# TRAVELING CONTACT TEAM ASSISTS BULGARIA

## *DSMC Professors Present Overviews*

*Randy C. Zittel • Charles B. Cochrane • Gary J. Hagan • John P. McGovern*

The U.S. European Command (USEUCOM) Military-to-Military Contact Program is an outreach to the newly emerging countries of Central and Eastern Europe and assigned republics of the former Soviet Union. The mission is to assist designated foreign military forces to develop into positive, constructive elements of society during their country's transition to democracy and a free-market economy.

As these nations disengage from a Soviet-style military, the U.S. military offers an effective role model of a military under civilian control. Established by both a Secretary of State policy and an accompanying Department of Defense (DoD) Joint Chiefs of Staff memorandum in April 1992, no formal education, training, equipment, or hardware will be offered through the program, to avoid conflict with existing U.S. foreign military sales programs.* The USEUCOM program consists of the following four elements:

— A permanent (U.S. military) *Contact Team Program Office* at USEUCOM headquarters led by a flag officer and staffed with desk officers (one per country), functional area specialists, and an administrative staff.

— *Military Liaison Teams* established in a country by USEUCOM under the jurisdiction of the U.S. ambassador to that country to coordinate support and assistance.

— *Traveling Contact Teams* (TCT) consisting of U.S. military and civilian professionals providing expertise to the host nation in a specific functional area, and tailored to the host nation's specific request.

— *Familiarization Tours* for host nation personnel who tour U.S. facilities in Europe or the continental United States in conjunction with an American National Guard State Partnership. Bulgaria is partnered with the state of Tennessee and its National Guard. The state hosts liaison visits to U.S. cities where Bulgarians learn firsthand about U.S. industry practices in companies located in Tennessee. The Guard provides a military forum that acts as a positive model for the civilian-controlled militia.

Military Liaison Teams are located in Albania, Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia.

As part of a TCT, four Defense Systems Management College (DSMC) professors participated

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*The North Atlantic Treaty Organization (NATO) has a similar assistance program. Since "the best defense is to make an enemy your friend" and economic stability is essential for these countries to seed in their democratization, both U.S. and NATO programs are positive efforts to assist this process peacefully within the sovereign integrity of these nations.

recently in the USEUCOM program in Bulgaria. The TCT was hosted by Colonel Richard T. Lee, USAF, head of the in-country Military Liaison Team (MLT) to Bulgaria, and led by Colonel David S. Kiefer, International Cooperative Programs, Office of the Secretary of Defense. (Another DSMC team subsequently has visited Hungary under this program.) The Bulgarian MLT had been in existence for only nine months when we visited, but we were the 62nd team to visit.

The following week, the MLT was coordinating an aviation team from the U.S. Federal Aviation Administration, to coordinate air traffic control issues, and an environmental pollution team to help Bulgaria attack the serious multinational pollution issue in the Black Sea.

The Bulgarians were friendly and welcomed us with open arms. They explained to us during the course of the week that one of Bulgaria's prime contributions to the former Warsaw Pact was electronics development and production capability. It was this community within their Ministry of Defense (MOD) which requested assistance through the U.S. program. Led by Professor (Doctor) Boyal Petkov, Director of the entire MOD Research and Development Directorate, and Brigadier General Dragomir Ivanov, Director of the Military Industry Directorate, they are focused on applying their existing electronic industry to U.S. and NATO defense and commercial markets.

We found the team's Bulgarian counterparts to be sharp, friendly, and well-educated. Their capital city, Sofia, where we stayed, is active, busy and proud of its long regional history. The professionals with whom we met were open-minded and eager to tackle this new freedom to compete in new markets throughout the world.

The agenda consisted of plenary sessions, a tour and visit to the Electron Progress Company, and separate working sessions with Bulgarian specialists on research and development, engineering, manufacturing, specifications, standards and patents.

The TCT also hosted an "icebreaker social" for the Bulgarian team, to which the Bulgarians reciprocated by hosting an end-of-visit, three-hour luncheon. Anyone who has ever worked with Europeans knows how much fun their farewell activities become.

Twenty-one officials of the Bulgarian Ministry of Defense attended the plenary sessions and working groups related to their area of expertise. It took time to establish a common ground and develop the specific areas of Bulgarian interest, which is normal in international technical exchanges. The discussions were open and extensive, although limited by the required back-and-forth language-translation. Shown below is a summary of the presentations and working group sessions:

## Plenary Sessions

Charles B. Cochrane, Acquisition Policy Department, DSMC, gave an overview of defense acquisition policy and procedures and the Planning, Programming and Budgeting System; Gary J. Hagan, Acquisition Policy Department, DSMC, the military requirements generation system and system life-cycle management; Randy C. Zittel, Systems Engineering Management Department, DSMC, the systems engineering management and military specifications and standards; and John P. McGovern, Manufacturing Management Department, DSMC, an overview of manufacturing management and quality assurance.

### *Policy and Program Management Working Group*

The sessions were hosted by LTC (Engineering) Vladimir Takov and attended by Bulgarian defense program managers (PMs) at the Senior Assistant (Major) and Branch Chief (LTC) levels.

An *ad hoc* and wide-ranging discussion touched on the relative powers and responsibilities of the PM and milestone decision authority, the qualifications and selection of PMs, the contracting process, international cooperative development, testing and test types, the appropriations process, contract management, cost issues associated with small-scale production of defense systems, the U.S. Foreign Comparative Testing Program, and export controls on U.S. defense articles and technologies.

Responding to perceived interest in how the United States contracted for defense materiel, Professor Cochrane delivered a 45-minute presentation on contracting procedures as part of the working group's agenda.

### *Specifications and Standards Working Group*

Bulgarian members of the working group were engineers and specification document specialists whose areas of interest were U.S. military specifications and standards, quality assurance, and the implementation of the ISO 9000 quality standards and patents.

The discussion was open and extensive. It centered on the legal basis for U.S. military specifications and standards, the administrative process for developing U.S. specifications and standards, the applicability of military standards and specifications to commercial work, patent rights of technical information developed under U.S. government contracts, differences between U.S. military standards and NATO standards, the manner in which the U.S. government exercises control over the production of military articles, and the NATO codification system for defense items.

The Bulgarian team specifically requested 13 U.S. military standards and specifications which dealt with telecommunications and associated electronics. This is indicative of their interest in applying their electronic

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production capabilities in order to qualify as a U.S. source. These documents, along with patent-related portions of the Federal Acquisition Regulations and the DoD Index of Specifications and Standards, have been forwarded by DSMC through the U.S. Military Liaison Team to the Bulgarian MOD.

An interesting discovery in this working group was when the Bulgarians explained that their country had no patent, trademark or copyright laws. Although their legislature has just passed a patent law, the whole concept of patent rights was foreign to them, and essentially comes on the immediate heels of the dissolution of the Warsaw Pact where state ownership of everything was so complete.

The ensuing conversation demonstrated the fascinating opportunity here to watch bright and talented people try to understand the concepts of freedom and free enterprise in one fell swoop. As is so often the case across cultural borders, the Bulgarians were concerned about worst case issues in the free enterprise system. This concern was focused on their potential loss of their technical rights.

Western industry has created an interlocking and complex web of technical rights ownership through decades of evolving national and international patent, trademark and copyright law. Bulgaria has no patent attorneys, so the MOD engineers address the issues in parallel with their other branches of government which are trying to develop capability in these important new areas.

As every Western company knows, their lead (or lack thereof) in their particular market is based mainly on their dynamic ability to meet change and their internal technological lead.

### *Visit to the Electron Progress Company*

The DSMC contingent of the TCT visited the Electron Progress Company and was hosted by the company director, Mr. Ivan Nicolov and his staff. Although Electron Progress is entitled a company, it is really a captive MOD radio design laboratory. The "contracts" the company receives from MOD are really production orders for military radios. Any subsystems, such as microelectronics, are "subcontracted" to another MOD facility, which exclusively fabricates the required microchips.

Based on the discussions at the facility, their apparent capability in the microchip area is only at the medium scale of integration. Their radio technology is digital and their scientific research is current. They also review U.S. and Western technical publications closely. According to the Bulgarians, visits have been made by U.S. Department of Commerce teams with American industrial representatives, but no U.S.-Bulgarian teaming arrangements have resulted, as yet.

### Observations and Conclusions

The Bulgarians seem familiar with issues related to modern program management of weapons systems and the accompanying policy questions.

They have an intense interest in upgrading their manufacturing and technology base; therefore, the majority of their interest centered on subject areas relating to engineering and manufacturing areas (i.e., specifications, standards, commercial/industrial practices, patents, the contracting process, and contract management).

Since the Bulgarian defense industry remains fully government owned, their understanding of the competi-

tive contracting process is especially weak. As noted earlier, DSMC has forwarded additional information related to specifications and standards to the Bulgarian MOD through the in-country MLT in the near future.

The Bulgarian delegation clearly demonstrated a totally different concept of the contract. To them it represents a service order from one governmental echelon to another which cannot be refused. The competitive, open nature of obtaining the contract, along with the American system of contract performance was a foreign concept, and much discussion was spent in trying to explain this.

Their questions were directed at the end of the process to the application of contractually-required military specifications, and how such standards evolve into military programs through the contracted acquisition process. As previously mentioned, the Bulgarian government has just enacted a patent law, which increased their interest in applying this to their infrastructure.

As we went deeper into our system of "open markets" and "free enterprise" during the working group sessions, we were proud of how well American industry works. As we discussed issues of quality assurance, Defense Contract Management Command (DCMC), etc., we were taken back when the Bulgarians drew a parallel between their government-owned captive industry and American industry with extensive program office and DCMC in-plant representatives monitoring every step of the development and production process.

In the plenary and group sessions it was mentioned, also, how our major system acquisition programs have strong DoD and congressional oversight. The TCT free-market nonexperts explained that the key difference is that private industry has ownership of their technology and the ability to compete or not compete for new work. Also, the continuous DoD Acquisition Reform effort is to empower the engineering strength of our private sector, but it must live in the real world of tax dollars at work.

No further DSMC assistance is scheduled. The focus of the USEUCOM program is to assist each nation with what *they* want as they want it. Once they've had a chance to study the forwarded U.S. specifications and regulations, they may call upon another team to extend the learning curve. Free-market forces are strongly at work on the Bulgarian people from outside, causing them to spread their valuable resources thin as they embrace so much opportunity so fast.

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3. DoD Instruction 2015.4, "Mutual Weapons Development Data Exchange Program and Defense Development Exchange Program," November 5, 1963.

4. Under Secretary of Defense (Policy) Memorandum I-93/16347, Subject: Security Arrangements for Multinational Armament Cooperative Programs, September 21, 1993. Document Number 4., "Security Clauses," paragraph 2 - "Clauses Governing Visits"; and Document Number 7, "International Visit Procedures."

5. DoD Instruction 2015.4, "Mutual Weapons Development Data Exchange Program and Defense Development Exchange Program," November 5, 1963.

6. DoD Directive 2000.9, "DoD Participation in International Technical Exchange, Cooperative and Coproduction Programs." Draft.

7. DoD Directive 5230.11, "Disclosure of Classified Military Information to Foreign Governments and International Organizations," December 31, 1994.

8. DoD Directive 5530.3, "International Agreements," June 11, 1987.

9. Title 10 U.S. Code.

10. Section 27 of the Arms Export Control Act (22 U.S. Code 2767, "Authority of the President to Enter into Cooperative Projects with Friendly Foreign Countries."

11. Section 2350a of Title 10, U.S. Code, "Cooperative Research and Development Projects: Allied Countries."

12. "Is U.S. Business Obsessed with Ethics?" Daniel Vogel, *Across the Board: The Conference Board Magazine*, November/December 1993.

13. DoD Directive 1005.13, "Gifts from Foreign Governments," October 13, 1988; Change 1 dated February 21, 1990. This directive allows for periodic increases in the value of gifts of minimal value.

14. Public Law 95-105, "Receipt and Disposition of Foreign Gifts and Decorations." August 17, 1977.

15. Section 2350b of Title 10, U.S. Code, "Acquisition of Defense Equipment Under Cooperative Projects." Original Quayle Amendment, further amended.

16. Section 65 of the Arms Export Control Act (22 U.S.C. 2796), "Leases of Defense Articles and Loan Authority for Cooperative Research and Development Purposes."

17. *The Cultural and Political Environment of International Business: A Guide for Business Professionals*, Don Alan Evans, McFarland & Company, Inc., 1991. This reference contains an especially good write-up on gender, as well as other related considerations, such religion and culture.