

**U.S. NATO Industry
Advisory Group (NIAG)
Delegation
Handbook**

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**U.S. DEPARTMENT OF DEFENSE
GUIDELINES FOR THE U.S. DELEGATION
TO THE
NATO INDUSTRIAL ADVISORY GROUP**

A. BACKGROUND

1. The NATO Industrial Advisory Group (NIAG), formed in 1968, is a high-level consultative and advisory group of senior industrialists of NATO member countries, acting under the Conference of National Armaments Directors (CNAD), which is the principal forum in NATO for Armaments Cooperation and Consultation.

The aims of NIAG are to provide:

- a. a forum for free exchange of views on industrial, technical and economic management and other relevant aspects of research, development and production of armaments equipment within the Alliance;
- b. industry advice to the CNAD on how to foster government-to-industry and industry-to-industry armaments cooperation; and
- c. optional use of NIAG resources to assist CNAD Main Armament Groups, and their subordinate bodies, in exploring opportunities for international collaboration, and seeking timely and efficient ways to satisfy NATO military requirements.

B. ROLE OF U.S. NIAG DELEGATION

2. The U.S. NIAG (USNIAG) is a forum which offers United States Defense Industry Executives' expertise to DOD and other government departments that is valuable to the development of the defense industry in the United States. The USNIAG will offer advice to DOD on:

- defense material cooperation among NATO nations;
 - United States defense industry issues; and
 - bilateral and other multilateral defense material issues, projects, and initiatives of interest to the U.S. worldwide.
3. The U.S. Delegation, like those of other NATO countries, has the latitude to express its industry views, not necessarily those of the government. While this gives the U.S. Delegation a certain degree of autonomy, historically the views of the Delegation have been supportive of DOD.
- The procedures for developing advice by the Delegation shall be as flexible as is consistent with its defined purpose. The Delegation may establish temporary, ad hoc Sub-Groups to review and advise on issues that arise. Sub-Groups will normally be established for a specific length of time, subject to extension, when necessary to complete their assigned tasks.

C. MEMBERSHIP

4. The USNIAG is a small forum of senior industrialists who have national and international defense program experience (President, Senior Vice President or Vice President level or equivalent) who can advise, and respond to, DOD and other government departments on national and international defense business issues.
5. The USNIAG is composed of industrial specialists with whom DOD and other government departments can discuss defense business issues, both national and international, of common interest and concern.
6. Organizational arrangements stipulate a maximum of four members (delegates) from each NATO country will attend each NIAG meeting. To assure that four U.S. representatives will be available, a U.S. Delegation of U.S. based representatives drawn from four defense related associations, is organized. In order to expedite the flow of information required for U.S. action, another U.S. industry member is resident in Europe, preferably Brussels. These guidelines also provide for a number of at-large delegates, but

in any event, the entire delegation will not exceed nine members. In addition, a non-voting Chairman Emeritus delegate status (see Paragraph 17) is reserved for the outgoing Chairman at the end of his/her term.

7. U.S. delegates are nominated by four of the major U.S. defense industry associations: Aerospace Industries Association (AIA), Armed Forces Communications and Electronics Association (AFCEA), Government Electronics and Information Technology Association (GEIA), and the National Defense Industrial Association (NDIA).

8. Each of the four associations selects a single nominee, and the USNIAG selects the at-large nominees for membership in the U.S. Delegation. The at-large nominations will be reviewed by the four associations having NIAG membership responsibilities. The names of the association and at-large-nominees are submitted by the associations and the Chairman of the USNIAG respectively to the Under Secretary of Defense for Acquisition, Technology and Logistics for final approval and formal notification of membership on the U.S. Delegation. Nominees will provide written commitments that their parent organizations will support their fulfillment of NIAG responsibilities. The U.S. delegates to NIAG are sponsored by DOD (OSD/AT&L).

9. In selecting all nominees, the following criteria will be considered (not necessarily in priority order):

- level of company responsibility as specified in paragraph four (4) above
- current or past level of involvement in association activities or other significant international activities
- current or past level of involvement in NATO activities or other significant international activities
- qualifications to effectively represent the broad interest of U.S. industry through the selecting associations and to communicate regularly with that association's membership

- commitment to actively participate in at least half of the applicable NIAG meetings (with company funding)
- previous company representation on NIAG (preference may be given to companies who have not previously had representation on the U.S. Delegation)
- in the case of at-large delegates, insofar as practical, consideration will be given to maintaining a representative cross section of major U.S. defense industries, i.e., aerospace, electronics, ships, vehicles, munitions, etc.

10. Delegates will serve a term of four years in the USNIAG to provide continuity of participation. This four year term is conditional upon the member's continuing ability to satisfy the original selection criteria.

11. If any USNIAG delegate misses three consecutive meetings of the NIAG Plenary in succession, this indicates an inability to participate and the member will be dropped from the USNIAG Delegation.

12. If an association delegate cannot serve out the full four-year term that association will nominate an appropriately qualified individual to serve out the remainder of the unexpired term. If an at-large-delegate cannot serve out the full four-year term, the USNIAG will nominate an appropriately qualified individual to serve out the remainder of the unexpired term.

13. Members of the U.S. Delegation must hold a valid NATO security clearance of at least SECRET, have been briefed on NATO security procedures, and have a need-to-know for the particular purpose for which the classified material is provided. They are authorized to receive and hold U.S. and NATO classified information relevant to NIAG activities. They must mark, store, transmit and handle classified information in accordance with the U.S. National Industrial Security Program Operating Manual, DoD 5220.22-M, including the Chapter 10 thereto which establishes standards for NATO

classified information that are more stringent than those applied to U.S. classified information.

14. All delegates should adhere to the attached NIAG Moral code and not make use of privileged or confidential knowledge to obtain unfair advantages over competitors.

D. Chairman/Vice Chairman

15. The U.S. Delegation elects one of its members to serve as Chairman of the Delegation for a two-year term. The term of a Chairman may be extended for one additional year beyond the normal four-year term as a delegate. The delegation will also elect a Vice-Chairman from its membership for a two-year term, subject to annual extensions, but not to exceed his/her term as a delegate.

16. On occasion there may be an opportunity for the U.S. to propose a candidate for the Chairmanship or Vice Chairmanship of the NIAG. The decision to consider such an opportunity should be taken by the U.S. Delegation with the agreement of the DOD. Should it be the joint opinion of the U.S. Delegation and DOD to propose a candidate, a nominee will be proposed by the U.S. Delegation from those of its members who have served as Chairman or Vice Chairman for at least one year. Should a member of the U.S. Delegation be elected as Chairman or Vice Chairman of NIAG, he will become an ex-officio member of the U.S. Delegation and a new member selected.

E. CHAIRMAN EMERITUS

17. The Outgoing Chairman of the USNIAG Delegation will be appointed to a further two-year term as Chairman Emeritus. The Chairman Emeritus may attend meetings and advise the U.S. delegation on all matters. The Chairman Emeritus will not have voting status.

F. RESPONSIBILITIES

18. The Chairman of the U.S. Delegation is responsible for calling meetings of the U.S. Delegation, either separately or in conjunction with representatives of DOD. He presides over meetings of the U.S. Delegation and functions as the spokesman for the Delegation at meetings of the NIAG. He is the primary interface between the Delegation and the U.S. National Armaments Director (NAD). The Vice Chairman serves in these roles in the absence of the Chairman and may be assigned other responsibilities in support of U.S. Delegation programs.

19. The Chairman will report to the U.S. NAD on policy issues, and for administrative purposes will coordinate with the Director International Cooperation. He/She will schedule periodic meetings of the USNIAG with the U.S. NAD, members of his/her staff, and other U.S. Government officials to exchange information and prepare, as appropriate, positions for CNAD and NIAG meetings.

20. Members of the U.S. Delegation are responsible for maintaining effective communication with their respective associations, and with the defense industries in general, to ensure that their actions at NIAG meetings and in other NIAG matters are representative of U.S. defense industry.

In carrying out these responsibilities, members are expected to provide industrial presence in support of the diplomatic / political role of the U.S. in NATO:

- provide DOD with insight into European defense industries' attitudes, interests, practices and intentions;
- cooperate with European NIAG members in identifying common transatlantic views regarding industrial policies, initiatives, and cooperative projects;
- propose U.S. initiatives for NIAG study; and
- provide DOD with insight into North American defense industrial base issues.

G. MEETINGS

21. Each year there are normally four plenary meetings of the NIAG, usually at NATO Headquarters. It has been the practice of the U.S. Delegation to meet in advance of each plenary meeting to finalize U.S. positions and proposed actions. U.S. Delegation meetings are normally held at the Pentagon and consist of a preliminary "industry-only" session, followed, where practicable, by a joint session with the NAD and other representatives of OSD and the Military Services.

H. SUBGROUPS

22. When NIAG undertakes a study, usually at the request of the CNAD, Subgroups are established, with U.S. members selected by DOD or the USNIAG Delegation. The Sub-Group Chairmen and members of Sub-Groups are nominated by the nations and selected by NIAG through established practices in the NIAG Report "A Guidance Manual for NIAG Pre-Feasibility Studies". Limited NATO funding may be made available to partially defray the costs of participation in subgroup study activities.

- The U.S. Delegation to NIAG is not established to advise on individual procurements. No matter shall be assigned to the Delegation for its consideration that would require any Member of the Delegation to participate personally and substantially in the conduct of any specific procurement or place him or her in the position of acting as "procurement officials", as that term is defined pursuant to law.

I. STAFF SUPPORT

23. The U.S. Delegation is supported by one senior staff representative from each of the participating associations. These representatives ensure coordination among the associations and the U.S. Delegation. They also provide such support as needed to further the efforts of the Delegation in its relationship with the defense industry and with the DOD.

24. The DOD assigns a staff specialist to work closely with the U.S. Delegation and the association representatives in coordinating DOD and industry actions and in providing other support to the Delegation as required.

25. The Chairman of the USNIAG may appoint staff assistants from his/her own parent organization or request assistance from other USNIAG members' organizations to provide additional administrative support when deemed necessary.

26. These guidelines are developed by the DOD in consultation with the relevant defense industry associations and the USNIAG Delegation.

- Date these guidelines are filed: April 2001

PDUSD(AT&L) *DS11* Honorable David R. Oliver
Principal Deputy Under Secretary
(Acquisition, Technology and Logistics)

AIA *[Signature]* John W. Douglass, President and CEO
Aerospace Industries Association

AFCEA *[Signature]* C. Norman Wood
Lt Gen USAF (Ret.)
President and CEO

GEIA *[Signature]* Mr. Dan C. Heinemeier
President
Government Electronics and Information Technology
Association (GEIA)

NDIA *Lawrence F. Skibbie* Lawrence F. Skibbie
President & CEO

USNIAG *Chris Shore* Christian M. Shore
Chairman, USNIAG

Attachment

NATO INDUSTRIAL ADVISORY GROUP

MORAL CODE

At its plenary meeting on 29 April 1969, the NIAG accepted the principle of a "Moral Code" as described in a paper presented by its first Chairman (Dr. Tromp) in document NIAG (60)D/9. The provisions of this Moral Code are outlined below:

- 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 countries 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.