Proposed Government – Industry Forum (GIF) Pilot

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During the 2016 Munition Executive Summit (MES) meeting, industry noted a need to improve US market share of foreign direct commercial sales (DCS) to help preserve industrial base capabilities or capacity during times of low (or no) USG demand.

Information collaboration was identified as a key enabler for work-loading of the National Technology Industrial Base (NTIB).

To explore how this could be implemented PM CAS is piloting a Government – Industry Forum (GIF).

The GIF pilot was discussed with the NAC, MIBTF and ICAP organizations' who were very supportive.

Proactive planning will also mitigate surge responsiveness risk and provide economic efficiencies.
Why Advanced DCS Planning is Essential

- Planning for low demand periods while the lines are at high efficiency, provides:
  - Time to perform Business Development (BD), Contractual, and Qualification aspects of the DCS
  - Assess future available Capacity mix
  - Starting work "now", optimizes outcomes when they are needed (2-3 years from now)
  - GIF DCS candidates will be considered based upon several factors, i.e. available production capacity, and when there is low or no USG production forecasted
  - Enhanced Competitiveness
    - The NTIB is competing against the "rest of the world" (French, Germans, Chinese, etc.) for international business
    - Competitive factors include technology maturity level, quality, cost, etc.
    - When demand within the NTIB is high, good production efficiencies are achieved, helping the cost structure of the product offerings
Example of a DCS Candidate for a Given Product

USG Demand is cyclical

Minimum Production: Loss of Capabilities, Inefficiency, Higher unit costs

USG & NTIB DCS objective is to smooth out the valleys
The intent of the GIF is to establish the open collaborative process and identify USG and NTIB DCS opportunities of mutual interest

**Assumptions:**
- Improved forecasting information is required to enable sustaining the NTIB during times of low demand by the USG
- Will analyze and report on future funding trend data, product divestment plans, available capacity, cost efficiency opportunities, etc.
- Open information exchanges helps both NTIB and government

**Out of Scope:**
- FMS specific discussions and comparisons
- Discussions on pending cases or country specific FMS activities
- Inventory levels
- Actual POM $
GIF Path Forward

- Start compiling necessary data to analyze and build DCS opportunities report
- Schedule the Government – Industry Forum meeting around the Munitions Executive Summit in 2018
- Draft agenda to include:
  - Present the DCS process (USG)
  - Discuss GIF collaboration methods and timelines (USG)
  - Present results of initial DCS opportunities analysis (USG)
  - Examples of DCS cases (USG)
  - Early identification of potential programs of mutual interest that may not necessarily default to FMS (Industry)
  - Schedule one on one USG/Industry discussions

Improved and Proactive Planning will Reduce IB Risk and Create Economic Efficiencies