

## UP FRONT

## STEVE GRUNDMAN



**HOW COULD WE ACHIEVE SEAMLESS** integration of the industrial bases of the U.S. and its closest allies? That question was addressed this week in London at the Quadrilateral Conference of trade associations representing the national defense industries of Australia, Canada, the UK and the U.S. In U.S. law and policy, the defense-industrial resources of these four countries comprise what is deemed the National Technology and Industrial Base (NTIB).

This annual convocation advances the work of the NTIB, which, as expressed in statute, aims “to reduce the barriers to the seamless integration between the persons and organizations” of these allies’ respective defense-industrial bases. As indicated by the topics populating this year’s program—Developments in Export Control Policy, Updates on Foreign Investment, Securing the Supply Chain and Cybersecurity, among others—there remains much work to do.

Indeed, elaborating a comprehensive agenda of the NTIB’s challenge is the very purpose of an Atlantic Council report, “Leveraging the National Technology Industrial Base To Address Great-Power Competition,” published earlier this year. The report’s thesis takes a broad aim: “If the United States cannot step up and design a way to integrate the defense and commercial industrial capabilities of both it and its allies . . . it will likely lose a future conflict.”

On the other hand, its findings are incisive and its recommendations detailed, features that reflect the deep knowledge and determined pragmatism of its author, Bill Greenwalt, whose career in public service includes a stint as deputy undersecretary for industrial policy and several tours as a professional staff member on Capitol Hill. Accordingly, Greenwalt’s report specifies fully 22 legal and regulatory proposals organized around four categories of action:

■ **Governance:** “Establish a governing body of NTIB members to address harmonization of industrial-base issues.” The current infrastructure of work on the NTIB primarily comprises ad hoc panels working at relatively low levels across each member’s bureaucracy. The stakes, urgency, and difficulty of the NTIB agenda require a more concerted approach.

■ **Technology control:** “Harmonize technology-transfer laws, regulations, policies, and practices.” Seamless integration will require genuine free trade in defense goods and services among NTIB members. The most important step in the formation of an effective NTIB is

also the hardest: exempting NTIB members from the export-control of munitions.

■ **Non-security barriers:** “Limit socioeconomic and acquisition process barriers to cooperation.” In addition to export-control barriers, common acquisition practices—domestic-sourcing restrictions, in particular—also work to frustrate integration, and the resources of NTIB members should be exempted.

■ **Extension:** Employ “NTIB industrial-base approaches . . . as a testbed for innovations in international cooperation . . . [with] other close allies.” The landscape of partners whose industrial capabilities are strategic to U.S. security is hardly confined to the four NTIB members. Drill into the Pentagon’s existing supply chains or benchmark advances in defense technologies, and you will find that leading capabilities also reside in France,

Israel, Italy, Japan, Netherlands, Norway and Sweden, among other of our close allies.

Of course, the tenor of these recommendations would seem to run against the grain of a presidential administration that has prided itself on economic nationalism and holds a jaundiced view of traditional allies. And yet the Trump administration’s actual defense policies embrace at least the spirit of Greenwalt’s argument. For example, the National Defense Strategy commands, “We will also cultivate international partnerships to leverage and protect partner investments in military capabilities.” More tellingly, the industrial base assessment resulting from Executive Order 13806,

widely regarded as a pretext for protectionism, includes a recommendation to “[work] with allies and partners on joint industrial base challenges through the National Technology Industrial Base and similar structures.”

In his recently published memoir, former Defense Secretary Jim Mattis underscores the conviction that led him to resign last December: “History is compelling. Nations with allies thrive, and those without wither. Alone, America cannot provide protection for our people and our economy.” Mattis’ precept is a reflection on the grand strategy of nations, but it holds with equal force to defense-industrial strategy. The industrial capabilities on which the U.S. relies for the goods and services undergirding its defense strategy either will thrive by a seamless integration with those of our close allies or they will wither from increasing isolation. ☉

## Allies Matter



Why the U.S. can't go it alone on defense-industrial strategy

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