EURODEFENSE - FRANCE



Paris, November 15, 2016

Mr Jean-Claude Juncker European Commission President Rue de la Loi, 200 – 1040 - Bruxelles

Dear Sir,

The enclosed document contains the proposals of the EURODEFENSE network on the rationale and tools to increase the Commission's involvement in the development of military systems by the EDTIB (European Defence Technology and Industrial Base), with a view to reaching a reasonable level of European autonomy through the timely bridging of recognised capability gaps as foreseen in the Global Strategy for the EU Foreign and Security Policy recently presented by Mrs Federica Mogherini. It has been established in concertation with the European Defence Technology Association (EDTA).

The proposed measures would come in addition to the preparatory action and defence R&T programme which are currently prepared by the Commission. We consider that they should be discussed quickly. The European R&T program should put new technologies on the market in or around 2025. European or national development programs would then be launched and would bring new capabilities in or around 2033. This process is much too long, and European developments must be funded now, using existing technologies.

The main proposal for the objective of European autonomy consists in funding R&D programmes or co-funding with Member States cooperative R&D programmes, such as the future MALE system, through a dedicated defence budget line. This proposal could be termed a continuation of the Commission's policy to reach, in agreement with Member States, European autonomy in space launchers and satellites, and it should be as successful, using existing organisations such as EDA and OCCAR.

The other proposals concern:

-the proposed ban on intra-EU offsets, which should be extended, in our opinion, to offsets obtained from third-country vendors, with a view to avoiding the exclusion of EU vendors from the EU market;

-the current exclusion of the EDTIB from participating in European programmes such as the Junker fund, or the EIB's loans, which should be rescinded, as being incoherent with the present security and defence issues facing Europe.

The enclosed report also deals with other important, but more specialised, issues concerning SMEs, and exports outside the EU.

EuroDéfense is ready and willing to discuss all these issues, and the economics-based rationale of its proposals, with the Commission, with a view, if possible, to helping with the preparation of the December summit, or with the follow-up of its decisions.

With best wishes,

Yours sincerely,

Patrick Bellouard,

Chairman, EuroDéfense-France Chairman, EURODEFENSE 2016