



Records of Discussion
MEETING DEFENSE MOU ATTACHÉS GROUP
Thursday, April 28 2022
 2:00 pm – 4:15 pm Meeting
 hosted by the Embassy of Austria

Mr. Pieter-Henk Schroor (Chair)	Netherlands
Mr. Einar Gustafson (Vice Chair)	Norway
Mr. Sam Bullock	Australia
Col. Heinz-Peter Kunzer	Austria
Ms. Irene Lack-Hageneder	Austria
Col. Steven L. MacDonald	Canada
LTC Jiri Klepetko	Czech Republic
CDR Jesper Rasmussen	Denmark
Lt. Col. Harri Korhonen	Finland
Mr. Kauis Innanen	Finland
Ms. Elisa Rosenkranz	Germany
Mr. Ori Katzav	Israel
Mr. Ikuo Yoshida	Japan
Mr. Takashi Kodaira	Japan
Ms. Mei Sato	Japan
CDR Stefan Luteijn	Netherlands
Maj Gen Odd-Harald Hagen	Norway
CAPT (SPN) Ignacio Sánchez de Toca	Spain
Maj. Andrés Sambeat Vicien	Spain
Mr. Hakan Söderstedt	Sweden
Mr. Magnus Bergman	Sweden
Ms. Elizabeth Dall'Acqua	Switzerland
Mr. Ben Grinham	United Kingdom
Ms. Erin Morton	United Kingdom
Ms. Gianna Figueiredo-Maddox	OUSD (A & S)
Ms. Katherine Parroots	OUSD (A & S)



1. OPENING / INTRODUCTION BY THE VICE CHAIR

- Chair Pieter-Henk Schroor called the meeting to order at 2:10 pm, starting with wishing everyone welcome. He mentioned that today's guest speaker, Ms. Gianna Figueiredo-Maddox, would start her presentation at 3:30 pm.

2. REVIEW OF THE RECORD OF DISCUSSION OF THE PREVIOUS DMAG MEETING

- The record was reviewed page by page, no comments.
- Mr. Steve MacDonald added the next meeting with Ms. Bostjanick will take place in May 2022.

3. FOLLOW-UP ITEMS FROM THE PREVIOUS DMAG MEETING

- Chair Pieter-Henk addressed the latest DMAG letter to Ms. Celeste Drake, the Director of the Made in America Office, and thanked the DMAG members of the United Kingdom and Canada for their hard work on it.
- In this context, the Chair encouraged all members to write a letter as well – bilaterally in the name of the Ambassador.
- The members of Canada and the United Kingdom already sent a letter separately – no response so far.
- As this is a serious matter, the Chairman recommended that all volunteers should send out their letters no later than May 14th, 2022.

4. REPORT FROM WORKING GROUP ON CYBER

- Mr. MacDonald started his presentation on the screen and passed a paper handout to each member.
- This presentation is an essential part of this ROD.
- The Chair of the WG on Cyber, Mr. MacDonald, will retire on August 31st 2022 and encouraged everyone to volunteer for the important role of the new Chair. If someone has interest to take over from, please let him know.
- As soon as Mr. MacDonald receives the minutes of the joint FPG-DMAG meeting, he will share this useful summary with all DMAG members.

5. REPORT FROM WORKING GROUP ON EXPORT CONTROL

- The WG didn't meet since the last DMAG meeting. Col. Kunzer, the Chair of this WG, is still waiting for a response to meet a representative from DDTC.





6. REPORT FROM WORKING GROUP ON INDUSTRIAL BASE COOPERATION

- The group is still in need of a WG Chair. Chair Pieter-Henk called on members to volunteer for this important position. Mr. MacDonald, the interim Chair, is going to leave this Summer and without a Chair it will be difficult to run this WG for its purpose.

7. REPORT FROM THE EXECUTIVE COMMITTEE

- This WG came together last Monday and the letter to Ms. Celeste Drake, sent out on April 25th, was discussed.
- The lack of WG Chairs was also a topic.
- Two interesting guest speakers for other joint FPG-DMAG meetings were identified. The next meeting take place on Friday, May 20th, at the Dutch Embassy. It starts at 3:00 pm and doors will open at 2:30 pm. The guest speaker of the day is Mr. James A. Hursch, Director of the Defense Security Cooperation Agency (DSCA).
- A DMAG meeting in May won't take place. Instead, a combined meeting on June 30th was identified as a regular DMAG meeting and a General Assembly.
- Our DMAG charter is still relevant and should be discussed during the GA. We should speak about what DMAG needs to do and want to achieve in the near future. It is planned to invite a guest speaker.
- Due to the fact that this meeting will be the last meeting before Summer break, it also serves the purpose to farewell from leaving members, followed by a social event.
- To identify all leaving members, we will reach out by email next week.

8. OTHER ISSUES AFFECTING MEMBERS

- Prior agenda points already touched this topic. No further comments.

9. UPCOMING DMAG MEETINGS and EVENTS

Month	Host	Details/Date	Guest Speaker
JUNE	EMBASSY OF FINLAND	Thursday, June 30	TBD

10. DEFENSE COOPERATION EVENTS

- No comments.





11. ANY OTHER BUSINESS

- No comments.

GUEST SPEAKER: Ms. Gianna Figueiredo-Maddox

- Ms. Figueiredo-Maddox thanked for the invite and the opportunity to be present. She started to introduce herself as the Defense Production Act Title I Director for OUSD Industrial Base and has been in Industrial Base Policies for almost twelve years. She has been overseeing this portfolio as the Director for two and a half years, previously with the Assistant Director. Security of supply arrangements have been a sort of an incredibly important part then over the last 12 months. The importance of having our security supply arrangements and working with our international partners is critical as we know if nothing else Covid19 played a huge part in showing us how globalized our industrial base is and how important it is to have arrangements like this in place whether it's peace time or in case of emergencies.
- To give a little bit of background on what SOSA's are: Security supply arrangements are non-illegally binding arrangements that the DoD establishes commutes with partnering MoD's. In the US we have what is called the DPAS-System: Defense Priorities and Allocations System. It's a legally Biden-System and we can compel as the DoD the industry to accept rated orders and to give us prioritization over the commercial market. So with our security supply arrangements, we give our international partners - when requested – access into that DPAS-System and so being able to rate your orders, get prioritization – whether it is an item, an actual entire weapon system – typically it is products and actual components. On the reciprocal side we recognize that most countries don't have a DPAS-System or a DPAS-like. So they use what is called a "code of conduct" and so that is the arrangement, which is typically set up between the MoD and your industry. And which essentially says that in the event the United States asks for assistance from your country in procuring items or components that you will give us the exact same level of prioritization if and when you can. So we can not compel your industry to do that.
- From our side it is a little bit different as we can legally compel our industries to accept the orders. And so we understand that this is not typically the case. We had in the last ten years only asked for assistance from one of our SOSA-partners. So it is not something from the US-side that we leverage a lot. We do recognize that we get a lot more requests that we put out and that's understandable.





- We definitely have the legal hammer, but we prefer a softer approach, which works in 80% of the cases
- When you think of Covid19 and also the Ukrainian conflict and supply chain issues in general, it's a number of components which are globally unavailable, e.g. electronically components.
- We are fielding a number of requests internationally from our SOSA-partners as well as from our non-SOSA-partners for assistance right now. We are taking those in and looking them on a case by case basis and saying how do we help support and how can we get them the prioritization that we need while at the same time maintaining the US' capability and readiness and military objectives. We are looking at all of those requests that we are getting in and hopefully we've been able to help a number of our partners and that's our goal to continue to be able to support. Not only our SOSA-partners, but in the international community at large.

One of our clauses within DPAS is that: We don't get involved into negotiation of pricing. So that's really between the contractor and the vendor. What we ensure is that vendors can't discriminate against an order because it is rated. Because there is an added layer of burden on the company to accept a rated order. They can not charge us a higher price because we are asking for prioritization.

- There is an added layer complexity to the complexity DPAS system. We have also access to an SPA (Special Priority Assistant). What the SPA allow us to do is to give this prioritization to that piece of equipment that weapon system that program or that part so that we can sort of move on uninhabited
- We can only institute the law for US suppliers in US territory. What we can do in the way we view our SOSA's is that if you are a US company and you are accepting your rated orders domestically but you are manufacturing in another country for another reason, we would still include that as part of our domestic industrial base. That US company is signaling to that manufacturing facility what prioritization should be happening. So in the past we have signaled to US manufacturers that we understand that your manufacturing is abroad but this is what we expect as far as prioritization. And they are mostly willing to comply and if not we call the DoD in and then they are willing to comply.
- We can not compel a company one of our clauses, we can't compel a company to produce things outside of their normal terms and conditions. So it has to be something that you have already manufactured. During Covid, GM started manufacturing ventilators. GM doesn't typically make ventilators, but they have the capability and the capacity.





- If in the event there is an issue with prioritization and we cannot get their part of component, we would start, whether we had a SOSA or not, to reach out to the MoD and voice concerns in the form of a formal letter to say “program access having trouble with getting part of this component – we are looking for assistance – can you help?”. Based on that dialogue, there would probably some contact between the DoD and that company and then see if prioritization was needed.

DMAG Chair Pieter-Henk Schroor concluded the meeting at 4:12 pm.

DMAG Secretariat

