Department of Commerce
Defense Cooperation

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Agenda

• Commerce Organization
• International Agreement Review (IA)
• Security of Supply (SOS)
The Department of Commerce assembles here the forces designed by Congress to advance the interests of industry and trade. Through experimental research, the dissemination of knowledge and administrative vigilance it stimulates the progress of America upon land and sea in the air and through the water.
Bureau of Industry and Security

• Export controls on sensitive dual-use items
• Critical infrastructure protection
• International agreement/EDA reviews
• Defense trade advocacy
• Defense industrial base assessments
• Defense Priorities and Allocations System
International Agreement Review
International Agreement Review

the Secretary of Defense shall regularly solicit and consider comments from the Secretary of Commerce with respect to commercial implications of such memorandum of understanding or related agreement on the international competitive position of the United States industry (10 USC Section 2531)
International Agreement Review

• Reciprocal Bilateral Defense Trade Agreements

• Cooperative R&D/Security Assistance IAs
  - Project Agreements/ Loans/ Amendments

• Master Information Agreements and Annexes
  - New OSD guidance (Feb 2002) DODI 2015.4
International Agreement Review

- DOC has reviewed 1,300 proposed international agreements (IAs) since 1989 and has recommended non-concurrence on 5% of proposed IAs
  - IAs from DSCA and DUSD(IP)
- DOC assesses industrial base and economic security impacts
  - Open source analysis, consultation with industry
- DoD/DOC Process Agreement (Nov 2000)
Areas of Commerce Review

- Workshare
- Financial
- Trade
- Tech Transfer
- Tech Flowback
- Reciprocity
International Agreement Review

Source: DOC/BIS international agreement database
International Agreement Partners

Source: DOC/BIS international agreement database
Agreements by Technology Area (1995-Present)

Source: DOC/BIS international agreement database. “Technology areas” categorized based on the 1997 Defense Technology Area Plan
NATO Defense Expenditures Per Capita

Official NATO Figures for 2002

*Estimated*
NATO Procurement Expenditures Per Capita

Official NATO Figures for 2002

<table>
<thead>
<tr>
<th>Country</th>
<th>Expenditures per Capita</th>
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<tbody>
<tr>
<td>United States</td>
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</tbody>
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1999 Government R&D Expenditures

Source: National Science Foundation. 1998 data for Canada, Italy, and Russia.
1999 Defense R&D Expenditures
($ Billions)

Source: National Science Foundation. 1998 data for Canada, Italy, and Russia.
1999 Defense R&D Expenditures Per Capita

- Canada: $6.30
- Italy: $3.50
- Japan: $7.10
- Russia: $7.60
- Germany: $15.60
- France: $48.50
- U.K.: $51.80
- U.S.: $147.20

Source: National Science Foundation. 1998 data for Canada, Italy, and Russia.
1999 Government R&D Expenditures

Source: National Science Foundation. 1998 data for Canada, Italy, and Russia.
Security of Supply
Security of Supply

• Defense Priorities and Allocations System

• NATO initiative for seven years
  - Provide government assurance of industrial production and intra-alliance supply during times of crisis
  - NAC approved June 26, 2002 (C-M(2002)52)

• Bilateral initiatives (UK, AU, NO, DE, NE)
  - Sweden and Italy in discussion
Issues

• Transatlantic defense investment gap
• Merging of defense and commercial technology
• Motivation for cooperation
• Government and industry roles
• Making it equitable
Commerce among nations should be fair and equitable

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