified information or special nuclear material might be compromised, or the performance of classified contracts may be negatively impacted.

Synonym: None.  
Antonym: Domestic Ownership.

## **Foreign Purchaser**

A foreign government, a foreign firm, a foreign individual, or an international organization authorized to purchase military and/or nonmilitary equipment, supplies, and/or data/information/technology from a country other than the buyer's country.

Synonym: None.  
Antonym: None.

## **International Armaments Cooperation**

The collaboration between allied governments and industries in developing and/or producing weapons. Also, it can involve defense companies, without government insistence, entering into joint ventures, subcontracts and teaming arrangements with foreign defense companies.

Synonym: None.  
Antonym: None.



## **Multinational Organization**

An organization which has operations in more than one country.

Synonym: None.  
Antonym: Domestic Organization.

## **Global Sourcing**

The activity of procuring, developing and producing a product, material, or service any place in the world.

Synonym: None.  
Antonym: None.

## **Gratuity**

A gratuity can be comprised of entertainment, gifts, or anything of value offered or given by a contractor or any agent or representative of the contractor to an employee of a procuring entity with a view toward securing favorable treatment.

Synonym: Legal bribe, gift.  
Antonym: None.

## **Host/Buyer Countries**

A host/buyer country is the country that is buying goods and services outside its own boundaries.

Synonym: Buyer, Client.  
Antonym: Seller.

## **Icoterms**

The International Chamber of Commerce established delivery terms. They are designed to overcome the problems of conflicting national laws and interpretations by establishing a standard set of delivery terms and definitions that offer "neutral" rules and practices. There are fourteen different terms. Each of the fourteen clearly defines a different set of responsibilities with respect to delivery. All of individual terms impose various burdens upon the seller both from the delivery and the cost point of view.

In drafting any contract, the provision setting forth the delivery terms should provide that they are to be defined in accordance with the current Edition of the Guide to INCOTERMS (International Contracting Terms). This is a guide published by the International Chamber of Commerce.

Synonym: Delivery Terms, Terms of Delivery.  
Antonym: None.

## **In-Country Sourcing**

The procuring of material, manufacturing or services from companies which are located within the geographical boundaries of the country the procurement entity is located.

Synonym: Domestic sourcing.  
Antonym: None.

## **Industrial Collaboration**

Industrial Collaboration occurs when one company promises, usually in writing, to subcontract part of its work to another company or individual in exchange for some type of consideration.

Synonym: Countertrade, Offsets.  
Antonym: None

## **Industrial Cooperation**

The action of persons or organizations co-operating or acting jointly with another entity for their common benefit. In patent law, unity of action to achieve a common end or common result, not merely a joint or simultaneous action.

Synonym: Joint Venture or Partnership.  
Antonym: Competition.

## **International Teaming**

The cooperation among the governments of two or more nations and/or the organizations within these same nations in product development, production and/or services.

Synonym: Partnership, International Joint Venture.

Antonym: None.

## **Joint Venture**

A one time legal grouping of two or more entities in a specified business undertaking. This grouping does not necessarily entail a continuing relationship among the parties. Members usually negotiate a teaming agreement which governs how they will interact in pursuing or conducting business. This business arrangement is characterized by joint ownership, management, and the sharing of profits and losses.

Synonym: Partnership, Corporation, or Teaming.

Antonym: Sole Producer

## **Lesser Developed Countries**

Lesser Developed Countries are countries who have less power internationally because of a lack of sufficient economic, technological, political, educational or cultural expertise to overcome that or other shortages.

Synonym: Under Developed Countries, Third World Countries.

Antonym: World Powers, Developed Countries.

## **Letter of Offer and Acceptance (LOA)**

United States Department of Defense letter by which the United States Government offers to sell to a foreign government or international organization United States defense articles or services pursuant to the Arms Export Control Act, as amended. The LOA lists the items and/or services, estimated costs, and the terms and conditions of the sale. It also provides for the signature of an appropriate foreign official to constitute acceptance. This term is exclusively used in Foreign Military Sales (FMS).

Synonym: Purchase Agreement.

Antonym: None.

## **Letter of Request (LOR)**

This is a document used to request articles and services as well as planning and review data (P&R); price and availability data (P&A) ; or an actual letter of offer and acceptance.(LOA)

This document must include a statement of what is desired and sufficient detail on the articles/services for the cognizant Department of Defense (DOD) component to provide a firm basis for the price estimate. This document is forwarded through the US. embassy (or the designated Security Assistance Office) or through the nation's in-country representative in the United States for transmission to the appropriate US. government component. The document is then validated to ensure that the request is from an eligible recipient, that the article/service is question may be sold, and that the request has been made through the proper channels.

This document is supposed to contain enough details to allow the contracting officer to negotiate an award without any involvement on the part of the foreign purchaser.

Synonym: Purchase Request.

Antonym: None.

## **Military Export Sales**

All sales of defense articles and services made from a U. S. source to foreign governments, foreign private firms, and international organizations, whether made by DOD or by a US industry directly to a foreign buyer. Such sales fall into two categories: Foreign Military Sales and Commercial Sales.

Synonym: Foreign Military Sales, International Sales, Sales, Exports, Foreign Exports.

Antonym: Foreign Imports, Imports, Foreign Purchases, International Purchases.

## **Munitions List**

The Munitions List is a compilation of all technical data, services and defense products which are controlled by the Office of Defense Trade Controls (ODTC). The ODTC follows the rules and procedures laid down in the International Traffic of Arms Regulations (ITAR) and the Foreign Corrupt Practices Act.

The United States Munitions List is published in the Department of State's *International Traffic of Arms Regulations*.

Synonym: None.

Antonym: None.

## **Obligation Authority**

Obligation Authority (OA), as used in Foreign Military Sales (FMS), is a document or authority passed from Defense Finance and Accounting Service via a DD Form 2060 (or automated equivalent) to the implementing DOD component which allows obligation to be incurred against a given FMS case in an amount not to exceed the value specified in the obligational authority. The total authority received through use of the DD Form 2060 (or automated equivalent) includes the authority to incur commitments or obligations directly against the country's trust fund, and reimbursable orders.

Synonym: None.

Antonym: None.

## **Offset (Direct and Indirect)**

"Offset " is a generic term used by those in the defense, aerospace, and high-technology industries to describe reciprocal trade arrangements which compliment sale of products. The use of offsets was initiated only 20 years ago as a modified form of countertrade.

There are two forms of offsetting. One involves a contractor that promises to subcontract, within the boundaries of the buyer country, a portion of goods/services as a requirement of the prime contract. This is a indirect offset. The other occurs when the contract-winning company promises a subcontract part of its work to the awarding country. This is called industrial collaboration and is most used in the Arabian Gulf.

Synonym: Countertrade, Industrial Collaboration.

Antonym: None.

## **Planning and Review Data (P&R)**

When a foreign purchaser has not made a firm decision to obtain particular articles/services he may request P&R data. P&R provides rough order of magnitude (ROM) data for preliminary review and planning purposes for the possible purchase of articles and services. Such information may not be used for firm budget estimates.

Synonym: ROM (rough order of magnitude), Estimate.

Antonym: None.

## **Price and Availability (P&A)**

When a purchase decision has been made then additional data may be requested. This additional data is called P&A data. P&A data includes budget estimates, as well as support equipment and other costs. This data should be detailed enough to transfer to the Letter of Offer and Acceptance (LOA) without modification.

Synonym: Estimate, Purchase Order.  
Antonym: None.

## **Reciprocal Trade Agreements**

Agreement between two or more countries providing for interchange of goods between them at lower tariffs and better terms that exist between one such country and other countries. *e.g.* United States Reciprocal Trade Agreements Act of 1934.

Synonym: Trade Agreements.  
Antonym: None.

## **Red Flag List**

A recent publication by the Bureau of Export Administration which provides a list to exporters of typical warning signs, or red flags, which may indicate a suspicious, noncompliant, or illegal export.

Synonym: None.  
Antonym: None.

## **Technology Transfers**

Technology transfer is the moving of knowledge, expertise, data, hardware or software from one entity to another. Internationally, this is controlled by technology transfer restrictions.

Synonym: Licensing Agreement.  
Antonym: Proprietary Data.

### **Third Country National**

A person who works for the United States Government or a U.S. Government contractor in a foreign country but who is not a citizen of that country, or of the United States, or a United States protectorate.

Synonym: Employee.  
Antonym: None.

### **Transnational Solution**

A concept of exporting a mind-set of a requirement for high quality products across national lines.

Synonym: Lifestyle, Mindset, Outlook on Life.  
Antonym: None.

### **Specially Designated National List**

A list of foreign nationals and entities with which all business transactions are forbidden by authority of the Office of Foreign Assets Control. This office administers the regulations issued by the Treasury Department. This list is published in the *Federal Register*.

Synonym: Debarred Contractors.  
Antonym: None.

### **Validated License**

A document issued by, or under the authority of, the Department of State or Department of Commerce in response to an application filed by an exporter before the export of goods, technology, or services. It is a grant of authority given to a particular exporter for specified commodities to specified destinations for a specific end-use by a designated end-user.

Synonym: Export License.  
Antonym: Import License.

## **Appendix K: A List of Possible International Contracting Terms for Future Research**

1. Arms Export Control Act (AECA)
2. Commerce Control List
3. Cooperative Logistics
4. Cooperative Logistics Sales
5. Cooperative Logistics Support Arrangement
6. Cooperative Supply Support Agreement
7. Country-to-Country Agreement
8. Export
9. Export Administration Regulation (EAR)
10. Export Control Act
11. Foreign Corrupt Practices Act
12. Foreign Currency-Counterpart Funds
13. Foreign Currency-Dollar-Denominated Account
14. Foreign Equity Property
15. Foreign Person
16. Foreign Sovereign Immunities Act
17. Foreign Trade Zone
18. General Agreement on Tariffs and Trade (GATT)
19. General License
20. Global Organization
21. Host Country Contract Administration (CAS)
22. Import
23. Import Certificate-Delivery Verification (IC/DV)
24. International Emergency Economic Powers Act
25. International Organizations
26. International Traffic in Arms Regulation (ITAR)
27. Intransit Shipment
28. Joint Cost
29. Military Export Sales
30. Multinational Corporations (MNC)
31. Offset Procurement
32. Shipper of Record
33. Technical Assistance
34. Temporary Import
35. Trading with the Enemy Act
36. Validated License



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