

Summary of Discussions

SWP Working Group
"Transatlantic Military Cooperability"
1st Colloquium, Berlin, November 14-15, 2002
at Stiftung Wissenschaft und Politik

Ensuring Transatlantic Military Co-operability in an Era of Growing Economic Competition - or - How to Handle the Technology and Capability Gap

The combined efforts of industry and senior policy makers in governments on both sides of the Atlantic are needed in order to increase transatlantic arms cooperation. The consolidation of the U.S. defense industry has reduced competition within that market and thus created an opportunity and/or need, recognized by some policy makers in the U.S., for increased participation by European companies.

Export controls and restrictions on technology transfer are perhaps the most significant obstacles to cooperation between Europe and the U.S. These restrictions make it especially difficult for U.S. companies to do business in Europe; where U.S. companies are already hesitant to compete due to the relatively small size of the market and questionable returns on investment. The U.S. uses the Declaration of Principles process to form bilateral agreements for technology transfer with individual countries. Although this process helps facilitate transatlantic arms cooperation, U.S. companies are often unable to fully benefit because it does not take into account the fact that the majority of defense companies in Europe have multinational employee bases and project teams and are thus often prevented from working with U.S. companies if all of its team members are not from a country with which the U.S. has concluded a Declaration of Principles. In Europe, Germany, France, Italy, Spain, Sweden and the UK have initiated the Framework Agreement/LoI6 process which will facilitate European transnational armaments projects by harmonizing national regulatory procedures and taking other necessary steps for the sharing of classified information and technology. Transatlantic cooperation would be best served, if the U.S. and Europe (perhaps beginning with the Framework Agreement/LoI6 countries) could draw on both the Declaration of Principles and Framework Agreement processes to conclude a multilateral agreement for exports controls and technology transfer.