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DEFENSE INDUSTRIAL COOPERATION ("DIC"):  
IT'S ABOUT TIME

By

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If you have just been, or are about to be, assigned to a security assistance organization, the letters "DIC" will become very important to you. They stand for Defense Industrial Cooperation and are becoming more important in our dealings with countries that are eager to improve their industrial capabilities.

DIC is often the "quid" of the quid pro quo in U.S. relationships with host countries. For example, the United States may be granted valuable base rights arrangements in return for a "best-effort" pledge to increase a host country's production, maintenance, and overhaul capabilities for equipment and ammunition. Many of our allies are tired of merely buying U.S. defense items. They would rather manufacture, co-produce, and co-assemble these items themselves. In this way, they could develop their own defense industrial base, stretch funds, and bolster national pride. Acquiring this technology would also help the country in acquiring technical skills that carry over into fields other than the military. In fact, many countries are willing to produce defense items at an initial loss in order to gain such skills. All of these factors add up to the strong possibility that sometime during your tour you are going to be approached for assistance. So, here are a few basic facts you should know about DIC.

DIC is a pledge of both parties to cooperate in order to increase defense equipment production and maintenance capabilities within the host country. Both governments will normally seek to facilitate the mutual flow of technological know-how in the field of defense, to promote the co-production of defense equipment and cooperation in defense research and development, and to expand the program of data exchange in defense technologies. The implication is that the United States is assisting the host country, since the host is the one which needs the help.

If you are getting your own DIC started, here are some key points to help you:

1. Realistically define the objectives of each proposed project early. The host country must define what it expects, and the objectives must be attainable. Too often, ventures are begun with too many platitudes and too few well-defined objectives. In short, a country that cannot assemble simple radio components has little chance of co-producing F-18s in a few years' time. This fact is not as obvious as it sounds. Expectations must be matched with U.S. capabilities to meet them. If not, you -- the middle man -- are in for a difficult tour.

2. Seek outside technical assistance. During the sensitive definition phase of the project, you may need to bring in some experts to assist. Let's face it, the average security assistance officer is not a technical expert. He may be a C-5 pilot, an infantry officer, or a Naval line officer who has spent most of his time on destroyers. He may be outstanding in his primary specialty and adequate in his alternate, but he may know very little about assessing the capabilities of an artillery fuse assembly line. Travel money for U.S. agencies is always a problem, but persistence is required to involve appropriate experts in the United States in the definition phase. Having experts to get things going properly from the start is cheaper than bringing them in later to help resolve problems.

3. Identify a source of funds. Foreign Military Sales (FMS) credits can be used for DIC-related projects; however, no extra FMS funds are provided specifically for DIC projects. If FMS credits are not to be used for DIC, insure that national funds are included in the host nation's budget cycle.

4. Recognize the type of defense industrial model which exists in the host country. Many countries are still tied to a government-owned or government-controlled system for supplying defense articles. Often, the facilities are left over from another era and require tremendous expenditures for modernization. In other countries, partially-built facilities, financed by a third nation which is no longer friendly, may exist, but were never put into operation. Where the host government has been heavily involved, you will often find a huge, entrenched bureaucracy that stifles modernization. In other countries, private contractors supply the government with defense-related items. Of course, any combination of the above might exist. What the security assistance officer must be aware of is that the system will determine how business is done and how technology is transferred between the United States and the host country.

5. Recognize that the amount of releasable U.S. technical information will rarely meet the host nation's expectations. Many countries are yearning for U.S. technology to produce items related to U.S. weapons and vehicles already in country. Artillery and small arms ammunition, fuses, mines, rockets, powder and explosives, and nuclear/biological/chemical (NBC) protective equipment are just some of the items required. However, the United States is reluctant to release the appropriate technology for several reasons. Protection of the U.S. production base seems to be the reason most often cited. Another reason is that private industry has developed the item and usually maintains proprietary rights. There is little the security assistance officer can do in this instance, except to put the host government in touch with the private firm. Another problem relates to transferring older technology. When a country wants to produce an item that the United States is not currently producing, the technical information may not be up-to-date. Revising data packages to make them current is expensive and the cost must be borne by the country desiring the item. An alternative is for the country to buy the technology package "as is." Expert help is required before making this decision. The experts can gauge how far out-of-date the technical data is and whether it is suitable for production purposes.

6. Regular meetings and periodic reviews of DIC projects are required. Perhaps, twice a year at alternating capitals, high level

representatives will need to meet to review progress, develop action items, and evaluate new areas of cooperation. In the meantime, at the security assistance officer level a regular in-process review can be held to make sure the projects are on track. Without these meetings, expectations can get out of line with reality and all concerned will be dissatisfied.

7. Keep good records. The security assistance officer is on a one-, two-, or three-year tour. DIC projects are long-term in nature. Periodic reports, results of meetings, and lists of contacts are required to keep the security assistance officer on top of the projects. The host country is often able to find someone who has worked with the programs from the beginning. If there is no institutional memory bank, the local security assistance officer will be at a tremendous disadvantage in dealing with his counterparts. He needs all the help he can get.

These are some thoughts that should help you in your role as a security assistance officer. You are the one who has to keep the DIC projects alive and act as the catalyst between the United States and the host country. High-level representatives may meet, make promises, and pledge "best efforts" in order to obtain concessions; but, in the end, your personal perseverance will make or break the DIC.

#### ABOUT THE AUTHOR

Lieutenant Colonel Daniel F. Cronin serves as the Operations Officer, Joint Programs Section, Joint U.S. Military Mission for Aid to Turkey (JUSMMAT). He is the project officer for the Defense Industrial Cooperation Program which was established in the Turkish-U.S. Defense and Economic Cooperation Agreement in 1980. In addition to being a graduate of the Armed Forces Staff College and the DISAM Security Assistance Management Course (Overseas), Colonel Cronin holds a Master of Science degree from the University of Southern California.