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U.S. - UK - CANADA TRILATERAL SYMPOSIUM

“Promoting Defense and Security through Trade and Cooperation”

Arlington, VA

2 October 2009

Agenda

Friday, October 2, 2009

WELCOME

- Rear Admiral (Rtd.) Rees Ward, *Chief Executive (A/D/S)*

PANEL DISCUSSION: GLOBAL ECONOMIC CONDITIONS EFFECTS ON THE DEFENSE INDUSTRY

- Ian Milne, *Vice President, UK and Scandanavia, Northrop Grumman Electronic Systems International (NGESI)*
- Mr. Grant Rogan, *Chairman & CEO, Blenheim Capital Partners*
- Mr. Marc Whittingham, *President, Canadian Commercial Corporation*

NEW U.S. ADMINISTRATION AND U.S. LEGISLATIVE UPDATE

- Mr. Pete Steffes, *Vice President, Government Affairs, NDIA*
- Mr. Anthony Aldwell, *Deputy Director, Defense Technology Security Administration*

FUTURE OF DEFENSE PROCUREMENT: U.S., CANADA, UK VIEWS

- Mr. Gary Blasser, *Assistant for Legislative Matters and Senior Procurement Analyst, Office of the Director, Defense Procurement and Acquisition Policy (DPAP), Contract Policy and International Contracting (CPIC) Directorate*
 1. Defense Acquisition Guidebook - Program Management
 2. Future of Defense Procurement
 3. Principles and Procedures (US)
 4. The Defense Acquisition System - Overview
- Mr. John Neri, *Director General, International and Industry Programs, Department of National Defence*

PANEL DISCUSSION: HOMELAND SECURITY- WAYS THE U.S., UK, & CANADA CAN WORK TOGETHER TO SHARE SCIENCE & TECHNOLOGY

- Mr. Stephen Dennis, *Technical Director, Homeland Security Advanced Research Projects Agency, Science & Technology Directorate, U.S. Department of Homeland Security*
- Ms. Terry Shear, *UK Trade & investment, British Embassy Washington, DC*

CHALLENGES & OPPORTUNITIES FOR TRADE: ITAR, UK/U.S. DEFENSE TRADE TREATY, DEVELOPMENTS IN EUROPE

- Mr. Michael Bell, *Export Controls Consultant, BAE Systems PLC*
- Mr. Stan Jacobson, *Business Development Manager, Lockheed Martin Canada*
- Mr. George S. (Sam) Sevier, *Senior Advisor, MK Technology*

FUTURE OF TRANSATLANTIC COOPERATION: GOVERNMENT AND INDUSTRY PERSPECTIVE

PANELISTS:

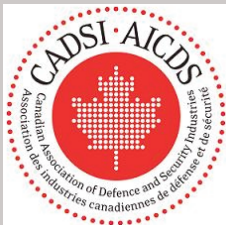
- Mr. Pierre Lagueux, *Senior Partner, CFN Consultants*
- Mr. Martin Neill, *Counsellor (Defence Equipment), British Embassy Washington, DC*

U.S.-UK-CANADA TRILATERAL SYMPOSIUM

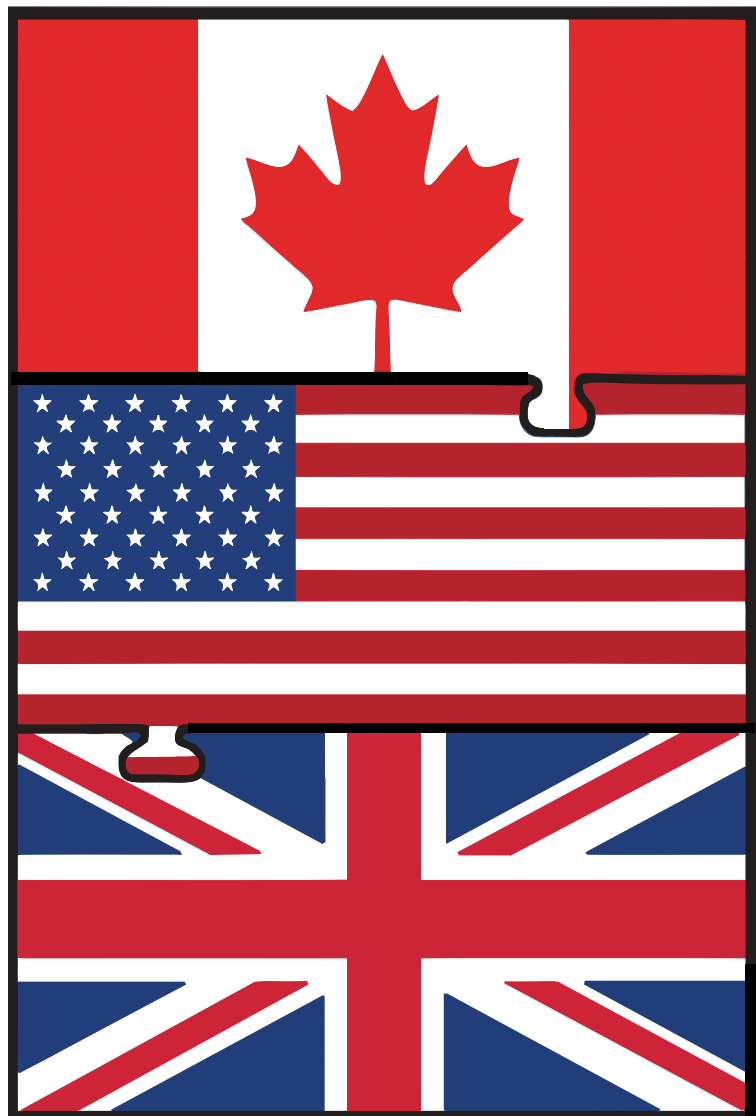
“Promoting Defense and Security through Trade and Cooperation”

IN CONJUNCTION WITH:

CADSI



A|D|S



OCTOBER 2, 2009

WWW.NDIA.ORG/MEETINGS/047K

SHERATON NATIONAL HOTEL ▶ ARLINGTON, VA

EVENT #047K

U.S.-UK-Canada Trilateral Symposium

About The Symposium

American, British, and Canadian defense companies have a history of sharing defense technology that dates back decades and continues today. All sides have prospered from their past and ongoing business relationships. Many of these relationships enjoy a trend of increasing activity, but positive trends seldom continue without the occasional intervention.

The objective of this symposium is to provide that intervention by facilitating networking among U.S., UK, and Canadian defense and public security companies, as well as among Industry and Government in the three nations. It is hoped that industrial and government participation will help in efforts to support the promotion of better awareness of the business operating environments and specific commercial defense opportunities in all three countries.

The globalization of national economies and the need to improve interoperability among allied forces are strong incentives for nations to seek forms of cooperation that are robust, and mutually beneficial. That cooperation must take place among national governments, among their defense industries, and the suppliers to those industries. The U.S., UK, and Canada all have significant indigenous defense and commercial industries. Thus, it is natural for all three to actively seek ways to expand existing business links and create new ones.

This symposium will provide participants an understanding of business operating environments in the three countries and of specific defense business opportunities of possible interest to their firms.

Senior Canadian, British, and American Government and Industry officials have been invited by CADSI, NDIA and the DMA to participate in this major event. This will create an invaluable opportunity for networking for American, British, and Canadian firms interested in doing defence business with any or all of these countries.

Conference Chairpersons:

Canada Mr. Tim Page, *President, CADSI*
UK Rear Admiral (Rtd.) Rees Ward, *Chief Executive A|D|S*
U.S. Mr. Robert Evers, *Senior Partner, Robert Allen Evers Law Offices*

Thursday, October 1

17:00 – 18:30 RECEPTION
▶ *Canadian Embassy, Washington, DC*

Friday, October 2

7:00 - 16:30 REGISTRATION OPEN

7:00 – 8:00 CONTINENTAL BREAKFAST

8:00 – 8:30 WELCOME
▶ MG Barry Bates, USA (Ret), *Vice President, Operations, NDIA*
▶ Mr. Tim Page, *President, CADSI*
▶ Rear Admiral (Rtd.) Rees Ward, *Chief Executive A|D|S*

8:30 – 9:30 PANEL DISCUSSION: GLOBAL ECONOMIC CONDITIONS EFFECTS ON THE DEFENSE INDUSTRY
▶ Mr. Ian Milne, *Vice President, UK and Scandanavia, Northrop Grumman Electronic Systems International (NGESI)*
▶ Mr. Grant Rogan, *Chairman & CEO, Blenheim Capital Partners*
▶ Mr. Marc Whittingham, *President, Canadian Commercial Corporation*

9:30 – 10:30 NEW U.S. ADMINISTRATION AND U.S. LEGISLATIVE UPDATE
▶ Mr. Pete Steffes, *Vice President, Government Affairs, NDIA*
▶ Mr. Anthony Aldwell, *Deputy Director, Defense Technology Security Administration*

10:30 – 11:00 NETWORKING COFFEE BREAK

11:00 – 12:00 FUTURE OF DEFENSE PROCUREMENT
▶ Mr. Gary Blasser, *Assistant for Legislative Matters and Senior Procurement Analyst, Office of the Director, Defense Procurement and Acquisition Policy (DPAP), Contract Policy and International Contracting (CPIC) Directorate*
▶ Mr. John Neri, *Director General, International and Industry Programs, Department of National Defence*
▶ Mr. Bob Regan, *Head of International Relations, Ministry of Defence (UK)*

Friday, October 2 (cont.)

12:00 – 13:00 LUNCH BREAK

13:00 – 14:00 PANEL DISCUSSION: HOMELAND SECURITY- WAYS THE U.S., UK, & CANADA CAN WORK TOGETHER TO SHARE SCIENCE & TECHNOLOGY

- ▶ Mr. Stephen Dennis, *Technical Director, Homeland Security Advanced Research Projects Agency, Science & Technology Directorate, U.S. Department of Homeland Security*
- ▶ Ms. Terry Shear, *UK Trade & Investment, British Embassy Washington, DC*
- ▶ Dr. Robert Walker, *Chief Executive Officer, Defence Research and Development Canada (DRDC)*

14:00 – 15:00 CHALLENGES & OPPORTUNITIES FOR TRADE: ITAR, UK/U.S. DEFENSE TRADE TREATY, DEVELOPMENTS IN EUROPE

- ▶ Mr. Michael Bell, *Export Controls Consultant, BAE Systems PLC*
- ▶ Mr. Stan Jacobson, *Business Development Manager, Lockheed Martin Canada*
- ▶ Mr. George S. (Sam) Sevier, *Senior Advisor, MK Technology*

15:00 – 15:15 NETWORKING COFFEE BREAK

15:15 – 16:15 FUTURE OF TRANSATLANTIC ARMAMENTS COOPERATION: GOVERNMENT AND INDUSTRY PERSPECTIVE

MODERATOR: Mr. Robert Evers, *Senior Partner, Robert Allen Evers Law Offices*

PANELISTS:

- ▶ Mr. Pierre Lagueux, *Senior Partner, CFN Consultants*
- ▶ Mr. Martin Neill, *Counsellor (Defence Equipment), British Embassy Washington, DC*
- ▶ Mr. Al Volkman, *Director International Cooperation, OUSD (AT&L)*

16:15 – 16:30 CLOSING REMARKS AND ADJOURNMENT

****A Question and Answer session will follow all panel discussion sessions**

About the Partnering Organizations

A|D|S

A|D|S is the trade body advancing UK AeroSpace, Defence and Security Industries. It was formed on 1 October 2009 from the merger of the Association of Police and Public Security Suppliers (APPSS), the Defence Manufacturers Association (DMA) and the Society of British Aerospace Companies (SBAC). AIDIS also encompasses the British Aviation Group (BAG) and Farnborough International Limited, a wholly-owned subsidiary. AIDIS has a membership of over 850 businesses of all sizes and is the first choice of Government when seeking industry views from the aerospace, defence and security sectors.

A|D|S operates to create the best possible climate in which its Members can do business, including lobbying and media relations work alongside networking and other business-to-business activities. AIDIS offers a wide range of products and services to help Member companies grow their businesses and widen their contact networks with the wider supply chains in all relevant sectors, including the UK Ministry of Defence, and in export markets.

A dedicated team of events specialists co-ordinate and manage participation at UK and international exhibitions and its subsidiary company, Farnborough International Limited, operates the world-renowned Farnborough International Airshow.

A|D|S organises many seminars and events to help Members build their export market knowledge and widen their contact networks.

A|D|S also provides world-class advice on export licensing, industrial participation, anti-corruption legislation and ethical issues.

Canadian Association of Defence & Security Industries

CADSI is the voice for the Canadian defence and security industries. The Association exists to strengthen the relationship and dialogue between government and our industries and to maximize the contribution the members can make to national defence and security. As the primary advocate for the defence and security industries, CADSI represents the interests of industry to governments, politicians, the media, special interest groups, opinion leaders, and the public.

CADSI is recognized as the national business association that represents the Canadian defence and security industries in Canada and globally. CADSI's mission is to foster an environment for member firms to thrive in the domestic and international defence and security marketplaces, thereby contributing to Canada's defence and security goals.

The National Defense Industrial Association

The National Defense Industrial Association (NDIA) is America's leading Defense Industry association promoting national security. NDIA is proud to provide a legal and ethical forum for the exchange of information between Industry and Government on National Security issues. Our members foster the development of the most innovative and superior equipment, training and support for our warfighters and first responders through our divisions, local chapters, affiliated associations and events.

Biographies



MG BARRY BATES, USA (RET) **VICE PRESIDENT,** **OPERATIONS, NDIA**

Prior to retirement from the U.S. Army on 1 January 2003, General Bates served as the Commander, 19th Theater Support Command, Eighth U.S. Army, Republic of Korea. In this capacity he was responsible for logistics support and installation management for U.S. Army forces in Korea, as well as for planning wartime logistics to support U.S. Army units deploying to Korea in the event of hostilities.

Previous positions held include Commander, Army and Air Force Exchange Service, Dallas, Texas; G4, Eighth U.S. Army / J4, U.S. Forces Korea / Deputy C4, Combined Forces Command (ROK/US), Republic of Korea; and Vice Commander, Army and Air Force Exchange Service, Dallas, Texas.

During his 32 years of military experience, General Bates has held a variety of command and staff positions in both the continental United States and overseas, serving multiple tours of duty in a joint command environment. He has held both command and staff positions in supply, maintenance and field services organizations, and in the Army's Training and Doctrine Command.

General Bates is a graduate of Oklahoma State University with a BS in Business and holds an MS Degree in Logistics Management from the Florida Institute of Technology. He is a graduate of the Industrial College of the Armed Forces and has been recognized as a Certified Professional Logistician by the Society of Logistics Engineers.

General Bates joined NDIA in February 2003. He and his wife, Lauren, reside in suburban Virginia.



MR. TIM PAGE **PRESIDENT, CADSI**

The son of a naval commander and the grandson of an army major general, Tim Page's career has been within the business sector.

Through this current position, Mr. Page advocates to the federal government on behalf of the 800 Canadian-based businesses that are CADSI members. Current policy issues of interest include:

- defence procurement reform;
- sustaining an internationally competitive defence and security industrial base in Canada;
- strategically leveraging defence and security procurements to Canada's economic, trade, technology and industrial advantage;
- mitigating the negative trade impact of ITAR interpretations on bilateral defence and security trade with the United States.

CADSI's revenues come mostly from the meetings and trade shows it organizes that bring Canadian-based suppliers together with customers in defence and security.

Previous employment includes:

2002-2005 - Executive Director, Diving Plongeon Canada

1996-2002 - President, Association of Consulting Engineers of Canada

1986-1996 - Senior Vice President, Canadian Chamber of Commerce

1984-1986 - Director, Public Affairs, Canadian Textiles Institute

Other activities:

2005 - Consultant to the Canadian Council of Professional Engineers and to the working group to create a National Round Table on Sustainable Infrastructure

2004 - Member, Federal-Provincial-Territorial Working Group on Sport Infrastructure

2002-2005 - Board Member, Ottawa Hydro Holding Inc.

2001 - Established RedR Canada (Registered Engineers for Disaster Relief)

1996 - Founding Director of the Forum for International Trade Training

Education:

1981 - Master of Arts, Canadian Studies, Carleton University, Ottawa, Ontario

1977 - Bachelor of Arts, History and Politics, Queen's University, Kingston, Ontario



REAR ADMIRAL (RTD.) REES **WARD** **CHIEF EXECUTIVE A | D | S**

On 1 October 2009, Rees Ward took up the post of Chief Executive Officer of Aerospace, Defence and Security (A|D|S), a new trade association formed from the merger of the Association of Police and Public Security Suppliers, the Defence Manufacturers Association and the Society of British Aerospace Companies. He is Vice Chair (elect) of the UK Security and Resilience Council (RISC) and member of its Executive Committee.

He joined the Navy in 1967 and served in a number of operational sea going and shore based appointments. His senior appointments as a Flag Officer included Assistant Chief of Defence Staff Operational Requirements (Sea Systems) in charge of the naval equipment programme and as a Capability Manager in charge of the naval and airlift programmes in the newly formed Equipment Capability Customer. These posts involved the leadership of some 100 staff delivering a £2Bn per annum programme. He was also the Change Leader of a transformational change programme producing a single coherent defence equipment plan with 12% fewer people within 2 years. He subsequently was Chief Executive of the Defence Communication Services Agency for 5 years and briefly, DG Information Systems and Services in Defence Equipment & Support. As Chief Executive of an Agency spending £1.2Bn per annum, he was responsible for another transformational change programme in which he absorbed 1600 posts into his organisation of 4900 uniformed and civilian, shedding 1000 posts, consolidated systems and services and delivered improved ICT services saving £240m over 4 years. He then put place the plan to reduce the organisation of 5500 to 2200 over the next 4 years. In this appointment he was also a Main Board member of the Defence Logistics Organisation, a £6Bn per annum enterprise. Retiring from naval service in July 2007, he took up the post of Director General of the Defence Manufacturers Associations and Director General of the Association of Police and Public Security Suppliers.

He read Electrical Engineering at Queens' Cambridge, has Masters of Science degrees in Guided Weapon Systems and in Corporate Management, and is a graduate of the Higher Command and Staff Course and the Royal College of Defence Studies. He is a Fellow of the Institute of Engineering and Technology and is a Visiting Professor to Cranfield University in Change Management.

Rees Ward is married to Phyllis, with 2 sons and 2 daughters. He was made a Companion of the Bath in the 2002 New Year's Honours list. He has represented Great Britain and Scotland at athletics and cross-country.



MR. ANTHONY ALDWELL
DEPUTY DIRECTOR, DEFENSE
TECHNOLOGY SECURITY
ADMINISTRATION

Mr. Anthony Aldwell currently serves as the Deputy Director of the Defense Technology Security Administration. He assumed these duties in October 2008. In this capacity, he manages a staff of 220 policy analysts, engineers, and licensing officers responsible for developing and implementing DoD technology security policies for international transfers of defense-related goods, services, and technologies.

Prior to becoming the Deputy Director of DTSA, Mr. Aldwell served as the Principal Director for European and NATO Policy in the Office of the Secretary of Defense. He previously served as the Director for NATO Policy and the Director for Southern European Policy.

Prior to joining the Civil Service, Mr. Aldwell was a Senior Policy Analyst for Science Applications International Corporation (SAIC). In this role, he served as the primary Staff Assistant to Assistant Secretary Crouch for the development of NATO's new Command Structure.

Mr. Aldwell completed a thirty-year Air Force career in 2002. After assignments as a KC-135 pilot, T-38 instructor pilot, and E-3 AWACS aircraft commander, he transitioned to the politico-military affairs career field. He served successively as the Assistant Air Attaché at the U.S. Embassy in Saudi Arabia, Branch Chief in HQ Air Force International Affairs, and as Deputy Chief of Air Force Foreign Liaison. From 1994 to 1996, he was the Military Assistant to the Assistant Secretary of Defense for International Security Affairs. Thereafter, he was a member of the U.S. Delegation to the NATO Military Committee, where his portfolio included NATO Enlargement, Partnership for Peace, and the NATO relationship with Russia and Ukraine. Mr. Aldwell's final military assignment was as Chief of the International Airmen Division, during which he managed all Air Force attachés and exchange officers, and helped create the Air Force's Foreign Area Officer program.

Mr. Aldwell graduated from Saint Olaf College in 1972 with a Bachelor's Degree in Speech. In 1985, he earned a Master's Degree in National Security Affairs (Middle East/Arabic Studies) from the Naval Postgraduate School.

MR. MICHAEL BELL
EXPORT CONTROLS CONSULTANT, BAE SYSTEMS
PLC

Mr. Bell is responsible within BAE Systems for providing direction and advice on export controls, including advice on the application of the U.S. International Traffic in Arms Regulations (ITAR) outside the United States. He is a member of the Export Group for Aerospace and Defence (EGAD) Executive Committee.

Michael Bell was born in 1941 and took a degree in

philosophy and ancient history at Magdalen College Oxford. He was a Research Associate of the Institute for Strategic Studies, London, from 1964 -1965. In 1965 he joined the Ministry of Defence as an Assistant Principal, became a Principal in 1969 and an Assistant Secretary in 1975. From 1977 – 1979 he was seconded to H M Treasury. He was Assistant Under Secretary of State for Resources and Programmes from 1982 – 1984; Director General of Management Audit from 1984 – 1986; seconded to NATO as Assistant Secretary General for Defence Planning and Policy from 1986 – 1988; Deputy Under Secretary of State for Finance from 1988 – 1992; and Deputy Under Secretary of State for Defence Procurement (retitled Deputy Chief of Defence Procurement [Support]) from 1992 – 1996.

In October 1996 Michael Bell was seconded to British Aerospace as Project Director, European Consolidation, and in April 1999 joined British Aerospace (now BAE Systems) as Group Head of Strategic Analysis. He assumed his present role in January 2004.

He was made Companion of the Bath (CB) in 1992.

MR. GARY BLASSER
ASSISTANT FOR LEGISLATIVE MATTERS
AND SENIOR PROCUREMENT ANALYST,
OFFICE OF THE DIRECTOR, DEFENSE
PROCUREMENT AND ACQUISITION
POLICY (DPAP), CONTRACT POLICY AND
INTERNATIONAL CONTRACTING (CPIC)
DIRECTORATE, OUSD (AT&L)

Mr. Blasser is a senior procurement analyst in the Office of the Deputy Director, Defense Procurement and Acquisition Policy (Contract Policy and International Contracting), since November 1995.

Mr. Blasser is a specialist and advisor on laws, regulations, policies, and procedures governing contracting activities and cooperative acquisition projects for defense research development, production, procurement, and logistics support. Mr. Blasser supports the Deputy Director in negotiating and maintaining reciprocal defense procurement agreements on behalf of the Department of Defense. Mr. Blasser participates in proceedings of committees established under reciprocal defense procurement agreements, and he assists the Department of Defense ombudsman to ensure these agreements are being implemented in good faith by all parties. Mr. Blasser serves as a focal point within his office on defense procurement matters with nations that currently have a reciprocal defense procurement agreement with the Department of Defense as well as other nations that share an interest in defense procurement. Mr. Blasser has represented the Department regarding procurement matters in meetings with other (civilian) Federal agencies and foreign ministries, and he

previously served as the U.S. representative to the NATO Group on Acquisition Practices, AC/313.

Mr. Blasser served in the U.S. Army from 1971 to 1975. Mr. Blasser began his civilian career in 1975 as a contract specialist, first as a contract negotiator and later as a contracting officer, at the Naval Electronic Systems Command. He also served as a contracting officer at the Space and Naval Warfare Systems Command. Mr. Blasser procured a wide variety of research, development, production, and support requirements related to electronic systems used by warfighters of the United States and other countries for ship, aircraft, and land based applications. From January 1991 until November 1995, Mr. Blasser served as the first contracting officer for the Multifunctional Information Distribution System Program, a cooperative joint project for secure voice and data communications by the United States, France, Germany, Italy, and Spain.

Mr. Blasser received a Bachelor of Science degree from Bloomsburg University in 1971.

Mr. Blasser resides in Annandale, Virginia, with his wife, Jeanie, and their sons: Brian, Kyle, and Daniel.



MR. STEPHEN DENNIS
TECHNICAL DIRECTOR,
HOMELAND SECURITY ADVANCED
RESEARCH PROJECTS AGENCY,
SCIENCE & TECHNOLOGY
DIRECTORATE, U.S. DEPARTMENT
OF HOMELAND SECURITY

Mr. Stephen Dennis is the Technical Director for the Department of Homeland Security's Science and Technology Innovation Portfolio. He provides technical leadership and guidance to research and development programs within the Homeland Security Advanced Research Projects Agency (HSARPA) of the Science & Technology (S&T) Directorate. Mr. Dennis has more than 25 years experience as a government scientist and program manager in the areas of information processing and analysis. At DHS he served as the HSARPA program manager for Cell-All Ubiquitous Biological and Chemical Sensing, Insider Threat, and Automated Scene Understanding programs leading to improvements in surveillance management. He co-authored the National Strategy for Biometrics Technology with the White House Office of Science and Technology Policy. He also served as the Senior Engineering Advisor to the DHS Threat and Vulnerability Assessments Portfolio, Joint Risk Assessments and the DHS Information Sharing and Collaboration Office in cooperation with other federal government agencies during his tenure with S&T.

Before joining the Department, Mr. Dennis served as a Technical Director for Research at the Department of

Biographies

Defense, Fort Meade, MD. Mr. Dennis holds a Master of Science Degree in Electrical Engineering from the University of Maryland, College Park and a Bachelor of Science Degree in Computer Engineering from Clemson University.

MR. ROBERT EVERS **SENIOR PARTNER, ROBERT ALLEN EVERS** **LAW OFFICES**

Mr. Evers is Senior Partner of Robert Allen Evers Law Offices, Chartered. He has practiced law in Washington, DC since 1970, representing U.S. and non-U.S. companies in defense contracting, export controls and defense industrial and strategic matters, and has been an advisor to several NATO governments on defense industrial and contracting.

He is a graduate of Northwestern University (BA, Political Science, 1967) and Columbia University School of Law (Juris Doctor, 1970). Mr. Evers also serves as President and COO of QinetiQ North America, Inc., the U.S. holding company of UK-based QinetiQ Group – the Global Defence and Security Experts.



MR. STAN JACOBSON **BUSINESS DEVELOPMENT** **MANAGER, LOCKHEED MARTIN** **CANADA**

Stanley D. (Stan) Jacobson is the Chairman of the Canadian Association of Defence and Security Industries (CADSI), International Committee. Since 1999, he has represented the Defence and Security industry in Canadian Government meetings dealing with issues related to Export Control, the Controlled Goods Program and the Industrial Security Program. He is a member of the Public Works and Government Services Canada (PWGSC) Industrial Security Advisory Board (ISAB).

Mr. Jacobson is a Senior Business Development Manager for Lockheed Martin Canada. He is responsible for business acquisition, customer and strategic partner relationships. He has been involved in projects with the Canadian, Japanese, Korean, Norwegian, United Kingdom and United States governments.

Mr. Jacobson received a Bachelors Degree in Electrical Engineering from the Royal Military College of Canada in 1972. He subsequently was certified for both Surface Warship Command and as a naval Combat Systems engineer.



MR. PIERRE LAGUEUX **SENIOR PARTNER, CFN** **CONSULTANTS**

Pierre L. Lagueux retired from the Canadian Government Public Service on 27 July

1999, after having served with the Canadian Forces and the Department of National Defence in various military and civilian capacities for almost 33 years.

At the time of his retirement, Mr. Lagueux was the Assistant Deputy Minister (Materiel) in the Department of National Defence. He was responsible for all aspects of materiel Research and Development, engineering, acquisition, logistics, quality assurance and supply chain management for the Canadian Forces and the Department of National Defence. During his tenure, the Materiel Group downsized from approximately 12,000 persons to slightly less than 6,000, while maintaining an annual procurement budget of almost \$4 billion.

As part of his duties, Mr. Lagueux also served as the Canadian National Armaments Director. In this capacity he was Canada's senior representative in all issues of international armaments co-operation in fora such as NATO. He was also responsible for industrial relations between the Defence Department and Canadian and international industry.

During his career as an executive level public servant, Mr. Lagueux served in a variety of acquisition positions: Director of Procurement and Supply Services; Director General Procurement and Supply; Assistant Deputy Minister (Supply); and, as a result of re-organization, Assistant Deputy Minister (Equipment Program Management).

Mr. Lagueux's network includes contacts at the executive level in defence departments, government and major corporations in Canada, the U.S., Europe and Australia.

Mr. Lagueux joined the Canadian Forces as an Officer Cadet in 1966 under the Regular Officer Training Plan, attending the College militaire royal de Saint-Jean, and graduating from the Royal Military College in Kingston, Ontario in 1971. During his military career as a logistics Officer, he held a number of positions in Supply and Transportation, retiring from the Canadian Forces with the rank of Colonel in 1990.

Mr. Lagueux has a Bachelor of Arts degree from the Royal Military College of Canada and a Master of Business Administration from the University of Western Ontario in London, Ontario.



MR. IAN MILNE, **VICE PRESIDENT, UK AND** **SCANDANAVIA, NORTHROP** **GRUMMAN ELECTRONIC** **SYSTEMS INTERNATIONAL** **(NGESI)**

Ian Milne is the Northrop Grumman Electronic Systems International (NGESI) Vice President for the UK and Scandinavia working from the Northrop Grumman UK London HQ.

Ian is responsible for all business development activities in the UK and Ireland as well as Denmark, Finland, Norway, Sweden, Latvia, Lithuania and Estonia as well as several new-NATO nations, in support of the NGESI EuroAmericas Regional Vice President – for the UK long term plan this amounts to £2Bn of future business.

In this role, Ian is the lead focal point for several key contracts for NG to include the JCA (UK JSF), the Typhoon as well as pivotal Royal Navy and Army pursuits. Additionally, he is the key interlocutor with the UK MoD and other UK Government agencies as well as major industrial customers.

Ian Milne was employed by Northrop Grumman 3 years ago having served in a variety of senior positions with the Royal Air Force for over 30 years.

For most of his military flying career, Ian flew the Jaguar and Tornado aircraft and his tours of duty, nearly all operationally orientated, included Bosnia, Kuwait, Bahrain, Oman as well as almost every "old NATO" country to include extensive service in the USA and Canada.

Ian held senior appointments in the UK Ministry of Defence, the RAF's Air Command Headquarters at High Wycombe, in Germany at JHQ Rheindahlen and in Northern Norway. The latter 2 appointments were NATO posts where he was responsible for the NATO Counter Air Plan, and the Air Defence of Northern Norway respectively.

Ian was fortunate enough to command RAF Akrotiri, RAF's largest air base, on the island of Cyprus, as well as No 6 Sqn, a Jaguar ground-attack squadron.

Ian received a MA in Politics and Modern History from Aberdeen University in 1974 and a second MA in Defence Studies from Kings College, University of London, in 1994. Prior to joining Northrop Grumman, in 2005, he undertook an executive MBA at the Manchester Business School Enthusiastic about all forms of motor sport, Ian enjoys skiing, golf and history, particularly military aviation history and motorcycling – even in the UK's inclement weather!

Born in 1951 in Scotland, Ian has been married to Caroline for over 30 years and has a daughter working in the City of London and a son, Andrew, training to be an airline pilot.



MR. MARTIN NEILL **COUNSELLOR (DEFENCE** **EQUIPMENT), BRITISH EMBASSY** **WASHINGTON, DC**

Martin was appointed the Counsellor for Defence Acquisition and Technology (C/DAT) at the British Embassy Washington in August

2009. This new position combines the posts of both Counsellor Defence Equipment and Counsellor Defence Science and Technology. Prior to this Martin was in London as the Director for Science and Technology for Counter-Terrorism and Support to Operations for 2 years. In this capacity, Martin was responsible for the formulation and delivery of research for Countering Terrorism, supporting UK Special Forces and all S&T for Countering Improvised Explosives Devices (C-IED). Martin was also responsible for providing rapid S&T solutions directly to the frontline. Before this, Martin spent 4 years on exchange to the Office of the Secretary of Defence within the U.S. Department of Defence. During this time Martin lead the integration team for the 2006 Quadrennial Defense Review for which he was awarded the OSD medal for exceptional public service. He then went on to be the Special Advisor to the Under Secretary of Defence for Acquisition, Technology and Logistics from Feb 2006 to July 2007. From 1999 to 2003, Martin was in London in various defence policy posts delivering strategic planning and force development guidance. From 1996 to 1999, as a Project Manager, Martin delivered numerous projects ranging from applied research to balance of investment studies. He started his career within the Ministry of Defence as a Physicist in 1993, conducting electro-optical research for the British Army.

Martin is married to Julie with 2 daughters, with a love of golf (Handicap – 12), soccer (Glasgow Rangers) and football (Redskins).

MR. JOHN NERI
DIRECTOR GENERAL, INTERNATIONAL AND INDUSTRY PROGRAMS, DEPARTMENT OF NATIONAL DEFENCE

Mr. Neri joined the Department of National Defence (DND) in 1972, after graduating from Carleton University as a Mechanical Engineer. He worked in various positions within the Naval Engineering Division of National Defence Headquarters. During this period, Mr. Neri spent three years in the Canadian Patrol Frigate Project Office charged with overseeing the specifications for mechanical systems of new ships.

In 1985, he accepted DND's first civilian exchange posting with the Délégation générale de l'armement (DGA) of the French MoD. In addition to a six-month intensive overview of the DGA establishments throughout France, Mr. Neri worked for 30 months in their Surface Ship Design Centre (STCAN) in Paris.

In 1989, Mr. Neri returned to Canada and was seconded to the Defence Programs Bureau of the Department of Foreign Affairs and International Trade. This Bureau was responsible for the promotion of trade activities of the defence and defence related sectors, as well as a number of international bilateral defence

agreements. In 1992, he returned to the National Defence Headquarters and joined the International and Industry Programs Division. In 1998, he was appointed Director of International Materiel Cooperation, and was subsequently appointed Director General International and Industry Programs in March 2006.

Mr. Neri is married and has two children.



MR. BOB REGAN
HEAD OF INTERNATIONAL RELATIONS, MINISTRY OF DEFENCE (UK)

Bob Regan joined the Ministry of Defence from industry and has since undertaken a wide range of postings with operational and international themes, serving in Saudi Arabia during DESERT STORM and twice in Bosnia where he was the Policy Adviser, first to the British element of UNPROFOR in 1992/3 and subsequently to HQSFOR. He later became the joint Defence Logistics Organisation's first Director of Finance and Planning, introducing commercial Accounting practice and performance management while managing the MOD's largest top level budget.

He was subsequently appointed as the Counsellor (Defence Equipment) in the British Defence Staff, Washington where he worked on equipment collaboration and the issues associated with export controls and National Disclosure Policy.

He took up his present appointment and responsibilities for international armaments policy in the Defence Procurement Agency in December 2005 and continues in the same function in post-merger Defence Equipment & Support.



MR. GRANT ROGAN
CHAIRMAN & CEO, BLENHEIM CAPITAL PARTNERS

Mr. Rogan is Blenheim's founder, Chairman and CEO. He became heavily involved in countertrade and offset transactions in Switzerland, Korea, Spain, Turkey and Saudi Arabia in the late 1970s, which resulted in the establishment of his own advisory firm in the mid 1980s. Over the past 30 years he has further developed offset and financial investment opportunities for a host of multinational corporations and has advised several governments with a primary concentration in the Middle East and Far East. Over the past 23 years, Mr Rogan has been responsible for the discharge of over \$12 billion of offset obligations. Mr Rogan and the Blenheim team are currently involved in transactions valued in excess of \$6 billion in new offset obligations for their client base, as well as advising two governments on their offset programmes.

Mr. Rogan and his team have completed numerous offset programmes globally (with a particular concentration being in the Middle East & North Africa region), which have used structured finance coupled with the offset paradigm to support aircraft leasing, asset management, horticulture, oil and gas, industrial manufacturing, shipping and defence programmes through the sourcing and structuring of inward investment.

MR. GEORGE S. (SAM) SEVIER
SENIOR ADVISOR, MK TECHNOLOGY

George S. "Sam" Sevier, Senior Executive Service 4, Department of Defense (ret.), Colonel, USAF (ret.), Director, International Business, Northrop Grumman Corporation, (ret.)

Presently Vice Chairman of the U.S. State Department's 2008-2010 Defense Trade Advisory Group (DTAG). Also, Director, Western (U.S.) Operations, MK Technology, responsible import-export issues on the U.S. West Coast. Additionally, he is Chairman of the Mason County (Washington) Water Conservancy Board.

In 2008 he was inducted into the U.S. Air Force Enlisted Hall of Fame for beginning his careers as an enlisted radio technician (1956-60) and then living a life of accomplishment culminating as a Department of Defense Senior Executive Service 4.

In 2007, appointed to the Sanderson Field (Shelton, WA Airport) 10-20 Year Planning Commission.

In 2005 he established an international business consulting enterprise named Sam Sevier, LLC, chartered in Washington State with agreements with Northrop Grumman, British Aerospace-North America, Boeing, EADS-North America, Syracuse Research Corporation, Burdeshaw Associates, Ltd. and MK Technologies, Inc. Member of the National Defense Industrial Association (NDIA), the Society for International Affairs, Air Force Association, Washington State Emergency Management Association, Washington State China Relations Council, the Shelton-Mason County Chamber of Commerce and the Western Washington University College of Business and Economics Board of Advisors.

Prior to his retirement from U.S. Government service, Mr. Sevier served as Deputy Director, Defense Technology Security Administration (DTSA), from 2003-2005, retiring from that Department of Defense Agency at the end of March 2005. Before that he worked for Westinghouse's Electronic Systems Division as Vice President, International Business, Washington (DC) Operations (and after the Division's acquisition by Northrop Grumman, as Director, International Business, Electronic Systems Sector) with offices in

Biographies

Baltimore and Rosslyn, from 1994 to 2002, retiring at the end of December 2002 to take the position at D TSA. From 1986-1994, first Colonel Sevier and then Mr. Sevier served as the Chief, Weapon Systems Division, Defense Security Assistance Agency (DSAA), overseeing most of the major foreign military sales program competitions during that time.

Colonel Sevier's Air Force career covered over 30 years, starting in 1956 as an enlisted electronic technician in UHF-VHF Radio Maintenance (break in Service 1960-1964 to attend college) and ending with his retirement in October 1990, while at DSAA. After graduating from college in 1964, he returned to the Air Force receiving his commission through Officer Training School in November of that year. His career included assignments as a B-52H Electronic Warfare Officer (B-52D 1968-69 ARC LIGHT tour in the Viet Nam campaign), B-58A Defensive Systems Officer 1969-70, KC-135Q Navigator 1970-71, RC-135S (Cobra Ball) Optical Systems Operator 1971-1975, RC-135S Program Engineer (BIG SAFARI) 1976-78, AF/PRIP (Weapon Systems Division) F-16, Electronic Warfare and Reconnaissance Desk Officer 1979-83, Commander, Det. 2, Air Force Special Programs (BIG SAFARI) 1983-85, Director, Weapon Systems and the Pacific & Americas Directorates, USAF International Logistics Center 1985-86, and Chief, Weapon Systems Division, DSAA 1986-1990.

During his eight years at Westinghouse and Northrop Grumman, Mr. Sevier was active in the Washington, DC international business community and in the industry associations that serve it. He belonged to many of the associations serving as Chairman-U.S./ROC Economic Council's Defense Industrial Committee, Chairman, U.S.-ASEAN Business Council's Defense and Security Working Group, Chairman-Aerospace Industries Association (AIA) Export Controls Committee, Chairman-National Defense Industries Association (NDIA) International Committee, Chairman-National Security Industrial Association International Committee's Export Sub-committee and member of the Electronic Industries Association (EIA) Export Controls Committee, the U.S. NATO Industrial Advisory Group (NIAG), the State Department's Defense Trade Advisory Group (DTAG), the IEEE Computer Society, the American Institute of Aeronautics and Astronautics, the Air Force Association, and the Association of Old Crows.

Mr. Sevier is still a member of the National Defense Industrial Association (NDIA), the Society for International Affairs, the Air Force Association and the Association of Old Crows. In his new "retired" life he was appointed to the Western Washington University College of Business and Economics Board of Visitors in May 2005.

A native of Bellingham, Washington, Mr. Sevier received his bachelor's degree from Western Washington University with concentrations in Math, Electronics and Economics in 1964. He received

a Masters of Business Administration degree from the University of Alaska-Fairbanks in 1977. He also completed addition post-graduate work in Computer Science and in Industrial Technology at East Texas State University in 1977-78 and 1983-84.



MS. TERRY SHEAR
UK TRADE & INVESTMENT,
BRITISH EMBASSY,
WASHINGTON, DC

As Vice Consul Trade & Investment, Terry is responsible for the UK Trade & Investment's U.S. Activities in Government Procurement and homeland Security sectors. Terry has driven the UK Trade & Investment Government Procurement/Homeland security sector strategy forward post 9/11. Since taking up her position in October 2003, Terry has assisted numerous UK firms, establish relationships with U.S. partners, the U.S. Department of Homeland Security, organisations, industry and U.S. government procurement committees. She has also supported many U.S. firms establish a presence in the UK, delivering Foreign Director Investment (FDI) projects for the UK economy.

Before taking up her current position Terry was the Commercial Policy Officer for the Foreign & Commonwealth Office, working closely with senior policy staff to identify and report on commercial opportunities in the U.S. regulatory arena and monitor threats to UK business in the form of tighter rules. Terry has worked for the UK government undertaking commercial work for over 15 years.

Terry was awarded the MBE in the New Year's Honours List, for services to trade & industry, and received the "Commercial Attache of the Year Award" by the Daily Telegraph in 2008.

Terry has lived in the Washington Metropolitan area for 20 years and grew up in Asia, the Middle East, and Germany. She enjoys travelling, swimming/diving and running.

MR. PETE STEFFES
VICE PRESIDENT, GOVERNMENT AFFAIRS,
NDIA

Peter M. Steffes joined the National Defense Industrial Association as Vice President, Government Policy on January 2nd, 2003. His responsibilities include directing the Government Policy activities of NDIA that include the Procurement Division, the Legislative Information Division, and the Government Policy Advisory Division. Mr. Steffes acts as the primary NDIA interface with Congress and the relevant Executive Branch departments.

Prior to joining NDIA, Mr. Steffes was the Staff Director on the Military Readiness Subcommittee, House Armed Services Committee (1990-2002) where, in addition to directing the activities of the subcommittee concerning readiness and operation and maintenance

accounts of the military services, he was also responsible for issues concerning maintenance and repair depots and shipyards, special operations forces, the Naval Petroleum Reserves, the Armed Forces Retirement Home, and the National Defense Stockpile of Critical and Strategic Materials. Prior to serving on the Military Readiness Subcommittee, Mr. Steffes served (1983-1990) on the Military Construction Subcommittee.

Prior to service with the House Armed Services Committee, Mr. Steffes served in the United States Air Force, retiring in 1983 as a Chief Master Sergeant having served in North Dakota, England, Germany, Andrews AFB, MD, and the Pentagon. Primary duties in the Air Force included Air Traffic Control, Airlift/Aircraft Management, and Legislative Affairs. Mr. Steffes and his wife, Barbara reside on Chincoteague Island, Virginia.



MR. ALFRED VOLKMAN
DIRECTOR, INTERNATIONAL
COOPERATION, OUSD (AT&L)

Mr. Volkmann is the Director, International Cooperation for the Under Secretary of Defense (Acquisition, Technology and Logistics). He is responsible for establishing international Armaments cooperation policy, ensuring that policy is properly implemented and engaging with US allies and friends around the world to achieve closer cooperation.

Mr. Volkmann has a long history in international cooperation beginning in the late 1970's when he negotiated the initial agreements with the United Kingdom that resulted in the cooperative development of the AV-8B Harrier Aircraft. In the early 1980's he served on the NATO Air Command and Control Systems team in Brussels, Belgium where he was instrumental in shaping the international acquisition strategy for that program. Mr. Volkmann has served in a variety of international staff positions for both the Department of the Navy and the Office of the Secretary of Defense.

Mr. Volkmann has extensive acquisition experience. He began his civilian career as a contracting specialist and contracting officer with the Naval Air Systems Command and has served as both the Director of Contract Policy and Administration and the Director of Foreign Contracting in the Office of the Secretary of Defense.

Mr. Volkmann has a Bachelor of Arts degree from Valparaiso University and a Master of Business Administration from George Washington University. He served as an officer in the United States Army from 1966 to 1969. His service included one year with the Military Assistance Command, Vietnam. He has received numerous awards and medals for distinguished performance throughout his military and civilian service.

Mr. Volkman is married and has three adult children.



DR. ROBERT WALKER
CHIEF EXECUTIVE OFFICER,
DEFENCE RESEARCH AND
DEVELOPMENT CANADA
(DRDC)

Dr. Robert Walker is the Assistant Deputy Minister (Science and Technology) of the Department of National Defence and the Chief Executive Officer of Defence R&D Canada.

In his capacity as Assistant Deputy Minister (Science and Technology), Dr. Walker has functional authority to oversee the Department of National Defence's S&T investment, and is the principal Canadian representative to the NATO Research and Technology Board and the Technology Cooperation Program (TTCP). He also provides departmental input to national issues in defence and security science and technology by sitting on a number of interdepartmental committees of assistant deputy ministers.

In his capacity as CEO, he leads Defence R&D Canada, which consists of a national network of seven defence research centres with an annual budget of \$350 million and a staff of 1600 people in programs addressing a broad range of defence technologies. Defence R&D Canada provides national leadership in defence and security science, and provides scientific advice and products to the Canadian Forces and the Department of National Defence. The defence S&T network extends beyond the Defence Research Centres to encompass partnerships with Canadian industry, universities, and allied defence S&T organizations.

Dr. Walker's achievements have been recognized by the Deputy Minister of National Defence in 2003 with a DM Commendation, by the international community in 2001 with a TTCP Personal Achievement Award and by DRDC in 2005 for the Agency Performance Excellence Award.



MR. MARC WHITTINGHAM
PRESIDENT, CANADIAN
COMMERCIAL CORPORATION

Mr. Marc Whittingham joined CCC in October 2006 as Vice-President, Strategy and Organizational Development and was appointed as President of CCC in October 2007. Prior to joining CCC, he was Assistant Deputy Minister, Portfolio Relations and Public Affairs at Public Safety Canada. Mr. Whittingham has extensive experience in policy, strategic planning, financial management and procurement in the federal government. He started his public service career as a Procurement Officer with the Department of National Defence and later as a Finance Officer with Industry Canada. He has also served in the Canadian Forces including as Ship's Supply Officer in Her Majesty's Canadian Ships NIPIGON and IROQUOIS.

Notes

Series of horizontal lines for taking notes.

PLATINUM LEVEL



Blenheim
CAPITAL PARTNERS

Blenheim Capital Partners provides world class expertise in offset and countertrade transactions, innovative financial structuring, risk management and access to capital markets. Since 2006 Blenheim has provided unrivalled offset solutions to governments, corporations and companies across the globe.

- Established to originate, source and structure projects for our clients, following the successful execution of a \$900m structured transaction in the UAE.
- Blenheim Capital Holdings Limited through its wholly owned subsidiaries Blenheim Capital Consultants Limited, Blenheim Capital Partners Limited and Blenheim Capital Services (UK and LLC) provides advisory and support services to defence and aerospace corporate clients, as well as procuring governments.
- Offices and operations in Washington, London, Kuwait, Abu Dhabi and Kuala Lumpur.

Blenheim Core Activities

1. Structured Finance Offset Solutions
2. Structured Procurement Financing
3. Technology Transfer
4. Government Consultancy

Economic Enhancement

Economic Enhancement™ is the next logical step in the evolutionary process that developed from countertrade as nations transition from direct and indirect offsets to offset-backed long-term strategic development, economic diversification and wealth creation. Blenheim is the pioneer of the Economic Enhancement™ model through its large-scale structured projects.

- Economic Enhancement is not confined to Defence or Aerospace contracts; it can be based around any large state procurement contract seller in order to harness the seller's resources to help achieve strategic national objectives
- It is about forming partnerships between buyer and seller in order to harness the seller's resources to help achieve strategic national objectives
- Taking traditional countertrade mechanisms (such as counterpurchase, direct or indirect offset) and combining them to a broad range of financial tools (PFI, PPP, BOT etc.) can generate sufficient funds for a chosen programme, and reduce bulk expenditure by the client or other nominated parties
- Indirect offsets provide the opportunity to diversify each country's domestic economic base by investing offset funds in areas unrelated to the contractors' business. Offset projects provide varied economic enhancement solutions including maintenance, training, marketing and technology transfers.
- Economic Enhancement should work to further the national socio-economic and geo-political objectives of the client country

Blenheim Capital Partners provides total solutions for multinational corporations and procuring governments through its Economic Enhancement™ solutions. Blenheim's innovative and effective structured solutions provide governments with a powerful economic tool. For corporations, Economic Enhancement™ projects provide a strategic solution to risk management with the added benefit of a marketing tool that creates key points of difference in the process of bid evaluation and selection.

International Footprint

Blenheim Capital Partners is headquartered in Guernsey with group company offices of Blenheim Capital Services in London, Washington DC and Abu Dhabi. The Washington DC office is responsible for all business in Canada and the US. The London office is the headquarters of Blenheim Capital Services Limited and the focal point for operations. These include interfacing with international investment banks and transaction advisors from major law firms.

Grant Rogan – Chairman and CEO

Mr. Rogan is Blenheim's Founder, Chairman and CEO. He became heavily involved in countertrade and offset transactions in Switzerland, Korea, Spain, Turkey and Saudi Arabia in the late 1970s, which resulted in the establishment of his own advisory firm in the mid 1980s. Over the past 28 years he has developed offset and financial investment opportunities for a host of multinational corporations and has advised several governments with a primary concentration in the Middle East and Far East.

Performance

The Blenheim team has completed numerous offset programmes globally (with a particular concentration in the GCC region) that used structured finance to support aircraft leasing, manufacturing, shipping and defence programmes through the sourcing and structuring of inward investment to the various countries.

The type of assignments spans offset and countertrade contracts and ranges from offset engendered greenhouses in Abu Dhabi, to VLCC (Very Large Crude Carrier) ships for South Korea, to aircraft leasing and procurement.

For further information, please visit www.blenheimcapitalpartners.com

London Office

Blenheim Capital Services Ltd.,
Level 2, 3 Sheldon Square
London, W2 6PX
United Kingdom
T: +44 (0) 20 7266 7010
F: +44 (0) 20 7266 7057

Washington DC Office

Blenheim Capital Services LLC,
1000 Wilson Blvd, Suite 2705,
Arlington, VA 22209
T: +1 703 276 0975
F: +1 703 276 0971

BRONZE LEVEL



ROBERT ALLEN EVERS LAW OFFICES,
CHARTERED, WASHINGTON, D.C.



Defense Acquisition Guidebook - Program Management Activities

Several important mechanisms available to provide insight into the needs of potential foreign partners are exploratory discussions, international forums, studies, and the exchanges of information and personnel. These include:

- Exploratory Discussions.
- International Forums, such as the Conference of National Armaments Directors (CNAD) and its subsidiaries:
 - NATO Army Armaments Group,
 - NATO Navy Armaments Group,
 - NATO Air Force Armaments Group,
 - NATO Research and Technology Organization, and
 - Technical Cooperation Program with Australia, Canada, New Zealand, and the United Kingdom.
- Studies.
- International Exchanges of Information and Personnel.
- Defense Research, Development, Test and Evaluation's Information Exchange Program (IEP).
- Defense Personnel Exchange Program, especially the Engineer and Scientist Exchange Program (ESEP).
- Foreign Comparative Test (FCT) Program.
- International Test Operations Procedures (ITOP) Program.
- Sales.
- Co-production.
- Cooperative production.
- Cooperative logistical support of defense systems and equipment.

The Defense Acquisition System

(<http://akss.dau.mil/dag/>)

Purpose: A tool to manage the Nation's investments in technologies, programs, and product support necessary to achieve the National Security Strategy and support the United States Armed Forces.

Fundamental Principles and Procedures

1. **DoD Directive 5000.01**; (05-12-2003 & confirmed 11-20-2007)

SUBJECT: The Defense Acquisition System

May 12, 2003; *Current as of November 20, 2007*

2. **DoD Instruction 5000.02**; (12-08-2008)

SUBJECT: Operation of the Defense Acquisition System

3. **The Defense Acquisition Guidebook** (interim)

Provides discretionary best practices that should be tailored to the needs of each program.

Future of Defense Procurement **Canada, U.K., and U.S.**

Gary S. Blasser, Senior Procurement Analyst
Office of the Under Secretary of Defense for Acquisition, Technology and Logistics
Directorate of Defense Procurement and Acquisition Policy (DPAP)
Contract Policy and International Contracting Division
Telephone: 703-693-0197
E-mail: Gary.Blasser@osd.mil
DPAP website: <http://www.acq.osd.mil/dpap>

Background:

Our common heritage and our shared challenges in the world will help us to promote an increased use of cooperative projects and reciprocal defense procurement actions among our nations. We share a common culture, common legal systems, and a common language. Our nations share a strong heritage and prosperity through global trade. It is natural, therefore, that we should share strong ties in defense procurement, and we do. Since the beginning of World War II, our defense procurement arrangements have been exemplified in the Hyde Park Agreement between the U.S. and Canada and in the Lend-Lease and many other defense procurement arrangements between the U.S. and the U.K.

Emerging Trends Affecting the Future of Defense Procurement:

Several trends today will cause us to work together more closely in the future:

- **First, smaller discretionary budgets, reduced defense spending, and more routine use of multilateral and coalition defense actions will require greater rationalization, standardization, and interoperability of conventional defense equipment.** We will fight together and keep the peace together. So, we will need to be able to communicate and operate seamlessly as allied forces. The best way to ensure rationalization, standardization, and interoperability of conventional defense equipment is through an increasing reliance on cooperative projects to design, produce, and support such defense equipment. We also will support the continued promotion of full and open competition for the procurement of defense equipment consistent with the guiding principles of our respective reciprocal defense procurement memoranda of understanding.
- **Second, the growth in global trade and the further proliferation of multilateral corporations will support a trend toward greater interdependence and engagement in defense procurement.** Increasingly, this is the way large corporations do business, and it is reflected in the organization of cooperative projects.
- **Third, we should expect to see further efforts toward acquisition reform nationally and increasing transparency, integrity, and accountability in multinational organizations.** The adoption of the European Defence Agency's (EDA's) Procurement Directive, the Transfers Directive, and Code of Conduct are positive, encouraging steps.

- **Fourth, we expect to update and renew our bilateral reciprocal defense procurement agreements with Canada and the U.K. respectively.**
 - The U.S. and Canada have had a joint U.S./Canada Defense Production Sharing Agreement as part of the North American defense industrial base since 1956. The U.S. and Canada have completed some preparatory work toward consolidating the relevant content from several of our bilateral agreements into a single reciprocal defense procurement agreement to provide an appropriate underpinning for defense procurement matters.
 - The US and the UK renewed their Reciprocal Defense Procurement Memorandum of Understanding in 2004.
 - Some of our common focus areas are: Cooperative Projects and Programs; Harmonization of Defense Requirements; Logistics; Export Controls; Security of Supply/Industrial Collaboration; Market Access; and Security of Information.
- **Finally, we can expect the Department of State to continue making improvements in the processing of export control license applications and to continue its support our cooperative efforts and defense procurement exchanges.**

Our sovereign nations are close allies, and we will engage in even more defense procurement exchanges, because it is in our mutual interest to do so.

Conclusion/Recommendations:

- We face a future of increasing cooperation in defense procurement, increasing complexity of weapons systems, continued consolidation of our defense industries, and growth of defense industries in other countries.
- We have a strong baseline in our defense procurement agreements and our cooperative projects, but we have a continuing need to share best practices in our requirements definitions, program management practices, and cooperative program developments.
- We plan to consult early and often with each other, use multi-national staffs, and take advantage of cooperation among multi-national corporations in defense development, production, and logistics support.
- Finally, we need to match requirements with mature technologies, maintain disciplined systems engineering integrated with testing, and avoid sacrificing cost and schedule for promises of improved performance.

Defense News
September 7, 2009

Carter: Protect U.S. Industrial Base

“Senior Pentagon officials must weigh the industrial implications of major program decisions and may have to protect key niche areas like stealth and space systems, said Pentagon acquisition chief Ashton Carter. ...

“As deficits mount and the White House looks for ways to reduce military spending, defense observers said, the Pentagon will have to buy from foreign firms, either because certain components are no longer produced in the United States or because they offer the only competition to a consolidated U.S. industry. ...

“Carter said the Obama administration, like the Bush administration before it, is open to purchasing foreign-made systems that satisfy U.S. requirements and provide best value. The new administration wants more international cooperation and engagement, a message Carter said he would carry to Europe in early October for his first meeting with his fellow NATO armament directors. ...”

BACKGROUND INFORMATION--

Survey of Current Defense Procurement:

U.S and Canada:

Canada and the U.S. are longstanding allies, with over 80 treaty-level defense agreements, 150 bilateral forums, 250 Memoranda of Understanding (MOUs) and many military exchanges. We consult on defense policy in the Permanent Joint Board on Defense and both work to protect continental airspace through the North American Aerospace Defense Command (NORAD). Canada was granted an International Traffic in Arms Regulations (ITAR), which allows for license-free transfer of most U.S.-origin unclassified defense goods and technology.

U.S and U. K.:

- **The U.S.-UK Reciprocal Defense Procurement MOU Memorandum of Understanding (RDP MOU)** was signed by the US and UK in December 2004. This MOU is a cornerstone in promoting standardization, rationalization, and interoperability as well as transparency in our bilateral and multilateral defense procurement activities.
- **U.S.-UK Defense Trade Cooperation Treaty** was signed by President Bush and Prime Minister Blair in 2007. The purpose of the Defense Trade Treaty with the UK is to streamline defense exports by eliminating the time-consuming administrative burden of obtaining individual export license approvals for defense technology and equipment developed and produced for U.S. and U.K. military forces. The Treaty was ratified by UK Parliament in December 2007 and is still pending U.S. Senate ratification.
- **U.S.-UK Bilateral Defense Acquisition Committee (BDAC)** is a senior forum between the United States Department of Defense (DoD) and the United Kingdom Ministry of Defence (MOD). Its purpose is to increase the effectiveness of defense acquisition cooperation between the two nations.

PRINCIPLES

- 1. Allow fair competition by responsible sources**
- 2. Waive trade barriers for defense procurement**
- 3. Exchange procurement-related information**
- 4. Provide adequate time for proposal submission**
- 5. Protect information, software, and property**
- 6. Avoid making conflicting commitments**

PROCEDURES

- 1. Use of competitive procedures**
- 2. Publication of procurement opportunities**
- 3. Requirements for solicitations**
 - Availability**
 - Content (especially evaluation criteria)**
 - Source selection procedures**
- 4. Notification to unsuccessful offerors**
- 5. Debriefing unsuccessful offerors**
- 6. Publication and applicability of procedures for protests, disputes, and appeals**

Global Economic Conditions' Effects on the Defence Industry



2 October 2009



PUBLIC DOCUMENT



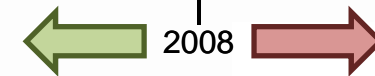
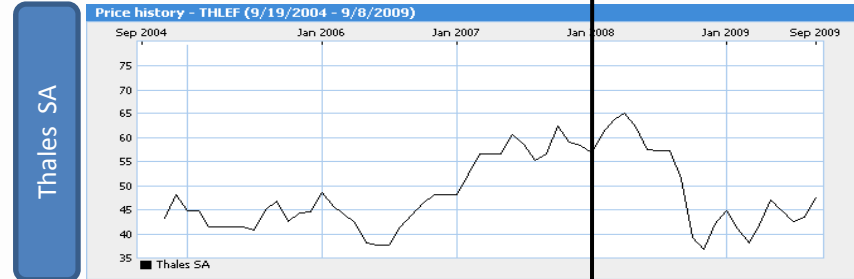
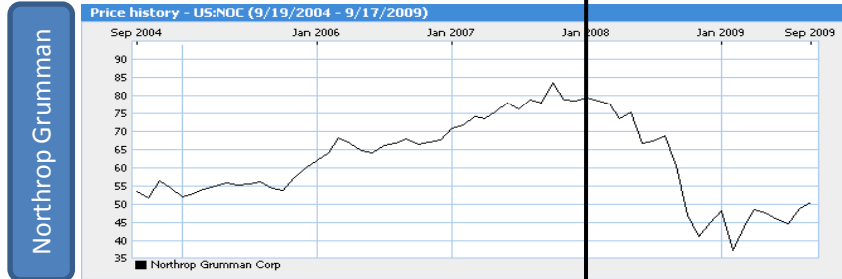
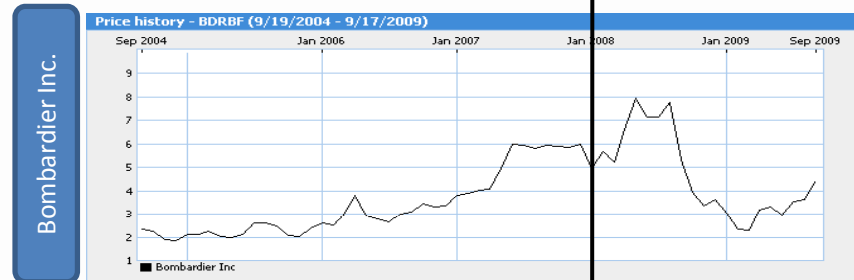
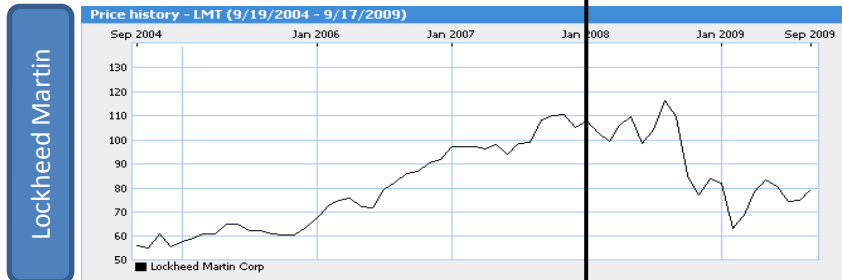
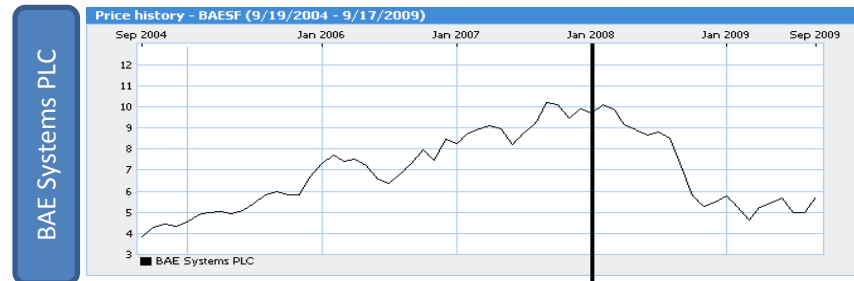
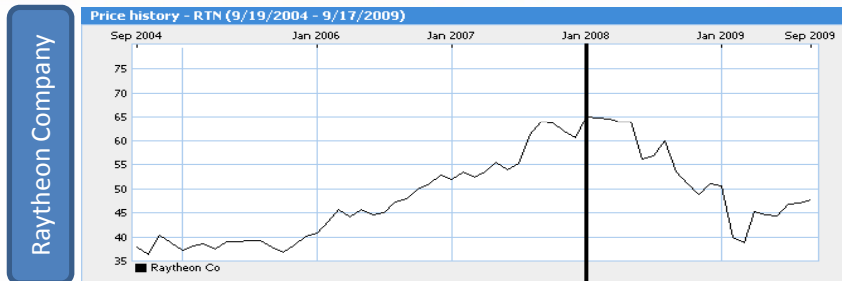
Prepared by:
Grant Rogan, Chairman & CEO
Blenheim Capital Services



Presentation to:
US-UK-Canada Defence Industry
Trilateral Symposium



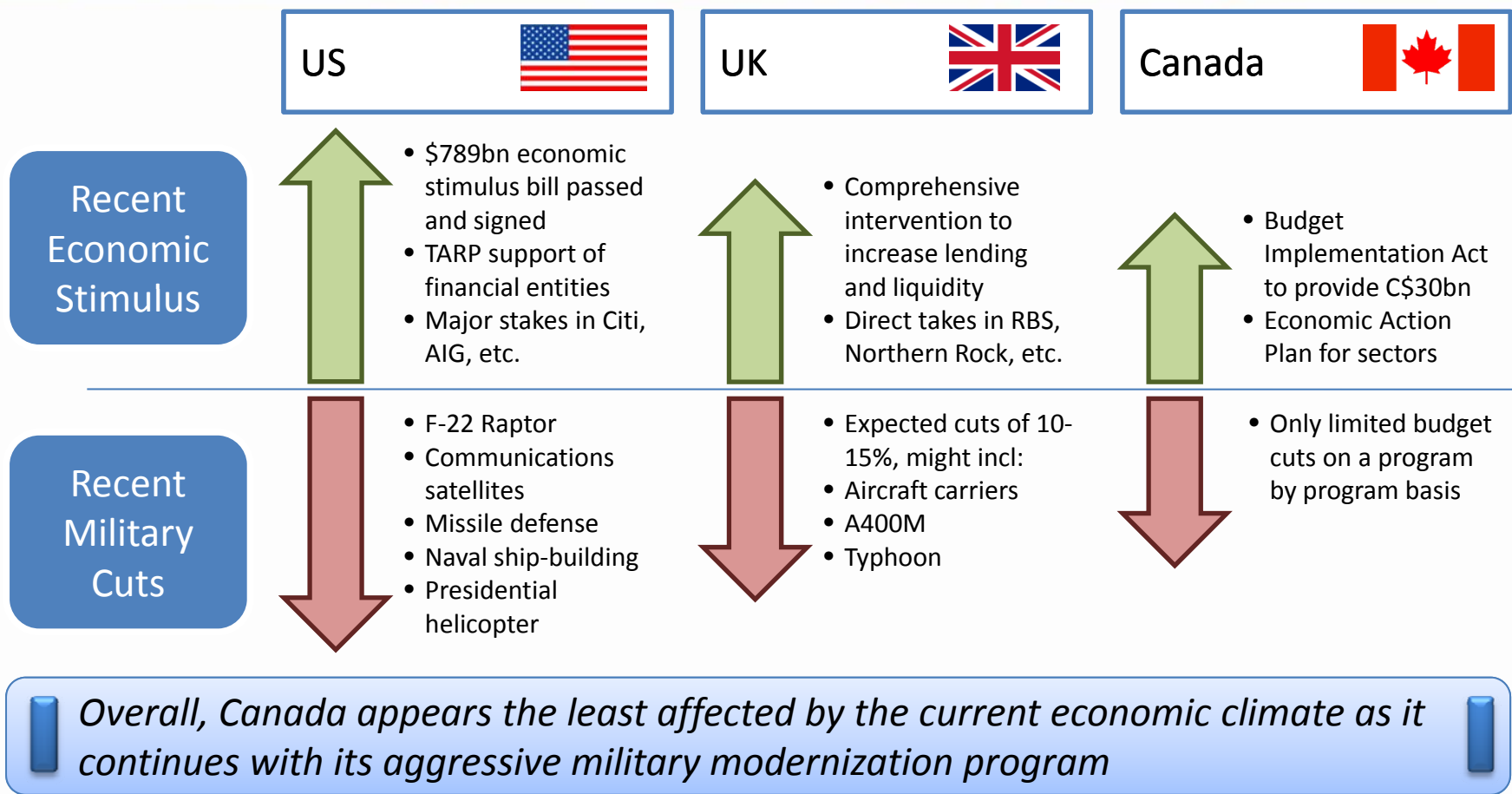
Industry peaked along with the world economy in early 2008



PUBLIC DOCUMENT



Economic stimulus has recently correlated to national Defense cuts



PUBLIC DOCUMENT



Suppliers will now focus on exports until national procurement rebounds

1. Reduction in national Defense procurement

- National priorities favor alternative spending priorities, such as economic stimulus, healthcare, social welfare and infrastructure
- Major cuts to procurement will occur but military force levels will generally remain unchanged



3. Rebound in national Defense procurement

- National forces eventually enter a new procurement upswing to modernize aging equipment
- International sales allow suppliers to keep costs down and innovate during the downturn, resulting in a quick refocus to the domestic market

2. Prominence of International Marketplace

- International customers offer revenue and profit opportunities
- Recent attempts in the US to reform export policy indicate the need for suppliers to aggressively pursue the export market

PUBLIC DOCUMENT



Economic considerations are a major force in the export market

Economic trends

Industrial Participation & Offset

US



- Buy America (minimum 50% local content)
- US job requirement even if platform is foreign (e.g. Presidential Helicopter, KC-X)

UK



- UK Defence & Security Organisation, Industrial Participation
- Provides subcontracting, technology and R&D to UK defense industry

Canada



- Industrial & Regional Benefits program through Industry Canada
- Promotes defence subcontracting and investment

Defense Procurement Financing

Future?

- PPP / PFI
- Military Flight Training System
- Future Strategic Tanker
- C-17 lease

- Pilot training PFI
- Lease of commercial helicopters
- Heron and other small UAV leases

Governments will need to look to stimulate local industry through innovative financing to overcome budget constraints on major procurement items – Offsets – an economic tool which may be leveraged in such support

PUBLIC DOCUMENT



Contact

Name: Grant Rogan
Title: Chairman & CEO
Office: +44(0) 20 7266 7040
Mobile: +44(0) 77 8530 3163
Email: Grant.rogan@blenheimcs.com

London

+44(0) 20 7266 7010

Abu Dhabi

+971 (0) 5056 10832

Washington DC

+1 703-276-0975

Kuala Lumpur

+60 3 6203 4200



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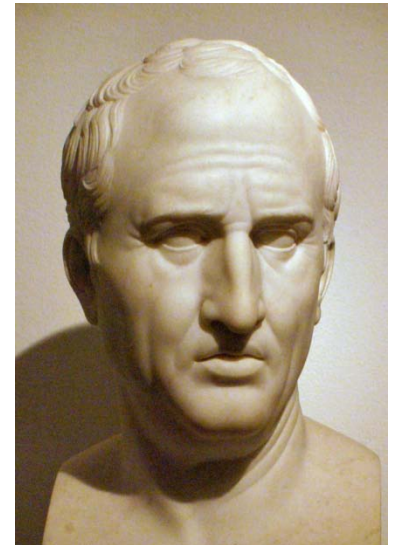
A 3D-rendered globe on the left side of the slide. The globe is semi-transparent and shows a world map. Overlaid on the globe are several industry-related terms in a blue, sans-serif font: 'AEROSPACE', 'ELECTRONICS', 'INFORMATION', 'SHIPBUILDING', 'TECHNICAL', and 'SERVICES'. The globe is partially cut off on the left edge.

Global Economic Effects on the Defense Industry

Ian Milne
Vice President
Northrop Grumman Electronic Systems International

"The sinews of War are Infinite Money"

Cicero – Roman philosopher, statesman, political theorist
and Roman Constitutionalist, 106 BC – 43 BC



Overview

The outlook for the Defense Industry in the near term is driven by 3 principal factors:

1. The overall economic downturn.
 2. Political trends and priorities in domestic budgets.
 3. Public perceptions of the military threat to national and international interests and values.
- The combination of these factors suggests that, as in past downturns, the industry will be forced to adjust to prosper.

The Impact of Global Economic Effects

- In 2007, analysts forecasting positive 2008 growth in only 3 commercial sectors – Defense being one.
 - Favored position with Govts and caused by Middle East and Afghanistan commitments.
- By mid 2009, the US economy had suffered its worst decline in 26 years.
- In US, as well as elsewhere, leading defense contractors stocks have fallen 30-40%:
 - Boeing circa 40%, Northrop Grumman 30%.
 - Europe - BAES, Finmeccanica etc, by similar amounts.
 - PE Multiples at lowest levels since the early 1990s.
 - Defense stocks no longer seen as “counter-cyclical?”

The Impact of Global Economic Effects (2)

Further complicating the picture:

- Some of the biggest international defense companies maintain product lines directly exposed to commercial market downturns.
- Major defense firms have pension funds heavily invested in equity markets that must be replenished; worsened by impending retirement of the baby-boomers.
- Pace of the economic recovery—if the recession is over—appears prolonged: a “U”, not a “V”.
- Do the other trends affecting defense spending appear more promising?

Political Trends are Not Encouraging

- In the UK, several large ticket items are potentially under threat:
 - Strategic Nuclear Deterrence as one?
 - UK “QDR” under way .
- In the US, priorities of the Obama administration are domestic, not Defense:
 - Stimulus ignored Defense spending.
 - April 2009 announced cuts (F22, periodicity of aircraft carrier builds, shipbuilding) taken without regard for industrial base.
 - Health care and economic recovery expenditures project long-term deficits and constraints on discretionary spending.
- “Greater quantities of systems that represent the 75% solution instead of smaller quantities of 99% systems” - Def Sec Robert Gates.
 - Opportunities for smaller, niche, more agile, international, COTS-based solutions?

Threat Perception Could Speed Recovery *(or not)*

- Stateless Terrorists create both near and far security challenges, threaten homeland security of industrialized democracies.
- Conduct and success of US, allied “Two-war” strategy will affect Defense spending:
 - Drawdown in Iraq.
 - Afghanistan strategy: Surge ground forces or high-tech, SOF from a distance? Predator strikes vs boots on the ground?
- State actors, traditional powers also threaten security of our nations:
 - Cyber challenge is everyday battle employed by state and non-state actors.
 - US QDR will seek to balance irregular and “high-end asymmetric” threats.
- “Wild cards” could change the game:
 - Nuclear threats in North Korea, Iran.
 - Failed states: Pakistan’s future?
 - China, Taiwan and “anti-access” capabilities.



Industry Response - Opportunities Abound?

- Pursue Govt - Industry Partnerships:
 - Partner to find economies of scale, leverage legacy systems.
- Execute internal reforms:
 - Restructure, lower overhead, pursue adjacent markets, merge or acquire.
 - Consolidation, divestiture.
 - Industries need to become more global?
- Shift to Services and O&M as Investment accounts decline:
 - Full life-cycle support services becoming the norm.
- Encourage International partnerships enhancing interoperability:
 - F-35, NATO AGS.
 - Next generation tanker.
 - Streamlined export/import policies.
- Focus on Homeland Security:
 - Protecting National Infrastructure – cyber-defense, border security.
 - Improving Analytical Software for Intelligence agencies.
 - Combat IED's and chemical and biological threats home and abroad.
 - Critical infrastructure protection.

Summary

The outlook for the Defense Industry in the near term, based on the impact of the global economic recession, the political environment, and the threat perception, is not rosy:

- The economic downturn has affected defense companies and their market valuation severely.
- Political priorities in the US and elsewhere stress domestic discretionary spending, while deficit spending imposes top-line constraints on defense.
- Public perceptions of the military threat suggest current levels of defense spending are adequate, if not inflated.
- As in past downturns, the industry will be forced to adjust; the lessons of the past apply: restructuring, cost optimization, program execution, global competitiveness and cooperation.

NORTHROP GRUMMAN





National
Défense

Défense
nationale



Evolution of Canadian Defence Procurement

U.S. – UK – Canada
Tri-Lateral Symposium
2 October 2009

John Neri
Director General
International and Industry Programs
Department of National Defence



MATERIEL

Canada

Outline



- The *Canada First* Defence Strategy
- Role and Responsibilities: Canadian Defence Procurement
- Major Acquisition Timelines (Past, Present and Future)
- Improving Military Procurement
 - Projects, Requirements & Technology Management (Department of National Defence - DND)
 - Procurement Processes (Public Works and Government Services Canada - PWGSC)
 - Industrial Regional Benefits (Industry Canada - IC)
 - Industry Engagement
- Concluding Remarks

Canada First Defence Strategy



- The Canada First Defence Strategy (CFDS) is a detailed road map for the modernization of the Canadian Forces
- The CFDS is backed up with a comprehensive 20-year investment plan
- Automatic annual increase on defence spending to 2 percent (from the current 1.5 percent) beginning in 2011-12
- Additional \$12 billion over the next 20 years, bringing its budget to \$30 billion in 2027-28

Roles & Responsibilities: Canadian Defence Procurement



PWGCSC

- Design/build an efficient outcomes driven procurement process to acquire military equipment
- Work with DND and Canadian industry to ensure processes and demands are jointly fair and reasonable
- Deliver contract services and authority

DND

- Establish priorities, commit funds and resources
- Determine mission-critical requirements
- Implement a clear & consistent plan
- Manage materiel from initiation to disposal

INDUSTRY CANADA

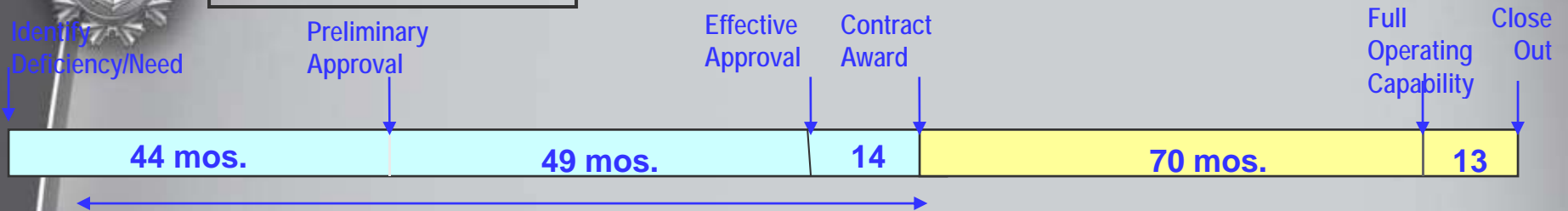
- Determine and manage IRB and other socio-economic policies at system level to maximize benefits to Canadians

MAJOR ACQUISITION TIMELINES

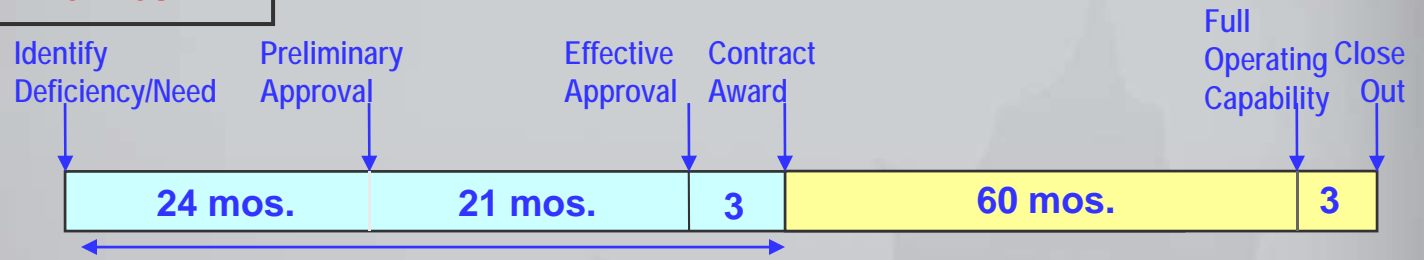
From 107 Months to 48 Months to Contract Award



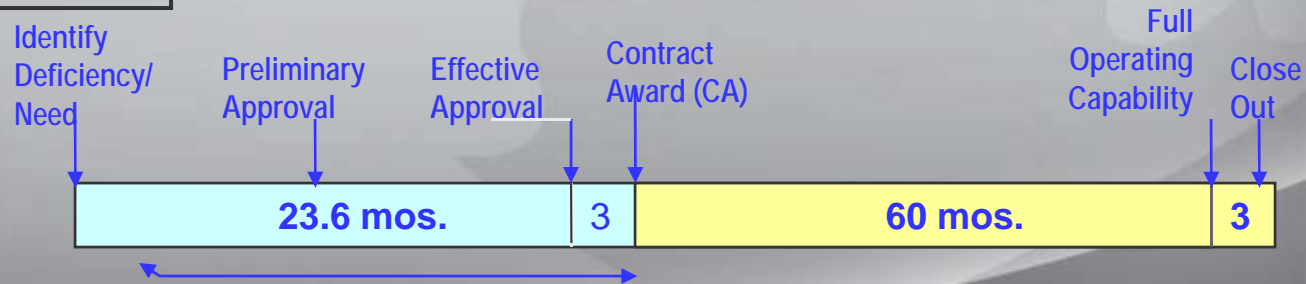
Past



2006 Timelines



Current Timelines



Improving Military Procurement





Department of National Defence

Requirements



Building on Achievements:

- ❖ High-level, performance based specifications, minimizing prescriptive detail to only where necessary to contain risk
- ❖ Outcome-based, clear statements of work
- ❖ Defence-specific terms and conditions that are balanced and kept to a minimum
- ❖ Open architectures/ systems standards to reduce in-service support and capability upgrade risk

Project Management



Building on Achievements:

- ❖ Long-term, performance-based platform/systems-level in-service support, sourced domestically where practical and economical
- ❖ Improved, adaptive cost forecasts for project estimates

Technology Management: Optimize Benefits of R&D Spending



- Conduct strategic procurements that permit competitive selection of our partners during the R&D phase
- When entering into developmental projects, ensure the Canadian supply base is considered and establish the necessary conditions which will permit the GoC funded, technology development to be pulled-through into procurement, without re-competition
- Use open-system architecture solutions to facilitate future technological and system upgrades (Continuous Technology Insertion vice mid-life upgrades)
- Refine approach to Intellectual Property to ensure Government-funded technology developments can be applied to acquisition needs, while enabling industry to pursue commercial or international defence market opportunities



Public Works and Government Services Canada



Procurement Processes

Gov't - Industry Risk Rebalancing:

- ❖ Placement of risk where it is best managed
- ❖ Rebalancing of risk to respond to industry concerns
- ❖ Develop risk rebalancing framework
- ❖ Implement interim measures

Modernizing Procurement:

- ❖ Reducing Barriers to doing Business
- ❖ Improving e- access and Tools
- ❖ Enhancing Accountability and Transparency
- ❖ Increasing Outreach and Support



Industry Canada

Background and Rationale



Existing framework established in 1986

- ✦ Increasing volume of Defence procurement arising from the Government's Canada First Defence Strategy
 - Important opportunity to secure more strategic IRB investment opportunities in Canada
- ✦ Global value chains (GVC) dominates the way business is done for the Aerospace and Defence sector production
 - Opportunities for Canadian firms to better position themselves in these GVC
- ✦ Expected benefits from policy enhancements, include:
 - More strategic opportunities to discharge offset obligations
 - Diversified offset portfolio will increase strategic, innovation-driven sustainable business activities in Canada

Implementation Phase 1: Fall 2009



1. Strategic Plans from Prime Contractors with Major IRB Obligations: **Strategic plans from prime contractors with major corporate obligations to Canada will be required. The prime will be required to identify & meet a portion of its obligations through the plan.**
2. Phase in 60% up-front requirement: **30% of obligations will need to be identified at time of contract signing, 30% one year later, and the remaining 40% over the remainder of the contract.**
3. Enhance the Priority Technology List: **The Strategic Aerospace and Defence Technology List will be enhanced by expanding the content to target transformational technologies and services anticipated for future military and commercial needs.**
4. Incentive for the creation of Public-Private Consortia: **Encourage Industry-Government-Academia Consortia to develop next-generation technologies & services in aerospace, defence and related sectors.**

Implementation Phase 2: Winter 2010



5. Improve recognition of the value of Canadian firms participation in GVC: **Encourage original equipment manufacturers (OEM) to add Canadian suppliers to their GVC by crediting Canadian work done on similar strategic international platforms against Direct IRB requirements.**
6. Banking of Industrial and Regional Benefit Credits: **Prime contractors will be offered a limited form of banking of credits both in advance of award, and in the event of over-commitment of IRB credits for high value activities.**
7. Firm-Level R&D and Commercialization: **Encourage primes, through enhanced application of multipliers and a more sophisticated valuation of offset credits, to invest in long term, innovation-focused activities in Canadian SMEs.**



Industry Engagement

Industry Engagement



Major Events:

- **Fixed-Wing Search and Rescue (FWSAR) Industry Day (14 July)**
 - Creating an understanding of Canadian FWSAR needs and soliciting input into how this capability could be met
- **Shipbuilding Forum (27-28 July)**
 - Obtaining a broad range of stakeholders input needed to develop comprehensive and viable options that could lead to the establishment of a long-term, sustainable shipbuilding strategy
- **Consultation on Military Procurement (currently underway)**
 - The Government of Canada and the Canadian Association of Defence and Security Industries will undertake a series of consultations on military procurement with the defence and security industries on factors that affect the procurement process



Concluding Remarks

Our Approach is Changing...

Current Approach

- Individual procurements...
- Case-by-case implementation of Industrial and Regional Benefits...
- Complex and onerous process...
- Highly legalistic/overly cautious approach to risk...
- Overlapping oversight...
- Procurement carried out in isolation...



Proposed Approach

Comprehensive, program-based roadmap

Long-term comprehensive approach focused on sustainable, high value-added work for Canadian firms

Simplified, streamlined and transparent process

Better balance among risk, speed, responsiveness, and economic benefits

More efficient governance

Systematic, ongoing engagement of industry/other stakeholders

A Unique Window of Opportunity



- ✿ **A systematic, multi-departmental effort to improve defence procurement while, at the same time, carrying out several major procurements**
- ✿ **Three Departments Working Together to achieve success:**
 - i) National Defence continues to focus on approaches to requirements/project management that target operational outcomes (not specific equipment) and address industry concerns
 - ii) Public Works and Government Services Canada continues to modernize procurement processes and reduce timelines for major procurements
 - iii) Industry Canada is moving beyond a case-by-case approach to economic benefits toward a more comprehensive, multi-year, opportunities-based approach leveraged to maximize economic benefits of major Government of Canada defence procurements
- ✿ **Industry Engagement**

A series of initiatives to enhance our engagement with industry toward earlier and program-level engagement



Global Economic Conditions' Effects on the Defence Industry

By Marc Whittingham, President,
Canadian Commercial Corporation

Profile of CCC

- CCC is Canada's international contracting and procurement agency
- Facilitate trade between Canadian exporters and foreign governments
- Two main sectors of focus:
 - Defence
 - Emerging & Developing Markets
- Government-to Government Transactions:
 - Prime Contractor Service
 - Procurement Service
- CCC is Canada's Foreign Military Sales Organization
- Official contracting intermediary for over \$1.7 billion in defence goods and services in 2008-09
- Key relationship with U.S. DoD

- Global Defence Trends
 - Governments
 - Delaying capital projects
 - Re-examining defence spending
 - Re-assessing military budgets
 - Developing new defence strategies
 - Defence Firms
 - Industry consolidation through acquisitions
 - Shifting attention to civilian markets
 - Firms specializing in repair and overhaul continue to prosper
 - Protectionism
 - Governments' economic and security concerns are leading to protectionist-type outcomes in the global defence industry

- **Government Collaboration and Cooperation**
 - Increased integration with allied countries
 - Joint procurement opportunities
 - NATO
 - Like-minded nations collaborating to ensure common security concerns are met
- **Government Support**
 - Interdepartmental Support Systems for industry
 - i.e. CCC, DFAIT, EDC, Industry Canada
 - Investment in Industry
 - Policy frameworks that support Industry (i.e. IRB)

Contact Information

50 O'Connor Street, 11th Floor
Ottawa, Ontario Canada,
K1A 0S6

- Toll-free in Canada: 1-800-748-8191
- Fax: (613) 995-2121
- Information: www.ccc.ca/brochures
- Web Site: **www.ccc.ca**

Future of Transatlantic Cooperation



An international perspective

Martin Neill – Counsellor Defence Acquisition and Technology, British Embassy

Fundamentals of the US/UK Security Relationship

- ▶ Common Values
- ▶ Shared Global interests
- ▶ High Technology – Uniquely Interoperable Armed Forces across spectrum of conflict
- ▶ Intelligence, Nuclear, Science, Special Forces

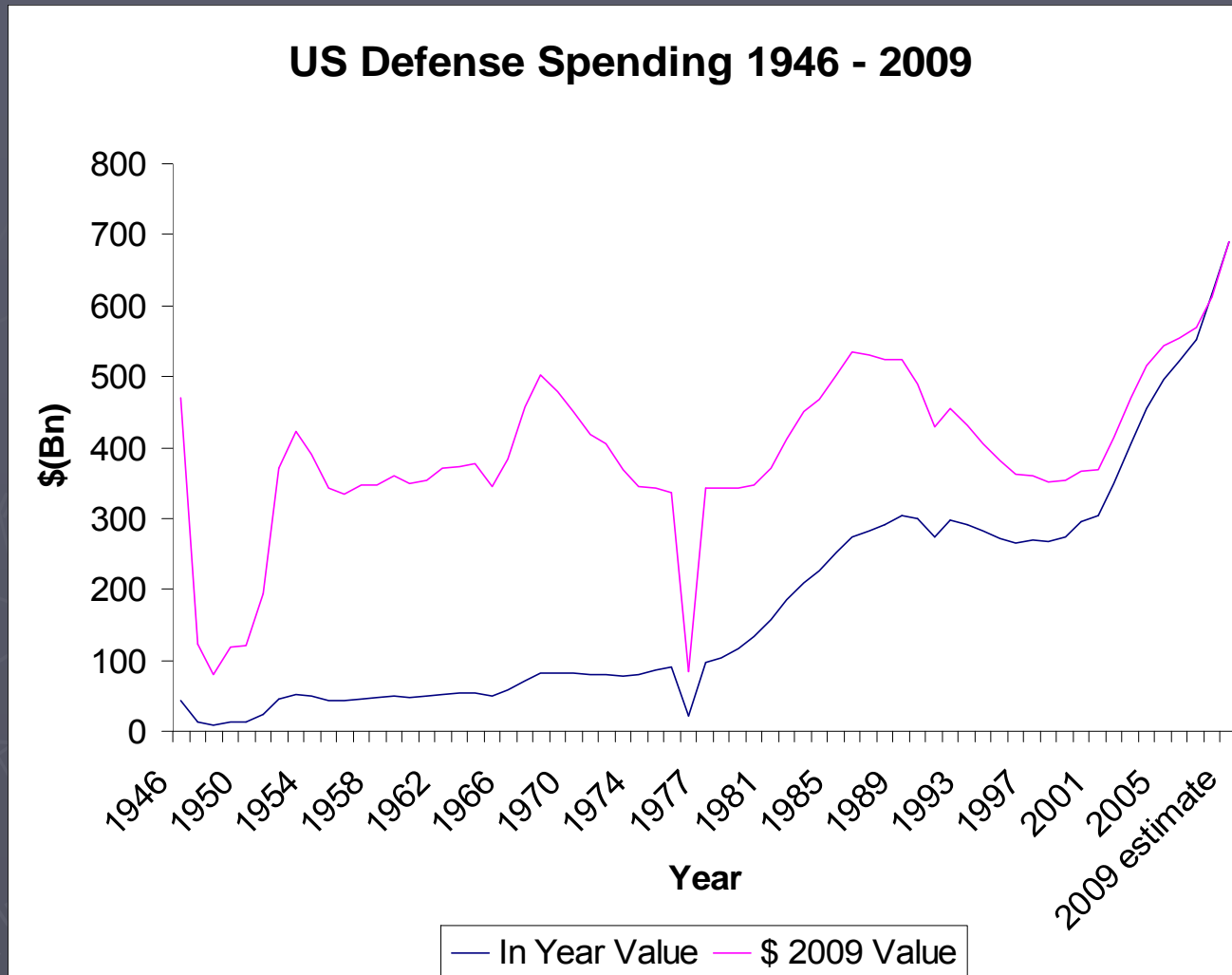


Similarities

- ▶ Security interests:
 - P5, NATO, G8, Global Trade
- ▶ Common Threats
 - International Terrorism, Piracy, Conventional Warfare
- ▶ UK shares some key high end niche capabilities with US – Intelligence, Special Forces, Nuclear



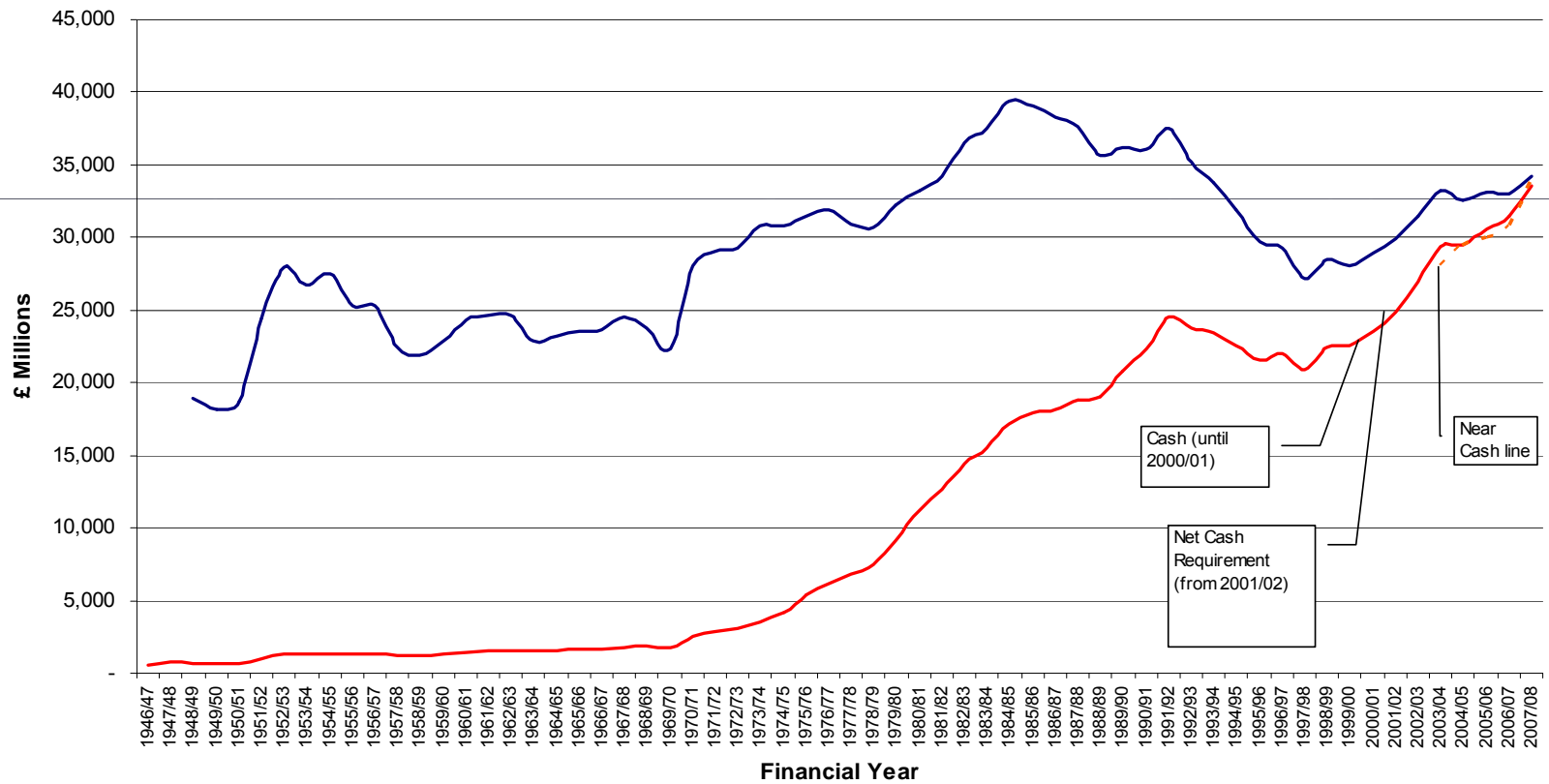
US Spending 1946-2009



*1976 Dip Caused by Transitional Quarter – not sudden drop in spending

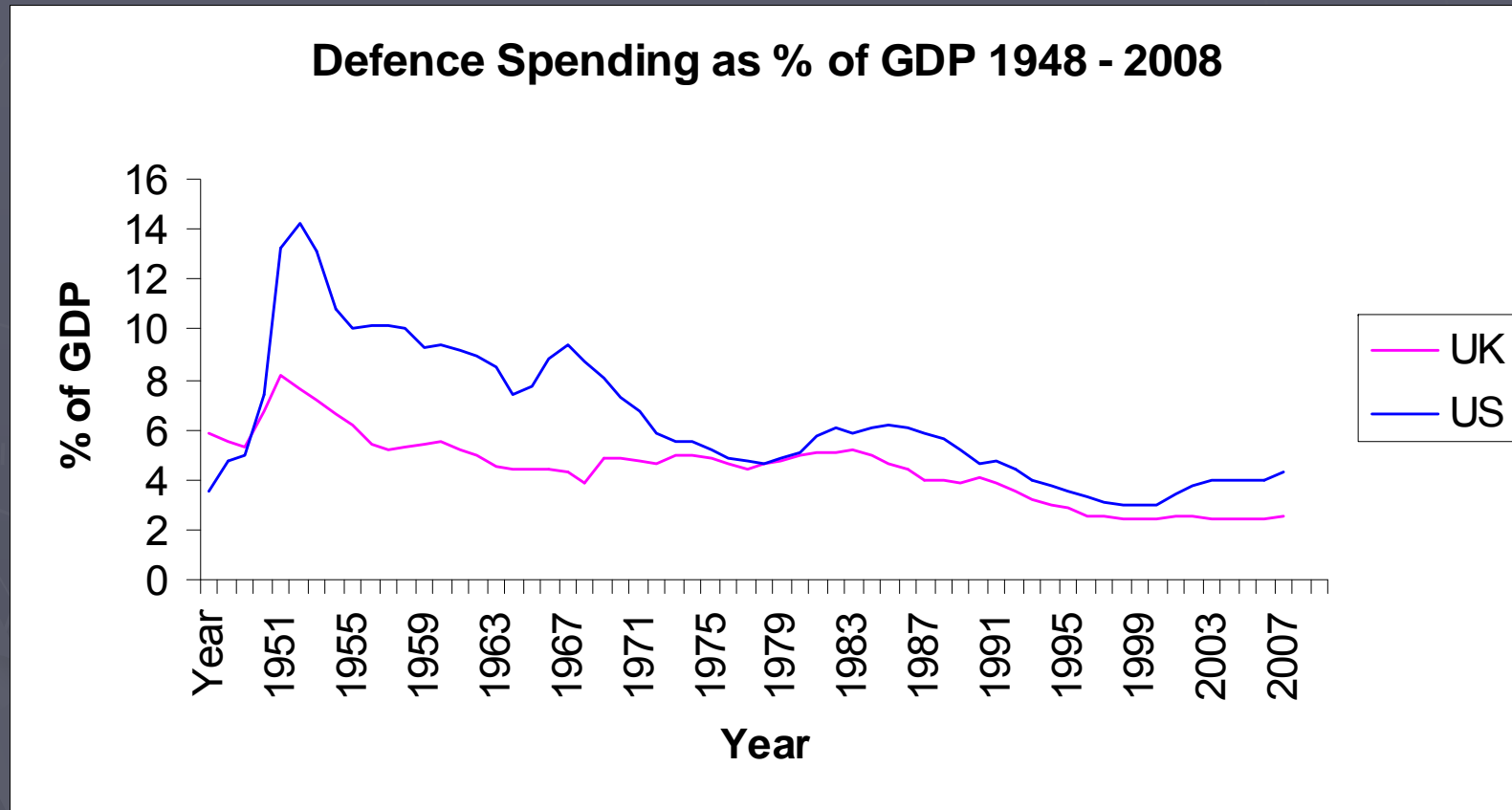
UK Spending 1948-2009

Estimated UK Defence Expenditure: 1946/7 to 2008/09



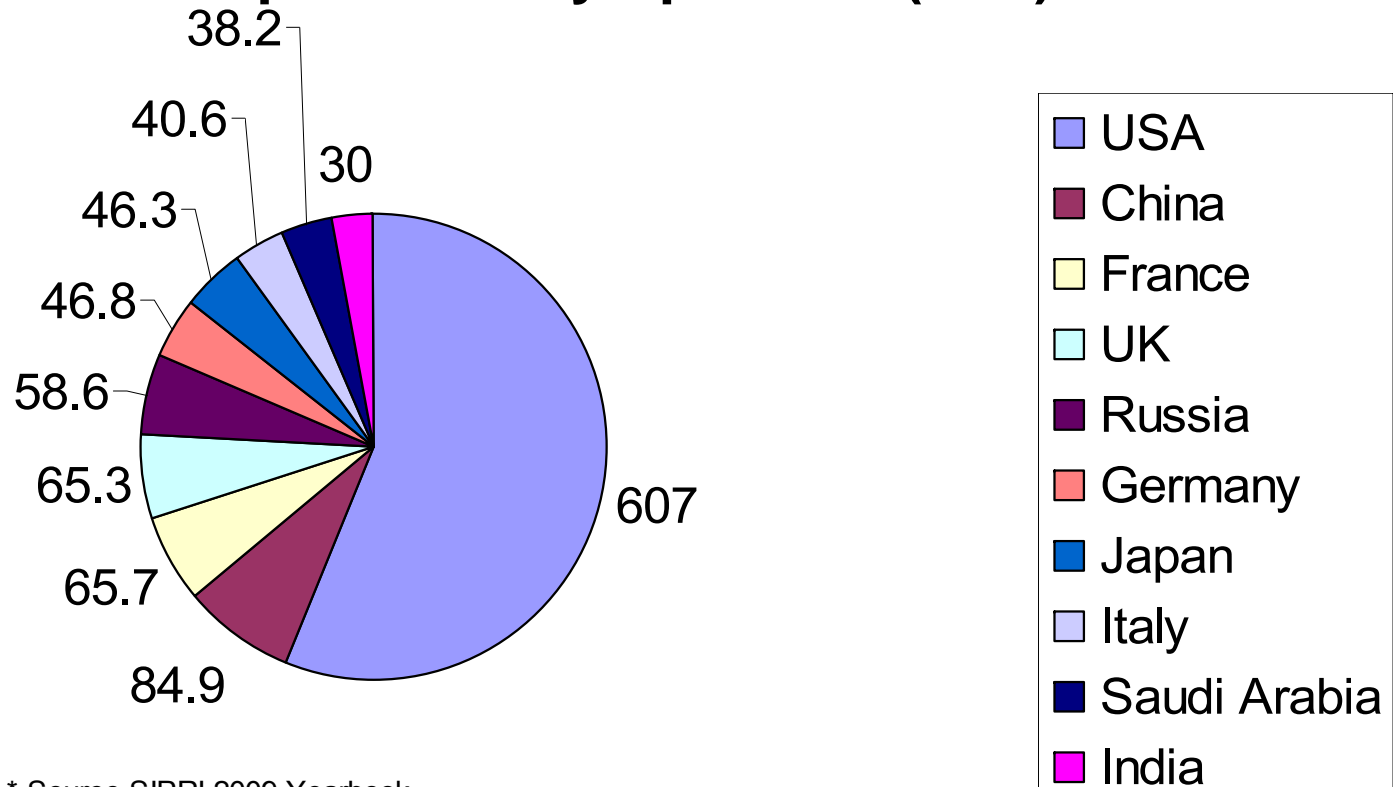
— Nominal Defence Expenditure* — Defence Expenditure at 2008/09 Constant prices* - - - Near Cash**

Spending as % of GDP 1948-2008



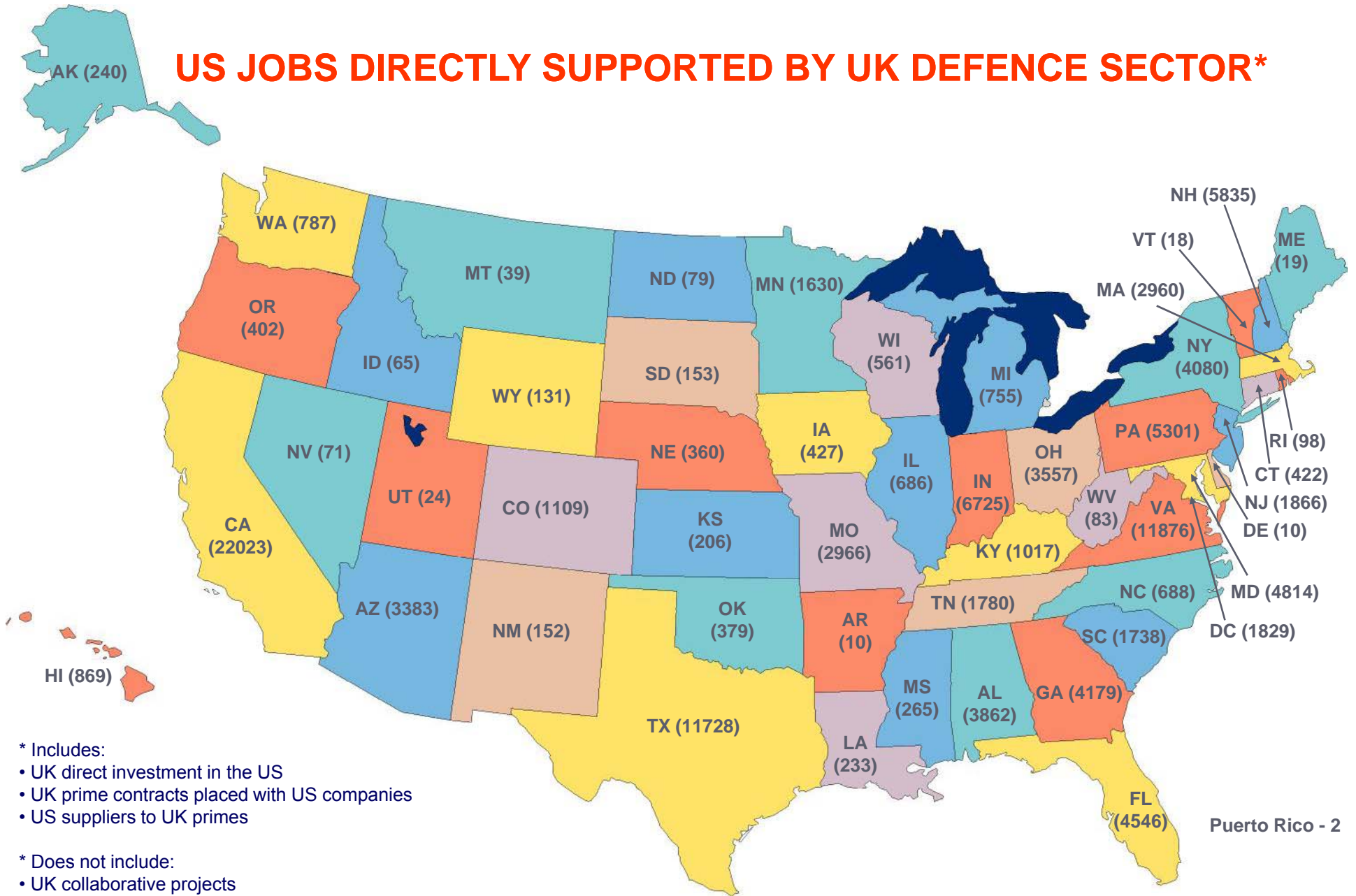
Top 10 Spenders

2008 Top 10 Military Spenders (\$Bn)*



* Source SIPRI 2009 Yearbook

US JOBS DIRECTLY SUPPORTED BY UK DEFENCE SECTOR*



- * Includes:
 - UK direct investment in the US
 - UK prime contracts placed with US companies
 - US suppliers to UK primes
- * Does not include:
 - UK collaborative projects

TOTAL US JOBS (August 2009) = >117,000 IN 50 STATES, D.C. & US Territories

Differences

- ▶ Scale – budget approximately 10% of US spending
- ▶ Legislative/political/fiscal processes
- ▶ Cultural
- ▶ UK experience of collaborative projects

Opportunities

- ▶ Inter-operability
- ▶ Cost reduction
- ▶ Different perspectives
- ▶ Wider S&T



Broad Spectrum of Technology Cooperation & Collaboration

- ▶ Nuclear
- ▶ Land
 - Survivability, Lethality, Fuel, Power for Dismounted Soldier, Protected mobility
- ▶ Maritime
 - From Protection against Fast Inshore vessels to the development of Future Submarine
- ▶ Air
 - Propulsion Systems, Stealth Technologies and Strategic Unmanned Air Vehicles
- ▶ Special Forces and Counter Terrorism
 - Night Vision, Electronic Counter Measures (ECM), Communication Systems, Specialist Land/Maritime/Air Vehicles

Acquisition Reform

- ▶ UK's resource limitations meant it started far-reaching reforms 10 years ago
- ▶ Mixed success
- ▶ Some observations that may be useful to the US – both good and bad of our own experience

The Future?



- ▶ Continuation of increase in personnel costs to the detriment of equipment budgets
- ▶ Pressure on US and UK public finances
- ▶ Uncertainty - Global instability and shift in balance of power?
- ▶ Importance of interoperable coalitions

Questions?





CHALLENGES & OPPORTUNITIES FOR TRADE: ITAR, UK/U.S. DEFENSE TRADE TREATY, DEVELOPMENTS IN EUROPE

Mr. Michael Bell, *Export Controls Consultant, BAE Systems PLC*

Mr. Stan Jacobson, *CADSI-Chairman International Committee*

Mr. George S. (Sam) Sevier, *Senior Advisor, MK Technology*





US – UK – Canada Trilateral Symposium

Trade Developments in Europe
2 October 2009

Michael Bell
Group Export Controls Consultant
BAE Systems



BAE SYSTEMS



EU Directive 2009 / 43 / EC of 6 May 2009

The 'Transfer' or 'ICT' Directive

Simplifying Intra – Community Arms Transfers

Timescales

30 June 2009

Enters into force

30 June 2011

All laws, regulations, admin
procedures to be in place

30 June 2012

Measures to be applied

Key Features

1. Member States (MS) remain responsible for licensing defence goods.
2. Directive covers only arms transfers between MS, not exports to 3rd parties.
3. Exports under ITAR unaffected.
4. Procedures for intra-community arms transfers simplified.
5. Retransfer controls discouraged but must be complied with.

Licenses under ICT

1. General Transfer Licence
authorising exports where conditions met
(equivalent to UK Open General Export Licence)
2. Global Transfer Licence
authorising multiple exports by individual
suppliers, valid for 3 years (equivalent to UK
Open Individual Export Licence)
3. Individual Transfer Licence
authorising single transfer by individual supplier
(equivalent to UK Standard Individual Export
Licence)

General Transfer Licence (Article 5)

MS must introduce as a minimum General Transfer Licences for:

- End use by armed forces of MS
- 'Certified Undertaking' as Recipient
- Demonstration, Evaluation or Exhibition
- Maintenance or Repair by Originating Supplier

Certification (Article 9)

Certification of Undertakings by MS according to criteria:

- Compliance history
- Defence track record
- Designation of senior executive as responsible officer
- Written commitment by responsible officer to supply requested information on end use/user of products transferred by other MS.
- Detailed description, countersigned by responsible officer, of compliance procedures.



CHALLENGES & OPPORTUNITIES FOR TRADE: ITAR, UK/U.S. DEFENSE TRADE TREATY, DEVELOPMENTS IN EUROPE

Presenter: Sam Sevier, Director, Western Region

MK Technology – Global Trade Consulting

www.mktechnology.com

MKTechnology



- DDTC-DTAG efforts on ITAR application processing update
 - DDTC’s Special Emphasis
 - Update CJ Process
 - NSC Guidance
 - Out Reach – Get Compliant, Stay Compliant
 - Work with industry for Successful Outcomes
 - ITAR User Friendly
 - » DTAG definition recommendations

- Initial DTAG look at the UK-US Defense Trade Treaty
 - Senate requirement
 - Implementing Wording
 - DTAG Review
 - Text - Definitions
 - USG “carve outs”
 - Recommendation to DDTC

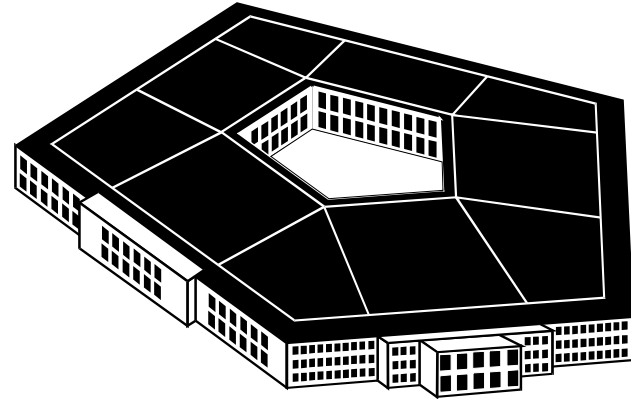


CHALLENGES & OPPORTUNITIES FOR TRADE: ITAR, UK/U.S. DEFENSE TRADE TREATY, DEVELOPMENTS IN EUROPE

Presenter: Stan Jacobson, Chairman, CADSI
International Committee



- Export Control Regimes
 - How Canadian Industry complies
- Challenges
 - Time Delays
 - Educating domestic industry
 - Human Rights versus Security
- Opportunities
 - Modernizing the lists of Controlled Goods
 - Moving goods to other jurisdictions
 - Exemptions



New Administration and Legislative Update

New Administration

- President Obama ordered a comprehensive review of the U.S. export control regime.
 - “Current Export Control system is rooted in the Cold War era”;
 - “Updated needed to address today’s threats and the changing economic and technological landscape”.
- To be coordinated by the National Security Council and the National Economic Council

New Administration

- Secretary Gates (DoD) and Secretary Locke (Commerce) met last week to discuss President Obama's plan to revamp the government's system of controlling exports of militarily sensitive technology. No details as yet.
- Commerce/DoD meetings to continue in next few weeks.

Legislative Actions- House

- The House Committee on Foreign Affairs is developing legislation that would overhaul U.S. controls on the export of certain technologies with potential military applications.
- Chairman Berman intends to introduce a new Export Administration Act that will revise the “dual-use” export control system.

Legislative Actions- House

- House passed (235-187) **H.R. 2410**, the Foreign Relations Authorization Act for Fiscal Years 2010 and 2011.
- **H.R. 2410** contains the
 - **DEFENSE TRADE CONTROLS PERFORMANCE IMPROVEMENT ACT OF 2009**

DEFENSE TRADE CONTROLS PERFORMANCE IMPROVEMENT ACT OF 2009

- Directs the Secretary to: (1) review the International Traffic in Arms Regulations and the United States Munitions List to determine those technologies and goods that warrant different or additional controls and requires the review of at least 20% of the technologies and goods each year to ensure a complete review for every five-year period
- Directs the President to make available to persons who have pending military export license applications and to the appropriate congressional committees the ability to electronically access current status information for each application

Legislative Actions- Senate

- No action/statements by Senate Committee on Foreign Affairs as of 2/10/09
- H.R. 2410 referred to the Senate Committee on Foreign Affairs – no action taken as yet.

Other Actions

- NDIA is a member of the **Coalition for Security and Competitiveness (CSC)**
- The CSC recently sent a letter to the White House recommending a set of principles and objectives to assist in shaping an effective technology control regime that protects critical technologies and safeguards national security

Other Actions

- **CSC Proposed Recommendations:**

- **Principles**

- Prevent proliferation of sensitive and militarily critical technologies
- Promote defense cooperation
- Support U.S. technological and scientific leadership
- Strengthen U.S. competitiveness in global technology markets

Other Actions

- **CSC Proposed Recommendations:**
 - **Implementation Objectives**
 - Develop clear policy criteria
 - Minimize U.S. controls on items readily available in the global marketplace
 - Rationalize the export licensing system to reduce costs and processing times
 - Institute new licensing protocols
 - Strengthen technological exchange with allies and trusted partners
 - Increase transparency in rules and regulations
 - Seek greater harmonization of export controls among major trading partners

The Future of Transatlantic Armaments Cooperation

**Cda-UK-US
Trilateral Symposium
2 October 2009**

TRANSATLANTIC ARMAMENTS COOPERATION “A HOT TOPIC”

- GOOGLE – 91,400 entries in 0.28 seconds!
- Countless past conferences/symposia
- ACT – Industry Day – 8 October 2009
- NATO – 15/16 October 2009 -
“Challenges And Opportunities in
Transatlantic Defence Industrial
Cooperation 2009”

THREE MAIN DRIVERS BEHIND MORE ARMAMENTS COOPERATION

- Enhance interoperability
- Enhance technological innovation
- Better, more affordable equipment for partners

FACT OF LIFE

- COOPERATION IS HARD
- ARMAMENTS COOPERATION IS HARDER
- TRANSATLANTIC ARMAMENTS COOPERATION IS HARDEST

COOPERATION IS HARD

- Disagreement over the “end” to be achieved.
- Differing self-interests.
- Lack of trust in other party.
- Ability to compromise.
- Advantage must outweigh perceived disadvantage.
- Involves people!

ARMAMENTS COOPERATION IS HARDER

- Harmonization of military requirement difficult
- National industrial policies
- Export control rules
- Lack of internal agreement even within individual partners
- Must agree on three levels:
 - Military
 - Political
 - Industrial

ARMAMENTS COOPERATION IS HARDER (cont)

- Generals buy equipment
- Politicians buy jobs/economic benefits

TRANSATLANTIC ARMAMENTS COOPERATION IS HARDEST

- Imbalance in size of market
- Imbalance in resources
- Imbalance in technology
- Imbalance in requirements
- ITARS
- European offset policies
- Several US government departments have say – not just DoD

SUCCESSFUL TRANSATLANTIC ARMAMENTS PROJECTS

- AWACS
- Seasparrow/ESSM
- MEADS
- JTIDS – MIDS
- JSF
- Strategic airlift
- AGS (?)

TRANSATLANTIC ARMAMENTS COOPERATION PROJECTS - NOT INVOLVING USA

- APAR
- SIRIUS
- IRIS – T
- Airbus A310 refueller

FUTURE OF TRANSATLANTIC ARMAMENTS COOPERATION – 1996 VISION

“I believe that national security – ours and that of our friends and allies – now, and in the future, will increasingly rely on bi- and multi-lateral armaments cooperation. The underpinning for this will be a shift towards giving greater importance to the economic and industrial considerations of material acquisition programs in the future. This belief is the basis for the renaissance in armaments cooperation occurring on both sides of the Atlantic”.

Paul Kaminski
USD (AET)
US DoD
April 1996

FUTURE OF TRANSATLANTIC ARMAMENTS COOPERATION – REASONS FOR OPTIMISM

- Current financial situation worldwide
- Evidence of more willingness to share technology
- European industrial consolidation
- US “openness” to procure large European systems
- Acknowledged need for interoperability in C4ISR
- Grudging acceptance of US technological lead in aerospace and C4ISR

FUTURE OF TRANSATLANTIC ARMAMENTS COOPERATION – LET'S BE REALISTIC

- Do not believe as RUSI states:
“ . . . the landscape for Transatlantic defence industrial cooperation is in the midst of a profound transformation”.
- Been down this road before, with few concrete developments
- Beware the “ . . . Tortuous negotiations over the minutiae of implementation . . . “
- Jury still out on US
- Expect future cooperation to continue to focus on aerospace and C4ISR, with particular emphasis on the latter

FUTURE OF TRANSATLANTIC ARMAMENTS COOPERATION – BOTTOM LINE

With apologies to Yogi Berra

“The future is what it used to be.”

CONTACT INFORMATION

PIERRE LAGUEUX

SENIOR PARTNER

CFN CONSULTANTS

OTTAWA, CANADA

TELEPHONE: (613) 232-1576

Email: plagueux@cfncon.com



Rear Admiral Rees Ward (retd.) CB

U.S.-UK- CANADA
Trilateral Symposium
Arlington VA, 2 October 2009

The power of three - in one



A|D|S

A|D|S is the trade body
Advancing UK AeroSpace, Defence and Security
industries
with Farnborough International Limited as a
wholly-owned subsidiary.
A|D|S also encompasses the British Aviation
Group (BAG).



Market Sectors



Civil Aviation

Defence

Space

Security



Single More Powerful Voice With Government

A|D|S works closely with the following UK
Government Departments:

- Cabinet Office
- Business Innovation & Skills (BIS)
 - Export Control Organisation (ECO)
- Foreign & Commonwealth Office (FCO)
- Her Majesty's Revenue & Customs (HMRC)
- Home Office
 - Home Office Scientific Development Branch (HOSDB)
 - Office of Security & Counter Terrorism (OSCT)
- Ministry of Defence (MoD)
- UK Trade & Investment (UKTI)



Memoranda of Understanding

DMA / CADSI

August 1997

DMA / NDIA

February 2003

- Co-operation
- Information sharing
- Events



The UK Defence & Security Industry

- Annual turnover around £35bn
- £11.6bn UK MoD expenditure

(£5.1 Equipment, £3.8bn Equipment Support, £2.7bn R&D)

- Average £5bn Exports



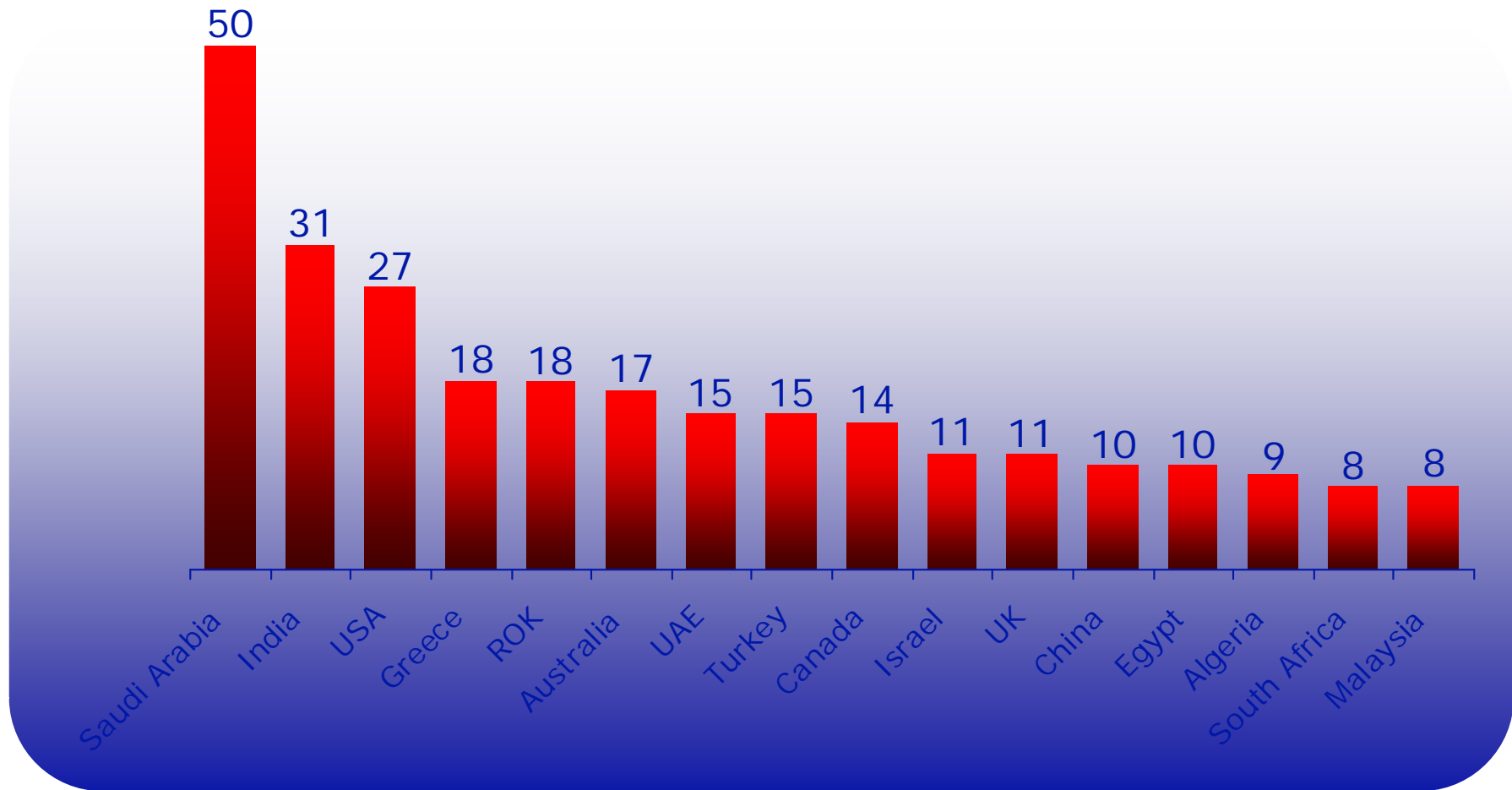
UK Defence Exports 2008

- £4.2bn (17% global market share)

Average Market Shares 2003-08:

- USA 27%
- UK 21%
- Russia 14%
- France 9%
- Germany 4%
- Israel 3.5%

Top Defence Importers: 1999-2008 (\$bn)



Rear Admiral Rees Ward (retd.) CB

Tel: +44 (0)1428 602600
rees.ward@adsgroup.org.uk

www.adsgroup.org.uk

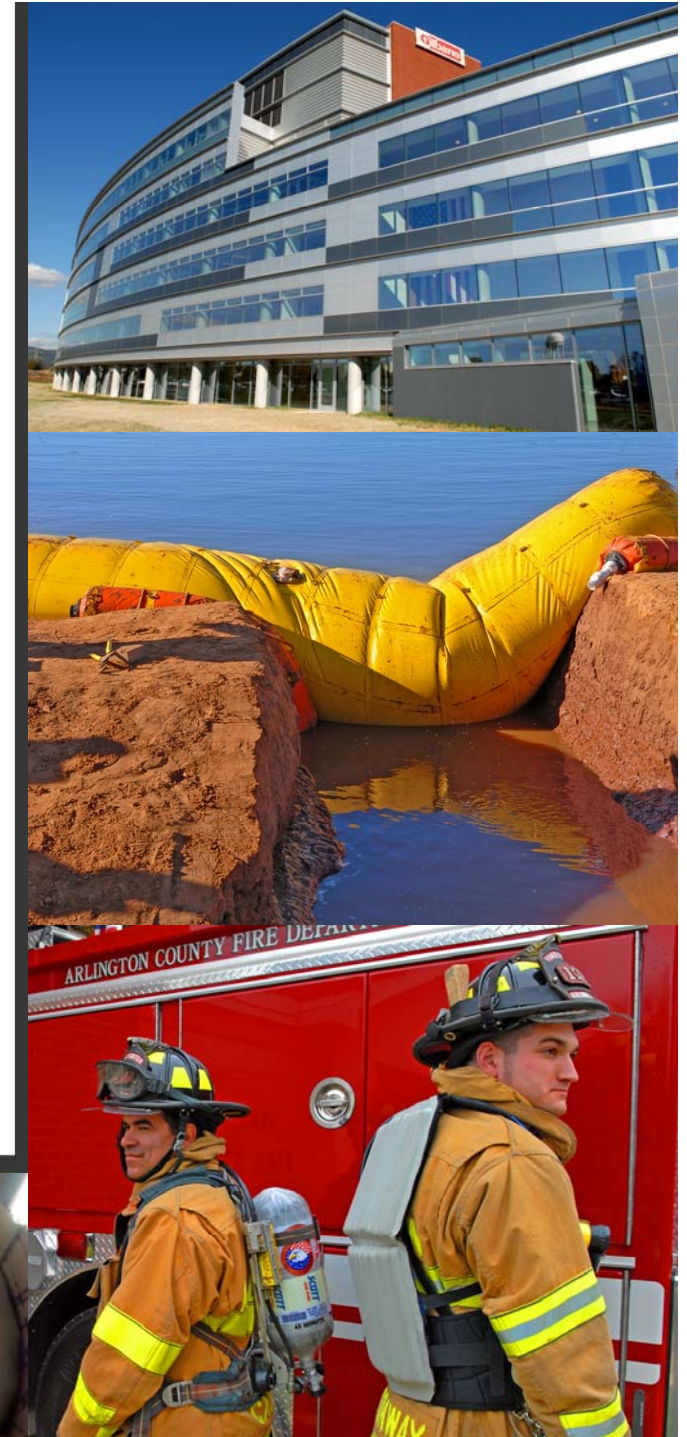
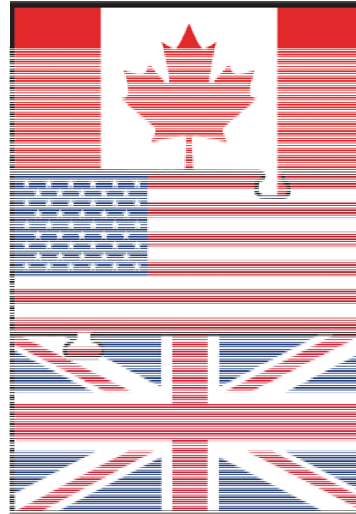


U.S.-UK-CANADA TRILATERAL SYMPOSIUM

Panel Discussion: Working Together in Science & Technology

October 2, 2009 • Arlington, VA

Stephen Dennis
Technical Director, HSARPA
Science and Technology Directorate
U.S. Department of Homeland Security



Homeland
Security

Science and Technology





Homeland
Security

FROM SCIENCE...SECURITY

Explosives



Chemical/Biological



Command, Control & Interoperability



Borders/Maritime



Human Factors/ Behavioral Sciences



Infrastructure/Geophysical



FROM TECHNOLOGY...TRUST



Homeland Security

**** Open until ****
**** 29 SEP 2009 ****

International Research Grants

Yearly solicitation for international research proposals, aligned with S&T's mission, issued (pending the availability of appropriated funds):

- Evaluation of novel tools or approaches to confronting homeland security challenges.
- Basic research to provide data, understanding, or models that support S&T or policy decisions by the Department of Homeland Security.
- S&T and operations research evaluations to support revolutionary improvements in the DHS mission and its component agencies' operations.
- ***Opportunities are posted at www.grants.gov under funding opportunity DHS-09-ST-108-001***



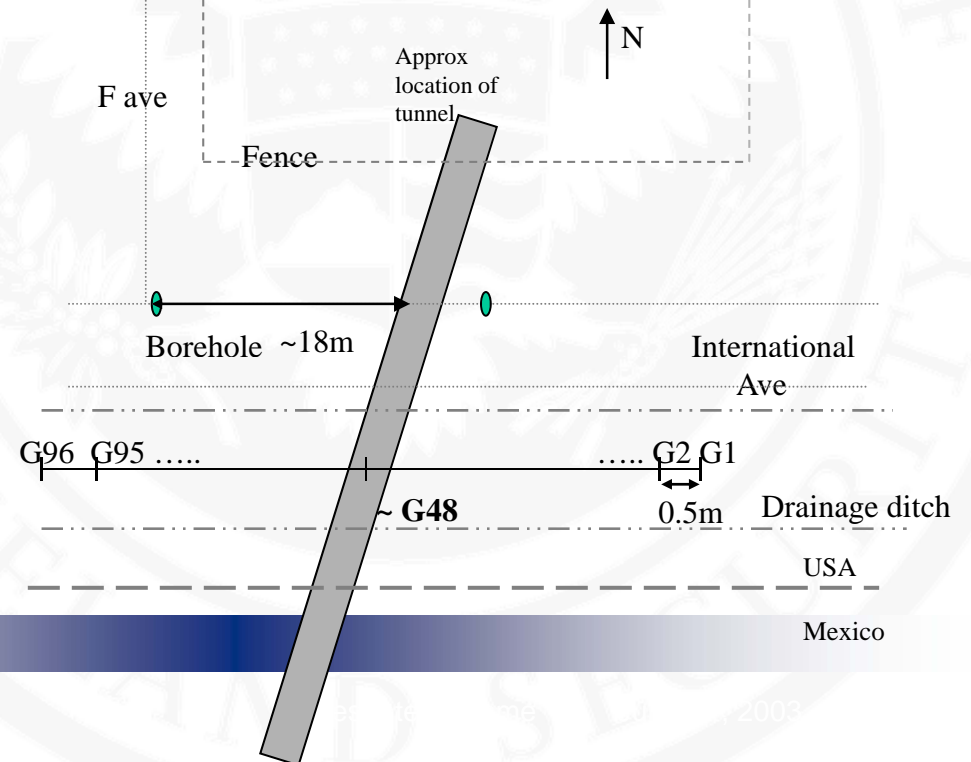
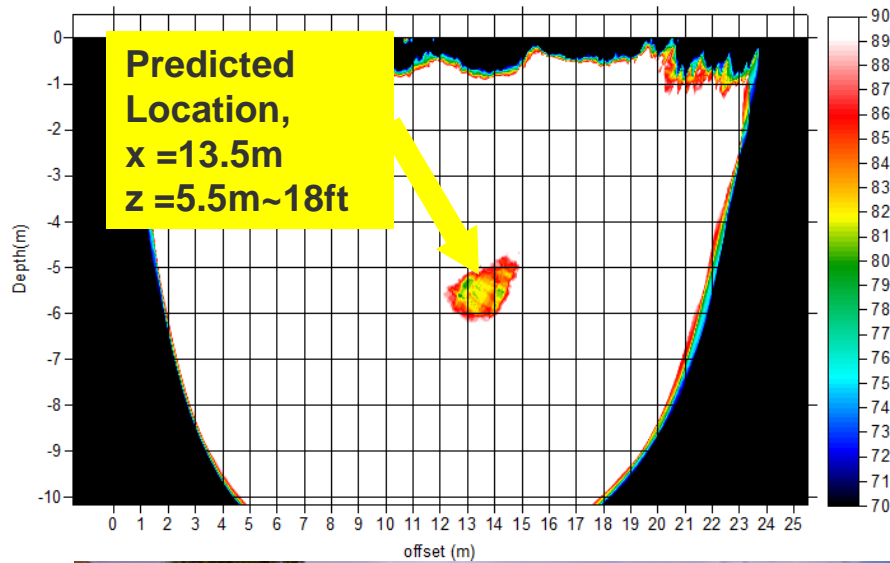
Resilient Tunnel Demonstration

August 2008





Clandestine Tunnel Detection



Homeland
Security

SECURE™ Program

Developing Solutions in Partnership with the Private Sector

- ‘Win-Win-Win’ Public-Private Partnership program benefits DHS’s stakeholders, private sector and –most importantly- Taxpayers
- Saves time and money on product development costs leveraging the free-market system and encouraging the development of widely distributed products for DHS’s stakeholders
- Detailed articulation of requirements (ORD template) and T&E review provides assurance to DHS, First Responders and private sector users (like CIKR) that products/services perform as prescribed



http://www.dhs.gov/xres/programs/gc_1211996620526.shtm

BLAST RESISTANT CAMERAS

SUMMARY: Collaboration with industry to develop low cost blast resistant forensic surveillance capabilities for mass transit applications

CUSTOMERS: Mass transit owners and operators, law enforcement

PROGRAM START: June 2008

WHAT'S NEXT: With first prototype deliveries and blast test and evaluations completed, we are now in the process of executing thermal evaluations and initiating a pilot experiment with 10 different transit systems in cooperation with TSA and the Department of Transportation Volpe Center.





COUNTERING THE TERRORIST THREAT THROUGH INNOVATION

-
- UK Government's approach to Security
 - International Terrorism
 - Security: Key Challenges
 - Security: Key Technologies
 - London 2012 Olympic & Paralympic Games
 - How to get involved

Security in an Interdependent World: National Security Strategy.

S&T for Countering International Terrorism.

CONTEST The Home Office Counter-Terrorism Strategy.

Ideas and Innovation: How Industry & Academia can play their part.

Threat from international terrorism in the UK remains severe.

There remains a threat from dissident Irish republican groups opposed to the Political settlement endorsed by the people of Northern Ireland.

Al Qaeda and its affiliates, remain the pre-eminent threat to the UK

KEY CHALLENGES

- Reducing the vulnerability of crowded spaces
- Protecting the National Infrastructure
- Protecting against Cyber terrorism
- Improving Analytical tools

- Knowledge Management
- Biometrics
- Screening
- Physical Protection
- Countering Improvised Explosive Devices (IEDs)



LONDON 2012



Courtesy of ODA

London 2012 Olympic & Paralympic Games

- The Office for Security & Counter-Terrorism (OSCT) and the UK Security and Resilience Industry Community (RISC) established the Olympics Industry Advisory Group
- July 2009, UK Government published an unclassified version of the London 2012 Olympics Safety and Security Strategy and a shorter explanatory pamphlet entitled:

“ London 2010: A Safe and Secure Games for All”

How is Government supporting partnership with Industry?

How can Industry talk to Government?

How is Government communicating with Academia?

Bright Ideas from Industry & Academia:
Who to contact?

HOW TO GET INVOLVED (Continued)

What Funding is Available for research and Proof of Concept?

How can I become a supplier to the Government?

What should I do next?

FUNDING FOR RESEARCH/PROOF OF CONCEPT

- Technology Strategy Board (TSB)
- Centre for Defence Enterprise
- TSB Small Business Research Initiative (SBRI)
- EU Research Funding: Framework 7 (FP7)
- European Security Research and Innovation Forum (ESRIF)
- European Research Area
- European Technology Forums (ETPs)

-
- The Office of Government Commerce (OGC)
www.supply2.gov.uk
 - Bluelight
www.bluelight.gov.uk
 - CONTEST Portfolio Office
email:
CONTESTscience@homeoffice.gsi.gov.uk

- www.ADS.org.
(Advancing UK Aerospace, Defence & Security Industries)
- [www,bsia.co.uk](http://www.bsia.co.uk) (British Security Industry Association)
- www.scienceandresearch.homeoffice.gov.uk/hosdb
(Home Office Scientific Development Branch)
- www.AURIL.org.uk
(Association for University Research and Industry Links)
- www.iaeste.org.uk
(International Association for the Exchange of Students for Technical Experience:
Supports transfer of research students internationally, exists in US and Canada & UK)
- http://cordis.europa.eu/fp7/security/home_en.html
(EU F7 latest call in security US and particularly Canadian companies can participate)

KROMEK: UKTI CASE STUDY



Terry Shear, MBE,

Vice Consul, Trade & Investment & Homeland Security Sector Specialist

UK Trade & Investment at the British Embassy

3100 Massachusetts Avenue, NW

Washington, DC 20008

Tel: 202 588-6670

Email: terry.shear@fco.gov.uk

UNCLASSIFIED

Defense Technology Security Administration



Mr Tony Aldwell
U.S.-UK-Canada Trilateral Symposium
2 October 2009

UNCLASSIFIED

DTSA 
Ensuring the Edge

mission

To promote U.S. National Security interests by protecting critical technology while building partnership capacity

A person is shown in silhouette, looking towards a computer monitor. The entire scene is bathed in a green light, with some blurred lights visible on the screen. The text 'strategic goal' is overlaid in a light green color at the top.

strategic goal

Preserve the U.S. defense edge by preventing the proliferation and diversion of technology that could prove detrimental to U.S. national security.

strategic goal



Engage U.S. allies and partners to increase interoperability and protect critical technology



Facilitate the health of
the U.S. industrial base



POLICY

Defense Technology Security Administration

DUSD for Technology Security Policy & Nat'l Disclosure Policy, Acting Director, Defense Technology Security Administration (DTSA), Acting

Deputy Director
DTSA

Military
Assistant

Licensing
Directorate

- License Reviews
- Commodity Jurisdictions
- Voluntary & Directed Disclosures
- Regulations

Technology
Directorate

- Aeronautical
- Electronics
- Information & Communications
- Sensors & Lasers
- Missiles & Space
- NBC/Land/Naval/ Materials/Machine Tools
- Space Monitoring

Policy
Directorate

- Regional Policy
- Negotiations/Liaison
- Capabilities/Systems
- Assessments/CFIUS

International
Security

- Secretariat NDPC
- FG Disclosure Policy
- Security Surveys
- General Security Agmt
- NATO Security Policy
- FN Pers Assgn Policy
- Monitor Int'l Sec Prgm
- Int'l Sec Tng Oversight

Space
Directorate

- License Monitoring
- Tech Exchanges
- Tech Data Reviews

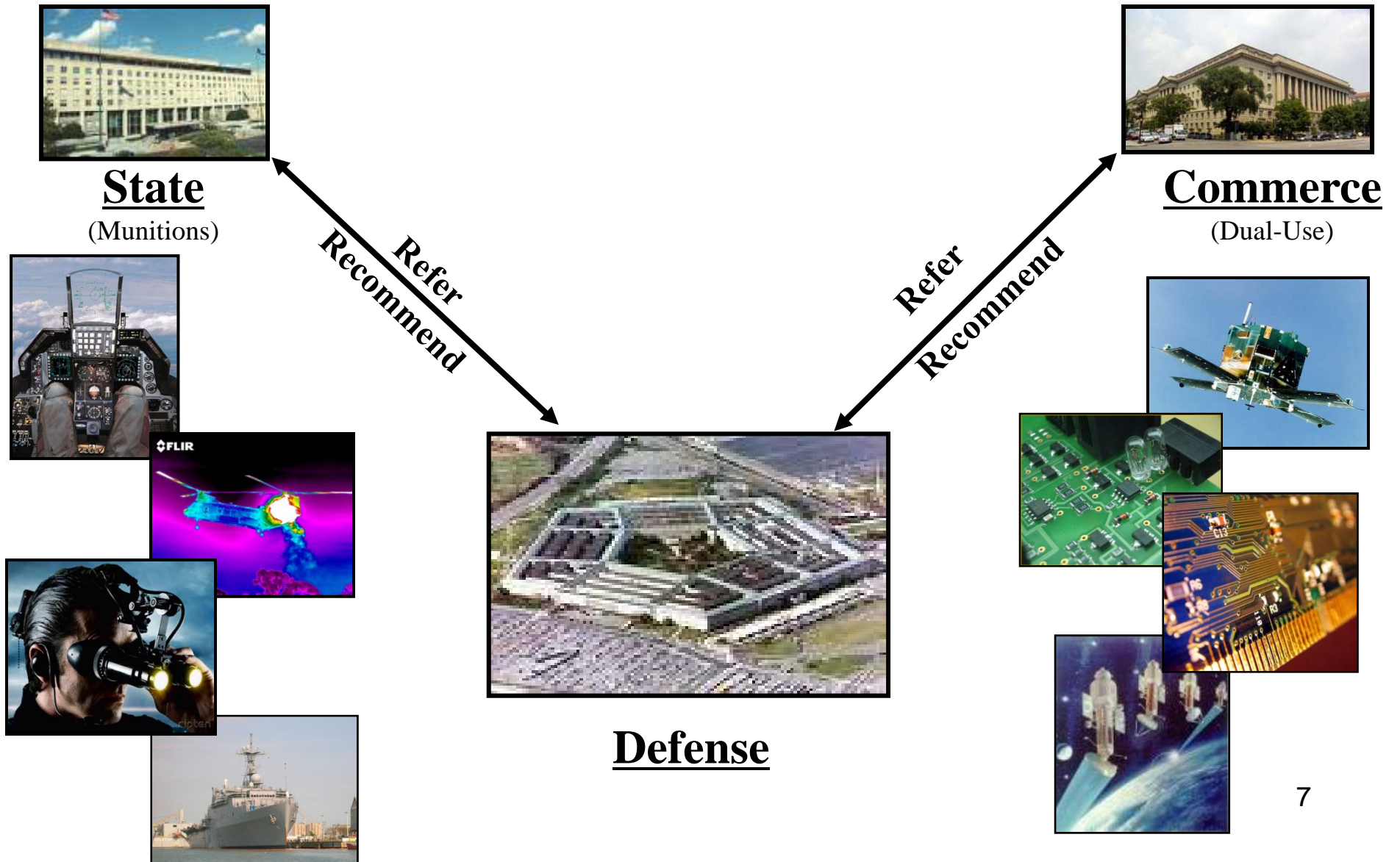
Management
Directorate

- Personnel
- Security
- Logistics
- Comptroller
- Info Technology
- Info Assurance



POLICY

Department of Defense Role in Export Controls





DoD Technology Security Policy Defense Trade & Technology Transfers

Assessing Impact on National Security

- **Factors Considered:**
 - **Policies (region, country & technology)**
 - **Level of technology (U.S. systems and countermeasures)**
 - **End-user & end-use history**
 - **Military operational impact**
 - **Inter-operability requirements**
 - **Bilateral, multilateral and international agreements**
 - **Foreign availability of comparable systems**
 - **Classified data transfers**

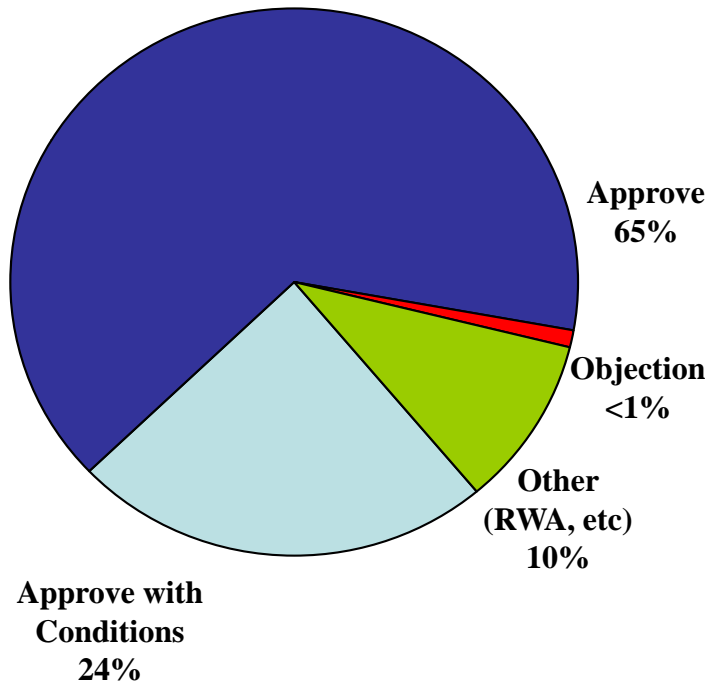


POLICY

FY09 DTSA Statistics

01 October 2008 – 25 September 2009

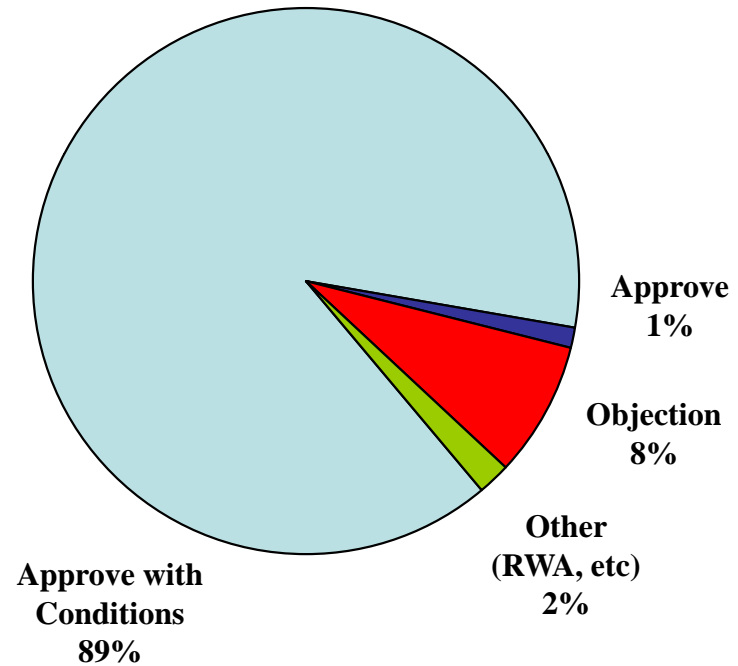
Munitions



40,233 Licenses Reviewed

11 Day Average

Dual-Use



16,604 Licenses Reviewed

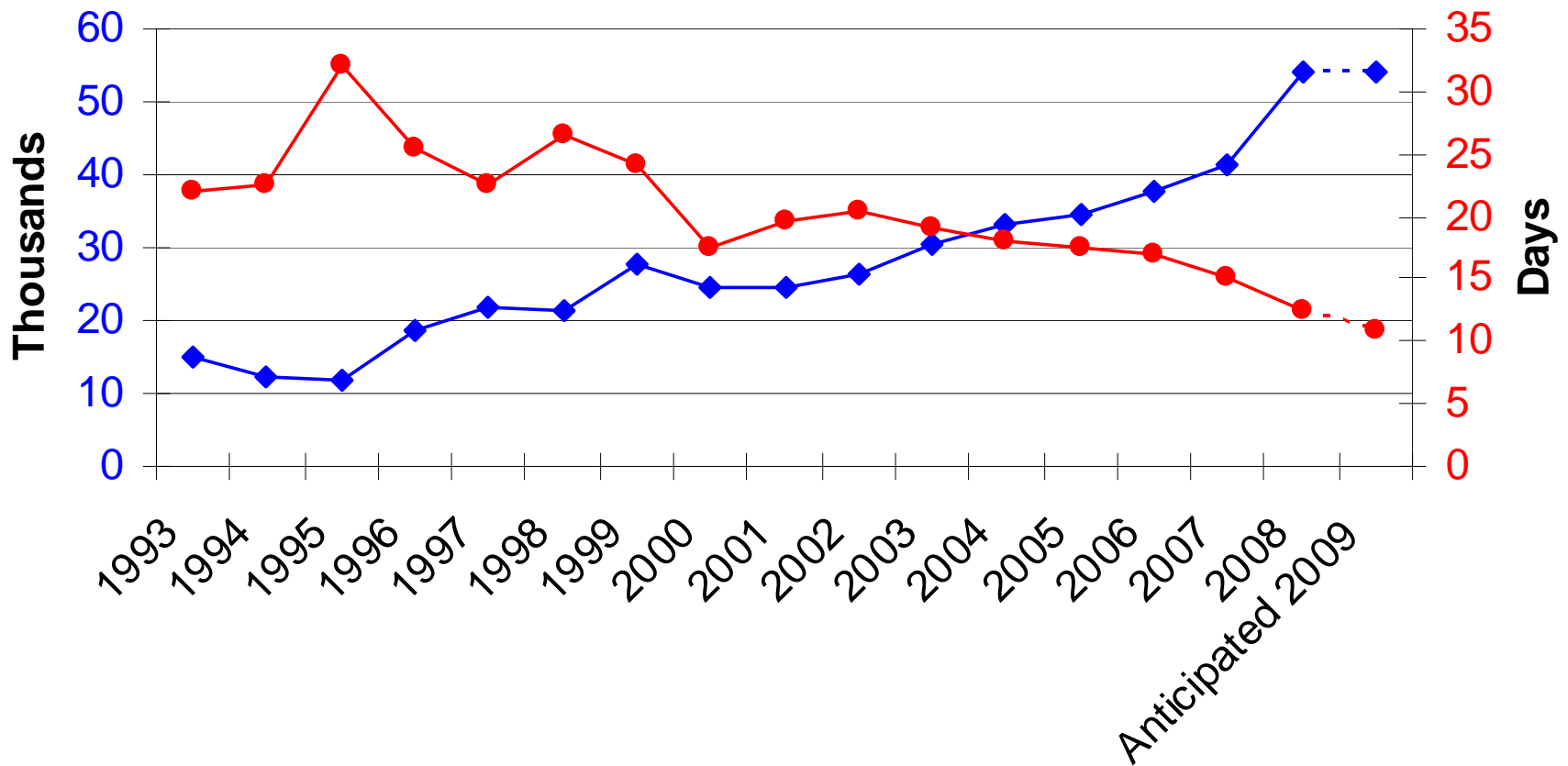
13 Day Average



POLICY

DoD Review Statistics

Caseload – Average Age





POLICY

Current Priorities/Initiatives

- DoD export License Processes:
 - Electronic Staffing
 - Do Not Staff List
 - “Tiger Team”
 - NV Agreement w/DoC
- Arms Transfer and Technology Release Senior Steering Group
- Regional Focus
- Export Control Reform



POLICY

Questions

DTSA Website:

http://www.defenselink.mil/policy/sections/policy_offices/dtsa/index.html