

Comments on Japan-US Defense Equipment Cooperation

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Evolution of US-Japan Defense Programs



Transfers to Japan through Sales and LP could continue without significant change in traditional policy framework.

Armaments cooperation required only marginal policy changes, but limited by concerns over sensitive technology and information security.

Progress on cooperative acquisition depends on substantial policy revisions as well as broadened scope of Alliance engagement.

Joint Programs

Coproduction: Baseline for US-Japan programs

- F-15, P-3C, Patriot, SH-60, ESSM

From security assistance to cooperative acquisition:

- More complex/sensitive technology transfers; mature equipment > leading edge systems – more concern over releaseability.
- One way transfers > two-way interaction – opportunities for reciprocal flows of data and hardware.

FSX/F-2 was not codevelopment

- US: “security assistance for F-16 variant of no interest to DoD.
- Japan: Indigenous program based on US airframe.
- Perception gap undermined sense of mutual benefit.
- Lesson? Real joint programs must be based on operational (requirements) and business (industrial base) benefits.

SM-3 Blk IIA Codevelopment (SCD)

SCD: the first US-Japan joint development project

Engagement from beginning of acquisition cycle

- Theater Missile Defense dialogue of 1990s > defined requirements.
- Joint Cooperative Research led to “program of record” SCD work.

Program seen as precedent-setter, but what sort of precedent?

- Resolution of GoJ export control constraints, still a work in progress
- Outdated program management structure; separate management of tasks; no joint program office, no resource sharing; little industry communication below prime contractor level.

Main Lesson – cannot manage a joint acquisition program through a science & technology project structure

- Future joint acquisition programs need a more effective management structure: Joint program office; shared financial resources; more direct interaction among industry partners.

SCD best seen as a step toward true cooperative acquisition

F-35 – Collaboration in a Multinational Program

A new variant in cooperative defense procurement

Japan did not participate in F-35 development – thus officially a customer rather than partner in aircraft procurement.

- Strong expectations in Japan of traditional bilateral coproduction.
- Unrealistic given complex Consortium structure and internal constraints (export control).

However, substantial “Industrial Participation” (IP):

- FACO facility (recent GoJ decision to end FACO assembly)
- Regional Maintenance, Repair, Overhaul and Upgrade (MRO&U).
- Possible participation in global supply chain through parts production.

Future Japanese IP depends on:

- Japan’s total F-35 procurement
- Cost-effectiveness – will FACO remain viable?
- Further evolution of F-35 Consortium structure?

Japan's Future Fighter (F-3) Program

Projected introduction from 2035:

- Replace F-2, un-modernized F-15s – up to 100 aircraft.
- Could eventually replace modernized F-15s as well?
- ATLA vision – heavy, twin-engine, multirole fighter (very different from F-2).

ATLA stated several approaches to F-3 acquisition:

- Procurement and/or modification of existing aircraft;
- “Indigenous” development (entirely autonomous, or with foreign suppliers);
- Codevelopment with one or more foreign partners.

Narrowed options for decision on acquisition path

- JMoD insistence on Japan-led development.
- Series of RFIs to potential industry participants.
- US-Japan dialogue hindered by lack of requirements input from JASDF.

Status of bilateral engagement:

- USAF interested in joint research on generic “enabling technologies” but –
- Provision of advanced US aircraft systems raises serious policy concerns.
- No timeline convergence on future programs; no interest in joint development.
- US needs credible operational/business case to justify tech release.

Current Issues (1)

Increased FMS procurement by Japan

Convergence of F-35, G Hawk, MV-22, tanker acft, Aegis Ashore.

MoD objects to high prices, industry objects to loss of business;

- Resistance to inflated FMS costs often justified; but...
- Access to latest US systems + supplier/customer relationship = FMS.

How to change FMS dependence?

- Near term: more FMS/DCS “hybrid” programs that offer a higher level of Japanese industrial participation (two-way flows of goods/services).
- More effective case management (cost info, JP representation in US)
- Long term: supplier/customer framework > focus on partnerships.
- Japanese industry (with GOJ support) must engage internationally – not just through exports, but also build an overseas presence.

Should Japan adopt an offset policy for defense imports?

Japan already has an offset policy – industrial participation.

- Latest example: F-35 FACO and MRO&U depot arrangements.
- Broad trade offsets are more difficult to carry out than benefits justify.

Current Issues (2)

How to promote international cooperation?

Recent GOJ policy changes (export control, defense industrial/technology base strategy) set a positive direction, but...

Policy changes mean little if bureaucratic actions obstruct implementation and discourage initiatives.

Progress on industrial/information security.

Critical challenge facing further armaments cooperation.

Government dialogue emphasizes need for a Japan version of US National Industrial Security Policy (NISP).

- Professional training, clearance process, data protection measures.
- Goal is not to copy US info security regime, but provide equivalence.

What is "the next big one" (joint program after SM-3 IIA)?

None at present (but potential in several areas).

Progress depends on identifying requirements, implementing export control and acquisition reform policies, and outreach to international defense community.

Conclusions

Japan's traditional approach to defense business...

- Imports
- One-way coproduction arrangements
- Indigenous development/production

cannot support “efficient and effective” acquisition.

The same is true of past “supplier/customer” framework for Japan defense business:

Cooperative acquisition – bilateral and multilateral programs – will enable both effective procurement and a strong defense industrial base.

Collaboration must build on operational requirements as well as contributions of technology and funding.