

already placed its own emergency brake on the New START Treaty in the spring of that year.

NATO's cooperation path

In an attempt to accommodate Russian concerns the Alliance suggested several areas of cooperation:

- Firstly, an effort to draw up a common threat assessment. This assessment was agreed in principle at the NRC CHODS meeting in April 2012;
- Secondly, the creation of two "NATO-Russia missile defence centres" with mixed teams working together around the clock. The first was planned to be a Missile Defence Data Fusion Centre in order to create – using data from all sensors – a common operational picture of possible third country missile launches. The second was to be a Missile Defence Planning & Operations Centre which would concentrate on operating concepts, rules of engagement and preplanned responses to be implemented in the event of an actual attack by a third country.

Russia's perceptions and requirements

An article written by Sergey Koshelev in May 2012 describes the Russian perception of NATO's MD project as a potential threat against Russia's own nuclear arsenal that would negate its capacity for retaliation. Clearly the presumption underlying that perception is that of a US and/or NATO attack requiring an overwhelming nuclear response from Russia. Or else Russia is thinking of contingencies involving a conventional attack against NATO territory, but where a nuclear retaliatory capability would be required in order to deter a nuclear response from NATO. Both scenarios look far-fetched but are triggering unrealistic demands on the part of Moscow.

Instead of making the most of the offers of cooperation to enhance its own situational awareness and influence, Russia is insisting on two far-reaching and – for NATO – impossible demands. Ultimately, what Moscow wants is a missile defence in and for Europe for which the strategic deployment decisions are taken by the NRC and not by the NAC or even SACEUR alone. As long as this is not achievable Moscow is insisting on a legally binding guarantee that MD will not be used against Russia.

The first demand is unacceptable to the Alliance since the use of missile defence, as a matter of collective defence falling under Article 5, cannot be placed in the hands of a third country. And the second would constitute a self-imposed long-term and legally binding limitation of the Alliance's scope for action that neither the US nor any other NATO member nation would be willing to accept.

The way forward

Since the Chicago summit there have been no recognisable activities between NATO and Russia in the field of missile

defence. Against the current backdrop of Russian disapproval or downright rejection and the first interim MD capability having been established at the time of the Chicago summit, the following points should guide NATO's approach:

- The MD project is designed for the protection of territories, populations and deployed forces against a limited number of ballistic missile attacks.
- Risks, dangers and threats arising from the proliferation of ballistic missiles already exist and are likely to increase in terms of the types of threat, their number and their geographic extension.
- In a spirit of solidarity, common responsibility and burden sharing the participation of many if not all member nations is required, not least of all to master this technologically, financially and politically challenging endeavour.
- NATO's limited MD is not directed against Russia and will never develop the technical or operational magnitude that would allow it to undermine Russia's retaliatory capabilities.
- All offers of cooperation with Russia regarding threat analysis, early warning and operational planning remain valid and will be further pursued with the Russian authorities.

Unjustified Russian objections which are possibly no more than an attempt to hide the fact that Russia does not want NATO/US installations on the territory of "new" Alliance members in central and south-eastern Europe and to drive a wedge between Alliance members cannot and must not be allowed to stand in the way of the useful and affordable contribution that MD can make to the comprehensive collective defence of the Alliance.

But even if all these points are followed through, the technological challenges – such as intelligence & reconnaissance, target recognition & identification and improved weapons effectiveness – will require a long-lasting effort in order to create operationally effective systems. This might also give rise to critical questions on the part of the nations concerned. The time must also be used in order to work out acceptable solutions for the political issues as well – and not only with Russia.

News: NATO-Russia Council

On 13-14 November 2012, a simulated computer-based exercise to test the NATO-Russia Council's Cooperative Airspace Initiative (CAI) Information Exchange System (IES) took place over three CAI geographical areas of operational interest: Bodø/Murmansk, Warsaw/Kaliningrad and Ankara/Rostov-on-Don.

The purpose of CAI is to foster cooperation on airspace surveillance and air traffic coordination against terrorist attacks using civilian aircraft. The exercise, called "Vigilant Skies 2012" builds on the achievements of previous CAI exercises and workshops and will help to build towards a possible live exercise in 2013 over the Black Sea area.

There has been no consensus on Missile Defence over the years between NATO and Russia

Missile defence – is a political decision feasible?

by Vladimir M. Grinin, Ambassador of the Russian Federation to Germany, Berlin

The participants in the Russia-NATO Council (RNC) meeting in Lisbon, 2010, admitted in “The Joint Review of 21st Century Common Security Challenges” that there was a danger of missile risks developing into missile threats. The Missile Defence (MD) was proclaimed as one of the most promising areas of cooperation. The Russian Federation has not only supported the idea to cooperate on developing a joint MD system, but also proposed parameters of such cooperation in form of creating a Sectoral Missile Defense system that would protect the entire Euro-Atlantic region.

Controversies and misunderstandings

As it turned out our RNC partners, however, interpret the definition of “joint” on their own. They believe that there should be two systems, linked by a sort of interface, and insist, however, that as for NATO’s system, it’s NATO countries, first of all, the US, that should determine its configuration and parameters. As a result the idea of a joint MD that seemed to be a unifying project has become a subject of much controversy and still could not be moved to an implementation phase. Moreover, a unilateral implementation of the US-led MD project has become one of the key issues on today’s agenda.

*“We believe there is still time
to find mutually acceptable solutions”*

Vladimir M. Grinin

We believe that deployment of such missile defense system elements in close proximity to Russian borders is directed against this country’s strategic nuclear forces and may pose a threat to its national security. Meanwhile the alliance declared initial operational readiness of the system at an alliance summit in Chicago on May 20, an indication that it is willing to go ahead with its plans without Russian accord giving as a reason that the proposed scheme is ideal. At the same time we are concerned over American plans to deploy a new regional MD shield in Southeast Asia that might be established in addition to the geography and the U.S. capability to deploy these assets in different locations.



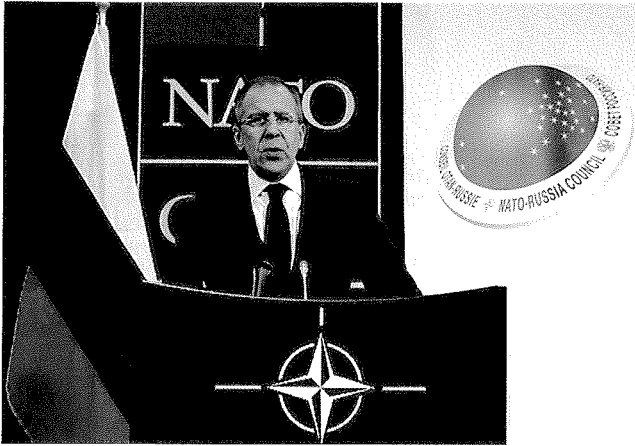
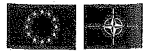
Vladimir M. Grinin

Vladimir M. Grinin was appointed Ambassador Extraordinary and Plenipotentiary of the Russian Federation to Germany in June 2010. He was born in 1947. After graduating from the Moscow State Institute for International Relations he joined the diplomatic service in 1971. From 1973 to 1980 he worked at the Soviet Union Embassy in the Federal Republic of Germany. In 1982 he graduated from the Diplomatic Academy of the USSR Ministry of Foreign Affairs. From 1983 to 1986 he took part in the Soviet-U.S. Nuclear and Space Arms Talks. From 1986 to 1990 he was a member of staff at the USSR/Russian Federation Embassy in the German Democratic Republic, and following that at the Russian Embassy in the FRG. Before taking up his current post he served as Ambassador of the Russian Federation to Austria (1996–2000), Finland (2003–2006) and Poland (2006–2010).

What is the essence?

The ambition is to upset the strategic global balance of nuclear power that guarantees peace and stability for decades. One of the core elements of approach to maintaining strategic stability is the indissoluble interrelationship between strategic offensive and strategic defensive arms. The logic is simple and clear: an increase of ABM capabilities by one side forces the other side to take compensatory measure. It is impossible to consider the implementation of the US global missile defense as something apart and as a “purely defensive” action, for it affects global strategic balance and leads to the creation of potential for the first disarming strike. Therefore Russia has no intention of unilateral cutting weapons from its nuclear force in the absence of comparable steps by other powers. As our American partners proceed with developing their own missile defense we shall have to think of how we can defend ourselves and preserve the strategic balance.

In our view, the planned US deployment of a missile defense system in Europe could become a throwback to the Cold War era. A purely American missile defense project would be damaging strategic stability in violation of all the OSCE members’ obligations not to strengthen their security at the expense of others. Such a system could create new dividing lines in Europe and serve as an incentive for the resumption of the arms race, including the MD arms race. It also may negatively affect the disarmament process.



Foreign Minister of Russia, Sergey Lavrov, at the Russia-NATO Council 2012. Photo: Russian Foreign Ministry

Concern about stability

We believe that if such a system undermines strategic stability and is capable of intercepting Russian missiles, partnership in building it makes no sense. That's the reason for our strong believe that any substantial negotiations on the configuration of the system should start with the presentation of legally-binding guarantees that the NATO missile defense assets will never be used to the prejudice of our country's interests and will not be targeted against Russian deterrent systems that are part of the strategic equation. These guarantees should be expressed not in the form of verbal assurances.

Unfortunately, political promises have a short life. We already had some occasions to ascertain this. That's why we need clear, unambiguous guarantees, preferably in the form of military-political criteria together with the exact technological and geographical parameters such as the locations of the deployment of interceptors, electronic warfare, the speed of interceptor warheads and the number of such warheads.

How to get a breakthrough

It is important that Washington eases these concerns. Either we do something together passing this test of cooperation and responding together to new missile challenges and threats, or our partners work on their project without us. But in that case we will take appropriate military-technical measures based on the developments at each phase of implementation of the US Phased Adaptive Approach to missile defense.

Is it possible to find a solution to the problem? Theoretically, yes. Russia is set to continue the dialogue on the matter. We must honestly talk to each other about our concerns in the spirit of the Lisbon agreement and try to troubleshoot them. First of all, it is necessary to define clear-cut legal aspects of

missile defense interaction between the Russian Federation and the United States. Without a clear understanding of the "final product" starting substantive negotiations on one or two points would make no sense and we could end up in a situation similar to the one NATO countries created several years ago when we started to cooperate with the alliance on the project of missile defense.

Our principal position on MD is still based on the need for multilateral approach for assessing missile risks and threats in the world as well as on collective response to them. Russia is ready to assume its part of responsibility in addressing a shared goal of protecting the European continent from eventual missile challenges and threats. We are convinced that a true European missile defense (covering all countries of Europe) should be built on the basis of equality, indivisibility of security and mutual respect of interests. We strongly believe that any unilateral solution, any unlimited buildup of the missile capability by one state or a group of states will not benefit stability in the world. Global nature of contemporary challenges and threats, on one hand, and the interdependence of all countries, on the other hand, proves that security in modern world is indivisible and, thus, should be ensured collectively. And then the Euro-Atlantic region will truly turn into a region of stability and peace and the military instruments, including those organizations that were set up back in the era of confrontation, will play a lesser role in determining the key criteria of such a new security order.

The way ahead for a political decision

A political decision is only feasible, if there is a will to seek compromise. We invite our partners to sit down at the negotiating table and to analyze the threats and methods to neutralize them, as well as the possibility of solving the problems by diplomatic and political means. The differences on the issue can only be solved if both sides accept as an axiom that they are reliable partners and allies for each other. That would mean the parties jointly do missile threat assessments and control this defense system together.

We believe there is still time to find mutually acceptable solutions. Today we have all necessary preconditions to turn missile defense in an area of cooperation and to put an end once and for all the formerly prevailing confrontation. We should not lose this chance. In the period of acute economic and financial crisis the increase of expenditures at the cost of building the BM sites is obviously not an option. It does not respond to the interests of Europe and the whole world. If Russia and NATO succeed to agree to cooperate in the area of missile defense, this would become an emblematic event in Russia-US, Russia-NATO relations, and there would be a clear and feasible prospect for rising to a qualitative new level of interaction. Then we would have a full reason to say that the Cold War is definitely over.



Threat Detection through Electromagnetics

Security Metal Detectors

PD140SVR,
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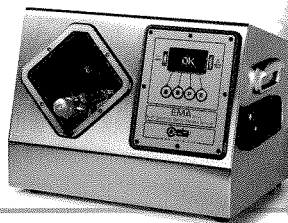


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The Common Security and Defence Policy

The EU has proven that it has the political, civil and, with evident limitations, military capabilities to contribute to the settlement of conflicts. But the crisis management engagement in Libya by several European Air Forces showed that Europe is not able to conduct peace-enforcement missions on its own due to a lack of crucial strategic capabilities. Europe's leaders will have to change course to master the cap.

Carrying out a foreign policy based on the comprehensive approach is absolutely essential

The Lisbon Comprehensive Approach and the consequences for the CSDP

by Arnauld Danjean MEP, Chairman SEDE Committee, European Parliament, Brussels/Strasbourg

The European Union has the ability to mobilise a wide range of political, economic, and humanitarian instruments like no other organisation in the world. This unique potential has allowed the progressive shaping of EU foreign policy in a comprehensive way, whereby all EU instruments are combined in order to deal simultaneously with the different challenges posed by a particular crisis. The Lisbon Treaty has officially sanctioned this “comprehensive approach”, notably with the appointment of a new “double-hatted” High Representative for Foreign Affairs and Security Policy and the creation of the European External Action Service (EEAS). It has provided the EU with a flexible and efficient framework in which to conduct its foreign policy.

The EU has already started to implement the comprehensive approach. In the Horn of Africa, for instance, the EU engagement tackles all aspects of instability by combining CSDP military and civilian operations (EUNAVFOR Atalanta, EUTM Somalia and EUCAP Nestor) with political and diplomatic efforts and legal action, as well as training and development assistance through the EU Instrument for Stability and Development Fund. All these supporting actions are strongly entrenched within a system of close coordination with African and other international partners.

In a totally different context, the Western Balkans can also be seen as a key region for the EU's efforts to combine all instruments at its disposal in order to move from a post-conflict policy towards an integration policy. Its commitments still include a military mission (in Bosnia-Herzegovina), a large and

crucial civilian one (Eulex Kosovo) and financial, diplomatic and economic engagements through pre-accession funds, enlargement policy and trade agreements.

Carrying out a foreign policy based on the comprehensive approach is absolutely essential if the EU and its Member States want to meet the evolving challenges and threats of today's world. Indeed, dealing efficiently and for the long term with crises means being able to simultaneously tackle both the current symptoms, with rapid crisis-management instruments like the CSDP, and the root causes of the problem, using economic, development and humanitarian means.

The CSDP is the cornerstone of the EU's security policy. Today 14 CSDP operations – 11 civilian and three military – are under way throughout the world. Of the 11 civilian missions, three were launched in the summer of 2012 (EUCAP Nestor in the Horn of Africa, EUCAP Sahel Niger and EUAVSEC South Sudan), and another is being considered in order to support border

News: EP Resolutions on CSDP

Four Resolutions on CSDP issues, prepared by the Foreign Affairs Committee and the Subcommittee on Security and Defence, have been on the agenda of the European Parliament's Plenary Session from 19-22 November 2012. The topics were the implementation of the CSDP (Rapporteur: Arnauld Danjean); the political and operational dimensions of the EU's mutual defence and solidarity clauses (Rapporteur: Ioan Mircea Paşcu); the role of CSDP in case of climate driven crises and natural disaster (Rapporteur: Indrek Tarand), and Cyber Security and Defence (Rapporteur: Tunne Kelam).

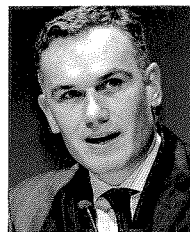
management in Libya. Through these operations the CSDP gives the Union's actions political credibility and visibility. It is therefore imperative that the CSDP remains a decisive part of EU's "comprehensive approach" – the EU's preferred crisis-management instrument. It should not be marginalised on any account.

Indeed the risk of considering CSDP as a relatively marginal dimension of the comprehensive approach cannot be ruled out. This is especially the case with regard to the CSDP's military component, which has thoroughly been left aside in recent years, with the exception of EUTM Somalia; and even though a number of crises would have justified an EU intervention (for instance in Libya and Mali), no new military operations have been launched since 2008.

Hence, all in all, it seems that EU decision-makers have come to favour a civilian approach to external action. This shift in EU foreign policy is nonetheless to be questioned in terms of the limits to "soft power". At a time when the US is reorienting its defence policy priorities towards the Asia-Pacific area and when the financial and economic crisis has deeply challenged the EU Member States' defence budgets and ability to act on their own, narrowing EU security policy to "soft power" would indeed seem to be quite a hazardous strategy. Two unwanted consequences could arise from this policy choice: it could profoundly, and for the long term, hamper our ability to

intervene when needed (as the conflict in Libya – and before that the conflict in the Balkans – showed) and at the same time weaken our position in the international arena; but more worryingly, it could put at risk our own security, especially since it means that we are willing to delegate it – at least partly – to others.

In that perspective, while the development of the "comprehensive approach" is to be welcomed, it should under no circumstances rule out recourse to military means. If the EU is to assert its status as a major player in the international arena it must give itself the means to do so.



Arnould Danjean MEP

Chairman of the EP Subcommittee on Security and Defence (SEDE) since 2009. He was born in 1971 in Louhans.

Graduate (1992) and Postgraduate Diploma (DEA) in politics from the Paris Institute of Political Studies (1993). 1994–2004, Ministry of Defence, Paris. 2004–2005, Representative of

the Secretary-General of the EU-Council/HR for the CFSP in Kosovo. 2005–2007, Adviser in the private office of the French Minister of Foreign Affairs and then Director-adviser, EZL Consulting, Paris. Mr. Danjean is Member of the National Council of the UMP (Saône-et-Loire) and he is an elected member of the Bourgogne Regional Council.

News: Cyber news



Creation of a Cyber Academy

With the development of computer technology IT security is becoming an increasingly important area. The widespread use of the Internet for private and business communications provides greater opportunities for criminal activity in the field of information and communications technology (ICT). Attacks by cyber terrorists against critical infrastructure constitute a further threat, and developments such as cloud computing and social networks pose a huge challenge for police, public prosecutors and local authorities. Those issues as well as data protection and compliance are addressed by the newly created Cyber Academy (CAK) in Germany. The Academy offers training and further training to keep pace with this rapid development of ICT and cyber crime. The course content is geared to participants' require-

ments, enabling them to identify threats and to take appropriate action. The different training modules are geared to real-life situations and aim to maintain and increase participants' professional performance potential thereby enhancing the administration's quality and flexibility.

The objective is to achieve a percentage of 30% of participants taking a certification exam (ISO 27001).

→ For further information:
www.cyber-akademie.de

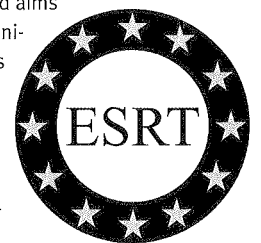
ESRT Global Cyber Security Conference

The European Security Round Table (ESRT) together with the Ministry of Defence of Estonia is organising a high-level Global Cyber Security Conference on the 30th of January 2013 in Brussels.

This is the third major conference in the framework of the ESRT Cyber Security Cycle, with previous Conferences in Brussels in June 2011 (European Cyber Security) and Washin-

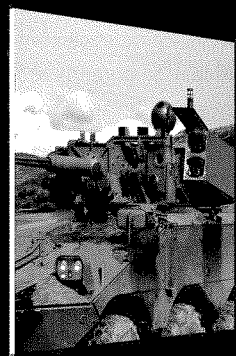
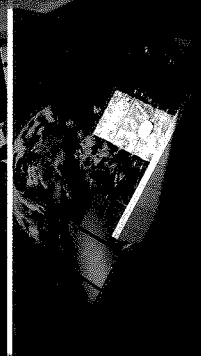
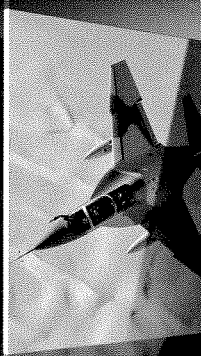
ton D.C. in May 2012 (Transatlantic Dimensions of Cyber Security). The upcoming Global Cyber Security Conference is a logical step further, aimed at establishing a broader forum beyond the European and Transatlantic level and focused on the cyber crime, digital and foreign dimensions of Cyber Security. The Conference takes place in the context of the issuance of the EU Cyber Security Strategy and aims at giving an opportunity to exchange views on the challenges of cyber security and convey the need of enhanced international coordination action in the field.

→ For more information:
www.security-round-table.eu





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Pooling and Sharing is at the heart of the efforts

The European Defence Agency – taking stock

Interview with Claude-France Arnould, CEO, European Defence Agency (EDA), Brussels

The European: Madame Arnould, you are the Chief Executive of the European Defence Agency (EDA). You have been CE for almost two years and it seems that EDA has become better known and is moving strongly forward with new ideas and approaches. What is your mission?

Claude-France Arnould: Ultimately our mission is about delivering capabilities. I believe that Europe's financial crisis and its impact on defence budgets is a major issue for European defence cooperation and the EDA is part of the solution. We have achieved significant progress, making sure the EDA is ready to fulfil our Member States' needs and that they in turn are ready to use us. Now we have to keep delivering concrete results and foster a more systematic approach. Additionally, our mission is to support Europe's industrial and technological basis as well as research and development.

The European: In which fields have you made progress with your team?

Claude-France Arnould: I think we can sum up our progress by looking at the pooling and sharing priorities. Three projects that I deem most critical are our efforts in the field of air-to-air refuelling, satellite communications and medical field hospitals. The campaign in Libya has shown our dramatic shortfalls in terms of in-flight refuelling. Without our American allies, the European fighter jet fleet could hardly have been kept operational. EU defence ministers acknowledged this and gave us the task to urgently look into the situation. In terms of commercial satellite capacity, we have just signed a contract with Astrium Services ensuring the common procurement of telecommunication services on behalf of five Member States. Regarding medical field hospitals fourteen Member States are coming together, facilitated by the EDA, to build the Modular Multinational Medical Unit, a key enabler for any operation and a project impossible for Member States to undertake alone.

The European: That is an impressive list, but what makes the difference between now and the time before the EDA?

Claude-France Arnould: EDA is there to offer a central place for cooperation and to propose a coherent approach based on expertise, lessons learned, and transparency. Defence ministers give the impetus for priorities or new projects in the Board. Capabilities, armament as well as research and technology experts work together which allows for an approach combining bottom-up expertise on requirements and top-down direction. Long ago and before the EDA some excellent cooperative defence projects were launched but on an ad hoc basis. Lessons from common projects were often lost. Because the EDA

Claude-France Arnould

Claude-France Arnould, Chief Executive Officer of the European Defence Agency (EDA). She is a former student of the Ecole Normale Supérieure, and holds an aggregation in Classics, a degree in art and archaeology and she studied at the Ecole Nationale d'Administration (ENA), Paris. Earlier in her career she was from 1994–1998 a First Councillor at the French Embassy in Bonn. 1998–2001, Mrs Arnould worked as a Director of International and Strategic Affairs at the Prime Ministers Defence General Secretariat (SGDN). Paris 2001–2009, Director for Defence Issues at the General Secretariat of the Council of the EU, Brussels, 2009–2010, Head of the Crisis Management and Planning Directorate (CMPD) at the General Secretariat of the Council of the EU, Brussels.

gathers expertise from across the continent and from the full spectrum of defence under a single roof, we can share our experiences, and make our work more effective.

The European: Looking ahead, what are your objectives for the future of the Common Security and Defence Policy (CSDP)? Surely it is more than just the "road from Ghent"?

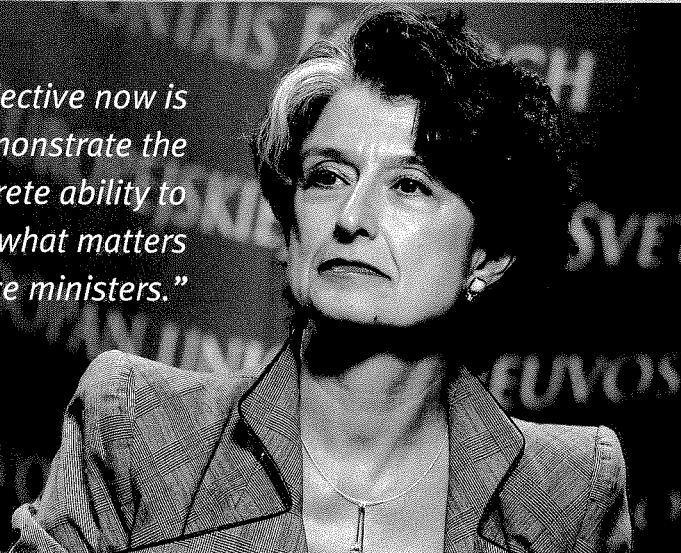
Claude-France Arnould: Well, we do not only talk but we act. We work closely together with Member States to identify priorities, to consolidate demand and above all to further increase cooperation. In the air domain for example, the Agency addresses military capability shortfalls in several ways: we support Member States in developing new and improved military capacity. We have a large and successful training programme, for helicopter and fixed wing aircraft. We are addressing military airworthiness requirements, UAS insertion, the military aspects of Single European Sky ATM Research (SESAR) and we seek to reduce aircraft through-life costs by pooling and sharing of maintenance facilities and high value aircraft components. And in order to keep our industrial and technological capabilities, we proposed a consistent roadmap during the ILA Berlin last October.

The European: Pooling and sharing is currently at the heart of every political discussion. How does the Agency convince Member States to pool and share capabilities?

Claude-France Arnould: Firstly, we demonstrate our ability to deliver concrete benefits for European defence as well as our credibility through projects. Secondly, we have prepared a code of conduct which looks at how to sustain the pooling and sharing initiative in the longer term. This code of conduct proposes several specific measures and principles to be implemented by Member States – on a voluntary basis of course.



“The objective now is to demonstrate the concrete ability to deliver on what matters for defence ministers.”



One of the central measures – and key messages for me – is that Member States should consider cooperation or pooling and sharing as the preferred option when they examine national requirements. Another important point is to implement pooling and sharing throughout the whole lifecycle of an asset – from cradle to grave so to say. Initial feedback from Member States was very positive. Finally it is about looking for the best way to harness investment and to ensure coherence while the reality of pooling and sharing will be largely delivered at regional and bilateral level.

The European: *I am convinced that pooling and sharing requires a certain culture and I am not sure that the move from national to international – if there are more than two or three partners – has really been properly digested within the national administrations, especially if one considers continuous interdependence as a barrier to national independence.*

Claude-France Arnould: You are right to say that we are not quite there yet, but I think trust is building – it has to, as governments realise they cannot do it alone any more. You mention activities done by smaller number of partners; I support that. We apply an “à la carte” approach. This means that Member States can use the services and expertise of the Agency when and where they see fit. But “à la carte” can be more efficient combined with transparency and coherence.

The European: *Is the modular field hospital a good example?*

Claude-France Arnould: Yes, modular field hospitals are expensive to maintain, and many states struggle to find enough staff

with the specialist training involved – so this capability will be really important when it is delivered. Ministers of defence signed a declaration committing themselves to the project in March this year, and the pre-deployment training centre should be operational by 2014. It is a hugely flexible capability that will help in combat, crisis management or disaster relief alike. It is also an excellent example of non-duplication with NATO: we ensured together with Allied Command Transformation (ACT) in Norfolk that our activities are complementary and this

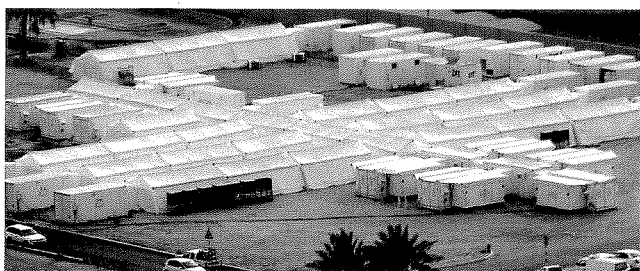
capability will be available to be deployed by Member States in theatre where they decide to operate.

The European: *May I ask you about the field of Unmanned Aerial Systems (UAS), which seems to be a strategic area? How could you imagine coordinating the forthcoming efforts of national industries to develop all-purpose UAS capabilities? Do you see synergies for the CSDP?*

Claude-France Arnould: UAS is an area that the Agency has worked on since its inception, and it continues to be an important part of our work today. We are working closely with the Commission on inserting UASs in civilian airspace, and our demonstration project on a mid-air collision avoidance system for unmanned vehicles was very well received. We now follow with the Joint Investment Programme (JIP) further technological steps key to airworthiness. This is essential for our industry and for our Commanders regarding redeployment and training.

The European: *Your Agency worked hard on practical advice on CBRN and this subject was in vogue in Brussels for years, but now it seems to have lost visibility. Does this mean that crisis-management forces have in the meantime become well-prepared in that field?*

Claude-France Arnould: I think crisis management forces are well prepared for Chemical, Biological, Radiological and Nuclear (CBRN) events, but there is still a lot of work to do – and that work is happening, even though it may not be making the headlines. Our Biological Equipment Development and Enhancement Programme (BioEDEP) will allow our forces to



Key issues of Pooling and Sharing: Mobile Field Hospital



air-to-air refueling

Photos: Zeppelin/Airbus

operate in a biological threat environment. We are conducting research to improve detection of chemical agents and analyse chemical, biological and radiological. We have run courses for Incident Commanders, Staff Planners and Intelligence Analysts, to help ensure that everyone involved is fully prepared to react to such a threat. We will further cooperate with OCCAR on the basis of our agreement.

The European: Is NATO for you a partner to cooperate with?

Claude-France Arnould: We work closely together. The cooperation functions efficiently on capabilities, be it with ACT or the international secretariat of defence investment in particular. We pay particular attention to not duplicate but to complement efforts. We can take our respective helicopter initiatives as an example: while NATO is looking at equipment, we work on multinational training. NATO's work to accredit centres of excellence has been valuable, too. We have a systematic coordination of pooling and sharing activities and NATO's smart defence also in Single European Sky where EDA facilitates taking into consideration NATO's missions and interests.

The European: You signed an agreement with OCCAR. What is the motivation behind it?

Claude-France Arnould: For me, the agreement we signed with OCCAR in July is essential. We had already worked with OCCAR on several projects on an ad hoc basis – projects like Software Defined Radio, BioEDEP, MUSIS and Maritime Mine Counter-Measures. We wanted to formalise the lessons we'd learned in those collaborations, and smooth the way for future collaboration. That helps us serve our Member States even better. OCCAR manages the A400M programme. Thus our collaboration will be instrumental on air-to-air refuelling and all the training, logistics and employment aspects of using the A400M.

The European: Let me turn now to your own agency. The EDA has been under-financed since the beginning and is thus unable to cover all areas. Can you imagine the EDA one day developing into a different organisation? I have in mind something like the very successful European Space Agency (ESA).

Claude-France Arnould: The present budget (circa 30 million Euro) has allowed us to achieve the results I have just illustrated. And I could comment on more of them... We should never forget that on top of this rather small budget, we have for example gathered around 200 million per year for the MIDCAS (anti-collision programme for UAS). Additional "à la carte" financing is also essential. As regards the further development of the EDA, this is in the Member States' hands. Lisbon provides for an even more ambitious role. The EDA is clearly at the service of Member States, if they see our role evolving, the EDA will be ready for it. The objective now is to demonstrate the concrete ability to deliver on what matters for defence ministers.

The European: Madame Arnould, thank you for the interview.

A missed opportunity but there will certainly be other m The failed merger between

by Denis Verret, President, Dv-Conseil, Paris

Not everyone may agree with the following remarks, but they will certainly find sympathy with anyone who considers that Europe's geopolitical role should be more commensurate with its economic might, even in the current period of debt and economic crisis. Geopolitical weight presupposes autonomous operational and technological defence capacities.

An imbalanced Alliance

We are part of an Alliance that is indivisible and invaluable. But we cannot hide the fact that our Alliance is widely imbalanced. On the one hand the US rightly complains about Europe's growing deficiencies in terms of burden sharing. On the other hand, however, the US, the sole NATO member to be self-reliant in operational and technological defence capabilities, continues to impose limitations on all its allies in terms of access to its best operational and technological capacities, its market and export licences. No European nation alone has the financial means to build completely autonomous operational and technological capacities. So a Europe of the willing is our only possible answer, building on shared sovereignty and mutually committed security of supply. The "magic formula" (programme, consolidation, integration) applied by European states and industries already allowed us to build a decent competitive industrial base, but it was fragile because insufficiently comprehensive.

Protected US military dominance

US military dominance is built on unrivalled technological leadership in this sensitive industry, which is dual in essence – commercial and military, covering various segments of aeronautical, space, security and defence activities, built on cutting-edge technology with considerable spill-over effects on other industrial sectors. The European commercial aerospace industry, based on the Airbus model of programmes, consolidation and integration is now on a par with the American one. This is also the case for helicopters, space, military transport aircraft and tactical missiles. But where Europe continues to suffer from fragmentation of both public procurements and industrial supplies, its DTIB (Defence Technological and Industrial Base) is overtaken by that of the US. The growing gap between the American and European defence equipment budgets only aggravates the problem.

All this proves how right the project of a full merger between EADS and BAE Systems was (and could still be):

- It has to be seen as phase 2 of a move triggered by the creation of EADS itself in 2000. EADS was the right answer at that time to the electro-shock of the Boeing/MDD merger: a "co-pro-



s to come!

EADS and British Aerospace (BAE)

duction” of the US government and Boeing aimed at building a group five times bigger than Aerospatiale or DASA, occupying 84 % of the worldwide installed fleet of commercial aircraft of more than 100 seats, henceforth backed by the deep pockets of the Pentagon and Nasa, for which MDD was the first supplier. Europe’s reaction was a “matter of necessity”: its answer was its own “co-production” joining the visions of three governments and of two great industry captains. Even if EADS has been an impressive success story in terms of market shares, jobs and cash creation, it remains imbalanced, with a weak leg in defence, compared to Boeing. Conversely, BAE Systems is by far too much of a pure defence player, overexposed to the counter-cyclical effects of the UK and US defence budgets. EADS and BAE Systems were (and still would be) the right match.

- The past 10 years have been marked by a standstill in terms of trans-border and dual consolidation throughout Europe. By the same token, the opposite wave of purely national and defence-only consolidations has flourished, the business model invoked being: “‘saturate’ my domestic defence market and use it as a springboard to compete fiercely on the export markets of my rivals (notably European)”: i.e. a sort of nineteenth century colonial empire model exhausting the national taxpayers in fratricidal rivalry. The managements of EADS and BAE Systems were absolutely right in their resolve to back European and dual consolidation. It was like a non-exclusive Lancaster House translated into industrial assets. The private reference shareholders of EADS supported the project as well as the British and French governments, despite the tight schedule. But the German government was divided and the “Nein” won the day!



The Eurofighter is a EADS-BAE product together with the Italian and Spanish industries.

Photo: max.pfandl/CC BY 2.0/flickr



Denis Verret

Denis Verret was born in 1949 in Paris. 1971: studies at Paris Institute of Political Science. 1976: Master’s degree in Public Law, (ENA). 1976: Urban Planning and Architecture Administration. 1981 to 1983: Commercial Counsellor, French Embassy in Washington DC. 1982: Technical Advisor for International Economic Affairs to the French Minister of Industry and then the Prime Minister. 1986: Denis Verret joined Thomson CSF. 1994: Aerospatiale, Corporate Vice President in charge of International and Commercial Affairs. 2003: Coordination and Support, EADS International Paris. 2008: Senior Vice President for Strategic Business and International Relations in the Strategy and Marketing Organisation (SMO) of EADS. 2010: Denis Verret created his own company, DV-Conseil, consulting in international, institutional and strategic affairs.

Conclusions and consequences

I think that it serves no purpose to apportion blame if ultimately our aim is to achieve consensus on such a project or any other project for a larger and more balanced European sovereign industry champion. We must first better understand the roots of the “Nein” in order to measure the chances of converting it into a resounding “Ja”, like in 2000 for EADS. Some Germans were still suspicious following the Lancaster House Treaty presented originally as an exclusive dynamic, open neither to Germany nor to others. Some Germans still probably supported a German Defence Cy model as the mirror of a French Defence Cy model in construction under Dassault leadership. Other Germans remained reluctant to accede to what they saw as a future monopoly, not sufficiently realising, perhaps, that the more competitive your prime contractor, the more jobs can be secured internally and through the supply chain.

- In reality, nobody denies that the schedule (due to the famous leaks) was too tight to allow the necessary pedagogical exercise for all the stakeholders. For such a strategic project, the “co-production of consensus” between the states and the industry and their respective legitimate interests takes more time.
- We have to face the risk that the advocates of the purely national defence company vision will take advantage of that failure to develop their inward-looking strategy, even in a context of shrinking domestic markets.
- It is precisely in the interests and the duty of all European stakeholders, states and industries concerned to work together on the concrete foundations of the necessary future European consolidation: joint and specialised efforts in R&T, joint programmes corresponding to urgent operational capabilities (such as drones, space projects and missile defence).

Creating synergies to continue offering high-value products and services

Plea for a common European industry strategy

Interview with Thomas Homberg, CEO, MBDA Deutschland GmbH, Schrobenhausen

The European: Mr Homberg, you headed the Corporate Strategy at EADS for the past few years; on 1 August 2012 you assumed the position of Managing Director of the German missile systems company MBDA Deutschland GmbH. What is the main focus of MBDA Deutschland as a part of MBDA?

Thomas Homberg: After my responsibility at EADS, I'm looking forward to being responsible for the operational management of MBDA Deutschland. The company is special in many respects. We supply equipment to all three branches of the armed services – Air Force, Army and Navy. We have highly motivated employees and some unique specialists on board. We cover guided-missile systems from A to Z. This comprises the development and production of guided missiles and their main components such as seeker heads, warhead systems from our wholly owned subsidiary TDW and propulsion systems from Bayern-Chemie, another wholly owned subsidiary of MBDA Deutschland.

Our competence covers the entire system architecture as well as the integration of missiles in their system environment. We also handle system support, maintenance and modifications throughout the life cycle of our products. We've been active in the air defence segment for over 50 years. In this sector, we possess know-how that is unique in Germany, along with an ultramodern infrastructure. MBDA is benefiting from these competencies. At the same time we are benefiting from MBDA's resources, competencies and market reach.

The European: Could you tell us more about how you are securing your current position?

Thomas Homberg: First of all we have concentrated all our competencies at our headquarters in Schrobenhausen, near Augsburg in Bavaria – design, testing, development, production, integration and logistics. We are thus creating synergies that will enable us to continue to offer high-value products and services and to compete both at a national and international level. Secondly, our portfolio is future-oriented. With our competencies in the air defence segment, we have no reason to fear comparison.

We have advanced to the global forefront in laser weapon systems. We are pursuing new projects using our own resources. KFK – a small lightweight missile for infantry use – and BatCat – a missile concept for precise joint fire support operations – are just two examples of this. In all new and continuing developments, we are working closely with the German and NATO forces, and taking the actual mission experience of the troops into account.



Thomas Homberg

Thomas Homberg has been CEO of MBDA Deutschland GmbH since August 2012. He graduated as a paratrooper officer in the German Armed Forces and from the University of the Bundeswehr, Hamburg (Economics). In 2002, he graduated from the German General Staff Courses, Hamburg, and the French Collège Interarmées de Défense in Paris. Before joining EADS, Mr. Homberg was a Military Attaché at the German Embassy in Paris and responsible for French-German defence cooperation. Before taking up his current post, he has been Corporate Vice President and Head of EADS Strategic Coordination (2008–2012). Between 2005–2008 he was Senior Vice President at the helm of EADS "Corporate Strategy & Planning" department and served previously as Vice President of "Strategy & Planning" for Strategic Business Development in Defence & Security Systems.

The European: And the consequences of shrinking budgets?

Thomas Homberg: In the coming years we need to expand our market and customer base. The German forces will remain our most important partner, but given the national budget constraints, it will become increasingly difficult to competitively offer high technology in the defence sector and retain key competencies. So we will also expand our international business further.

The European: The MBDA Group was created through the consolidation of the European guided missile industry in 2006. How do you assess this consolidation process from the perspective of your company?

Thomas Homberg: The European guided missile industry has undergone a fundamental change. In 2001, France, the UK and Italy concentrated their guided missile industries on the European level. Through the inclusion of LFK GmbH (today MBDA Deutschland – ed.) in 2006, MBDA became a European-based global enterprise in the area of guided missile systems. Today, MBDA is the leader in its European home markets – Germany, the UK, France, Italy and Spain – and competes globally on an equal footing with American competitors. This created a stable industrial base for finding the answers to our customers' requirements.

The European: What is your role within MBDA?

Thomas Homberg: After over six years as a part of MBDA, MBDA Deutschland plays an important and active role. We are represented on the MBDA Executive Committee, we are respon-



sible for the German market, we cover the majority of the transatlantic programmes and head up multinational projects within the Group, such as the new KFK (KFK=Kleinflugkörper/ Small Missiles) project. We benefit from the budgets of a €3 billion enterprise for new products and technologies. We receive key support from the Export Department of MBDA and better access to export markets.

The European: Could you give us some examples?

Thomas Homberg: Our chances, e.g. for the sale of the long range antitank weapon PARS 3 LR to India, are greatly enhanced through our integration in MBDA. Or, with the Group's support, we were able to undertake major investments to expand and modernise our German headquarters.

The European: I quite understand, but how to maintain national core competencies?

Thomas Homberg: From my perspective, maintaining national core competencies and their competitiveness is possible in the long term only within European structures. Ultimately, everyone benefits. I believe that increasing cooperation on the European level, our belonging to MBDA and our many years of experience with international partners – particularly in transatlantic cooperation – give MBDA Deutschland a decisive advantage in maintaining sovereign capabilities.

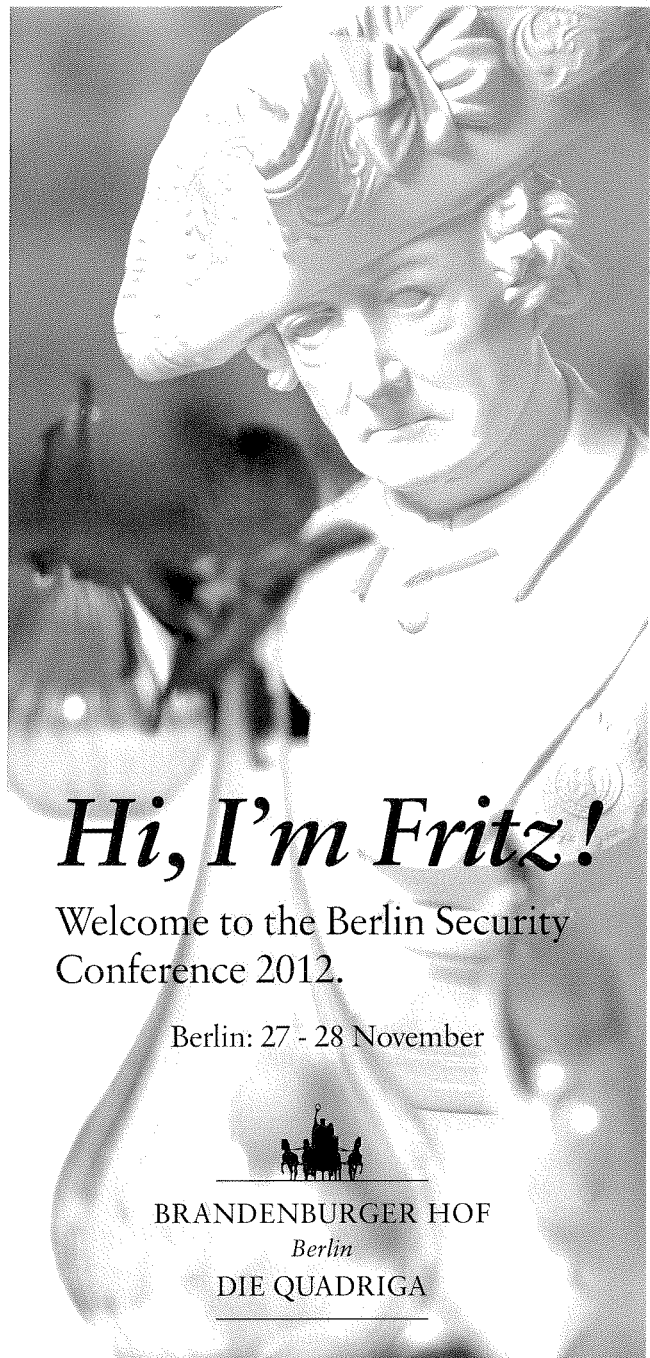
The European: You mentioned the European level. May I take your remark as an opportunity to discuss this positioning now in the context of Europe and the efforts of the EU to establish a common European Defence Technological and Industrial Base (EDTIB), which don't seem to be entirely successful? Could MBDA serve as a role model?

Thomas Homberg: Yes, definitely. Today, MBDA offers its European customers the ideal industrial structures for expanded cooperation possibilities. Take the important issue of future air defence: our membership in the European MBDA Group enables us to provide our customers with the full, concentrated know-how in this field. For example, the development results from the MEADS programme can be utilised in an urgently needed, state-of-the-art European air defence system and combined with other European competencies.

The European: Keeping in mind what needs to be done on the national market?

Thomas Homberg: Establishing a European industrial base also requires further optimisation of the national market, so that we don't need to develop and produce extremely small quantities in national competition, in some cases redundantly. A less fragmented supplier field and a greater degree of cooperation and integration help to prevent economic inefficiencies.

The European: Let me pick up on that. To date, efforts to develop a European industrial strategy have failed. Why is an industrial strategy so important for your company?



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MBDA at ILA Berlin Air Show 2012 showing its latest products

Photo: MBDA

Thomas Homberg: For us, a European industrial strategy is important because small and medium-sized enterprises face increasing challenges to engage in particularly research- and capital-intensive sectors. The national budgetary bottlenecks hit small and medium-sized enterprises particularly hard. Some of them are suffering from capacity utilisation fluctuations that threaten their existence. This impacts the highly specialised guided missile system industry. In the worst case, important technologies for equipping the German forces will be lost. Core competencies and minimum capacities can scarcely be secured over the long term if the home-country demand is low.

The European: *Were the British facing similar challenges five years ago?*

Thomas Homberg: You are right. The UK solution was implemented under the title “Team Complex Weapon”. This describes a partnering initiative of the British Ministry of Defence and the industry, including small and medium-sized enterprises. The aim is to maintain technological competence concurrently with greater planning certainty and budget efficiency. This approach has since been expanded to include greater cooperation between the UK and France in the guided missile system sector.

The European: *What advise would you give your country?*

Thomas Homberg: Giving advise to a whole country is over-ambitious. However, with respect to the question of partnerships, I suggest to intensively examine the experience from such forms of cooperation. However, the prerequisite is a political guidance and decision to the German guided missile system industry as a strategically important sector. It also implies the need to sustain industrial capabilities in Germany.

The European: *Politically and strategically, NATO missile defence is at the top of the agenda right now. How can MBDA Deutschland contribute?*

Thomas Homberg: MBDA Deutschland has decades of experience in the area of air defence systems. There has been no major programme in which we were not involved, whether MEADS, Patriot, Stinger, Roland or Gepard.

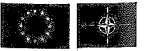
Right now, Germany is formulating concepts regarding its future air defence. Germany intends to use the development results of MEADS for its future air defence architecture, but in the European context as well.

MBDA Deutschland is the main national supplier in MEADS. Within the context of ongoing development, we are working with our partners toward making the technology available for follow-on activities by 2014, as contractually agreed. This also requires that the US co-finance development through 2014. But I'm optimistic that the budget will be granted in the frame work of our transatlantic partnership.

The European: *In concluding this interview, how would you summarise your experience in your first months at MBDA?*

Thomas Homberg: MBDA is a blueprint for the European defence industry, a global market leader that concentrates European competencies and technologies in a single enterprise while remaining firmly embedded in its national home markets. After 18 years of service as an airborne officer, something else is also important to me that I have discovered in the MBDA team: professionalism, maximum motivation and a sense of patriotism.

The European: *Mr Homberg, it was a pleasure to do this interview with you. Thank you.*



Up to now: no great outcome from the Franco-British armaments treaties

Lancaster House: against the spirit of European integration?

by Major General (ret.) Jacques Favin-Lèvêque, EuroDéfense-France, Paris

For a few years now the United Kingdom (UK) has stood quite clearly aloof from the European Union, whose community vision it is increasingly less able to share. Can the Lancaster House treaties signed on 2 November 2010 by France and the UK be described as a major breach of the EU's Common Security and Defence Policy (CSDP)?

An obvious discrepancy

The question is the logical conclusion to be drawn from an increasingly obvious discrepancy between two contradictory conceptions of the process of European integration. So it is a fair question to which, moreover, an irreverent answer is permitted! What, in fact, are we seeing since the crisis hit the EU with full force? In numerous EU member states within the euro zone at least, there is a tendency to strengthen ties in order to bring the different parts of the Union together in a quasi-federal system. In others, there is a desire for independence and an exaltation of liberalism leading it to reject all community-based approaches and to give absolute priority to national interests as perceived by London.

British opposition to a European defence

The UK has gradually toughened its stance, in particular during the elaboration of the measures for safeguarding the euro zone and resolving the sovereign debt crisis. In parallel to this distancing of itself from the continent, the UK has for decades now opposed any development of the EU's political-military structures that would give the EU greater responsibility in the field of collective defence. And on the fallacious pretext of wishing to avoid a duplication of assets. Foreign Minister William Hague stated on 17 July 2011, "the UK will not agree to a permanent operational HQ. We will not agree to it now and we will not agree to it in the future. That is a red line". But how is it possible to ensure appropriately swift and effective intervention without a permanent capability for the planning and conduct of military or civil-military operations?

Franco-British cooperation – a disappointing result

One may of course counter with the success of the Franco-British initiative for intervention in Libya, which demonstrated a joint geostrategic approach, the effective joint use of intervention capabilities and the availability of the NATO command structures. One may also argue that a rapprochement between the EU's only two nuclear powers makes sense and that Euro-

pean defence is strengthened by the bilateral cooperation established under the Lancaster House treaties. But didn't those treaties make provision, among other things, for a pooling of the two countries' naval air defence capabilities? Such mutual trust between two navies whose rivalry is legendary would be a strong signal indeed!

So what about that pooling, not even two years since the signing of the treaty? Alas, Britain's recent decision to abandon catapult systems on its two future aircraft carriers abruptly and unilaterally shattered the dream of operational interoperability between the two countries' naval aviation capabilities embodied in the treaty. Was the treaty a casting mistake on the part of France or a strategic breach of the European spirit? Perhaps the answer is both at once.

How could France sign this contract?

The CSDP as defined in Lisbon entails ensuring that the EU has the necessary military capabilities to be able to meet the demands of a foreign policy that is in keeping with its geopolitical and geo-economic weight and to assume full responsibility for the conduct of operations beyond its borders. Lisbon contains provisions aimed at establishing a process of permanent cooperation and opportunities for enhanced cooperation within the EU, in both the operational and the technological and industrial spheres. The bilateral treaty and the lack of consultation with the other European partners are in fact quite the opposite of the process that is advocated in order to give the Common Foreign and Security Policy (CSDP) its proper dimension. This is how the Franco-British position was perceived by many member states, and in particular by Germany. What degree of credibility can now be accorded to France when it calls for a CSDP geared to the community perspective, in both the operational and industrial areas? The naval aviation component of Lancaster House is already beginning to come apart at the seams and the agreements have yet not really proven themselves, except perhaps in the case of Libya, and even then only indirectly.

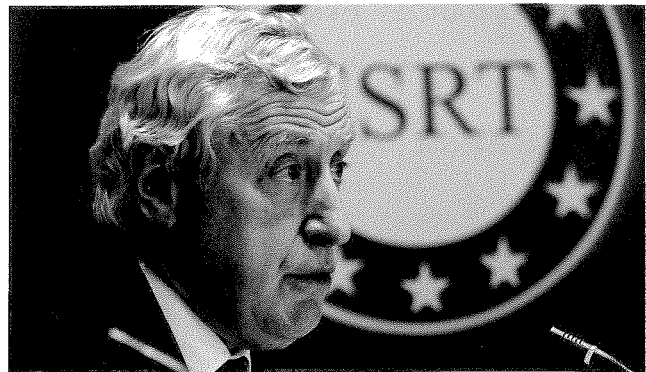
A common European defence without the UK?

Given the rumours about the possibility of the UK holding a referendum on its relative disengagement from Europe, that question is hardly unreasonable. But sooner or later the UK will be reconciled with the continent of which, whatever it may believe, it is the most western extension! The UK is indeed a piece of the European puzzle.

Brussels Conference on new strategic challenges f

(The European, Nc.) On 25 September 2012, the European Security Roundtable (ESRT) held its Annual Conference on “New Strategic Challenges for the European Union”, which was organised in cooperation with the Konrad-Adenauer-Stiftung. For the fifth time, this forum gathered relevant stakeholders from the Brussels Security and Defence Community to discuss the future perspectives of the European Security and Defence Policy.

After an opening keynote speech delivered by the the Secretary General of the European External Action Service, Pierre Vimont, two panel sessions further explored the strategic implications of EU maritime interests and capability development in times of austerity.



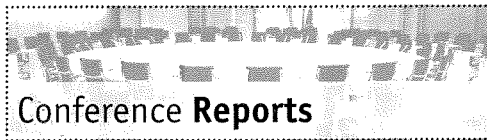
Pierre Vimont (EEAS) during his speech.

Photo: ESRT

The complexity of the EEAS

In his presentation, Secretary General Vimont, shared his views on the role of the European Union as a Peace-BUILDER. He underlined that although the context in which the EU operates has become more complex than ever before, the role of the EU in this changing environment could be a useful one. Nevertheless he

also made clear that to effectively play this role the EU must face a number of challenges like the cuts in public spending and divisions among its member states. He therefore stressed the need to strengthen Europe’s capabilities by multiplying Pooling & Sharing initiatives and that EU’s operations should be more integrated within a comprehensive approach.



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