It's a pleasure to be here to talk about an issue that is certainly a primary important part of NATO and in the United States. I would say, after hearing the discussion so far that we may have a slightly different view of Smart Defence; not so much just as a response to austerity, which of course is something that we face in the United States as well, but also as a means of strengthening NATO in many ways.

This is an initiative that makes sense, whether it is just because of austerity or just because it makes sense as a way of strengthening the way allies work together and the way allies work with partners. It is completely consistent with the notion of collective security and cooperative security.

So in that sense, smart defence is part of an over arching, unifying framework, as we look forward to the kind of NATO forces that we need going forward in the next
decade, ten or fifteen years, so we see the smartest part of defense, but looking at it in terms of the continuing, starting before Lisbon, but certainly with Lisbon as the launch of the strategic concept and the vision for the next ten or fifteen years for what the alliance wants to accomplish, you had there the Lisbon critical capabilities commitment, which identified the top eleven or so capabilities that the alliance agreed on, heads of State and government agreed we needed to focus on to ensure that NATO would have the capabilities it needed to be able to respond to the kinds of security challenges we are facing, not the ones that we have been but the kind of future ones: cyber, energy security, and some of the ISR problems that we have seen.

So we started in a way with the Lisbon capabilities commitment that identified alliance ground surveillance that identified air command and control system that launched NATO’s missile defence system in terms of something that allies wanted to cooperate together.

We are heading now into Chicago, which would be, in essence, the Summit that implements the decisions that were taken at Lisbon and that shows how implementing the vision that was laid down in the strategic concept and it acknowledges what we have accomplished since Lisbon, and that is not to be underestimated. We have been busy at NATO in the last eighteen months.

We have moved forward with the NATO missile defence system in some important ways that would be acknowledged at Chicago, we have made real progress on the alliance ground surveillance system, much to the surprise of some, it is not an easy process, we have made real progress on intelligence reform, on the NATO command structure reform, acknowledging the importance of cyber-security and coming together in terms of what NATO’s role on cyber-defence should be in relation to what nations are doing individually, and also on the air command and control system in terms of progressing with the modern, integrated air defence system for Europe, and that is something quite significant.

We have also incorporated into this process very much what we learnt from the Libya operation, from the operation “unified protector” and I would follow on to the comment made earlier in terms of incorporating lessons learnt in a very systematic way. It is a critical point and I think is something in which NATO has actually done a pretty good
job in terms of developing the allied command transformation under General where we have tasked him specifically to do that and he has been quite rigorous in pursuing that task. That is how he came up with the idea of smart defence and connected forces and some of the other initiatives that will be played out in Chicago, and beyond Chicago.

But specifically, out of “OUP”, the Libya operation, we recognise that ISR is a critical gap and flowing from that we have a real focus on doing ISR initiatives where allies can come together and work on that, in a sense a very good representation of smart defence in action.

Support for the EU refuelling initiative is another area where we saw, as someone mentioned earlier, we saw that it was a critical gap in the Libya operation and we have responded to that, fairly immediately I would say, in a responsible way in terms of not duplicating the EU effort, but supporting the EU effort, and that is the way of the future, as reflected in ways like smart defence.

Also, reaffirming the importance of training and exercising together. We would not have been able to do “OUP” with some of the partners we participated with if we did not have a robust training and exercising exchange in place and exercises that we do together, so we have already seen the value of that in Libya and I think this just gives us new motivation to continue expanding it and strengthening it.

As we look forward, Chicago is going to tear us up for what we do in the future, is not the end of the process, as someone said earlier, but in fact, just part of the continuing.

We need to be looking to the kinds of forces that NATO needs for the next 10 to 15 years. All of you around this table are well aware that the timetable for any kind of defence planning and, even in times of austerity, need to be planned for the kinds of capabilities that will be needed in the future.

One of the tasks out of Lisbon was the deterrence and defence review. That provides the kind of strategic guidance that the alliance needs to know whether we have the appropriateness of conventional nuclear missile defence forces for the threats that faces us.
So, based on the threat analysis that exist, that is continually updated, are we well to
response to the kinds of threats that we anticipate facing in the next ten to fifteen years?
That is part of the reason why we are pursuing the NATO missile defence system and
Chicago is an opportunity, part of the progress in that.

Also, to acknowledge the contributions that the allies have made, using the US EPAA
system as the backbone, and a number of allies, including Spain, have already
contributed to making that a NATO defence system, and they anticipate there will be
further contributions as the system proceeds.

Looking at that in terms of framework of what we need going for, smart defence then
becomes a very important component of that. It is, as I said, not just a response to times
of austerity, but in fact a smart way to go forward as we look at how to best, most
efficiently and, really, more effectively provide for European security, and something
like the EU air and refuelling initiative, that the EU and NATO can work together in a
very constructive, sort of synergistic way, I think is a good demonstration of how we are
approaching European security in the future.

As early mentioned, the components of prioritization, cooperation and specialization
that make up smart defence have already been displayed in some of the initiatives that
have been outlined, like the air policing. The Baltic air policing is a perfect example of
smart defence and is not just in the Baltic area but also in the Balkans area, where you
have some air- shared, air-policing responsibilities.

Missile defence, again, is a good example, sea-based, missile defence, gather sharing is
another area where bring together the information, you bring together the capabilities, in
a sense is pooling, and you maximize your abilities to respond, as a result, to that.

Connected forces initiative is another example of what we are talking about here. We
have taken over 200 projects and put them into tier with 25-30 in tier 1, and those were
the ones that countries have focused on. Out of that, the US sponsoring is the lead
nation, and participant in several, I think the US and Spain are participating together in
at least 5 of those.

The US focus, for instance, is on (MRAP?) “Mine resistant armoured protected
vehicles”. So we are the lead on MRAP programme, and also on the helicopter
programme. These fall under the logistics cluster. Five clusters within the tier 1 project Database focusing on things like sustainment, logistics, on training, joined ASR and effective engagement.

And it is the opportunity for countries where they can take the lead or participate in support, pulling their efforts together to fill these gaps that we have identified.

Another project the US is taking the lead on is a (eBay) for equipment. It is a shared operational resources tool, so countries that have military equipment that they want to put on (eBay) in a sense, can put it on this NATO version of it and other countries can see what is up there and what is available.

How we integrate our NATO partners into these programmes is another issue we have been working on.

As we come out of Chicago I think what we will have to look at will be some of the details of implementing the decisions taken at Chicago, I think Mr. Herold mentioned some of them, some of them are difficult, some of them go right to the heart of national sovereignty questions. But I think there is a real realization, not only following Libya, but just a combination, a confluence of factors right now, that are making countries understand that this really is worth pursuing and, breaking down some of those barriers that have kept NATO allies, and in a sense, also EU countries from really developing that defence community that we have discussed. To show this can really work as a way of doing your defence in a more modern way.