

Hard Bargains Could Discourage New Foreign Military Sales

Law360

05.03.2017

Related People:

Daniel J. Kelly

While the Trump administration may be more willing to consider a broader range of foreign military sales deals than its predecessor, its efforts to drive a hard bargain may also turn some potential customers off, making it uncertain whether it will top the record sales under the Obama administration.

The U.S. has long been the world's top arms exporter, with the government facilitating sales to allies and partners under the foreign military sales program. Sales hit roughly \$300 billion in total under the Obama administration, according to figures from the Defense Security Cooperation Agency, which administers the program.

"These programs were designed in part to exert political influence on these countries and to deter them from going to nonfriendly countries," McCarter & English LLP partner Dan Kelly said. "Trump's [FMS] policies, at least superficially, appear to show a lack of respect for the political side of the transaction when it comes to engaging in these sales."