

RECORD OF DISCUSSION
DEFENSE MOU ATTACHÉS GROUP MEETING
Thursday, January 24th 2019 09:45-15:45
Embassy of Canada

ATTENDEES

Mr. Pieter-Henk Schroor	Chairman
Ms. Nicole Herzog	Secretary
Dr. Karl-Heinz Seekatz	Financial Officer
Col. Stephen MacDonald	Canada
Maj. Kathie O'Brien	Canada
Mr. Ghislain Chaput	Canada
Ms. Lorna Prosper	Canada
Ms. Nadine Boivin	Canada
Mrs. Brennan Hogan Grignon	Guest Speaker
Mr. Adam Culley	Australia
Col. Leo Radlingmayer	Austria
Mr. Andreas Stauber	Austria
Maj. Jan Novotny	Czech Republic
Cdr Senior Grade Jesper Duevang Rasmussen	Denmark
Mr. Niels Ulrik Plesner Olsen	Denmark
Lt Col. Janne Jokinen	Finland
Mr. Matthias Balthasar	Germany
Lt Col. Emmanouil Stefanakis	Greece
Lt Col. Apostolos Chatzistavrou	Greece
Col. Charalampos Nikiforidis	Greece
Mr. Tom Skorinsky	Israel
Cdr. Erik Looman	Netherlands
Cdr. Augustín Caballero Hernandez-Pizarro	Spain
Col. Mojca Pešec	Slovenia
Ms. Metka Urbas	Slovenia
Mr. Håkan Söderstedt	Sweden
Mr. Nils Johansson	Sweden
Mr. Ola Alfredsson	Sweden
Mrs. Francesca von Grebmer	Switzerland
Miss Lois Nicholson	United Kingdom

1. OPENING / INTRODUCTION BY THE CHAIRMAN AND HOST

- Col. Stephen MacDonald, Defense Cooperation Attaché, and Maj. Kathie O'Brien, Assistant Defense Cooperation Attaché, welcomed the DMAG to the Embassy of Canada.
 - The Chair thanked Canada for hosting the DMAG meeting.
- The Chair welcomed Col. Charalampos Nikiforidis, Assistant Air Attaché at the Embassy of Greece, who introduced himself.

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

- No changes.

3. FOLLOW-UP ITEMS FROM THE PREVIOUS DMAG MEETING

- DMAG Website:
 - Lt Col. Emmanouil Stefanakis informed the members that he has upgraded the website for \$11.00 / month so that no more advertisements will be shown.
 - The payment has also been done via the Financial Officer.
 - Lt Col. Stefanakis informed the members that the domain name has now been changed to <http://www.dmagdc.info>.
 - Lt Col. Stefanakis informed the members that already 29 persons have registered for the website and that already 20 registered for this DMAG meeting via the website.
 - He asked those members who haven't done it yet to fill out the first and last name on "My Account" after registration for the website, so that the email address can better be connected to the corresponding person.
 - Lt Col. Stefanakis and the Chair encouraged everybody to register for the website so that the registration process for future DMAG meetings can be done only via the website.
 - ✚ Col. MacDonald and Tom Skorinsky reported that their firewalls prevent them from either accessing the website or registering for the meetings so that they have no other option than to register for upcoming meetings via the Secretary.
 - Lt Col. Stefanakis informed the members that adding a contact email to the website would cost \$50.00 / year.
 - The members and the Financial Officer agreed in principle on spending this amount.
 - The Chair wanted to know who will receive and answer to the emails that might be sent or received via this email address.
 - ✚ The members agreed on discussing this issue at the next meeting when Lt Col. Stefanakis has created the before mentioned email address since he first of all has to check which options and possibilities they will have.

- Furthermore Lt Col. Stefanakis informed the members that it is necessary to indicate the name, the location as well as up to 5 keywords for the website to be able to find it on Google.
 - Regarding the keywords, the members suggested the following:
 - ✚ Defense Cooperation
 - ✚ Defense MoU Attaché Group
 - ✚ Defense Industry
 - ✚ Defense MoU
 - ✚ DMAG
- Lt Col. Stefanakis asks the members to report any mistakes or problems that they find or might have with the website to him.
 - Also if they have any suggestions for improvements.
- Cdr. Erik Looman wanted to know when the closing date for the registration is.
 - Lt Col. Stefanakis said that the closing date is the same like the RSVP date that the Secretary sets.

4. **U.S. EXPORT CONTROL ISSUES**

- Government Shutdown:
 - Adam Culley mentioned that the government shutdown impacts all issues in connection with export control.
 - Miss Lois Nicholson informed the members that getting in contact with Mike Miller might be helpful who supports them as good as he can.
 - Tom Skorinsky also stated that Israel gets support of Mike Miller when it comes to their requests, especially with regard to urgent requests.
 - Miss Nicholson argues that when the shutdown is over, the member states have to take into consideration that it will take time for the government to deal with all the requests.
 - Col. Leo Radlingmayer suggests that the only thing the members can do at the moment is to send in their requests.
 - Tom Skorinsky mentioned that the employees affected by the shutdown are not sure what they are allowed to do when it comes to dealing with the requests.
 - Håkan Söderstedt mentioned that due to the length of the shutdown all their licenses had to be changed and updated.
 - The material will not be delivered.
 - Cdr. Erik Looman reported that of the Dutch patrol vessels cannot leave the port due to missing documents that have to be issued and that there is nothing the Dutch government can do.
 - He also stated that when it comes to FMS the exporting problems are not that big.
 - The Chair raised the question if there is anything DMAG as a group can actually do.
 - The members agreed that there is not really anything they can do and that we are all influenced in a negative way by the shutdown.
 - The shutdown not only affects the DMAG member states but also the US industry.

- Miss Lois Nicholson asked the members if any of them had experiences with shutdowns before.
 - Col. Radlingmayer mentioned that the last shutdown was only a week so that there were not many impacts on the daily export business.

5. EXECUTIVE ORDER

- Adam Culley informed the members that Eric D. Chewning, former Deputy Assistant Secretary of Defense for Industrial Policy, has moved to the Chief of Staff and that Mr. David Stapleton is now Acting Deputy Assistant Secretary of Defense for Industrial Policy.
- Ola Alfredsson mentioned that Scott Baum, United States Department of Defense Special Representative for Industrial Policy held a good presentation at the People and Defense Annual Security Conference, Sälen, Sweden, on 13 January 2019.
- The Chair mentioned that there is a classified appendix to the report regarding the Executive Order on the Industrial Base and that Ms. Grignon might be able to tell something about it.
 - In his opinion any further information would be helpful.
- Col. Stephen MacDonald and the Chair welcomed the guest speaker Mrs. Brennan Hogan Grignon and introduced her to the group.
- Guest Speaker Mrs. Brennan Hogan Grignon, Director, Policy and Industry Outreach – OUSD (A&S):
 - In her presentation (see “EO 13806_external deck_Nov 2018_UNCLASS”), Mrs. Grignon gave some information about the structure and assessment process of the report working group to the Executive Order on the Industrial Base:
 - Strategic Alignment
 - Executive Order 13806
 - Working Groups
 - Assessment Framework
 - Macro Forces
 - ✚ Sequestration and Uncertainty of DoD Spending
 - ✚ Decline of U.S. Manufacturing Capability and Capacity
 - ✚ Deleterious USG business & procurement practices
 - ✚ Industrial Policies of Competitor Nations
 - ✚ Diminishing U.S. STEM and Trade Skills
 - Macro Forces Drive Risks
 - ✚ Risk Archetypes
 - ✚ Examples
 - ✚ Efforts Underway
 - ✚ Successful Reform Efforts
 - ✚ Further EO Directed Actions

- Col. Stephen MacDonald asked Ms. Grignon if the closing gap between China, Russia and the US has any impacts on increasing the mobilization.
 - Ms. Grignon said that both the commercial sector and the way how the US fights war have changed a lot since World War II.
 - Also the global economic dynamics have changed since the 1940s.
 - The next step will be to have a closer look in the domestic, national and international suppliers so that the abilities can be balanced.
- When Col. MacDonald raised the question if the Department of Defense is thinking about redefining what mobilization means, Ms. Grignon confirmed that the DoD will have a look into that.
- Adam Culley wanted to know if the macro forces have been prioritized when it comes to the costs for the government and the industry.
 - Ms. Grignon mentioned that there is a clear message to the hill:
 - ✚ We do not need any more legislation but the budget has to be released on time so that it the money can be spent on respective projects.
 - The investment on small and medium companies would have a positive impact on different things.
 - Ms. Grignon stated that you would not run a business the way you are running now the government which raises the question how a government could work that way.
- Miss Lois Nicholson raised the question to what extent the industrial partners have been involved in the report and what kind of role they play.
 - Ms. Grignon informed the members that they have had conversations with 20 different companies about how a partnership might look like.
 - ✚ Since the government is now in possession of more data, it is able to tell the industrial partners why they are worried in certain kind of fields.
- Matthias Balthasar mentioned the German Initiative 4.0 and raised in this context the question if the US government feels concerned or threatened by this Initiative.
 - Ms. Grignon replied that the government does not feel threatened by this Initiative but this Initiative raises the question what it means for the national security, especially since Germany has made a lot of investments.
 - ✚ The US government has already reached out to the German government to get more information about their apprenticeship system and machine tools.
- Matthias Balthasar asked what the goal of the US government will be in 5-10 years when it comes to risk management and if they intend to reduce it.
 - Ms. Grignon explained that the government intends to create a supply chain and risk management tool.

- The Chair asked which opportunities partners will have when it comes to the security of supply arrangements.
 - According to Ms. Grignon it is necessary to find answers to the following questions to highlight the opportunities for partner nations:
 - ✚ How do we address things like export controls, breaking down barriers or allowing better operability?
 - ✚ How can we update existing defense procurement agreements that are sometimes too old?
 - These agreements have to be reviewed with different partner nations.
 - ✚ How can we do better engagements across borders?
 - ✚ How do we actual operate together?
- Col. MacDonald mentioned that China is very well educated when it comes to STEM and that they have students all over the world; for him this raises the question if STEM belongs to one of the more important macro forces especially regarding the importance of human capital.
 - According to Ms. Grignon human capital is very important.
 - When it comes to China, the question has to be answered what it means for the US if for example both the US and China invest in the same university or which consequences it might have in terms of technology development if for instance Chinese students are going back into their home country?
 - The DoD helps to inform the Department of Labor regarding the job descriptions that are very often not specific enough.
 - ✚ As an example Ms. Grignon mentioned the engineers that are not further specified like for example nuclear engineers.
 - All in all, the workforce would be on the third position of all macro forces if you would have to prioritize it.
- Cdr. Erik Looman asked how it can be made easier for foreign industries to invest.
 - Ms. Grignon outlined the importance of international partners.
 - ✚ Thus, it is necessary to have a closer look at these partnerships and to create abilities with close partners.
- Adam Culley wanted to know how DMAG as a group might move forward.
 - Ms. Grignon recommended to have a push-pull dialog.
 - ✚ She offered to get in contact with her if the group has any ideas, notices problems or has any concerns.

6. DMAG COIN

- The Financial Officer informed the members that he has ordered 100 coins of the quote RICK (2") for \$705.00
 - Since these coins haven't arrived yet, he will present them to the members at the next meeting.

7. LEVEL OF AMBITION / WORK PLAN 2019

- 3 Working Groups have been set up to address 3 Lines of Engagement (time for first session: 30 minutes); a fourth working group addressing Improved Networking will be set up later:
 - Export Control
 - Reciprocal Security and Defense Industrial Cooperation
 - Trade Promotion
- The Chair suggested that the groups should also meet outside the regular DMAG meetings.
 - The outcomes of these meetings can then be reported at the regular meetings.
- The Chair will outreach to those members that do not show up on a regular basis.
 - Ola Alfredsson considers that when DMAG is getting more active, it will help to get the other members back to the meetings.
- Working Group: Export Control
(Chair: Col. Leo Radlingmayer)
 - The working group would like to give a common understanding on the complexity of the current system and how it works.
 - For that reason, the group will give at the next meeting a presentation.
 - Furthermore, the group intends to ask the member nations about potential problems and/or improvements when it comes to export control.
 - The group could then approach the government more effectively, for example to be able to discuss the problems with representatives of the different institutions within the Department of Commerce (DoC) or the Department of State (DoS).
- Working Group: Reciprocal Security and Defense Industrial Cooperation
(Co-Chairs: Adam Culley & Miss Lois Nicholson)
 - The group recognises the need to develop a common understanding of shared interests with respect to reciprocal security and defense industrial cooperation for DMAG members.
 - The group has the following goals or work streams:
 - the members of the group would like to initially assess and determine a common baseline of challenges facing DMAG countries.
 - the members would like to gain a better understanding of the US position and intention on the Defence industrial cooperation intentions of the American government, especially as it relates to implementation of the NDS and downstream enhanced interoperability.
 - the members would like to undertake focussed engagement with congress, think tanks, industry bodies, congressionally mandated panels and the administration to ensure that the common DMAG challenge and collective offer is understood.
 - the members would like to raise DMAG's profile around a common purpose that is centred on collaboration for mutual benefit; This could include an option to ask a think tank to write a paper that will highlight what the US gains from defense industrial cooperation.
 - It follows that the group also would like to better understand the market (where US demand can be met by DMAG supply).

- All in all, the members of the group acknowledged that they have to be realistic but also ambitious, despite the current America first environment.
- Working Group: Trade Promotion
(Chair: Andreas Stauber)
 - The working group will try to understand the different positions when it comes to trade promotion and will identify possible areas of interest.
 - For doing so, there are 2 options:
 1. to communicate purchase plans of a country to other countries and
 2. to corporate on events.
 - The group would like to have a focus on businesses
 - They would like to organize common events for businesses that have the same interests.
 - Furthermore, they would like to raise the interest of companies in getting to know potential buyers.
 - Andreas Stauber mentioned for example an event that is Austria is planning.
 - This event might be organized together with other DMAG member nations.

8. OTHER ISSUES AFFECTING MEMBERS

- The Chair gave a short summary of the meeting with representatives of NDIA at the Boeing HQ in Philadelphia, PA, on 17 January 2019 regarding the setup of a joint event on 10 May 2019.
 - The following DMAG members attended the meeting:
 - Mr. Pieter-Henk Schroor (Netherlands)
 - Mr. Einar Gustafson (Norway)
 - Dr. Karl-Heinz Seekatz (Germany)
 - Mr. Adam Culley (Australia)
 - Ms. Edwina Hopkins (Australia)
 - Maj. Kathie O'Brien (Canada)
 - Col. Angelos Koulouris (Greece)
 - Lt Col. Emmanouil Stafanakis (Greece)
 - Lt Col. Apostolos Chatzistavrou (Greece)
 - Ms. Metka Urbas (Slovenia)
 - During that meeting the following points have been discussed:
 - What could this event look like?
 - What might be the beneficiaries for both NDIA and DMAG?
 - The Chair explained the mission for the conference on 10 May 2019 that includes the following issues:
 - Permanent Structure Cooperation (PESCO).
 - ✚ In this context the question has been raised how it is possible to make the best use of the knowledge of NDIA and DMAG.
 - US DoD report on the key risks associated (six key risks) with the Defense Industrial Base (in the US).

- Navigation of ITAR and related European trade restrictions.
 - ✚ In this context the following questions have been raised:
 - How is it possible to navigate in the ITAR world?
 - How can be dealt with ITAR regulations?
 - How can the ITAR regulations be understood?
 - How is it possible to help each other?
 - How do the ITAR regulations apply to the different branches?
- If there will be a joint event, the Chair gave a short overview of the commonly decided points:
 - Representatives of industries, governments and attachés shall be invited.
 - The conference shall have some clear practical value like providing tips and tricks and concrete measures.
 - It shall be focused on the business and how to get access to the US market.
 - Speakers shall be invited that have knowledge of the ITAR regulations
 - The format of the conference still remains open that means that it has not been discussed yet if there will be panels for example in the morning and bring together stakeholders in the afternoon.
- The Chair informed the members that if DMAG as a group decides to go on with the event, a working group with representatives of NDIA and DMAG has to be created.
- The members raised the concern that the date (10 May 2019) is not the best choice since there will be the Sea-Air-Space Exposition as well as the annual meeting of Defense Industries of Australia and the Norwegian-American Defense Conference.; otherwise they are all of the opinion that the idea of a common event is a very good one.
 - Since only two representatives of DMAG had been able to attend the NDIA conference last year, Dr. Karl-Heinz Seekatz asked the members who of them might be present at this year's conference because if the number of participants is as modest as last year it would not make any sense to organize that event on 10 May 2019.
 - Adam Culley is also skeptical that many industries or representatives of the corresponding member nations will be able to make it to the event due to the other events during that week.
- Nils Johansson said that if the common event will be held on 10 May 2019, then, the information should be spread as soon as possible.
- Miss Nicholson raised the question if there is any flexibility on the date.
 - The Chair is of the opinion that the NDIA representatives are quite determined to organize the event on that day.
 - The Chair noted that on the one hand a low member number might urge NDIA to postpone the event but on the other hand it should also be taken into consideration that it might be difficult to attract representatives of the DMAG member nations to come to the US just for a one-day-event.
 - The Chair asked the members if they are aware of any other events when representatives of the DMAG member nations will be in a huge number in the US so that the event's date might be postponed to that timeframe.
 - The Chair promised that he will get back to NDIA to discuss the results of this meeting with them and will inform the members about their reaction.

- Andreas Stauber wanted to know if there will be a fee for attending the event.
 - Last year, the event was free for DMAG members but industry representatives had to pay.
- Tom Skorinsky mentioned the following three documents to get a more detailed view into the US strategy and acquisition:
 - International Intelligence Strategy, published by the Defence Intelligence Agency (DIA)
 - Ballistic Missile Defense Review (BMDR), published by the Department of Defense (DoD)
 - Volume 3 Report – Section 809 Panel
- Adam Culley will get in contact with Ms. Heidi Grant, Director, Defense Technology Security Administration (DTSA), to get her as a guest speaker for one of the upcoming events.

9. UPCOMING DMAG MEETINGS and EVENTS

- Since the FPG will have their meeting on 28 February 2019, the members agreed on postponing the next DMAG meeting at the Embassy of Australia to 27 February 2019.

Month	Host	Details/Date	Guest Speaker
February 2019	Australia	Regular meeting February 27 th	Mr. Bill Greenwalt
April 2019	Greece	Regular meeting April 04 th	TBD

10. DEFENSE COOPERATION EVENTS

- **6-8 May 2019:** Sea-Air-Space Exposition, National Harbor (MD)
- **9 May 2019:** Annual meeting of Defense Industries of Australia, Washington (DC)
- **9 May 2019:** Norwegian-American Defense Conference at the National Press Club, Washington (DC)
- 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/>).

11. ANY OTHER BUSINESS

- DMAG Finances:
 - Dr. Seekatz informed the members that the DMAG account balance at the end of the year 2018 was: \$2,196.28
 - The current balance is: \$3,414.28
 - The Financial Officer paid \$132.00 for the upgrade of the website.
 - Already 9 member nations have paid the annual membership fee (\$1,350.00).
 - ✚ Post-Meeting Note: 2 more nations paid their fee (\$300.00).
 - The Financial Officer reminded everybody to pay the annual membership fee as soon as possible.

Drafted by Nicole Herzog, Secretary of DMAG

