



**AIA**  
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ASSOCIATION



**AIA and the Defense Industrial Base - 2022**

**John Luddy**  
Vice President, National Security Policy

6 | 21 | 2022

# Some Background on AIA

- Founded in 1919, shortly after the birth of flight
- America's premier trade association representing 330+ U.S. aerospace and defense manufacturers and suppliers.
- AIA represents US companies from every high-technology manufacturing segment: commercial aviation, avionics, manned and unmanned defense systems, missile systems, and space technology.
- AIA's strategic direction is set by CEOs.
- AIA provides a forum for government and industry to exchange views and resolve problems on non-competitive A&D matters.
- Congress, DOD and other USG elements count on us for consensus-based input to laws, policies and regulations.

# AIA's Operating Model

## The Basics

- Organization: Policy Divisions, Advocacy Divisions, Management Divisions
- Operations ('Business Model'): ExCom, Wash Reps, CCWGs\*

## How We Really Work

- Mouthpiece
- Muffler
- Shield

## What This Requires

- Member management (among...and within!)
- Participation: all tiers, most sectors
- CEO commitment
- Understanding the pressures our companies are facing:
  - the financial markets
  - the international marketplace
  - DOD
  - Congress
  - each other
  - the threat

**Our objective is to connect with government, and the public, as the “Voice of American Aerospace and Defense”**

# What's On Our Mind

## Persistent Issues

- Budget instability
- The cost of regulations
- Workforce challenges

## Current Policies

- Inflation
- Supply chain turbulence
- Cash flow

## Long(er)-Term

- Innovation  
*Innovation = speed, and speed = risk; how do we better apportion 'innovation risk' in defense acquisition across DOD, industry, and Congress?*
- Sustainability  
*Can we improve sustainability and lethality simultaneously?*
- What exactly is the 'defense industrial base?'  
*Broader participation from across the U.S. economy would bring more competition and better ideas to DoD; how do we cast the net wider?*

**Aligning actions and activities with NDS, DOD guidance, and national imperatives**



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# Background



# National Security Policy Councils and Committees

John Luddy – Vice President, National Security Policy

## Defense Policy Council (DPC)

**Focus Area:** Strategy, Policies and Budgets  
**Participants:** Senior (VP) Wash Reps, Strategy and Policy executives

## Acquisition Policy Council (APC)

**Focus Area:** DOD Acquisition and Contracting Policy  
**Participants:** Senior (VP) Acquisition Policy executives

David Turkovic – Director, Industrial Policy

**Issue Areas:** Defense budget, National Defense Strategy, DIB/Supply Chain Health and Security, Innovation, Advanced Technologies, Sustainment, 'Non-trationals'

**Responsibilities:** Coordination among AIA Divisions (International, Space, Legislative Affairs) and CCs (DPC, APC, IPC, CSC, CMC, WPC); Liaison with national security policy community (USD/P, USD/R&E, USD/A&S, JCS, NSC, policy organizations, academic institutions, trade associations)

Jason Timm – Director, Defense Policy & Integration

## Cybersecurity Committee (CSC)

**Focus Area:** Cyber policy, frameworks, best practices/standards  
**Participants:** CIOs/CISOs/information/compliance executives  
**Targets:** DOD CIO, A&S, R&E, CMMC, DPC, SAEs

## Intellectual Property Committee (IPC)

**Focus Area:** Patents, trademarks, copyrights, and proprietary data  
**Participants:** IP Attorneys, Senior policy analysts  
**Targets:** A&S, R&E, OSD IP CADRE and Services GCs

## Industrial Security Committee (ISC)

**Focus Area:** The National Industrial Security Program (NISIP)  
**Participants:** Security, Compliance and Ethics executives  
**Targets:** NSC, ODNI, OSD, DCSA, IC, NISPPAC

Lorenzo Williams – Senior Director, Acquisition Policy

Vacant – Director, Acquisition Policy

## Cost Principles Committee (CPC)

**Focus Area:** Cost principles, cost accounting standards, and audits  
**Participants:** Directors of Government Accounting and Compliance  
**Targets:** A&S (DCMA, DPC), DCAA, OFPP

## Cash Flow Committee (CFC)

**Focus Area:** Cash management, payment systems, contract finance  
**Participants:** Financial Services and Accounts Receivable Managers  
**Targets:** DFAS, A&S (DPC, DCMA), DCAA

## Contract Management Committee (CMC)

**Focus Area:** Contract policy, negotiation and administration  
**Participants:** Director-level acquisition and contracts executives  
**Targets:** A&S (DCMA, DPC), OFPP, DCAA, SAEs

## A&D Controllers Committee (ADC)

**Focus Area:** Financial Reporting, Financial Accounting, GAAP  
**Participants:** VP/Controllers, Corporate Officers  
**Targets:** Financial Accounting Standards Board, OSD(C, A&S)

## Product Support Committee (PSC)

**Focus Area:** Sustainment Policy, Technical Publications, IPS Standards  
**Participants:** Logistics, Information Management, Sustainment executives  
**Targets:** A&S, DLA, DCMA, Services supply and sustainment centers