

Thank you. It's a great honor for me to be here with you again tonight. Having spent a good bit of my Air Force career here in Germany, I welcome every chance I get to return. It's a place of charm...of history...of energy.

From my first visit to Berlin more than 35 years ago, so much has changed...and yet there is also much that has not changed...first among them the spirit of the people.

Last year, I talked about the 60th anniversary of the Berlin Airlift...having been here for the 25th and the 50th anniversary celebrations, it was very meaningful for me to return during the 60th anniversary year.

More important, I thought there was much we could learn from the Berlin Airlift...it was a triumph of working together...a triumph of spirit. The Berlin Airlift was a striking example of the power of Transatlantic cooperation in the face of difficult challenges. I believe symbolism matters—and the Berlin Airlift is a symbol of what works—cooperation.

This year provides the anniversary of another symbol. As you well know, twenty years ago last month, the Berlin Wall fell. It was a profound occasion.

And just as I believe there was much we could learn from the Berlin Airlift, there is much we can learn from this symbol as well. The Berlin Wall is a symbol of what doesn't work. Walls don't work.

When we cooperate we can overcome great odds...and when we don't...when we build walls...we all suffer.

I believe that is as relevant to Transatlantic cooperation in the defense industrial base as it is to geopolitics. These are difficult times. Difficult security challenges. Difficult economic challenges. Some argue that the answers are isolationism and protectionism.

History suggests those walls of isolationism and protectionism are a design for failure. While today's challenges are great, I believe the answers to those challenges are found in the enduring principles upon which we've depended for the last 60 years.

Foremost among them is the importance of the European Security and of the Alliance—and how the Alliance has adapted to meet the challenges to its security. The Cold War is over and NATO is adapting—meeting new threats.

When I first came here as a tactical airlift pilot in the 1970s, the challenge was clear and fixed—coming from a very powerful state...now the threats can be diverse and unlocated...spinning up not from strong states, but in many cases from failing ones, threatening havoc.

Though it is not today's headline, we remember the Alliance's meeting the challenge of ethnic turmoil in the Balkans...and we do not forget that 14,000 NATO troops remain on duty in Kosovo. The fact that we hear little from that area is a measure of their success. A decade ago, some expressed doubt it could ever be so.

Today, the Alliance is leading the way with the establishment of the Kosovo Protection Force. But NATO's engagement is not limited to one country. For the past 8 years, the Alliance's naval forces have conducted Operation ACTIVE ENDEAVOR ... patrolling the Mediterranean to deter the flow of terror related supplies, materials, finances and people.

This experience has formed the foundation for the recent commitment in OCEAN SHIELD, escorting World Food Program ships bound for Africa. And the Alliance is also helping nations develop their own anti-piracy capabilities. Piracy remains a major challenge. While events off the Horn of Africa gain headlines, piracy in the oil rich Gulf of Guinea is as prevalent...and at times, more deadly.

Efforts on the high seas are accompanied by support to the African Union, with airlift and other assistance. While my crystal ball is well less than perfect, I would suggest that Africa will demand more attention in years to come—posing tough, long-range challenges. And many believe the Arctic could become a region of concern—another difficult, long-range challenge.

Obviously...we know that the most significant operation is currently occurring farther to the east...in Afghanistan. With more than 71,000 troops currently from 43 nations on the ground, ISAF has been dedicated to meeting the difficult security challenge in that large and rugged country. And the call has been sounded for more troops.

Along with combat forces, Operational Mentoring and Liaison Teams have been focused on growing the Afghan National Army and Alliance personnel have been working to build the Afghan National Police and other civilian institutions. Those are critical efforts.

Some may question the wisdom of seeking to meet this difficult security challenge—and that is their right. There are certainly difficult political issues which must be worked. But I would question the wisdom if we were not meeting the challenge of an environment under which terrorism has flourished, from which it has launched attacks, and in which it has sought weapons of mass destruction. There is only one way we can meet these threats—together.

Germany plays a key part. Today, German military forces lead in Regional Command North and provide 2 of the 26 Provincial Reconstruction Teams in the country. With more than 4,000 troops, Germany has the third largest contingent ... a testament to this nation's commitment.

Diverse challenge. And those are just a sample. There are new challenges...new kinds of attacks...such as cyber.

This challenging global scene serves as a backdrop for a time of review...of reflection...of definition of direction. The United States has a new president, a new administration, and a strategic review—known as QDR—underway. NATO has a new secretary general and a strategic review—a new Strategic Concept—underway. And in the wake of the Treaty of Lisbon, the European Union has a new president and a new foreign policy chief. With all of this we have great opportunity to shape how we will meet the diverse and difficult challenges we face. It warrants serious thought.

What kinds of capabilities will we need—and how will we provide them? Particularly in an environment that is as economically challenging as it is tactically challenging?

One common denominator across all these challenges is the imperative of gaining the situational awareness—knowing what is going on. Building trust with village and local leaders and people is one part of this. Surveillance and Reconnaissance forces that can range across continents provide vital data at the other end of the spectrum.

When NATO enforced the No Fly Zones over Bosnia a decade and a half ago, the NATO Airborne Early Warning aircraft and crews were fundamental to knowing who was flying and where.

Now that the Alliance is engaged so extensively in ground operations, building similar awareness of the ground environment is equally important...but far more difficult to create.

Difficult—but possible. And that’s why the Alliance Ground Surveillance system is so important, not just to NATO operations, but also to our individual nations in protecting our forces operating under NATO and EU commands.

Surveillance and reconnaissance forces will provide a wide range of capabilities...from signals intelligence that reaches out several hundred kilometers...to full motion video that stares at one 500 meter by 500 meter area.

But Alliance Ground Surveillance will provide a key type... the ability monitor wide areas and to detect and zero-in on movement of mounted and dismounted forces.

Given the rugged and mountainous terrain in areas like Regional Command North and East...in some areas the only way someone can get around is on foot. They're hard to detect. And we have seen, unfortunately, that belligerents on foot have been able to approach and attack ISAF units in isolated areas.

In 2008, 9 French soldiers were lost when ambushed by attackers...more recently 8 Americans died in a similar ambush. Just two examples...last month, we witnessed another of this type of attack. Too many losses...too many funerals...in too many nations. Not enough situational awareness.

Currently, the E-8 Joint STARS has ability to detect and track mounted and dismounted forces. But there are not enough of them. NATO AGS will be able to join in tracking these moving targets while providing its own unique attributes of high altitude and long endurance.

It can cover those critical areas or approaches to ISAF bases that are blocked by terrain...or cover a number of other locations and provide early warning of potential hostile personnel approaching ISAF troops and locations.

AGS alone will not provide all the intelligence needed. But it will provide vital early detection and tracking and cue other systems, when appropriate, such as a Predator or a German LUNA, to stare at individual targets. Layering ISR forces in this manner provides better and more accurate insight into where potential adversaries are and what they may do.

The situational awareness AGS provides will pay off in a variety of ways.

- **It can monitor the border regions for areas like the Afghan-Pakistan border or Kosovo-Serbia region**
- **It can support combat rescue missions by providing commanders with awareness of potential hostile forces moving around or near a survivor's location**
- **It can inform military and civilian authorities the movement of refugees in a humanitarian crisis. That would have been invaluable to us in planning humanitarian relief in the eastern Congo in 1996.**
- **It can monitor the position of belligerents, as Joint STARS did at the end of the Kosovo crisis—ensuring forces had returned to their garrisons.**

- **And AGS has the ability to provide vital information after an event. Should an ambush occur, forensic analysts can review data from AGS and track the attackers back to where they staged from, enabling our forces to attack sanctuaries from which insurgents plan, prepare and conduct these ambushes.**
- **And with its maritime capabilities, AGS can play a role in supporting NATO and national anti-piracy operations.**

All of these have one bottom line. They save lives.

And because AGS is based on the very long range/long endurance Global Hawk platform, it can not only provide the power of its sensor with great persistence in a given theater, it can range from its European base to the troubled Great Lakes region of Africa one day...the waters off the Horn of Africa or the Gulf of Guinea the next...and be back ready for re-tasking the following day.

At the same time, AGS reflects an important aspect of how the Alliance as a whole can benefit from the investments made by its member nations. AGS is in fact a system of systems that leverages these investments and the core competencies of our collective national defense industries.

In particular, the Alliance can benefit from the large 15-year US investment in High Altitude UAVs, using its own funds to tailor the information produced on the platform to meet specific NATO needs. Given the economic times we live in, that saves critical national investment funds.

And there are other benefits as well. Since AGS will produce much of the same data—and in similar formats—as the Global Hawk Block 40, the data will help interoperability among Alliance forces and facilitate interoperability with national systems. Troops will become accustomed to manipulating the data.

In a broader sense, AGS will make all of NATO's deployed air and ground forces more effective. And as a former SACEUR said, in doing so they will make NATO units themselves, and not just their equipment, interoperable.

Clearly, the ability to monitor and track mounted and dismounted forces is important to every Army. But not every Army in NATO needs—or can afford—its own fleet of Airborne Ground Surveillance systems. An Alliance common system gives everyone that capacity and saves scarce funds for other key investments.

And with the US Air Force and NATO buying the same basic airframe—and then tailoring the systems—come economies of scale in production runs. This approach isn't new. It was the cornerstone as to how NATO nations fielded a variety of US and European produced aircraft—cooperation is how you make advanced technology affordable.

The goals of cooperation are clear:

- Capable, flexible forces with “born interoperable” systems**
- Strong and efficient defense industries on either side of the Atlantic**
- Cost-efficient approaches which avoid R&D duplication**

But in these challenging times, there are obstacles which must be overcome...decisions that must be made. The global financial crisis is impacting defense spending...and we have not seen the end of that. Defense spending is going down. And operations are demanding an increasing share of the funds that remain—limiting the funds available for modernization.

How we react across the Transatlantic community will be critical. Will we choose more cooperation—will we build bridges...or will we choose more protectionism? Will we attempt to build walls?

Economists know walls don't work. They deny energy to the system...stifle competition, efficiency and innovation...and they slow recovery from the very fiscal crisis to which they are, in theory, responding. At best, they provide short-term political benefits while damaging long-term security and industrial interests.

Cooperation is dramatically preferable—but not simple. One challenge that must be more effectively met to enhance cooperation is export control. And first among nations that must more effectively address that is my own.

The question is not whether vital technology and sovereign access need to be appropriately protected. That's a given. The question is whether—within the bounds of that—we'll construct a system that promotes cooperation...or a system of walls.

With the new administration's comprehensive review of export controls, we have a historic opportunity to promote cooperation. It remains to be seen if we will take it. The Transatlantic community is watching...and should speak up, even as we in my company and in industry are speaking up.

A parallel challenge is restricted access to markets. That's a challenge we all share. The US is certainly not perfect in that regard—but, as a detailed recent study by Jeff Bialos and his co-authors points out, neither is Europe. Since we enjoyed the great hospitality of the Swedish ambassador last night, I should point out that Sweden was assessed in the study as the most accessible market.

Trends are encouraging in the United States. Several helicopter programs and the Joint Cargo Aircraft are examples. Eyes are now on the tanker program.

I'm not neutral on this...I'm proud that my company teamed with EADS to bring an A330-based solution forward as the next generation American tanker. As NATO benefits from the US investment in high altitude, long endurance UAVs...the US can benefit from allied investment in the Multi-role Tanker Transport aircraft.

The situation with the tanker program in the US is complex. Because of previous problems associated with the program—resulting in an extraordinary level of oversight—defining an acquisition strategy to compete aircraft that already exist that is genuinely fair and open is challenging. But we will fight for nothing less. And we believe that our partnership with EADS offers a solution that can be fielded sooner, is a better value, and entails lower risk than any other option.

Cooperation can work. The US can capitalize on European technology in areas such as tanker, JCA, and helicopters. Europe can capitalize on US R&D spending on high-altitude, long-endurance UAVs...not just with AGS, but across a broader spectrum, including the Luftwaffe's EUROHAWK in which we are partnered with EADS to provide cutting edge signals intelligence. Though the basic platform is American, more than 60% of the overall system is European made.

That's cooperation. And it's working. That's not just my opinion—it's what the Director of Armaments told me when we met last month.

Will other nations capitalize on this platform and spend their defense resources tailoring it to meet their needs? Or will they spend those Euros in an expensive long-term attempt to reproduce a record-breaking platform that already exists and has almost 30,000 combat hours to inform its continued improvement?

Cooperation doesn't just save resources—it saves time—allowing winning solutions to be fielded now, rather than waiting years for each nation's engineering communities to re-invent what has already proven effective.

That makes a difference where it counts most—giving the men and women who provide for our security the right tools—the best tools—to do the missions we give them...to do them safely and effectively.

In this environment of serious security challenges and serious economic challenges, nothing else will suffice. Our voices should be clear in support of cooperation...and in opposition to a retreat behind walls that don't work.

It's an honor for me to join you again for a conference on important topics in this historic city.

And once again, I find Berlin more than just the location of the conference—it's a symbol of what works and what doesn't work...a symbol of the power of cooperation.

Thank you.