

***BUREAU OF
POLITICAL-MILITARY AFFAIRS***

Stephen W Brosnan

***Directorate of Defense Trade Controls
Policy Division***





What Governs Our Actions



Law

- *Arms Export Control Act*
- *Foreign Assistance Act*

Regulations and Policies

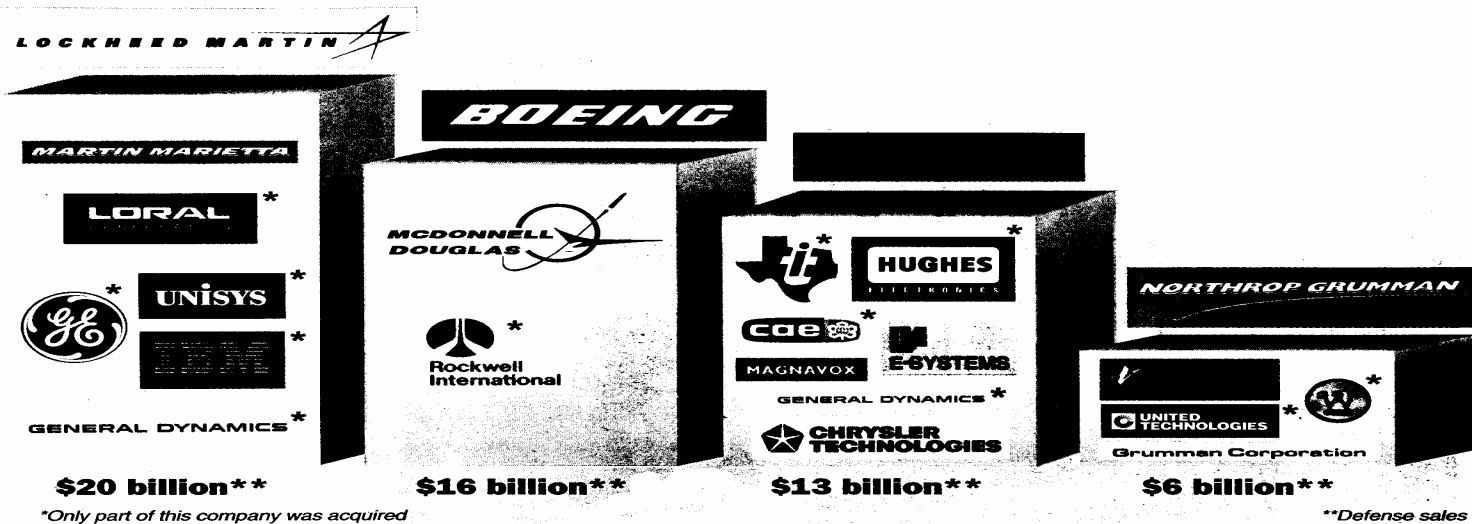
- *International Traffic in Arms Regulations/Munitions list*
- *Security Assistance Guidance*
- *Conventional Arms Transfer Policy*



U.S. DEFENSE CONSOLIDATION

Reshaping the U.S. Defense Industry

With Raytheon Co.'s planned \$9.5 billion acquisition of Hughes Electronics Corp.'s defense business, the major transactions in the U.S. defense industry's consolidation may be nearing completion. After five years of mergers, acquisitions and strategic combinations, three major defense titans have emerged.



A Chronology of Consolidation

1992

- Hughes Electronics acquires General Dynamics Corp.'s missile business for \$450 million.

1993

- Lockheed Corp. purchases General Dynamics' fighter business for \$1.5 billion.
- Martin Marietta Corp. acquires General Electric Co.'s aerospace businesses for \$3.05 billion.

1994

- Loral Corp. acquires IBM Federal Systems Co. for \$1.58 billion.
- Martin Marietta buys General Dynamics' space division for \$200 million.
- Westinghouse Electric Corp. buys United Technologies Corp.'s Norden Systems Inc. for an undisclosed sum.

- Northrop Corp. completes the \$2.17 billion acquisition of Grumman Corp.
- Northrop Grumman Corp. acquires the remaining 51 percent of Vought Aircraft Co. for \$130 million.

1995

- Hughes Electronics completes its \$155 million acquisition of CAE-Link.
- Lockheed and Martin Marietta merge.
- Loral buys Unisys Corp.'s defense business for \$862 million.
- Hughes Electronics completes its \$370 million acquisition of Magnavox Electronic Systems Co.
- Raytheon completes \$2.3 billion acquisition of E-Systems Inc.

1996

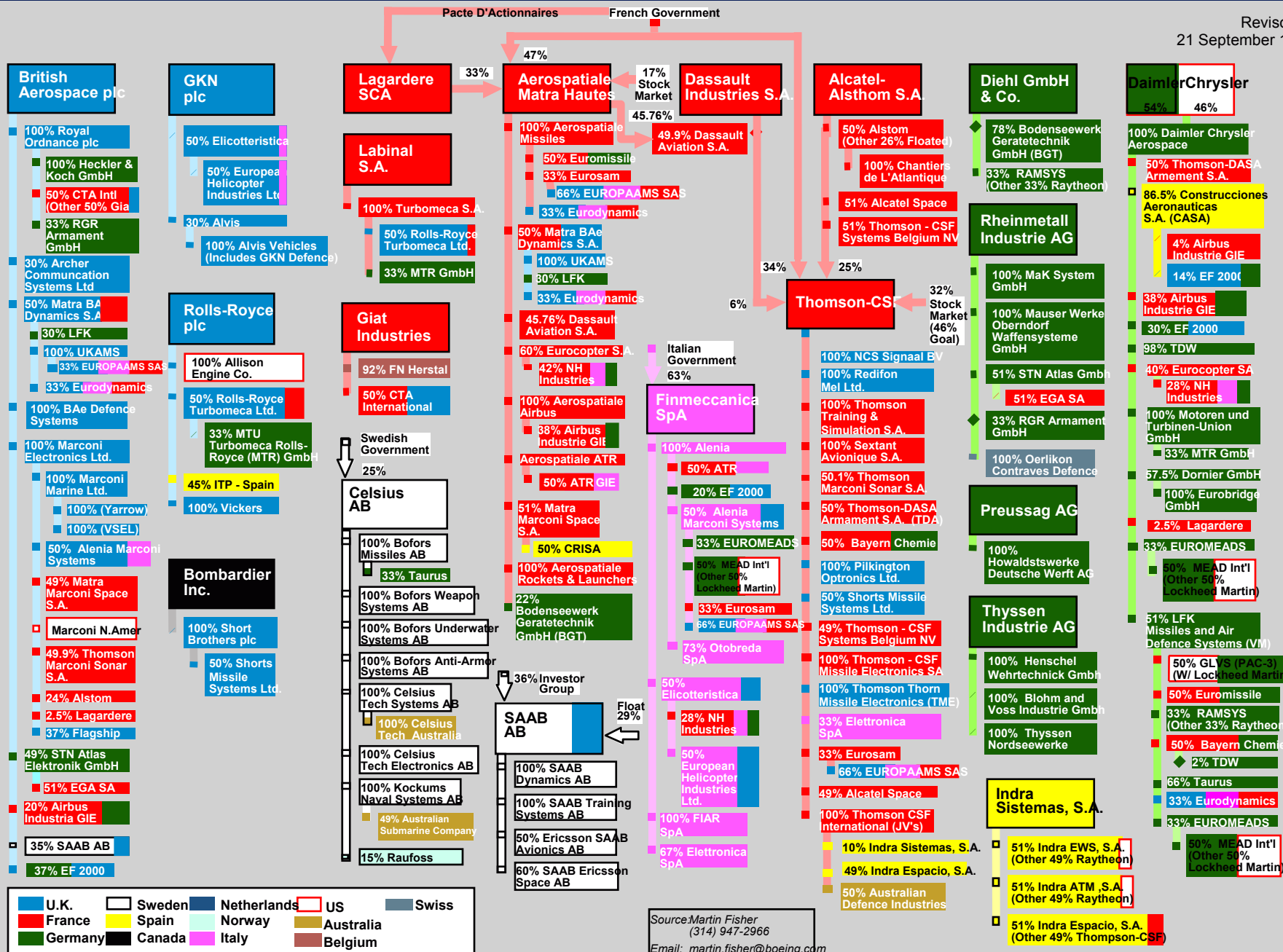
- Lockheed Martin acquires most of Loral for \$9 billion.

- Northrop Grumman buys Westinghouse's defense businesses for \$3 billion.
- Raytheon acquires Chrysler Technologies Corp.'s defense businesses for \$455 million.
- Boeing Co. completes a \$3.2 billion acquisition of Rockwell International Corp.
- Boeing announces its intention to acquire McDonnell Douglas Corp. for \$13.3 billion.

1997

- Raytheon announces plans to acquire the defense electronics business of Texas Instruments Inc. for \$2.95 billion.
- Raytheon announces plans to acquire Hughes Electronics' defense business for \$9.5 billion.

Europe's Interlocking Corporate Structures

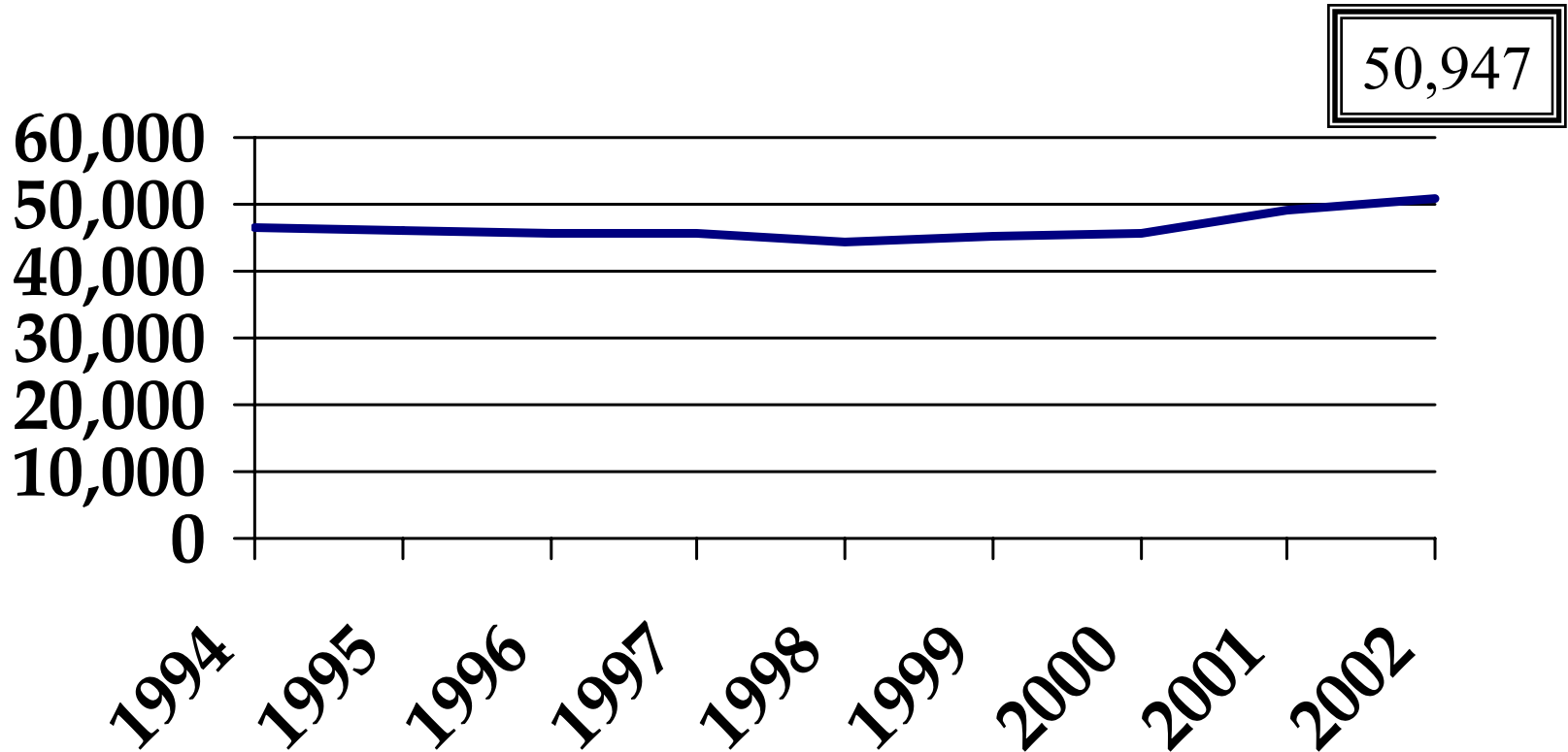


Source: Martin Fisher (314) 947-2966
Email: martin.fisher@boeing.com



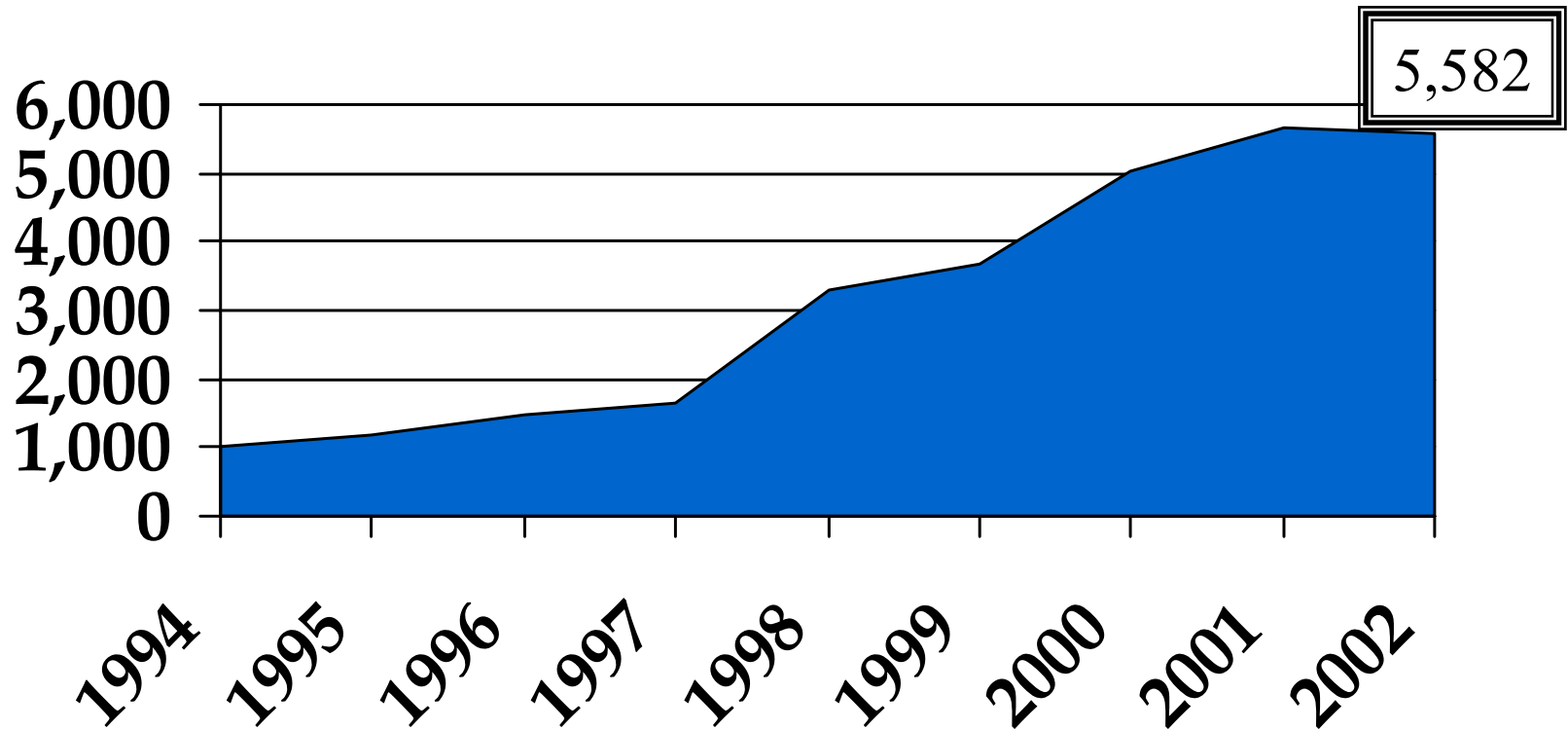
Munitions License Applications

FY 1994-2002





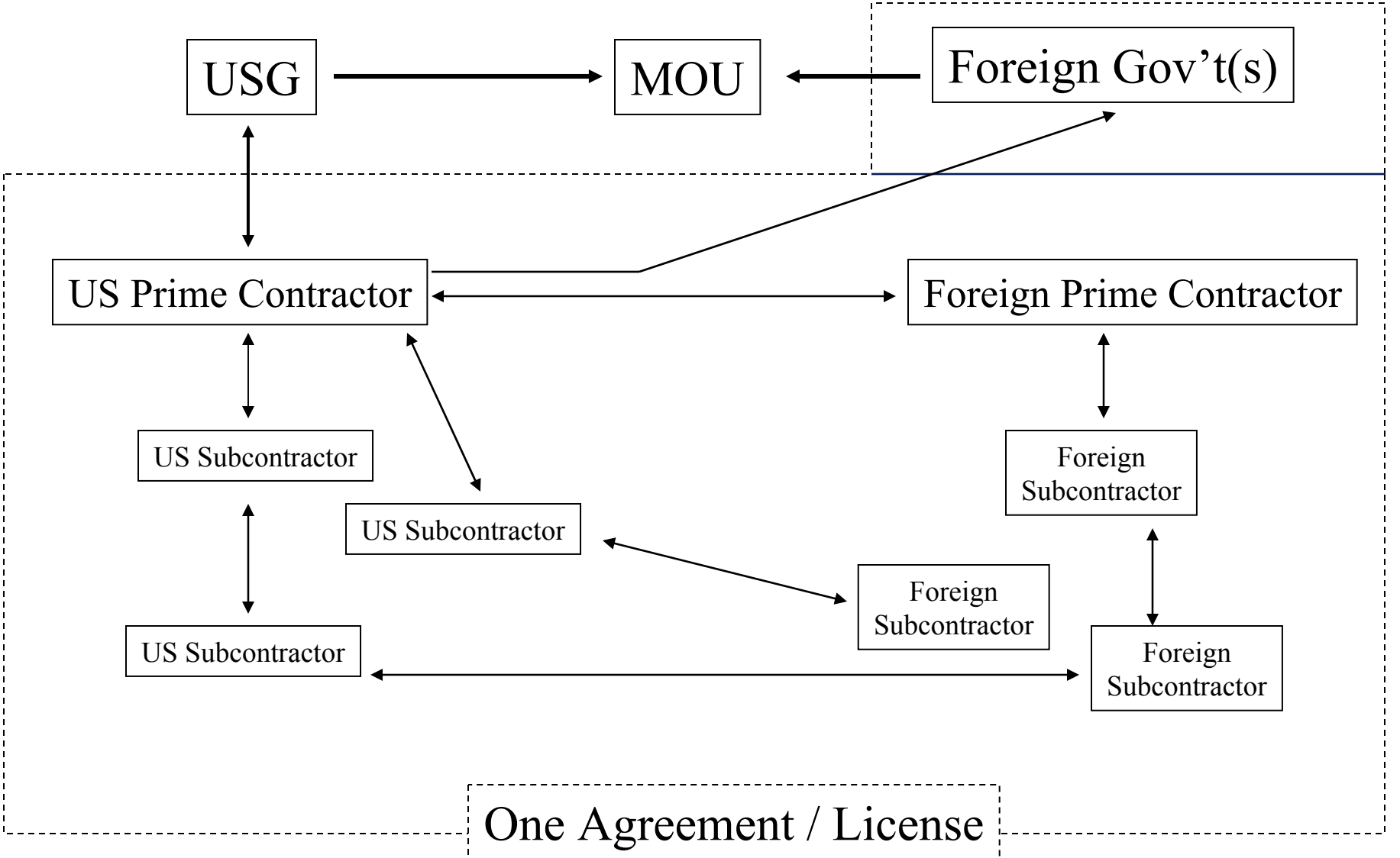
Manufacturing License and Technical Assistance Agreements *FY 1994-2002*



DEFENSE TRADE SECURITY INITIATIVE



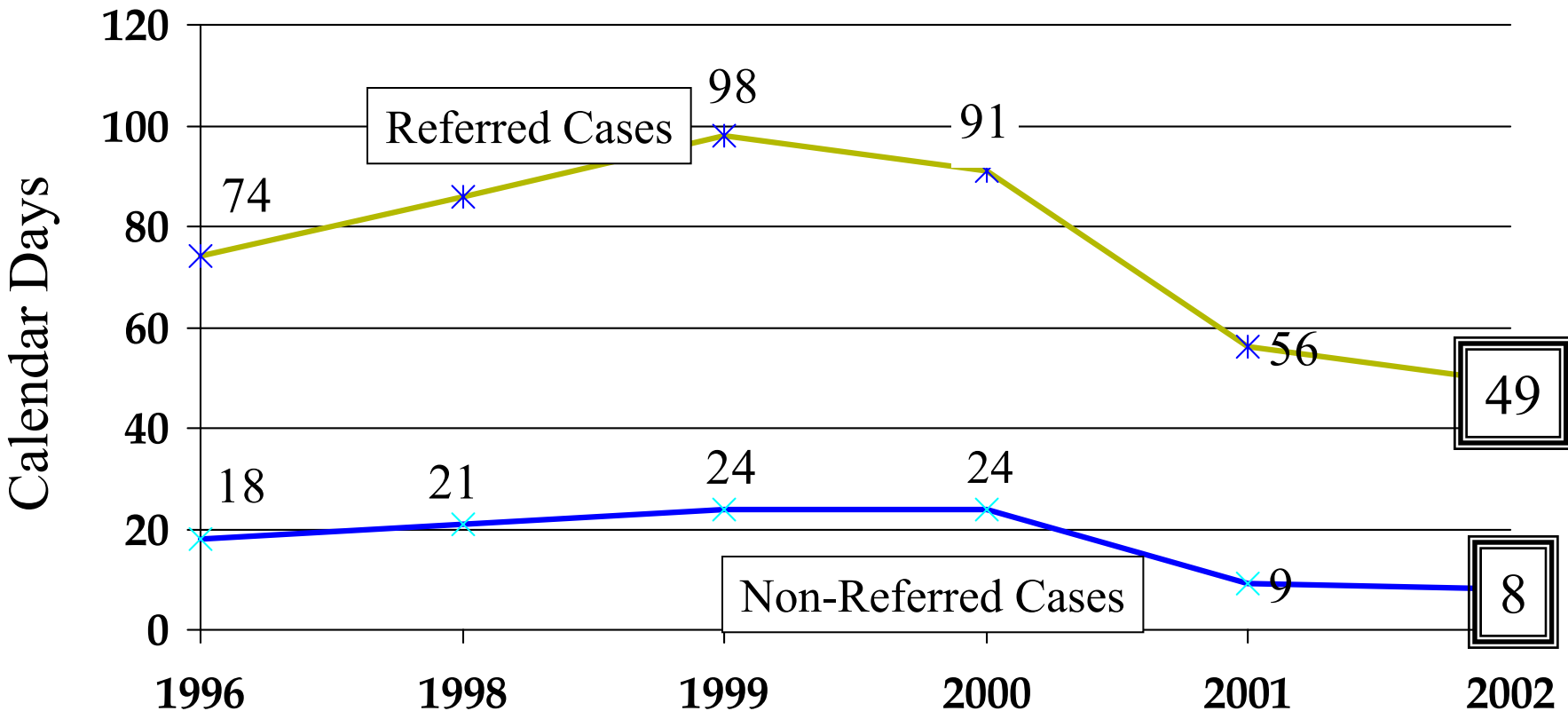
Global Project License





Munitions License Review Time

All USML Categories

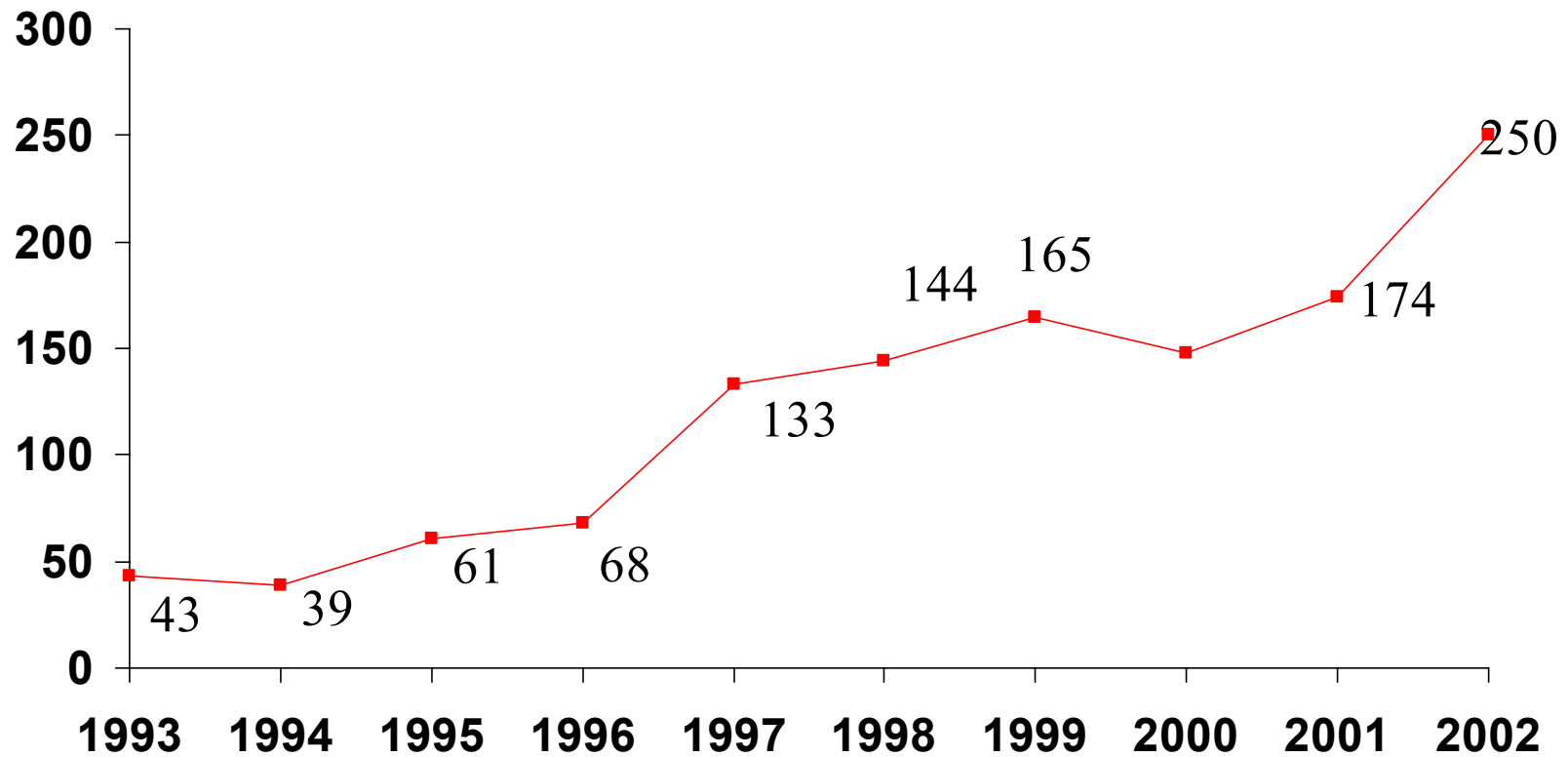




***NATIONAL SECURITY
PRESIDENTIAL DIRECTIVE***



Congressional Notifications 1993-2002



YEAR 2003 CONGRESSIONAL RECESS SCHEDULE
108th Congress, First Session

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1							1
5	6	7*	8	9	10	11	2	3	4	5	6	7	8	2	3	4	5	6	7	8
12	13	14	15	16	17	18	9	10	11	12	13	14	15	9	10	11	12	13	14	15
19	20	21	22	23	24	25	16	17	18	19	20	21	22	16	17	18	19	20	21	22
26	27	28	29	30	31		23	24	25	26	27	28		23	24	25	26	27	28	29
														30	31					

APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5					1	2	3							
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28
27	28	29	30				25	26	27	28	29	30	31	29	30					

JULY							AUGUST							SEPTEMBER								
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			1	2	3	4	5							1	2							
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27	28	29	30	31			24	25	26	27	28	29	30	28	29	30						
							31															

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			
							30													

Congress Convenes
 Martin Luther King Recess
 President's Day Recess
 Spring Recess
 Memorial Day Recess
 Independence Day Recess
 July/August/Labor Day Recess
TARGET ADJOURNMENT

HOUSE
 7 Jan
 20 Jan
 17-21 Feb
 14-25 Apr
 26-30 May
 30 Jun-4 Jul
 28 Jul-1 Sep
 3 Oct

SENATE
 7 Jan
 20-24 Jan
 17-21 Feb
 14-25 Apr
 26-30 May
 30 Jun-4 Jul
 4 Aug-1 Sep
 3 Oct

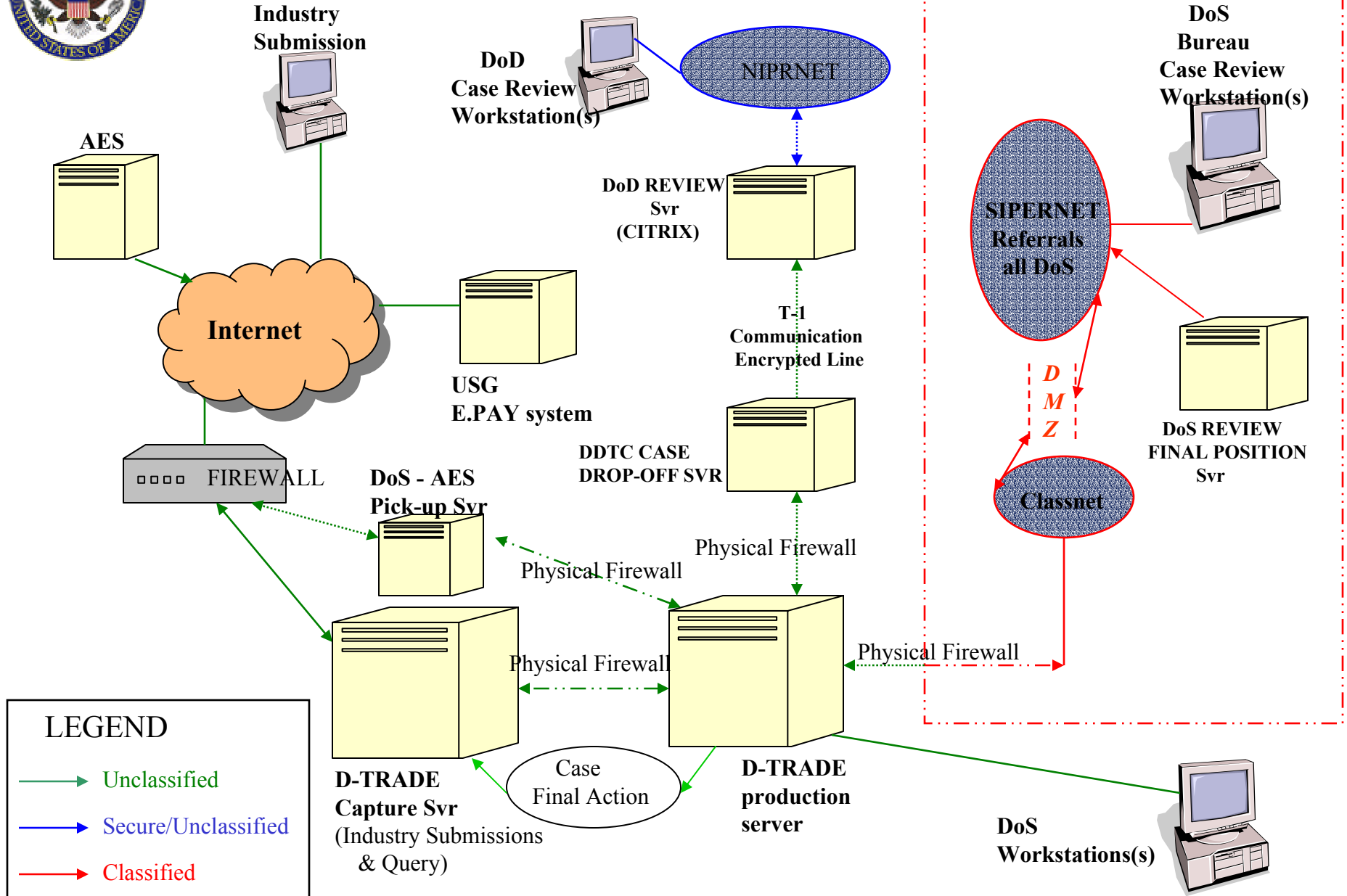
House-RED Dates (Non-Legislative Periods)

*BLUE Highlight (START/FINISH Dates)

Senate-YELLOW Highlight (Non-Legislative Periods)

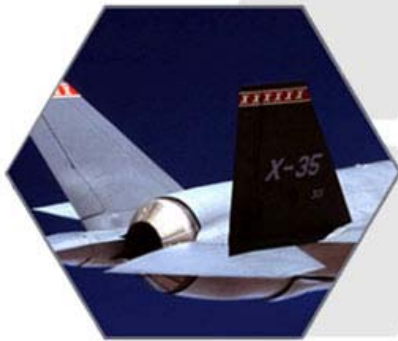


D_TRADE Diagram



LEGEND

- Unclassified
- Secure/Unclassified
- Classified



JSF **JOINT STRIKE FIGHTER**
the next generation strike fighter

MISSILE DEFENSE



The A400M Program

July 2003

CN-235-300M MPA - Deepwater Program

- ICGS Proposal: Thirty five (35) CN-235-300M MPA aircraft, with the associated logistic support. Contract value \$2 billion.
 - » Eight CN-235-300M MPA in the base five-year period (FY02-FY06)
 - » Aircraft Mission System: workshare between EADS CASA (FITS) and LM

