

Trump Administration Seeks to Establish “America First Arms Transfer Strategy”

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WHAT: President Trump has issued an Executive Order (EO) aimed at making full use of the U.S. comparative advantage in arms transfers and maintaining U.S. military dominance by establishing, implementing, and executing an “America First Arms Transfer Strategy” (AFATS). The AFATS EO sets forth overarching policy goals of intentionally using arms transfers as “a tool of American foreign policy” and to “expand strategically relevant industrial production capacity” in the United States. These policy goals will be achieved by establishing the AFATS with clear direction and implementation guidance to arms transfer stakeholders and streamlining arms transfer processes across Executive departments and agencies to create efficiencies in the defense sales enterprise.

The AFATS has four objectives: (1) use arms sales and transfers to increase production and build production capacity for weapons and platforms most operationally relevant to executing the National Security Strategy; (2) use foreign purchases and capital to support domestic reindustrialization, production capacity expansion, improve defense industrial base resilience, and promote innovation and competition by incentivizing new entrants and nontraditional defense companies to join the defense industrial base; (3) use arms sales and transfers to reinforce Department of War acquisition and sustainment activities through supply chain resilience and backlog avoidance on priority components and end-items; and (4) prioritize arms sales and transfers to partners that have invested in their how self-defense and capabilities, have a critical role or geography in U.S. plans and operations, or contribute to U.S. economic security.

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To implement the AFATS, the EO requires establishing a Promoting American Military Sales Task Force. The task force is to (1) be chaired by the Assistant to the President for National Security Affairs or his designee and include the Under Secretary of Defense for Acquisition and Sustainment, the Under Secretary of State for Arms Control and International Security, and the Under Secretary of Commerce for International Trade; (2) develop a charter covering the task force’s objectives and structure; and (3) include as ex officio members the Service Acquisition Executives of the military departments and representatives of other non-military implementing agencies as appropriate to report on actions taken by the military departments and other implementing agencies to accelerate the contracting of priority Foreign Military Sales (FMS) cases and ensure exportability of identified priority systems.

WHEN: Within 30 days of the EO, the Secretary of War, Secretary of State, and Secretary of Commerce must establish the Promoting American Military Sales Task Force.

Within 60 days of the EO, the Secretary of War, Secretary of State, and Secretary of Commerce must develop an industry engagement plan to enable the U.S. government to coordinate with the U.S. stakeholders executing the AFATS. Additionally, within 60 days of the EO the Secretary of States must submit a plan to reduce and potentially realign the Third-Party Transfer process.

Within 90 days of the EO, the Secretary of War and Secretary of State must develop criteria for determining which weapons, platforms, or capabilities require Enhanced End Use Monitoring. Additionally, the Secretary of War, Secretary of State, and Secretary of Commerce must establish an End Use Monitoring coordination group. The Secretary of War and Secretary of State must also develop a process for providing advance notice of upcoming contracting actions and associated deadlines for FMS Letter of Offer and Acceptance implementation within 90 days of the EO.

Within 120 days of the EO, the Secretary of War, Secretary of State, and Secretary of Commerce must: (1) submit to the President a sales catalog of prioritized platforms and systems that the U.S. will encourage allies and partners to acquire; (2) provide recommendations to enhance advocacy efforts encouraging foreign procurement of U.S. defense articles; and (3) identify FMS and Direct Commercial Sales opportunities that will support the AFATS. The Secretary of War, Secretary of State, and Secretary of Commerce must also begin publishing aggregate quarterly performance metrics of FMS case development and execution within 120 days of the EO.

WHAT IT MEANS FOR INDUSTRY: This EO is another step in the federal government’s efforts to overhaul the U.S. FMS system to increase efficiency, effectiveness, and transparency. This initiative can primarily be traced to increased competition with China and Russia’s invasion of Ukraine. The initiative has involved industry stakeholders, namely the Aerospace Industries Association (AIA), National Defense Industrial Association (NDIA), and Professional Services Council (PSC), which have released reports on improving the FMS process, and various government tiger teams and task forces. Our discussion of the reports from industry can be found [here](#) and [here](#), tiger team recommendations [here](#) and [here](#). Notably, this EO appears to build upon an earlier Trump Administration FMS EO we discussed [here](#) that replaced President Biden’s conventional arms transfer policy with President Trump’s policy from 2018. As the government continues to demonstrate a commitment to

reforming the FMS process, those already involved in the defense industrial base or seeking to enter the defense industrial base should stay tuned for opportunities to help shape the evolving FMS framework.