

RECOMMENDATION 761

on the European Technology Acquisition Programme (ETAP) – reply to the annual report of the Council

The Assembly,

- (i) Considering the work done over many years by European nations in WEU, NATO and the EU towards building a European defence industrial and technological base (EDITB);
- (ii) Emphasising that such instances of variable geometry cooperation seek to rationalise European defence industrial and technology work by making it more coherent and defining priorities for research, technology and development (RT&D);
- (iii) Noting Europe's shortcomings in defence RT&D investment, and when it comes to certain leading-edge technologies and systems and systems integration, particularly in relation to the new information and communications technologies;
- (iv) Considering that weighty economic reasons such as maintaining a skilled workforce, preserving and developing national DITBs and the need to remain competitive, particularly in export markets, play a major part in the decisions that are taken on defence RT&D;
- (v) Noting that transatlantic cooperation/competition in R&T is also a major factor in the catching-up required to strike the long-sought "better balance" in transatlantic security and defence relations;
- (vi) Judging that ETAP is the result of the implementation of undertakings under the LoI/Framework Agreement concerning measures to facilitate the restructuring and functioning of the European defence industry;
- (vii) Recalling that the LoI/Framework Agreement covers only the major European producers/investors in defence R&T and equipment and that the rules defined within it necessarily govern any reform or reshaping of the EDITB, which is, moreover, also one of the tasks of the European Defence Agency;
- (viii) Considering that ETAP can play an important part in encouraging European cooperation in the field of defence R&T and that its effect is beneficial to both industry and government procurement agencies required to work in a more European environment;
- (ix) Emphasising that ETAP is made up of the six principal European nations in the fields of civil and defence aeronautics in the process of equipping themselves, in terms of piloted future air combat systems, with aircraft whose working life will extend beyond 2020 – Typhoon/Eurofighter, Rafale and Gripen – and that such platforms could benefit from the innovations designed and developed through ETAP, which would contribute to making them more interoperable;
- (x) Recalling that two vitally important factors in ETAP's success are transparency and joint development of technologies and systems, always a highly complicated matter in the European context;
- (xi) Noting that Europe's increasing number of external military commitments concerned with combating international terrorism and the proliferation of weapons of mass destruction and terror, and with dealing with crises falling within the remit of the Petersberg tasks, particularly in Africa, have not given rise to increases in defence spending of the same order as in the United States;
- (xii) Recalling that the European Defence Agency includes a Security and Defence R&T Directorate;
- (xiii) Noting that the European Defence Agency is not the only authority dealing with security and defence R&T and equipment but that the European Commission too has been involved in this area for almost a decade, particularly in regard to defence industry restructuring and reorganisation of the

sector, notwithstanding the legal restrictions imposed by Article 296 of the Treaty establishing the European Community (TEC);

(xiv) Considering that in this area the European Commission's European Security Research Programme (ESRP), for which the Preparatory Action for the period 2004-2006 is currently under way, covers dual-use technologies and concept development which are also central to ETAP;

(xv) Taking the view furthermore that when it comes to defence equipment and R&T, there is no getting away from the transatlantic dimension and that European countries involved in this area want to be dealt with as genuine partners (and suppliers) and not merely, as previously, as potential subcontractors dependent on American products and technology;

(xvi) Stressing that the project for the future combat aircraft, the "F-35 Joint Strike Fighter" (JSF), is a good illustration of Europe's dilemma over transatlantic cooperation and also directly affects the future of ETAP and the EDITB;

(xvii) Considering that European countries which have committed themselves to that programme, are tied in for decades to come to a US project which makes no industrial or technological contribution to the EDITB;

(xviii) Regretting that the Neuron project (a demonstrator of the validity of the UCAV – Unmanned Combat Air Vehicle – concept) could not be developed as part of ETAP,

RECOMMENDS THAT THE COUNCIL INVITE THOSE WEU COUNTRIES TAKING PART IN ETAP TO:

1. Inject new life into the European Technology Acquisition Programme by identifying areas of cooperation for the years ahead and setting a realistic timetable for achieving the programme's objectives;
2. Ensure that the technological priorities identified under ETAP are translated into study and development programmes for firms in the participating states so as to maintain the public-private partnership that forms the core of the project;
3. Ensure that ETAP is used to identify, among future needs for air combat systems, those which the United States has already developed, including joint projects like the Joint Strike Fighter, so as to avoid costly and futile duplication;
4. Ensure that any impetus given to European defence R&T and to strengthening the EDITB does not become part of an attempt to build "Fortress Europe" in that sphere, without however ruling out recourse to European preference in equipment and technology choices, so as to maintain Europe's autonomy and strengthen the EDITB;
5. Ensure that European countries' efforts to retain national capabilities they regard as strategic acquire a European dimension embodied in the EU in the European Defence Agency;
6. Do their utmost to achieve balanced transatlantic cooperation, which could give a significant boost to European defence industry restructuring;
7. Ensure that ETAP is gradually extended to other countries which have expertise and "niche" specialisms in aerospace technology.