

**EUROPEAN COMMISSION**

Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

Space Policy, Copernicus and Defence
DirectorBrussels, 26 JAN. 2017
JC/pb/grow [REDACTED] (2017)97125Mr Mauro Moretti
AeroSpace and Defence
Industries Association of Europe
Rue Montoyer 10 I
1000 Brussels

Dear Mr Moretti,

Thank you for your letter of 6 December 2016 to President Juncker concerning the need to strengthen European defence. President Juncker has asked me to reply on his behalf.

The Commission shares your view on the need to strengthen European defence co-operation. I welcome your recognition that there has been significant progress to develop a European framework for strengthening European defence and your support for the Commission's contribution to this in the form of the European Defence Action Plan adopted on 30th November.

In terms of the Action Plan, you highlight the priority given by industry to the proposals for EU-funded defence research as part of the Research Window of the European Defence Fund and your support to our proposed budget of €500 million per year under the next Multi-annual Financial Framework. This is indeed a clear statement of intent by the Commission to establish, for the first time, a substantial defence research programme. This is essential for the long-term competitiveness of our industry and to ensure Europe retains the capacity to develop the military capabilities we need for Europe's security in the future.

The first step towards this programme is launching, in the coming months, a successful Preparatory Action on Defence Research (PA). We fully agree with you that industry must be involved in this process. DG GROW has had regular discussions with ASD and we welcomed the constructive contributions that ASD provided in helping us to develop the Scoping Paper, the rules for participation and, in particular, the IPR rules. This will provide the strategic direction for developing the annual Work Programmes of the PA. ASD's presentation to the "As If Programme Committee" was also important in ensuring that industry's considerations on the defence research demonstrator project were heard.

Once the PA is formally launched, it is our intention to establish an Advisory Group, including representatives from industry, to advise the Commission on developing the remaining Work Programmes of the PA. This will be an important source of advice to the Commission but I hope it will also be supplemented with the regular contacts we already have between DG GROW and ASD.

In terms of industry's involvement in the implementation of the European Defence Action Plan as a whole, we will establish a Consultation Forum with industry. We will announce details of its scope and remit in the coming weeks.

Yours sincerely,

