



2011 Integrated Warfare Systems Conference

International Programs & Foreign Military Sales (IWS 4.0) CAPT Jim Dick



Discussion Topics



- **Why bother with International Programs?**

- **International Organization**
 - **Vision, Mission & Structure**

- **International & FMS Challenges**
 - **A Short List**

- **Near and Mid-Term Future**
 - **A New Strategy for International Engagement**



CNO International Guidance



“Foster and sustain **cooperative relationships** with an expanding set of allies and international partners **to enhance global security**”

*Admiral Jonathan Greenert, CNO
21 September 2011 “Sailing Directions”*

“We are in a time of **unprecedented global interdependence** and we have abundant maritime activity and a lot of constructions out there. It’s a time of budget constraints, so **we’ve got to innovate**, we’ve got to **share capabilities, share technologies**, and be willing to **work together.**”

*Admiral Jonathan Greenert, CNO
19 October 2011, International Seapower
Symposium, Newport RI*



International Organization

... Vision, Mission & Structure ...



Two Parts to “International Programs”



“Security Assistance” is a group of programs authorized by the Foreign Assistance Act of 1961, as amended, and the Arms Export Control Act, as amended, or other related statutes by which the United States provides defense articles, military training, and other defense related services, by grant, credit, cash sale, lease, or loan, in furtherance of national policies and objectives. *

- e.g., *FMS program*

“Armaments Cooperation” includes information on the research, development, test, and evaluation (RDT&E) of defense systems or equipment; joint production (including follow-on support) of defense articles or equipment resulting from a cooperative R&D program; DoD procurement of foreign equipment, technology, or logistics support; testing of foreign equipment as part of the Foreign Comparative Testing (FCT) program. **

- e.g., *DEA /IEA program*

* The Security Assistance Management Manual, Oct. 2003

** International Armaments Cooperation Handbook, Nov 2006



PEO IWS 4.0

International Programs



Vision

Make the 1000-ship Navy a reality by promoting/supporting International Programs across PEO IWS.

Mission

Develop, deliver and support full spectrum of Weapons and Integrated Combat System solutions for International Programs.

Coordinate international initiatives and technology transfer policies for PEO IWS International Programs.

■ **Central Interface for PEO's International Programs**

- **Jointly develop/implement PEO's International Strategy**
- **Horizontally integrate international combat systems**

■ **Responsibilities**

- **US Combat System Sales**
- **Integrated Combat System Development**
- **Acquisition of US Systems**
- **Comprehensive Logistics/Lifetime Support**
- **Tech Transfer and Release Policy**



PEO IWS 4.0

Foreign Military Sales & International Programs



Major Program Manager
CAPT J. Dick, USN

Deputy Major Program Manager
V. Brahosky

Australia In-Country Support
CDR K. Smith, USN (4B1A)

Technical Director
G. Ettenger (4TD)

Director, Pacific Rim
V. Trinh (4A)

Director, Europe/Americas
A. Padilla (4B)

Director, International Engagement
T. Kuntz (4C)

Director, Plans & Policies
L. Roberts (4M)

APM, Combat Systems (JA)

APM, Combat Systems (KS)

APM, Weapons & Launchers Team Lead

APM, Combat Systems (NO)

APM, Combat Systems (Tech Transfer)

APM, Business Financial Manager

APM, Combat Systems Engineer (JA)

APM, Combat Systems Engineer (KS)

PM, Weapons & Launchers (CN/PT/SR/IS/AT)

PM, Engineer Manager Combat System (NO)

PM, International Outreach

PM, Financial Execution

APM, Combat Systems (AT)

PM, Weapons & Launchers (JA/PK)

PM, Weapons & Launchers (GY/DE/NE)

APM, Combat Systems (SP)

PM, Financial Analyst

APM, Combat Systems Engineer (AT)

PM, Weapons & Launchers (TW/KS/MF)

APM, Combat System Engineer & Si&T (SP)

PM, Contracts

PM, Engineering Manager (AT)

PM, Weapons & Launchers (JA)

Logistician

Logistician

PM, LOA Development

PM, LOA Development

Country Legend:

Australia (AT), Bahrain (BA), Canada (CN), Chile (CI), Denmark (DE), Egypt (EG), France (FR), Germany (GY), Greece (GR), Israel (IS), Italy (IT), Japan (JA), Korea (KS), Malaysia (MF), Netherlands (NE), New Zealand (NZ), Norway (NO), Pakistan (PK), Poland (PL), Portugal (PT), Saudi Arabia (SR), Spain (SP), Taiwan (TW), Turkey (TK), United Kingdom (UK)



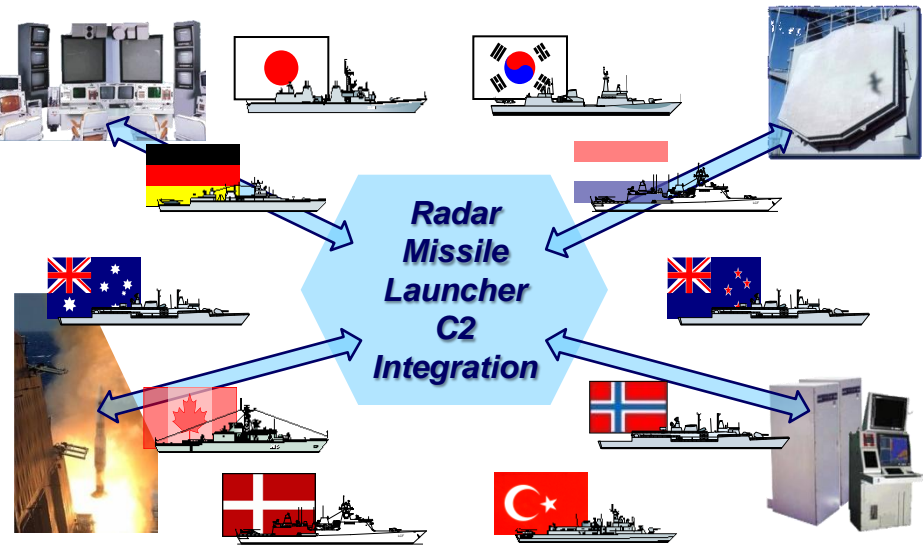
Recent Change International Engagement Branch



- **Increase allied interoperability through cooperative programs and FMS**
- **Reduce costs in PEO IWS programs by leveraging allied expertise and involvement where feasible**
- **Promote stronger and more synergistic relationships with agencies that can assist in achieving these goals and who have a vested interest in the systems that PEO IWS manages**

Security Assistance (Foreign Military Sales, FMS)

INTEGRATED COMBAT SYSTEM SOLUTIONS



- Case Management for FMS sales of Aegis and other Combat Systems
- FMS combat system engineering and ship integration & test

WEAPONS & LAUNCHERS



- Case Management for FMS sales of missiles, launchers, guns and ammo



Security Assistance FMS Program Snapshot



SM SUMMARY
130 CASES

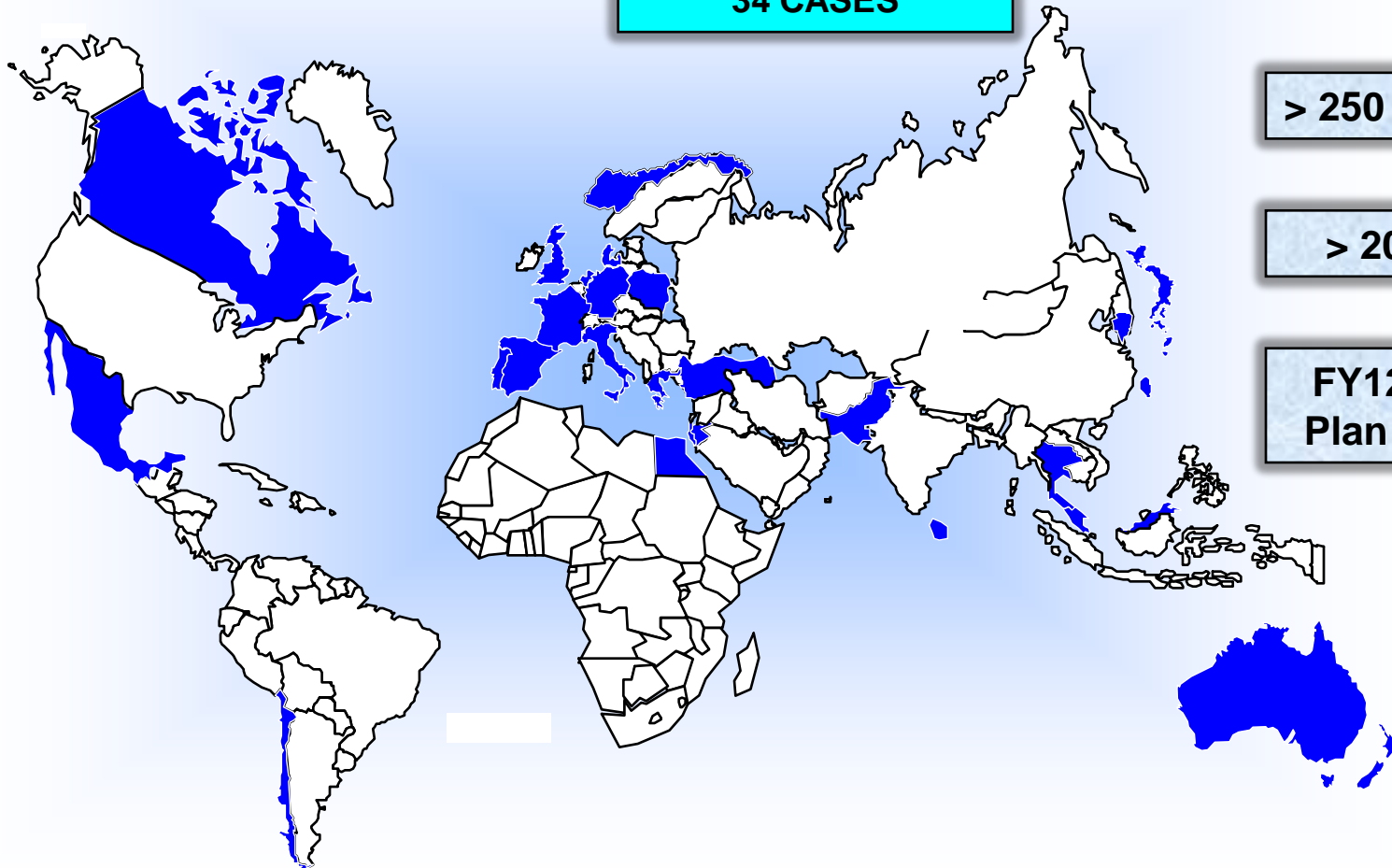
VLS SUMMARY
16 CASES

RAM SUMMARY
2 CASES

AMMO SUMMARY
34 CASES

CIWS SUMMARY
13 CASES

AEGIS SUMMARY
62 CASES



> 250 Active Cases

> 20 Countries

**FY12 Obligation
Plan is ~ \$ 300 M**



Armaments Cooperation Objectives



Operational

Achieve interoperability that facilitates combined operations, reduces operational hazards and minimizes OPSEC compromises

Political

Strengthen alliances and other relationships with friendly countries; encourage willingness to act collectively; promote international legitimacy in coalition operations

Economical

Reduce U.S. costs for short and long-term support of fielded systems (e.g. foreign sales reduce U.S. unit costs; cooperative programs reduce U.S. share of new developments.)

Technical

Ensure U.S. access to the best global technologies; help minimize capabilities gap with allies/coalition partners

Industrial

Bolster domestic and allied defense industrial base

Objectives are Mutually Supporting throughout the PEO

* Source: Al Volkman, Director, International Cooperation Office of the Under Secretary of Defense (Acquisition, Technology and Logistics), May 2003



Armaments Cooperation US Technical Project Officer (TPO)



- Approves/denies disclosure of US technical information to allies
- Receives technical information from allies for transfer to stakeholders
- Recommends visitation by allies
- Coordinates with MPMs to appoint technology area experts – Associate Technical Project Officers (ATPOs)
- Recommends new areas for information exchange
- Manages scope of Annexes
- Provides yearly assessments on allied technology



Source: TPO Handbook, Sep 2009



Armaments Cooperation Export Licenses in PEO IWS



- Industry pre-briefs IWS 4.0 prior to submitting Export License to State Department in order to preclude Return Without Action (RWA) or “Denial” responses
 - Industry initiative reviews help identify future license requirements
- Close working relationships with NIPO and NAVSEA 00P (Security) & teamwork with key offices essential to timely reviews
 - When an application arrives in IWS 4.0 it is normally due in 5-8 business days
- “Bright Line” initiative could change how export licenses are handled



**Early Communication between
Industry and other PEO Directorates
is Key to Success**



International & FMS Challenges

... A Short List ...



Challenge - Approval Process -



- **Export Approval Process**
 - **Current policy process is reactive, not proactive**
 - ❖ **Doesn't support exploratory discussions**
 - ❖ **Reactive approval can delay discussions weeks or months – leads to customer dissatisfaction**

- **Overly protectionist approach to technology sharing results in customers seeking other alternatives**
 - **Broad interpretation of stake-holder responsibilities leads to**
 - ❖ **Undue influence**
 - ❖ **Delay in decisions**
 - ❖ **Loss of time-critical opportunities**
 - **Consideration not given to availability of comparable technology from foreign sources**



Challenge

- International Perspective -



■ Evolving International approach to FMS

- Increasing trend toward integration of combat system elements vice turn-key solutions
- Inclusion of national content a growing priority among customers
- Foreign competitors are poised to fill the void left by the US
- US companies become overly aggressive in business development to compensate for a decreasing US market share
- Continued FMS success requires a different US approach, such as:
 - ❖ Integration of non-USN radar with USN command & control systems
 - ❖ Cooperative Radar Development with select countries
 - ❖ Integration on non-USN combat systems with USN missiles

The US must adapt to the changing International perspective or be squeezed out of the market place



Challenge

- Export Policy / Release -



- FMS sales are key to increasing affordability for US programs, but systems have to be releasable to partners
- Releasability is usually a design after thought
- Acquisition guidance requires that US Critical Technology and Information be protected prior to FMS Sale
- Protection is usually one of the first trade-offs in any program because the requirement is not rigidly enforced in the acquisition process

Releasability is “considered”... and promptly dismissed for US programs

Designing releasability into a program at the beginning is much cheaper than back-fitting later



Near & Mid Term Efforts

*... A New Strategy for
International Engagement ...*



PEO IWS International Engagement



GOAL
*Improve US Navy
Capabilities*

Assisting Allies in obtaining
Interoperable Warfare Systems

Leveraging Allied Technologies

4 COMPONENT STRATEGY

COORDINATE

INTERFACE

COOPERATE

ENGAGE



PEO IWS International Engagement

How we will implement our strategy (1/2)



COORDINATE

Coordinate with USN stakeholders (across the PEO and NAVSEA, NIPO, OPNAV, the Fleets, ONR, ONI) to understand requirements, opportunities and priorities for international engagement

- **Gather metrics to aid in understanding value added and pay back on investment**
- **Develop anticipatory disclosure and releasability policy in support of future international activity**
- **Participate in reviews and other meetings and forums to gain an understanding of requirements and to develop priorities and plans**

INTERFACE

Interface with and support the PEO IWS Program Managers to leverage foreign technology and research for the benefit of USN programs

- **Reach out to MPMs to educate them on our engagement initiative and on the potential benefits of an international contribution to their programs**
- **Assist MPMs in developing cooperative efforts and FMS cases**
- **Engage the USN and international technical community to pursue new technologies or capabilities that can be used by PEO IWS program managers to improve USN systems and lower cost**



PEO IWS International Engagement

How we will implement our strategy (2/2)



COLLABORATE

Collaborate with industry to identify and capitalize on international opportunities

- Build relationships with our industry partners
- Synchronize industry and USN priorities, to the maximum extent possible, to focus effort
- Leverage industry contacts in the US and Allied nations to gain insight and understanding

ENGAGE

Engage with Allies to understand their requirements and ensure they recognize how PEO IWS can support their demand signal

- Utilize available vehicles and venues to build relationships, establish dialogue and seek opportunities
 - ❖ DEAs/IEAs
 - ❖ Trade Shows
 - ❖ Navy-Navy forums
 - ❖ Other Opportunities
 - ❖ Exhibitions
- Assist Allies in developing and understanding their requirements
- Provide information and insight to the Allies on what PEO IWS has to offer and how it can help meet their requirements



Summary



- **PEO IWS 4 is involved in**
 - **Security Assistance**
 - **International Cooperation**
 - **Release and Export Policy**
- **Increased international engagement activity within the PEO to meet CNO/OSD Strategy and Objectives**
 - **Created a new International Engagement and Outreach Team (IWS 4C)**
- **IWS 4 has established a strategy to execute the PEO's international engagement goal**
- **Improvements needed in policy/release process to enable a more varied USN-International partnership**
- **Innovative approaches to integration of US components into International combat systems will be required**

Questions ?