

***Defense Coalitions
and the Global Character of the new Defense Industry***

General keynote remarks

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During the last few years the world has deeply changed. Let me briefly outline two major themes which are relevant for our discussion.

First of all, the emerging of international terrorism defined a completely new paradigm in the defense doctrine, introducing a military dimension in security and a security dimension in defense.

From one side, we can no more consider conflicts as 'quantized' events, clearly localized and clustered within specific sites and structures. We have rather to protect our homelands from a threat which is asymmetric, unpredictable and possibly diffused within our societies themselves.

On the other hand, the new scenario will more and more require in the future the capability of joint peace-keeping and peace-enforcing missions, which will imply a high level of interoperability amongst allied Armed Forces.

This feature will be reflected in terms of equipments too: the technological content of many systems, like communications, command and control, transportations and surveillance devices, shall satisfy comparable

requirements both for defence and homeland security forces and shall meet a certain level of standardization in order to be fully interoperable.

The second theme is globalization.

As remarked by Ben Bernanke last summer, “the physical distance along a great circle from Wausau, Wisconsin to Wuhan, China is fixed at 7,020 miles. But, [...] economically speaking, Wausau and Wuhan are today closer and more interdependent than ever before”.

If this is true for the United States and China, even more and for many reasons this must be true for Europe and the United States, and for Italy and the United States, too.

Finmeccanica, in particular, has been the partner of US companies in a number of complex programs, like the F-104 Starfighter (Lockheed Martin, Raytheon), the MEADS program (Lockheed Martin), the NATO AGS system (General Dynamics, Northrop Grumman), the Joint Strike Fighter (Lockheed Martin, Northrop Grumman), the B787 Dreamliner (Boeing), the C27J (Boeing, L-3), the US101 (Lockheed Martin, Bell Helicopters).

The diverse models of cooperation developed for these programs have been mutually fruitful, even though each one was different and, most of all, not yet harmonized within a comprehensive and satisfactory common high-level framework for this purpose.

This lack of coordination implies some level of weakness and causes problems especially in the sensitive area of technology transfer.

The result is that many important programs are delayed and sometimes jeopardized.

In order to enhance the effectiveness of industrial collaboration in the defense field between the two sides of the Atlantic Ocean, we should improve a little our approach, evolving from the concept of risk-sharing partnership towards a more courageous decision to accept a full partnership-sharing risk.

In other words, besides the already consolidated *habitus* of sharing commercial objectives and risks in joint programs, US and European companies should accept the challenge to embrace closer and deeper cooperation, which must include more effective know-how and technology transfer arrangements, a smoothing of the “buy national” approach, and a substantial simplification of administrative procedures.

For this to happen, national governments need to think more clearly about the threat to our security, especially the fight against terrorism, and engage industry so that technological solutions can be jointly achieved and our common objectives reinforced.