



# The NATO Industrial Advisory Group (NIAG)

## Overview and Perspectives

NAITA Small Business Forum

Huntsville, Alabama

May 19, 2011



# Presentation Outline

- **NATO Alliance – A Brief Overview**
- **NIAG Overview**
- **NIAG Activities**
- **Suggestions for Small and Medium Enterprises**
- **Summary/Conclusions**



# NATO Alliance

## A Quick Summary

# Brief Overview of NATO

- **NATO's Fundamental Security Tasks**
- **Transformation of the Alliance**
- **Lisbon Summit – Nov 2010**
- **NATO Reform**
- **Secretary General's Smart Defence Concept**



## Fundamental Security Tasks

- **To safeguard the freedom and security of all its 28 members by political and military means in accordance with the North Atlantic Treaty and the principles of the United Nations Charter.**
- **Embodies the transatlantic link by which the security of North America is permanently tied to the security of Europe.**
- **Common commitment to mutual cooperation among the member states, based upon the indivisibility of their security.**

- **New Security Environment**
  - Political Consultations
  - Responding to UN Security Council Resolutions
  - Support for Coalition Forces of NATO member countries
  - Peace keeping and crisis management roles of NATO forces.
  - ISAF in Afghanistan
  - Operation Enduring Freedom in Libya
- **Secretary General Rasmussen**
- **New Strategic Concept**
- **NATO Reform**

# Lisbon Summit – Nov 2010

- Attendees: 28 NATO Members, 16 Partner Nations, United Nations Secretary General
- The Heads of State and Government unanimously agreed to:
  - Revitalize the Alliance
    - Alliance committed to the common defense of all members
  - Recommit to the path to success in Afghanistan
  - Reset its relationship with Russia.
    - The NATO-Russia Council met at same timeframe
  - New Strategic Concept
    - New 10-year plan
  - NATO Reform
  - Lisbon Capability Package
  - Territorial Missile Defence

# Afghanistan Way Forward

- **Transition to Afghan lead in 2014**
  - ISAF commitment - agreed to gradual withdrawal with completion of 2014
- **Long-Term NATO Strategic Commitment**
  - Reaffirmed commitment to remain to support Afghan forces and police
- **Shift in focus to training and education**
- **Build up of Afghan security capability**

# The New Strategic Concept

- The “Strategic Concept for the Defence and Security of the Members of the North Atlantic Treaty Organisation” adopted at Lisbon November 2010:
  - *“This Strategic Concept will guide the next phase in NATO’s evolution, so that it continues to be effective in a changing world, against new threats, with new capabilities and new partners.”*
- Ongoing Actions::
  - Development of “Political Guidance”
  - Continued emphasis on developing Partnerships:
    - NATO and UN cooperation
    - Complementary and mutually reinforcing roles in supporting international peace and security with European Union.
    - NATO-Russia cooperation
    - Euro-Atlantic Partnership Council & Partnership for Peace
- Further information at: <http://www.nato.int/strategic-concept/index.html>

# Agencies Review and Reform

- **14 Current Agencies to 3:**
  - **Communications & Information**
  - **Procurement**
    - Intent is to streamline the procurement process
  - **Support**
- **Specific cases**
  - **Science & Technology**
  - **Standardization**
  - **Communications and Information Support (CIS)**
  - **Intelligence Sharing (BICES – Battlefield Information Collection and Exploitation System)**

## Major Changes:

- **Initially: 413 Committees, now 203 Committees**
- **Deputy Permanent Representatives' Group recommendations agreed by North Atlantic Council (NAC) on 10 July 2010, put into effect on 14 July 2011**
- **More reductions planned. Goal is to go down to 100 Committees.**
- **Main focus on top-level of committees reporting to NAC directly**

# Headquarters Reform

- **Formation of a new NATO International Staff Division**
  - **“Emerging Security Challenges” Division**
- **Focus Issues**
  - **Strengthening NATO’s role in fighting terrorism**
  - **Cyber defence capabilities**
  - **Energy security**
  - **Climate change**
  - **Weapons of Mass Destruction and their delivery means**
  - **Strategic Assessment**

# Headquarters Reform

(Continued)

## The New ASG's

- **Defense Investment - IGA Patrick Auroy (FR)**
  - **The first Non-American ASG-DI since inception.**
- **Executive Management - Amb William Eaton (US)**
- **Defense Policy and Planning- Mr. Huseyin Dirioz (TU)**
- **Public Diplomacy - TBA**
- **Emerging Security Challenges - Amb Gabor Iklody (HU)**
  - **Cyber, Counter-Terrorism, Energy Security, WMD Non-Proliferation, and Strategic Analysis**

# Smart Defence Concept

- **Secretary General Rasmussen's speech to the Annual Munich Security, Feb 4, 2011:**
  - How to build security during an age of budgetary austerity
  - Introduced “Smart Defence – how NATO can help nations to build **greater security with fewer resources, but more coordination and coherence**, so that together we can avoid the financial crisis from becoming a security crisis.”
  - Sees **three ways to get more security with available resources**:
    - **Pooling and sharing**
    - **Reduce structures and slim down the bureaucracy**
    - **Strong NATO-EU strategic partnership**



# Smart Defence Concept

## (Continued)

- Smart Defence is **not about NATO imposing anything on nations**
  - NATO to serve as the **enabler** for nations.
  - NATO's role is to **set the strategic direction, to identify possible areas of cooperation, to act as a clearing house, and to share best practices.**
- Sees Smart Defence as a **vital priority for the Alliance, and a key objective of his tenure as its Secretary General.**

# Lisbon Capability Package

- **Afghanistan Mission Network (AMN)**
- **C-IED Action Plan**
- **Strategic and Tactical Airlift**
- **Collective Logistics Contracts, including for Medical Support**
- **Expansion of Active Layered Theater Ballistic Missile Defense (ALTBMD)**
- **Protection against Cyber Attacks**
- **Comprehensive Approach/Stabilisation and Reconstruction-related Capability Requirements**
- **Bi-Strategic Command Automated Information Systems (Bi-SC AIS)**
- **Air Command and Control System (ACCS)**
- **Joint Intelligence, Surveillance and Reconnaissance (JISR)**
- **Alliance Ground Surveillance (AGS)**

# Territorial Missile Defence

- Theatre Missile Defence (1000 Km)
  - ALTBMD – Interim Capability – Combined Air Operations Center (CAOC) at Uedem, Germany  
(France, Germany, Italy, the Netherlands, US)
- Territorial Missile Defence:
  - Expansion of ALTBMD
  - Architecture studies
  - Upper layer
  - Way ahead includes addressing a broad range of issues, including:
    - Political – national perspectives
    - Military – C3 arrangements
    - Programmatics – NSR, programme plan
    - Multinational co-operation for sensors and effectors
    - Industrial
    - Plus - Cooperation with Russia
      - NRC MD WG to define and perform a joint analysis

## CNAD Key Development Areas

- **Missile Defence Activities**
- **Alliance Ground Surveillance (AGS)**
- **Counter-IED**
- **Joint ISR**
- **Air Interoperability**
- **Aircraft Protection**
- **Airlift Assets Combat Service Support**
- **Harbour Protection**
- **Cyber Defence**



# NATO Industrial Advisory Group (NIAG)

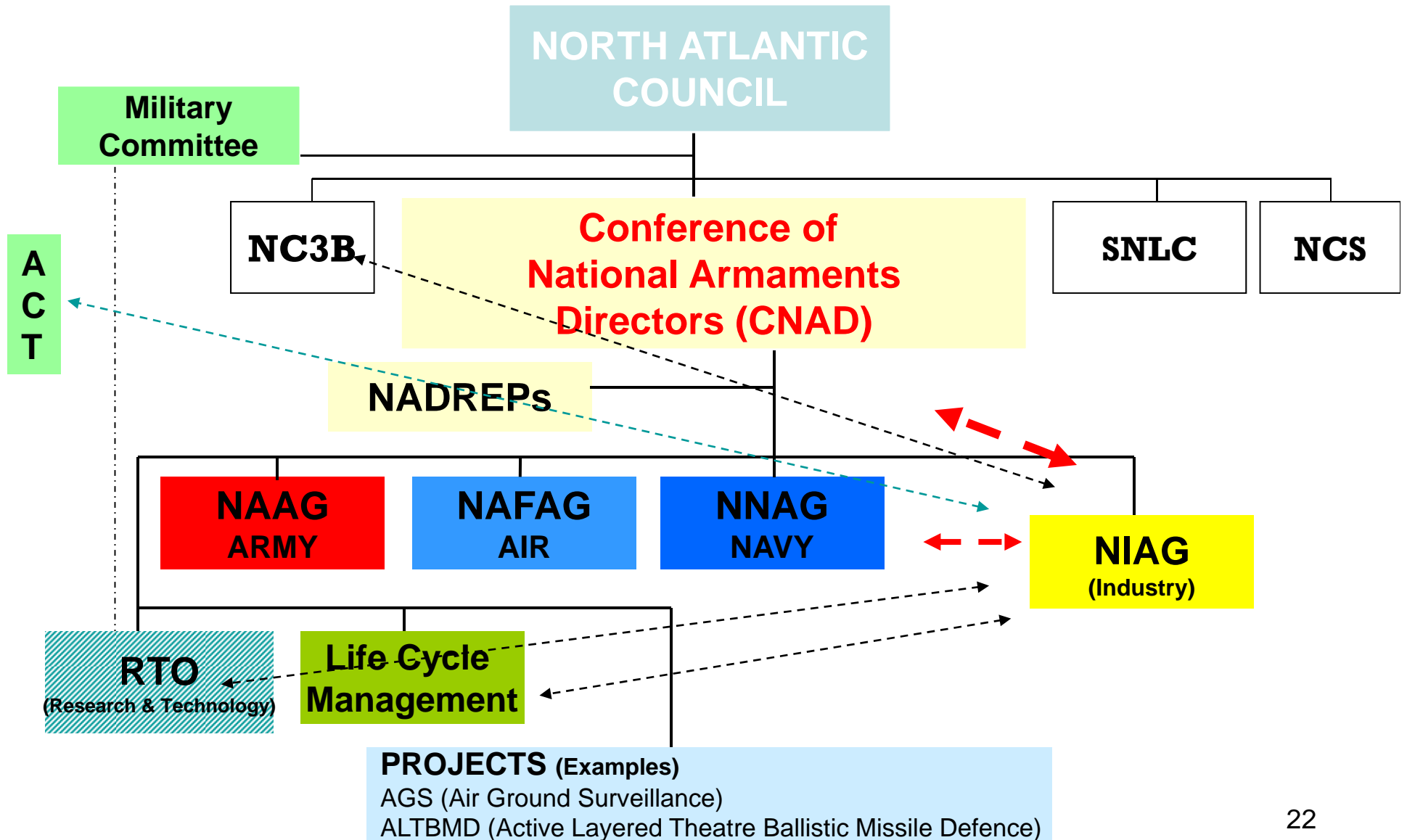
- **Background**
- **NATO CNAD Organization and the NIAG**
- **Terms of Reference**
- **Membership**
- **How NIAG Operates**
- **NIAG Studies and HLA - Examples**
- **Some Benefits of NIAG Involvement**
- **Action for Industry**

# Background

- **The NATO Industrial Advisory Group (NIAG), formed in 1968, is a high-level consultative and advisory group of senior industrialists of NATO members countries, acting under the Conference of National Armaments Directors (CNAD).**
  - 26 of the 28 NATO Nations have a National Industry Advisory Group
  - The US NIAG Delegation is comprised of representatives from AFCEA, AIA, GEIA, NDIA and six companies (Boeing, General Dynamics, Lockheed Martin, Northrop Grumman, Raytheon, and SAIC) as per OUSD(AT&L) Charter
- **CNAD is the principal forum in NATO for Armaments Cooperation and Consultation.**
  - The USD(AT&L) serves as the US NAD and is supported by the OSD-International Cooperation Office and the US Mission NATO's Armaments Cooperation Division.



# NATO CNAD Organization



# NIAG Organization

- **The Assistant Secretary General for Defence Investments (ASD/DI) serves as the permanent Chairman of CNAD, as Chairman of the NATO C3 Board and Co-Chairman of the NATO Committee for Standardisation.**
- **The NIAG reports directly to the CNAD.**
- **The NATO Defense Investment Division provides the liaison with NATO production and logistical organizations as well as with NATO military agencies dealing with defence research and related issues.**  
**Within this division:**
  - **Richard Sladden is assigned as the NIAG/LCStaff Officer**
  - **Guyonne LeFournis is assigned his Administrative Assistant**

# NIAG Terms of Reference

- NIAG is a high-level **consultative and advisory body of senior industrialists** of NATO member countries, acting under the CNAD, with the aims of:
  - Providing a forum for the **free exchange of views on industrial, technical, economic, management and other relevant aspects of research, development and production of armaments equipments within the Alliance**; based on current and updated information provided by relevant NATO bodies;
  - Providing industry's advice to CNAD on how to foster government-to-industry and industry-to-industry armaments co-operation within the Alliance;
  - Providing optimal use of NIAG resources to assist Main Armament Groups and other NATO agencies/organizations.

# NIAG Membership

- **NIAG is composed of industrial representatives designated by each member country. Members will hold high level positions in companies engaged in defence equipment activities and/or national defence industrial associations.**
- **The Chairman and Vice-Chairman of NIAG are elected from within its members having been the Head or Deputy Head of their NIAG Delegation for at least one year. They are elected for a two-year term and may be re-elected for a second two-year term.**
- **All NIAG members are in a privileged position in that confidential information may be provided to them in conjunction with NIAG activities. Members should therefore adhere strictly to the NIAG Moral Code.**

## NIAG Moral Code - Provisions

- **Members of NIAG are either representatives of industrial groups or even have direct interests in industrial enterprises themselves. This implies that “conflicting interests” might arise when they participate in the practical work of NIAG, particularly in connection with NIAG Prefeasibility Studies.**
- **It is vitally important for the proper functioning of NIAG that all members should take the position that confidential information provided at NIAG meetings or in connection with NIAG activities should not be used to obtain unfair advantages over competitors, and that information provided on the activities of certain industries in particular member companies should be treated in the strictest confidence.**
- **It is, of course, clear that no one can be expected to forget what he has seen or heard, but what one can expect is that all NIAG members, without exception, adopt a very strict moral attitude and do not take advantage of the privileged position in which they find themselves.**

# How NIAG Operates

- **Plenary Meetings:**
  - NATO and Partnership for Peace formats
  - 3 per year: 2 at NATO HQ (Brussels) (February & September/October)  
and 1 at member nation location (May/June).
- **NIAG ‘Services’:**
  - Representation in meetings      – *High level advice*
  - Study Sub-Groups                      – *Pre-feasibility studies,*
  - Expert Groups                          – *Specialist advice & reports,*
  - Workshops                                – *Discussion forum.*
- **Pre-feasibility studies:**
  - What is the current state-of-the art?
  - What do future technologies offer?
  - What is practical and achievable?
  - What is the best way to achieve interoperability ?



## 2011 NIAG Studies (Open to PfP Nations)

| New 2011 Study<br>(Open to Partners)   | Sponsor                | Objective                                 |
|--|------------------------|---|
| <b>Cooperative Civil-Military Information and Intelligence Exchange in Support of Consequence Management Operations.</b> | <b>JCG ISR</b>         | <b>Requirement Definition (LTCR)</b>      |
| <b>Architecture standards for multi-domain Unmanned Platform Control System.</b>   | <b>JCG UAV</b>         | <b>STANAG</b>                             |
| <b>NATO Ground Based Air Defence Systems Threat Evaluation and Weapons Assignment (TEWA) Interoperability.</b>           | <b>NAAG<br/>LCG 4</b>  | <b>Technology Demo and LTCR</b>           |
| <b>Distributed Simulation and War Gaming Technologies for Aerospace Command and Control.</b>                             | <b>NAFAG<br/>ACG 6</b> | <b>Requirement Definition // Exercise</b> |
| <b>Energy storage for legacy and Future Military Vehicles - Workshop</b>   | <b>NAAG<br/>LCG 2</b>  | <b>Technology Demo and LTCR</b>           |
| <b>Reduction of Energy Consumption in Fleet Operations - Workshop</b>  | <b>NNAG<br/>MCG 6</b>  | <b>Requirement Definition</b>             |



## 2011 NIAG Studies (NATO Only)

| New 2011 Study<br>(For NATO Members Only)  | Sponsor               | Objective   |
|--|-----------------------|---|
| <b>Use of Networks for Air Weapons Data-Links.</b>   | NAFAG<br>ACG 2        | Technology<br>Demonstration<br>and LTCR           |
| <b>Hard Kill – Torpedo Counter-Measures (TCM)</b>  | <b>NNAG<br/>MCG 2</b> | <b>Requirement<br/>Definition<br/>(LTCR)</b>      |
| <b>Space based Capabilities for Alliance Operations<br/>– Workshop</b>   | NAFAG<br>LCG 4        | <b>NAFAG<br/>Program of<br/>Work</b>              |
| <b>High Level Advice 2011 – Proposals: Promoting<br/>multinational programmes; Advising NATO<br/>Defence Planning Process; Advising Agency<br/>Reform.</b>                           | CNAD                  | <b>CNAD<br/>Smart<br/>Defence</b>                 |
| <b>High Level Advice 2011 – CNAD and NIAG Co-<br/>Sponsored Conference on Transatlantic Defence<br/>Industrial Cooperation (TADIC) – after Oct 2011<br/>CNAD Meeting at NATO HQ.</b> | CNAD                  | <b>NATO<br/>Emphasis<br/>on TADIC<br/>Actions</b> |

# NIAG HLA Activities

## 1. TADIC Follow-On

- **Proposing a 2<sup>nd</sup> TADIC Conference in 2011**
  - Address implications of Strategic Concept and opportunities to advance TADIC
  - Review developments in US and Europe to reform export control process and discuss implications
  - Review TADIC issues (industrial view) in supporting NATO programmes and capabilities such as, AGS, Territorial Missile Defence and Cybersecurity
- **Possible High Level NATO-Industry Forum**
  - “Reinforced” NIAG session attended by invited CEOs of NIAG member companies
  - Could be a dinner or meeting with Secretary General

# NIAG HLA Activities

(Continued)

## 2. The Industrial Dimension of NATO Territorial Missile Defense (a HLA Study for CNAD)

- Co-Chairmen from Germany and USA
- 31 Industries participated
- **Mission:** To identify what NATO member nations' industries can provide in support of a broader Territorial Missile Defense in Europe providing recommendations from industry on ways forward, including in the areas of capabilities, transatlantic defence industrial cooperation and interoperability.
- **Addressed Capabilities, Business Models, Collaboration Policy, Interoperability, IPR, and Cooperation Barriers (such as, export control issues).**
- **Team prepared the final report for delivery AFTER the Lisbon Summit – in December 2010.**



## Some Benefits of Involvement in NIAG Activities

- **Awareness** of NATO Alliance activities and initiatives (e.g., from CNAD Updates).
- Participation in **free exchange of views** on industrial, technical and economic issues related to research, development and armaments production and cooperation.
- **Access to NATO organizations**, such as, the CNAD Main Armaments Groups, NC3A, RTO, ACT, SHAPE, SNLC, NAMSA and NCS as they participate in NIAG Meetings and as the NIAG participates in their respective activities.
- **Connections with other National Delegations** to develop expanded industry network, to include with Partnership for Peace nations.
- **Participation in Pre-feasibility Studies** to understand and contribute to the potential state of art in industry and to receive results of all studies.
- **Participation in high level advice studies**, such as, the Transatlantic Defense Industrial Cooperation Study which provided access to North American and European government and industrial organizations that affect such cooperation.
- **Participation in NIAG related workshops, symposiums, and demonstrations.**

## ASG-DI Request to NIAG

***“Together we can and must spend more wisely and effectively.”***

***Anders Fogh Rasmussen, NATO Secretary General***

- **On 13 May 2011, the ASG-DI requested assistance from the Chairman, NIAG**
- **The assistance requested:**
  - Views of industry regarding smart defence
  - Set of proposals for multinational approaches for capability development and pooling/sharing
  - Attached a list of questions for industrial role in “smart defence”

# ASG-DI Request to NIAG

(Continued)

## Sample Questions:

- **Is industry able to propose opportunities for merging of similar projects in the same capability domain in different NATO nations?**
- **Is industry willing to go beyond national interests and make unsolicited proposals (with competitors) to terminate fratricide competition?**
- **Can a company involved in similar business with different countries propose a multinational approach that could be proven to be cheaper and more efficient?**
- **Is more outsourcing, more Public Private Partnerships, or more private finance initiatives more affordable for NATO and nations?**
- **Can industry give examples of facilitating multinational logistical support arrangements?**



## Suggestions for Small and Medium Enterprises

- **Begin to build an international business network.**
  - Attend conferences like COMDEF
  - Participate in NDIA activities
- **Understand and embrace regional/country culture and US strategy**
- **Seek partnerships with large companies that have existing NATO contacts and business**
  - US and European
- **Follow US Commercial Service (Mr. Ira Bel) suggestions regarding opportunities for industries**
  - International competitive bidding
  - Suppliers list
  - NC3A, NAMSA, ACT, RTO
- **Develop relationships with US Mission NATO , US Embassy Brussels (Defense and Commercial Service), US EUCOM and US NIAG**
- **Understand Export Control regulations and procedures.**

# NIAG Summary

- NIAG is a high-level consultative and advisory group of senior industrialists acting under the CNAD which can enhance industry's understanding of overall NATO activities, priorities and Alliance objectives.
- NIAG provides the opportunity to establish industry to industry networks and armaments cooperation.
- NIAG provides the basis for participation in Pre-feasibility Studies which allows industry to affect NATO standards, new requirements and future multinational programs.
- NIAG provides the opportunity to show-case NATO's industry and its capabilities.

# Conclusions

- **Despite the constrained budgetary situation, NATO is changing for the good.**
- **Doing business with NATO is also changing. The slow process is getting faster!**
- **The Smart Defence emphasis should open up opportunities for SME's**
- **Make sure you understand the customer's needs and requirements.**
- **Take advantage of the services provided by the USG, as reflected by the two presenters today.**
  - **US Mission NATO**
  - **US Embassy Brussels**
  - **US EUCOM Defense Cooperation Office (DCO)**
  - **US Embassies in the NATO countries (DCO's)**



## Contact Info

**Wayne Fujito**

**Chairman, NATO Industrial Advisory Group  
Chairman (Elect), NDIA International Division**

**President, International Division**

**Decisive Analytics Corporation**

**1235 So. Clark Street**

**Suite 400**

**Arlington, VA 22202**

**703-414-5014**

**[wayne.fujito@dac.us](mailto:wayne.fujito@dac.us)**