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Bern

The Ambassador

**Secret**

**VERY URGENT** Monday morning

For Fö/MFU & UD-EU. Copied: min. Enström, Bildt & Björling; von der Esch/Fö, Wieslander & Areskoug/SB, Lindberg/Fi, Oom & kabs/UD; amb Ahlberger MK; Linder & Hedman Fö/ledn; Ljöstad, Stridh & Andersson, Fö/MFU; Håkansson/Fi; Fries & Elofson/EU. Communicate also to FXM, FMV (Director General), FöU (Hultqvist & Widegren) and HKV (Bydén & Petersson).

**The Swiss Gripen procurement - status and the next step.**

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*Summary: The small chamber's decision on 5 March to approve of the Gripen procurement but yet not release the necessary financial means was maybe a necessary "wake-up call" for the right wing parties facing the continuing process. All - supporters, opponents and the media, yes, even the party leaderships themselves - were surprised of the meager result in the small chamber.*

*Intensive lobbying is therefore underway facing the process and possible decision in the Security committee of the big chamber 8-9 April. If all goes well in the big chamber, all points towards that, the small chamber will return to the financing issue in June.*

*I will meet with defense minister Ueli Maurer 20 March to go over what additional efforts might be necessary from both his and the Swedish side. I will get back to you after that.*

As reported elsewhere, people were very surprised after the vote on the Gripen procurement in *Ständerat* (small, canton chamber) on 5 March. Through a combination of bad party discipline (two Gripen supporters weren't even present) and a not entirely fortunate appearance by defense minister Maurer, the procurement could although be approved, with the numbers 22-20, but in order to release the necessary financial means, one vote was lacking. All decisions that implies additional expenses of 20 MCHF or more have to be taken through absolute majority. For *Ständerat*, 24 votes would have been needed but the numbers were 23-19.

The comments afterwards were characterized by surprise and anger within the four right wing parties (SVP, FDP, CVP and BDP), while the Social Democrats and the Greens were as surprised, but nevertheless happier. The reactions in the media were restrained and it was generally established that Gripen is yet far from "grounded". What will happen now is just that *Ständerat* will have to get back to the financing issue as soon as the process in the big chamber - *Nationalrat* - is finished in June. Assuming that everyone is present, we will then be able to reach the necessary 24 votes.

I met with Maurer in connection to the inauguration of the automobile fair in Geneva a couple of days after the vote. He was pretty discouraged, but after a while he agreed that what had happened could actually be an advantage in the continued parliamentary process. The right wing party leaders now know that they can't take anything for granted but that they have to put pressure on their members to follow their respective party lines to support the procurement. We agreed to meet soon to go over the state of affairs and see what else might have to be done. That meeting will take place on the 20 March.

Meanwhile, I have provided deputy Secretary General Catrina with a list of all members of the *Nationalrat's* Security Committee (SiK/N), including what we know of their position. I have also called attention to that Maurer needs to give an impression of taking the parliamentarians more seriously, something that Catrina agreed on (during the ongoing meeting on 5 March, two right wing *Ständeräte* decided to not vote for the procurement, because Maurer a little nonchalantly had explained that he didn't have insight to the content of the contract between FXM and armasuisse). Selected parts of the contract draft will also be translated.

Maurer, on his part, will both personally as well as through the right wing party leaders, court those we judge as crucial in order to win the vote in the SiK/N. Saab has mobilized their company partners in the cantons to do exactly the same thing.

The process in the committee starts 8-9 April and it is fully imaginable that the election will take place that very day. Otherwise, it will be held 6-7 May.

This about the short term status. Looking a bit further ahead, we are working on establishing an organization for the coming referendum. The formal "committee" won't be formed until the government decides on the timing of the referendum in 2014, but the work has to start already now in order to secure financing and to engage important actors. A campaign is set to cost between 4-6 MCHF, and for example Saab cannot/is not allowed to/shouldn't contribute. It is also important to involve the business world and the companies, so that it's not only pilots and officers who are campaigning. In order for this to be successful, continuous progress in the industrial cooperation is demanded, something that Saab is now accumulating strength for, for example with a "road-show" going out to the cantons in April-May.

It can also be noted that UK in Bern has confirmed that it's ready to give support to the campaign "under the radar". Next week, Petersson and I will meet with US on the same matter.

Finally, a few lines on the so called "bridge solution", i.e. the loan of 11 C/D 2016-20. It is a relatively expensive solution, especially if you count per flight hour, something that some parliamentarians and some newspaper so far has noted. We try to tone down the issue, which is planned to be brought up in the regular budget process after the referendum, but it is possible that we will have to return to the possibility of for example offering more flight hours for the same total cost.

THÖRESSON