



Ministero della Difesa



Bundesministerium
der Verteidigung

Thank you for your continued support of the MEADS program. As you are fully aware of the present situation surrounding the MEADS Program, you will know that Germany and Italy have grave concerns about the outcome of the MEADS funding discussion in the USA. This is, unfortunately, not a new situation.

The results of the Design and Development (D&D) phase of the MEADS program remain vital for both Germany and Italy as they will be the basis for our future Air and Missile Defense System Architecture. As such they are fundamental for the German and Italian contribution to the "NATO integrated Air and Missile Defense", which is a key element of the Defense package agreed in Chicago by our heads of State and Government.

As Germany and Italy have been fulfilling their full commitments under the MoU, we hope and we do expect that the United States will live up to their MoU commitment as well. If the US does not fulfill its funding commitment for 2013, Germany and Italy would need to interpret this as a unilateral withdrawal. Under the terms of the MoU, Germany and Italy expect formal notification of the US intent to withdraw

~~~~~

Hon.  
Leon E. PANETTA  
Secretary of Defense  
WASHINGTON

*from the MoU (while funding up to the effective date of the withdrawal). In addition funding for all contract modification and termination costs incurred as a result of the US actions shall be paid by the United States.*

*We assure you, that this is not negligible. In a first estimate the current US position results in an economic damage to Germany and Italy of more than 400 Mio. US\$. This is a result of development activities, which cannot be executed due to the missing FY 2013 US funding and the termination liability for terminating those contracts earlier.*

*In addition, there are wider implication of the US withdrawing or breaking the MoU and this would set a bad precedent for future transatlantic cooperation in principle. In particular one result would need to be the reconsideration of multinational cooperation in the context of NATO's SMART Defense initiative. After the Canadian withdrawal from the NAEW&C and AGS programs, the current US position would represent the second evidence in one year of the lack of reliability and as such would set a bad precedent for future transatlantic cooperation in principle.*

*It should be of common interest not to risk the prominent and significant merits of continued transatlantic co-operation and collaboration between our nations. We rely on your intervention to ensure the timely and full availability of 2013 funds by the end of March 2013 (with no prohibition on expenditure of MEADS funds) so as not to disrupt harvesting of MEADS capabilities in order to enable future meaningful European contribution for NATO Air and Missile defense.*

*The three Nations' investments have been very fruitful to date, which included a successful 360 degree intercept mission in November 2012. We are in the final year of funding under this MoU and not funding this effort would put in jeopardy all of the significant investment made to date by our countries. After the restructuring MEADS has executed on schedule and*

*within budget for more than 4 years now, which is remarkable in particular given the situation of the program after the US decision not to procure MEADS.*

*The successful completion of the MEADS activities should be in our common interests for a large variety of reason. The FY 2013 funds of the US are a prerequisite to achieve this goal.*

*Thank you for your leadership and support on this important defense and transatlantic issue.*

*Yours truly,*

  
*Il Ministro della Difesa*

  
*Bundesminister der Verteidigung*