

**RECORD OF DISCUSSION  
DEFENSE MOU ATTACHÉS GROUP MEETING**

**Thursday, May 2<sup>nd</sup> 2019 10:30-13:15  
Embassy of Switzerland**

**ATTENDEES**

| Mr. Pieter-Henk Schroor      | Chairman       |
|------------------------------|----------------|
| Mr. Einar Gustafson          | Norway         |
| Ms. Nicole Herzog            | Secretary      |
| Mr. Peter Jenni              | Switzerland    |
| Mrs. Francesca von Grebmer   | Switzerland    |
| Ms. Heidi Grant              | Guest Speaker  |
| Ms. Monica Knapp             | Guest Speaker  |
| Cdr Ruben Ramos              | Guest Speaker  |
|                              |                |
| Mr. Roger Grose              | Australia      |
| Col. Leo Radlingmayer        | Austria        |
| Col. Stephen MacDonald       | Canada         |
| Maj. Kathie O'Brien          | Canada         |
| Lt Col. Janne Jokinen        | Finland        |
| Col. Nicolas Tessaud         | France         |
| Col. Emilie Tota             | France         |
| Col. Emmanuel Thomé          | France         |
| Lt Col. Emmanouil Stefanakis | Greece         |
| Mr. Tom Skorinsky            | Israel         |
| Mr. Danishai Kornbluth       | Israel         |
| Ms. May Zisbrod              | Israel         |
| Mr. Christian Vinazzani      | Italy          |
| Ms. Metka Urbas              | Slovenia       |
| Mr. Ola Alfredsson           | Sweden         |
| Mr. Håkan Söderstedt         | Sweden         |
| Dr. George Spencer           | United Kingdom |

**1. OPENING / INTRODUCTION BY THE CHAIRMAN AND HOST**

- Mr. Peter Jenni, Defense Procurement Counselor, welcomed the DMAG to the Embassy of Switzerland.
  - The Chair thanked Switzerland for hosting the DMAG meeting.

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

- No changes.

### 3. FOLLOW-UP ITEMS FROM THE PREVIOUS DMAG MEETING

- Roger Grose and Einar Gustafson informed the members that they have been at the public launch of Mr. Bill Greenwatts report, which recommends to Congress a series of legal and regulatory changes to ease defense-industrial cooperation between America and its closes allies, including a stronger waiver for US defense-export controls.
  - Greenwalt presented the key findings and recommendations of the report followed by a panel of the following experts:
    - Jeffrey “Scott” Baum (Principal Director for Industrial Policy, US Department of Defense)
    - Samantha L. Clark (Special Counsel, Covington)
    - Brett B. Lambert (Vice President of Corporate Strategy, Northrop Grumman)
  - Roger Grose and Einar Gustafson indicated that the report gets reasonable traction on Capitol Hill and that DoD representatives obviously do not agree with all recommendations of the report.
- Dr. George Spencer mentioned that the final rule of regarding ITAR § 126.4 has been published and that it might offer a chance for initiating more cooperative programs like the F-35.
  - Since it is a final rule, it’s up to different agencies to implement it.
- DMAG Website:
  - Lt. Col. Emmanouil Stefanakis informed the members that the Secretary’s email was added, so that she also receives the information of a contact request.
  - Furthermore, Lt. Col. Stefanakis has created four pages (one for each Working Group) in the private sector of the website.
    - These pages do not have any content yet; but everything that shall be added should be sent to Lt. Col. Stefanakis and he will put it on the respective page.
  - Since it is not possible to grant a second administrator access to the website, the registration data have to be handed over to the “backup” person.

### 4. U.S. EXPORT CONTROL ISSUES

- No updates.
- Guest Speaker Ms. Heidi Grant, Director, Defense Technology Security Administration (DTSA):
  - After having introduced Ms. Grant to the DMAG members and welcomed her to the meeting, the Chair gave a short summary about DMAG.
  - Ms. Grant, who is 11 weeks now in her current position, introduced Ms. Monica Knapp and Cdr. Ruben Ramos to the group.
    - Afterwards, she gave a short overview of the history of DTSA and why it has been founded.
    - She informed the members that DTSA is working with 8 countries at the moment to build up a DTSA like organization.
    - Furthermore, DTSA is looking into what China is doing and which areas might need more protection than others.

- The Chair asked Ms. Grant to what extent DTSA is involved in the field of sensitive technology and if this is only related to the defense industry.
  - Ms. Grant explained that the engineers look into different kind of technologies, which are not only related to the defense industry, and decide what kind of pieces are important and need to be protected.
  - After that process, DTSA gives these proposals to the principals and protection plans are developed.
- In addition to his first question, the Chair wanted to know how DTSA keeps track of what is going on.
  - Cdr. Ramos explained that the industries have to obey the US law regarding the sensitive technologies, which covers hardware, software and personnel.
    - ✚ Furthermore, there is a regular training for personnel to keep them up-to-date with the newest technologies.
  - Ms. Monica Knapp also explained that there are different experts for different kind of fields.
- Col. Stephen MacDonald raised the question how DTSA reconciles the immigration policy with China?
  - Ms. Grant explained that they look for example into possible affiliations with the Chinese government.
- Roger Grose mentioned that there is protection on technology that has already been proliferated; now he would like to know if DTSA should prevent it from the Chinese to sell.
  - Ms. Grant explained that for the UAVs there are the same controls in place for ensuring protection as for the F-35.
    - ✚ Furthermore, there is a working group that is looking into this issue and working on it.
- Dr. George Spencer asked if Ms. Grant thinks that something is culturally going wrong, especially when it comes to foreign students.
  - Ms. Grant highlighted that it is a very competitive process for students to get accepted at American universities.
  - Since universities are run as businesses, international students have to pay higher tuition fees.
    - ✚ That's the reason why universities accept more and more international students.
- The Chair stated that the discussion on what has to be protected is a very difficult one, especially since there are many technologies that scope different things.
  - According to Ms. Grant, security is more complex today than it has ever been which also results of the faster advancing technologies.
    - ✚ It is not always easy to balance the significant pressure that comes from the US government and to create reliable relationships with foreign partners.
- Roger Grose asked Ms. Grant, if she has any advice for the DMAG member states on how to engage better with DTSA.
  - For Ms. Grant it is important that each member nation knows who their regional person is.
    - ✚ Furthermore, it is necessary to protect the technology to build up coalitions.

- Dr. George Spencer mentioned that he hopes that with the final rule of the ITAR § 126.4 the licensing process will get easier.
  - According to Ms. Knapp and Cdr. Ramos it is supposed to become easier, but they are still working on it.
- Col. Leo Radlingmayer mentioned that there are new technologies, like artificial intelligence, that are not in the law yet when it comes to export licenses.
  - Ms. Grant said that DTSA is getting together with different experts and also industry to identify what might cause a national risk.
  - Ms. Knapp explained that there is an ongoing debate regarding AI what the critical elements are and what should be controlled.
- Ms. Grant asked the DMAG members if there is a control system for new technologies in their countries, especially when it comes to issues like AI.
  - Dr. George Spencer confirmed that UK also has a similar group like DTSA that is looking into this issue.
- Dr. Spencer wanted to know if there is scope for a classification system when it comes to the protection system of the US for certain technologies; in his opinion the US is partly overprotecting.
  - In this issue, Ms. Grant thinks that it is necessary to collaborate more.
    - ✚ DTSA needs more information about what the US allies think needs less protection than it has now, so that it can get a lower classification.
    - ✚ At the moment, there is not enough transparency, but DTSA is working on that issue.
- Håkan Söderstedt mentioned that it is very often an administrative burden to know what to find where when it comes to FMS, ITAR etc.
  - Ms. Grant explained that it would need a lot reforms to make the process easier.
    - ✚ In her opinion, a clean paper or a clean idea would be very helpful in this issue because then she would be able to bring it forward.
  - Cdr. Ramos also explained that there are processes where everything is reviewed; but unfortunately, these processes need time.
- Col. Emmanuel Thomé wanted to know what DTSA thinks about the new CFIUS process when it comes to Foreign Direct Investment (FDI)
  - Cdr. Ramos informed him that they will have a deeper look into it but that the process will be transparent.
- Col. Stephen MacDonald asked Ms. Grant if she was able to get a look into the report of Bill Greenwalt.
  - She did but though there are some points in the report that she does not agree with, she thinks that there are some good recommendations, that DTSA will have a look into.



## 5. EXECUTIVE ORDER

- With regard to the Executive Order on Assessing and Strengthening the Manufacturing and Defense Industrial Base and Supply Chain Resiliency of the United States (EO 13806) language is strengthening when it comes to China.
  - The US would like to push the Chinese out of the supply chain as much as possible, which might interfere with companies that are satisfied to buy from China due to cheaper prices.
  - Col. MacDonald noted that since the US government is very concerned about the 5G implementation, it is in close contact with other nations regarding this issue.
    - In this context, the Chair mentioned that the US is approaching countries separately to see how they handle the issue.
    - Metka Urbas informed the members that there will be a 5G Security Conference in Prague on May 2 and 3, 2019 where experts on 5G networks and cyber security from the EU, NATO states, including the US, and other countries will be present.
  - The Chair stated that when it comes to China the interests of DMAG might not necessarily converge with those of the US.
- Roger Grose informed the members that the Executive Order 13817, which relates to Critical Minerals, will probably be issued in the upcoming week.
  - Furthermore he mentioned that Australia is very interested in this EO.
  - The Chair raised the question if the mineral strategy will be discussed in public.
    - Roger Grose couldn't say anything about that; he was just able to confirm that the EO is in the White House at the moment.

## 6. LEVEL OF AMBITION / WORK PLAN 2019

- Einar Gustafson noted that the DMAG and the outcomes of the work in the Working Groups have to be more visible for the public, otherwise they and DMAG itself will not be able to make a difference.
  - In his opinion DMAG should be present at ComDef.
  - Roger Grose and Col. MacDonald agreed with Einar Gustafson and suggested that conferences are a good panel to make DMAG and the Working Groups more popular.
- Dr. George Spencer thinks that it is necessary to rethink the specific issues when it comes to the Working Groups, so that each of them exactly knows what they are allowed to do; for example writing a letter, presenting it to the group, discussing it and then sending it out.
- The Chair suggested to elaborate a common position and to present it to the group.
- Working Group: Export Control  
(Chair: Col. Leo Radlingmayer)
  - Col. Radlingmayer informed the members that the working group has had its third meeting.
    - The members of the working group elaborated a presentation that can be presented to the DMAG members in one of the upcoming meetings.
  - Col. Radlingmayer intends to send out another questionnaire to the DMAG members to get some more information about their approaches and procedures when it comes to export control.

- Furthermore, Col. Radlingmayer will try to find some best practices for the re-export procedures.
- The Chair mentioned that he has also discussed the problems with the re-export procedures with the expert for export control in the Netherlands, who would be glad to give a short presentation on the procedures in the Netherlands.
- Working Group: Reciprocal Security and Defense Industrial Cooperation  
(Chair: Miss Lois Nicholson)
  - Since the leadership of the group is not active at the moment, an additional volunteer for co-leadership is needed.
    - The Chair will discuss the issue with Miss Lois Nicholson and Ms. Alison Petchell who might be able to take over the position of the former co-leader Mr. Adam Culley.
- Working Group: Trade Promotion  
(Chair: Andreas Stauber)
  - Since Andreas Stauber wasn't present, there is no news at the moment about the work of the group.
  - The Chair informed the members that the Embassy of the Netherlands will organize an event at the end of November, which is open to everyone.
    - As soon as there is any news, he will inform the group.
  - There will also be an event organized by Sweden on May 16th, 2019, which will also be open to everyone.
    - This event is organized in conjunction with NDIA and the State Secretary of Sweden as well as representatives of industry will be present.
- Working Group: Improved Networking  
(Chair: Col. Stephen MacDonald)
  - Col. Stephen MacDonald informed the members that the Working Group has had its first meeting and presented the results of that meeting to the group (see "WG IV – Networking – Update").
    - He indicated that it is not possible for the Working Group to implement all points that are mentioned in the presentation under "Lines of Effort" on its own.
      - ✚ Thus, he would really appreciate it if other nations would like to take part in initiating some of the points.
    - The next step will now be to elaborate timelines for the
  - Roger Grose suggested that DMAG might send a letter to Defense Attaché Association (DAA) and ask them for organising an Attaché Tour, which is for the Defense Cooperation Attachés in Washington, DC.
    - Col. Radlingmayer informed the members that there has been such a tour in 2014, which has been organized by the Defense Security Cooperation Agency (DSCA).
      - ✚ He suggests asking DSCA why they just organised such a tour only one time.

## 7. OTHER ISSUES AFFECTING MEMBERS

- The Chair reminded the members that a new Secretary for DMAG is needed and called for volunteers.

## 8. UPCOMING DMAG MEETINGS and EVENTS

- The Chair will host a social event for the DMAG members and their spouses / partners on 27 June 2019.

| Month     | Host    | Details/Date                             | Guest Speaker |
|-----------|---------|------------------------------------------|---------------|
| June 2019 | Finland | Regular meeting<br>June 27 <sup>th</sup> | TBD           |

## 9. DEFENSE COOPERATION EVENTS

- **2-5 December 2019:** Defense Manufacturing Conference, Phoenix Convention Center, Phoenix (AZ)
- One-day training courses offered by the Embassy Guild (<http://www.embassyguild.org/>).
  - Courses are exclusively designed for Ambassadors, diplomats, military officers and foreign business leaders to get all necessary knowledge and tools to effectively navigate Washington and to deliver ones Embassy's message to those who matter.
  - In particular the course "The Politics of US Defense Policy" has been highly recommended by several DMAG members that already attended.
- The Society of International Affairs (SIA) offers training on a regular basis on export and import licensing. SIA interests cover the entire spectrum of licensing issues pertaining to the Department of Commerce, Defense, State and Treasury (<http://siaed.org/>).

## 10. ANY OTHER BUSINESS

- Nothing.

*Drafted by Nicole Herzog, Secretary of DMAG*