

A Faithful Ally: why is Italy buying F-35s?

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The F-35 Lightning II program (also known as the Joint Strike Fighter program) is the world's most expensive weapons development programme, and while it is jointly funded by nine countries – including Canada and Italy – the United States carries most of its costs. As a result, the programme is based on asymmetrical agreements between the US and its partners. This gives the United States enormous leverage in conducting negotiations on military procurement and enables it to exert great pressure on its allies to purchase F-35 fighter jets in order to cut production costs.

The question of the F-35s concerns many countries, both partners of the programme and simple acquirers. This paper looks at the case of Italy as a paradigm of distorted military procurement to draw inferences about other countries as well. Firstly, I will outline Italy's gradual involvement in the JSF programme over a span of 16 years. Secondly, I will look at Italy's needs in terms of military procurement and evaluate the possible alternatives to joining the JSF programme in order to understand better the rationale behind Italy's commitment. Thirdly, I will analyze the European Union military procurement strategy and highlight how its problems of coordination play to the United States advantage. Finally, I will shed some light on the lies behind the programme, especially those regarding technology transfer and industrial-occupational benefits.

Italy's involvement in the JSF programme

The precursor of the Joint Strike Fighter programme – the JAST (Joint Advanced Strike Technology) – was launched in 1993 by President Clinton on the recommendation of the United States Department of Defence. The idea was to develop technologies that a new series of tactical aircraft could use.¹ After a preliminary stage of technological exploration, in 1996 the JAST took the name of JSF, as it expanded its goal to developing a single tactical aircraft that could replace a wide array of aircraft produced for the US military and used by US allies as well. The programme is divided in four phases. The first phase of the JSF programme – the CDP (Concept Demonstration Phase), from 1996 to 2001 – addresses the question of defining the essential technologies and chooses the company that would carry on the programme – Lockheed Martin Aeronautics. The second phase – the SDD (System Development and Demonstration), from 2002 to 2012 – engages in the development of the aircraft's systems and the production of 23 test aircraft. The third phase – the PSFD (Production, Sustainment and Follow-on Development), from 2011 – defines the financial commitment and requisites for each country, while in the fourth phase – the LRIP (Low-Rate Initial Production) from 2012 – slow-paced production of F-35s is implemented. The JSF is a programme based on international cooperation between the United States, the United Kingdom, Italy, the Netherlands, Canada, Turkey, Australia, Norway, and Denmark. The involvement of different countries is based on their financial contribution. Italy is a second level partner, and the second largest contributor to the JSF after the UK – the only first level partner.

Italy's interest in the JSF programme can be traced back to 1996, when then-Minister of Defence Beniamino Andreatta first addressed the question of taking part in an international

¹ F-35 Joint Strike Fighter website, at http://www.jsf.mil/history/his_jast.htm.

project that would foster technological excellence and interoperability among NATO forces.² It is therefore no surprise that Italy joined the programme during the Concept Demonstration phase. On December 23, 1998, the D'Alema government signed a Memorandum of Agreement for the CDP with an investment of 10 million dollars, starting from 1999, after the Defence Commissions of the Chamber of Deputies and Senate approved it on December 9 and 15 respectively. The Berlusconi government then confirmed Italy's participation to the SDD phase in 2002, after the approval of the two Defence Commissions on May 14 and June 4. Less than a month later, on June 24, the Secretary General of Defence and National Armaments Director, Admiral Giampaolo Di Paola, signed in a bilateral US-Italy supplement to the "Framework MoU" for the SDD phase, and on July 23, the document of agreement and financial commitment was signed. Italy committed to a 1,028 million dollar contribution over the course of 11 years (the overall cost of the SDD phase amounted to 33.1 billion dollars).³ The Parliament was informed of the evolution of the programme on July 28, 2004⁴ and on January 16, 2007.⁵ On February 7, 2007, the Prodi government undertook another crucial step by signing the Memorandum of Understanding (MoU) concerning the PSFD phase.⁶ The agreement entailed a financial commitment of another 904 million dollars, which amounted to 4.1% of the total 21.88 billion dollars allocated for PSFD phase of the programme. The MoU includes a provisional number of units that would be acquired by the participating countries; Italy signed up for 131 aircraft – 69 F-35As and 62 F-35Bs STOVL, which would

² Aeronautica Militare website, at

<http://www.aeronautica.difesa.it/Mezzi/programmiFuturi/Pagine/ProgrammaJFS.aspx>

³ http://www.jsf.mil/program/prog_intl.htm

⁴ Chamber of Deputies – Defence Commission, Hearing of Secretary General of the Ministry of General Giuseppe Bernardis on latest developments of the Joint Strike Fighter arms programme (July 28, 2004), at http://legxiv.camera.it/chiosco.asp?cp=2&source=http%253A//legxiv.camera.it/organiparlamentarism/242/4410/6126/commissionepermanentetesto.asp&position=Organi%20Parlamentari%255CCommissioni%20Permanenti&content=/_dati/leg14/lavori/bollet/200407/0728/html/04/frame.htm

⁵ Chamber of Deputies – Defence Commission, Government communication on latest developments of the Joint Strike Fighter arms programme (January 16, 2007), at http://leg15.camera.it/_dati/lavori/stencomm/04/audiz2/2007/0116/s000r.htm

⁶ Memorandum of Understanding PSFD phase, at http://www.jsf.mil/downloads/documents/JSF_PSFD_MOU_Update_4_2010.PDF

be divided between the Navy (*Marina Militare* – MM) and Air Force (*Aeronautica Militare* – AM).

In 2008 we have the first minor setback. On October 7, Italy announced that it would not participate in the initial operational test and evaluation phase (IOT&E), and that it would not purchase the test aircraft in the third lot of the programme's LRIP phase, due to heavy cuts in the 2008 defence budget.⁷ Nonetheless, on April 8, 2009, the Defence Commissions of the Chamber of Deputies and the Senate gave their approval to Italy's subscription to the PSFD phase. The approval, however, was conditional upon a number of terms.⁸ The Commissions also sanctioned the purchase of 131 F-35s for a total of 12.9 billion euros, and the creation of the FACO/MRO&U (Final Assembly and Check Out / Maintenance, Overhaul, Repair & Upgrade) centre in the military airport of Cameri (near Novara, Piedmont). In 2012 another setback occurred. On February 15, Admiral Giampaolo Di Paola, now Minister of Defence in the appointed Monti cabinet, facing a shrinking ministerial budget, proposed to reduce the number of F-35s to be purchased from 131 to 90 aircraft – 60 F-35As and 30 F-35Bs. On March 28, the Chamber of Deputies approved several measures on the reduction of military expenses, including cutting the number of F-35s to be acquired. One year later, on June 26, 2013, the right-left governing bloc presided by Prime Minister Enrico Letta averted a split by agreeing to seek Parliament approval before any further spending on the JSF programme. The motion, which calls for a renewed effort in pursuing European Union defence project integration to reduce military expenses, averted a motion from the opposition to quit the programme altogether.⁹ The Chamber of Deputies agreed to a six-month review of the programme, and on July 16 the Senate voted to allow the existing

⁷ S. Trimble, "Italy alters role in F-35 programme", *Flightglobal.com* (October 18, 2008), at <http://www.flightglobal.com/news/articles/italy-alters-role-in-f-35-programme-317602/>

⁸ For a detailed explanation of these terms, see Camera dei Deputati website (XVI Legislature), at <http://leg16.camera.it/561?appro=660#paragrafo4218>.

⁹ D. Cenciotti, "Italy's F-35 stealth fighter purchase review signals more cuts ahead", *The Aviationist* (June 27, 2013), at <http://theaviationist.com/2013/06/27/italy-f-35-review/>

purchase of the first 6 F-35s to go through, while claiming the right to review any further purchase.¹⁰ In May 2014, the deputies from the ruling centre-left party Partito Democratico agreed to put forward a motion for a 50% decrease of the allocation of financial resources for the JSF programme. The Chamber of Deputies approved the motion on September 24, at the same time as the US Government Accountability Office (GAO) released a report questioning the sustainment cost estimates of the F-35s.¹¹ The implications of the 50% decrease in financial allocation on the part of Italy are still unclear, especially considering that the Renzi government has implemented a budget freeze until a “white book” defining the needs of the armed forces is released in December.¹² “How many theaters do we expect to operate in and will we need ground attack aircraft, yes or no?” said Minister of Defence Roberta Pinotti. “It’s premature to talk about numbers until the white book is concluded.”¹³ The white book will be drawn up by ministry-appointed experts, and the two parliamentary defence commissions will contribute as well. Pinotti added that the commissions might even write their own white books,¹⁴ which makes things even more confusing. Analysts say that the orders might be delayed, with an additional reduction of the number of F-35s from 90 to 75.¹⁵

The pattern here suggests that major parties always went along with the JSF programme, and that Italy’s involvement in the programme fostered bipartisan consensus. Each government from 1998 until 2012 – be it centre-left or centre-right – took further decisive steps to guarantee Italy’s participation in the programme. The first government to

¹⁰ “Italian senate rejects motion to block F-35 jet purchase”, *Reuters* (July 16, 2013), at <http://www.reuters.com/article/2013/07/16/italy-politics-f-idUSL6N0FM1FS20130716>

¹¹ United States Government Accountability Office, “F-35 Sustainment: need for affordable strategy, greater attention to risk, and improved cost estimates” (September 2014), at <http://www.gao.gov/assets/670/666042.pdf>

¹² G. Gaiani, “Tagli ed F-35: un libro bianco per prendere tempo?”, *Analisi Difesa* (April 3, 2014), at <http://www.analisidifesa.it/2014/04/tagli-ed-f-35-un-libro-bianco-per-prendere-tempo/> and F. Coticchia, F. N. Moro, “Tra libro bianco e F-35, qui Renzi gioca in ‘Difesa’”, *ISPI Online* (July 1, 2014), at <http://www.ispionline.it/it/pubblicazione/tra-libro-bianco-e-f35-qui-renzi-gioca-difesa-10813>.

¹³ T. Kington, “Pinotti presses case for more Italian F-35 work”, *Defense News* (July 11, 2014), at <http://www.defensenews.com/article/20140711/DEFREG01/307110016/Pinotti-Presses-Case-More-Italian-F-35-Work>.

¹⁴ *Ibid.*

¹⁵ G. Di Feo, “F-35, i costi sono fuori controllo”, *L’Espresso* (September 24, 2014), at <http://espresso.repubblica.it/attualita/2014/09/24/news/f35-costi-fuori-controllo-1.181488>.

divert from this path was the Monti government, whose institutional nature in Italian politics is referred to as “governo tecnico”, or more in general as “technocracy”. Technocracies do not have a specific political identity and are not elected democratically, but appointed by the President of the Republic in time of crisis. The Monti government, given its composition, was considered to be close to EU institutions, and its policies were in line with EU dictates. Therefore, it is not surprising that the first major setback in Italy’s involvement in the JSF occurred under such an executive, and that this led to the succeeding Letta government calling for a renewed effort in pursuing European Union defence project integration. Thus, there seems to be a slight change of pattern from the Monti government on; things kept moving forward, but not as smoothly as before 2012.

Needs and alternatives: why the F-35?

Once we have outlined the evolution of Italy’s commitment to the JSF programme we should consider Italy’s needs and possible alternatives to purchasing F-35s. According to some analysts and high-rank military personnel, Italy needs to renovate its air fleet by replacing most of its aircraft in the next 10-15 years.¹⁶ As Secretary General of Defence and National Armaments Director Claudio Debertolis said in 2012, “there is an inevitable necessity to substitute the 253 aircraft belonging to three different types: 18 VTOL (Vertical Take-Off and Landing) AV-8B Harriers of the Navy, 136 AMXs and 99 Tornados of the Air Force”.¹⁷

¹⁶ M. Nones, G. Gasparini, and A. Marrone, “Il programma F-35 Joint Strike Fighter e l’Europa”, *Quaderni IAI – Istituto Affari Internazionali* (October 2008), at http://www.iai.it/pdf/quaderni/quaderni_31.pdf; V. Camporini, T. De Zan, A. Marrone, M. Nones, and A. R. Ungaro, “Il ruolo dei velivoli da combattimento italiani nelle missioni internazionali: trend e necessità”, *Quaderni IAI – Istituto Affari Internazionali* (March 2014), at http://www.iai.it/pdf/Quaderni/iaiq_10.pdf

¹⁷ Chamber of Deputies – Defence Commission, Hearing of Secretary General of Defence and National Armaments Director and Air Force General Claudio Debertolis on latest developments of the Joint Strike Fighter arms programme (December 5, 2012) p. 4, at http://documenti.camera.it/_dati/leg16/lavori/stencomm/04/audiz2/2012/1205/pdf001.pdf.

Most of the aircraft General Debertolis talks about were produced in the 1980s or even 1970s, and, as they get closer to the end of a forty-year life cycle, they cannot guarantee adequate standards of security, efficiency, and performance. Also, the maintenance of such aircraft becomes less and less efficient and more and more costly for two main reasons. First, out-of-production spare parts are harder to find and more expensive. Second, the possible upgrades to an older aircraft require more labour and financial resources. Being a fifth generation multirole fighter designed to perform missions ranging from ground attack to air defence, on paper the F-35 looks like a perfect fit for Italy's needs. But is it Italy's only option?

In a 2008 report for the IAI (*Istituto di Affari Internazionali*), Nones, Gasparini, and Marrone identified five main alternatives to Italy's involvement in the JSF programme:¹⁸

1) Developing a European programme for a ground attack combat aircraft, as it happened for the Tornado and then the Typhoon Eurofighter. This solution could have guaranteed the highest degree of operational sovereignty and the largest industrial return, and European states should have been able to overcome the discord that characterized the two previous joint programmes and to take on high financial costs. This did not happen because of lack of French and German commitment.

2) Modify some Eurofighter Typhoons to make it a ground attack aircraft. This solution might have involved high and unpredictable costs, since the aircraft was not designed for such missions. However, it would have had the same advantages of the previous option – i.e. high operational sovereignty and large industrial returns.

¹⁸ M. Nones, G. Gasparini, and A. Marrone, "Il programma F-35 Joint Strike Fighter e l'Europa", *Quaderni IAI – Istituto Affari Internazionali* (October 2008), available at http://www.iai.it/pdf/quaderni/quaderni_31.pdf.

3) Buy F-35s “off-the-shelf”. This would have allowed Italy to avoid the initial costs required by the JSF programme and to maintain more flexibility regarding the decisions to buy F-35s, while at the same time maintaining interoperability with the United States. This option, however, would have prevented Italy from gaining benefits in terms of operational sovereignty (acquisition of knowledge about the F-35’s technologies) and economic and industrial returns that active participation in the JSF programme would (allegedly) entail. As we will see later, these benefits were not actually forthcoming.¹⁹

4) Refurbish Tornados in order to extend their operational life while waiting for unmanned aircraft systems to become available, on the French and German model. However, this option might entail costs that are even higher than those required for the participation in the JSF, and would entail the risk of suspending the use of industrial and technological resources involved in the production process.

5) Rule out ground attack aircraft, with all the risks – e.g. lack of military readiness and loss of industrial and technological capabilities – that this choice, advocated by pacifist circles, would entail.

These alternative options that Italy could have pursued have to be considered in the larger frame of European cooperation in matter of military procurement. Among European countries there are two main tendencies: First, to favour interoperability between a sufficient number of allies; second, to privilege homogeneity in terms of combat aircraft, i.e. to rely on a single multirole aircraft or a combination of two at the most. Along these lines, the Aeronautica Militare is trying to reorganize its fleet around fewer aircraft with multiple

¹⁹ F. Vignarca, *F-35. L'aereo più pazzo del mondo* (Roma: Round Robin, 2013), pp. 117-118.

(swing role) capabilities that would be able to carry out different missions while keeping costs down. Nowadays, Italy's primary military concern is to participate actively in Euro-Atlantic missions, and in order to do that the Aeronautica Militare would need a "system with high expeditionary capabilities"²⁰ combined with full interoperability vis-à-vis other allies' fleets. Considering budget constraints, this has to be achieved to the detriment of non-expeditionary components. In the light of these considerations, Italy chose to go down the path of a mixed fleet, coupling F-35s with Eurofighter Typhoons.²¹ Italy's mixed fleet would have the F-35As and the F-35Bs carrying out ground attack missions, while the EFA would be used as an air superiority aircraft. This strategy is in line with the opinion expressed by the Aeronautica Militare General Staff in 2002, which stated that "the Eurofighter could never fill the all the aero-tactical needs, inasmuch as its configuration, designed for air superiority [...] could never acquire the stealth capabilities which are crucial for the current doctrines of first day war mission on enemy territory."²² Also, in an interview of 2007 the Aeronautica Militare Chief of Staff Vincenzo Camporini expressed his belief that the Eurofighter Typhoons were not "sufficient to satisfy the needs of national air defence and offer expeditionary potential. We cannot use them as fighter-bombers as well. We chose the F-35s for this role."²³ The Marina Militare is also pushing for the purchase of F-35s, since the aircraft carrier *Cavour* uses AV-8B Harriers that have to be replaced in the next 10-15 years; among the aircraft available, only the F-35Bs have VTOL capabilities.²⁴

²⁰ "La trasformazione 2007", *Rivista Aeronautica*, No. 6 (2007), p. 97.

²¹ If we look at other European countries, the United Kingdom did the same, while Germany opted for the EFA as a single multirole aircraft.

²² Servizio Studi della Camera dei Deputati, "Programma pluriennale di R/S n. Sma 002/2002" (May 22, 2002), p. 21.

²³ A. Nativi, "Realtà e prospettive dell'Aeronautica Militare", Interview with General Camporini, *Rivista Italiana Difesa* (September 2007), p. 27.

²⁴ D. Scalea, "Con l'F-35 l'Italia si mette nelle mani di Washington? A colloquio con G. Gaiani", *Geopolitica* (February 14, 2012), at <http://www.geopolitica-rivista.org/16382/con-lf-35-litalia-si-mette-nella-mani-di-washington-a-colloquio-con-g-gaiani/>. The article also points out how the Marina Militare only needs about 20 aircraft, while the total order will amount to 90 F-35s at least. For this reason Gaiani talked about the possibility of leasing the 20 F-35Bs the Marina Militare needs in the next 10-15 years.

Two questions follow from this analysis. First, why does Italy need to acquire “expeditionary capabilities” when it is always acting in concert with the United States? Second, since there are different ways of acquiring such capabilities, why purchase extremely expensive stealth aircraft, and not cruise missiles or drones, for instance? The first question hinges on the “good ally” factor. In this specific case, what constitutes a “good ally” is the capacity to share the onus of carrying out first strikes on enemy territory. By putting pressure on its allies to acquire expeditionary capabilities, the United States is trying to share the reputational burden of always being the “first-striker”. The 2011 intervention in Libya is paradigmatic of this new tendency. Sorties were undertaken by the French Air Force, the British Royal Air Force, and the Royal Canadian Air Force, with the US Air Force confining itself to no-fly zone enforcement duties – together with the other members of the coalition. The second question highlights the issue of capabilities and status. The fact that expeditionary capabilities could also be acquired through less expensive – i.e. cruise missiles – and perhaps more efficient options – i.e. drones – without necessarily purchasing aircraft with ever-increasing costs – i.e. F-35s – seems to indicate that the acquisition of such capabilities is not a priority for Italy, a country facing a deep economic crisis and coping with strict budget constraints. The purchase of F-35s could be better understood in terms of status. Acquiring new technology, participating as a second-level partner in a joint programme to develop a fifth-generation jet fighter, hosting the only assembly and maintenance centre for F-35s outside of the United States – i.e. the FACO/MRO&U centre in Cameri – are all factors that contribute to boost Italy’s international status and prestige. Clearly, the “prestige” and the “good ally” factors overlap, to the extent that it is hard to determine which one affects the other; being a good ally brings about prestige, and, at the same time, the factors that increase Italy’s prestige also make it a good ally.

EU (in)coordination in matters of military procurement: how does it play to the US advantage?

Since the 1990s, European countries started a series of initiatives at the community and intergovernmental level to accelerate the integration process on defence policy.²⁵ The motivations behind such integration process can be grouped into four strands: the desire to provide the Common Security and Defence Policy (CSDP) with capabilities to conduct military operations, the need for interoperability, the restraints on national defence budgets, and the increasing external competition from the US and other countries. Despite these initiatives, Article 346 of the Treaty on the Functioning of the European Union (TFEU)²⁶ – formerly article 296 of the Treaty establishing the European Community (TEC)²⁷ – still represents a major hindrance in the evolution of the integration process on defence policy. Art. 346 is a dispensation of defence industry from internal market provisions. It allows member states to waive internal market norms if they consider it necessary in order to protect their national security:

1. The provisions of the Treaties shall not preclude the application of the following rules:

(a) no Member State shall be obliged to supply information the disclosure of which it considers contrary to the essential interests of its security;

²⁵ For a detailed analysis on such initiatives see M. Nones, L. Marta, “Il processo di integrazione del mercato della difesa europeo e le sue implicazioni per l’Italia”, *Senato della Repubblica, Contributi di istituti di ricerca specializzati*, No. 82 (November, 2007), at http://www.iai.it/pdf/Oss_Transatlantico/82.pdf.

²⁶ Treaty on the Functioning of the European Union (TFEU), at <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12012E/TXT&from=en>

²⁷ Treaty establishing the European Community (TEC), at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2006:321E:0001:0331:EN:PDF>

(b) any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material; such measures shall not adversely affect the conditions of competition in the internal market regarding products which are not intended for specifically military purposes.

2. The Council may, acting unanimously on a proposal from the Commission, make changes to the list, which it drew up on 15 April 1958, of the products to which the provisions of paragraph 1(b) apply.

The excessive recourse to art. 346 by member states has left unaltered the national-based and protectionist structure of the European defence market. As a consequence, this has slowed down Europe's technological and industrial integration, and it has increased duplications and weapon systems' costs of production.²⁸ Either European defence market integration will proceed further and overcome national divisions to become a real internal market, or European military industry will be likely to lose any kind of autonomy, and, as a consequence, any kind of operational sovereignty. There are two recent examples of the costs of EU divisiveness in matters of defence policy and industry. The first case is India's non-purchase of the Eurofighter Typhoon. According to Richard Clements, the lack of united effort was the main reason for the failure on the European countries' side to convince India to buy the Eurofighter Typhoon. "Those countries [United Kingdom, Germany, Italy, and Spain] that were supposed to unitarily support the F-2000, are the same that in times of financial crisis have been much distant one another on the strategy to save the Eurozone."²⁹ Ironically enough, the Indian government decided to purchase the French Dassault Rafale

²⁸ M. Nones, L. Marta, "Il processo di integrazione del mercato della difesa europeo e le sue implicazioni per l'Italia", p. 11.

²⁹ R. Clements, "India's MMRCA fighter jet deal: illusion and disillusion on the losers' side", *The Aviationist* (February 2, 2012), at <http://theaviationist.com/2012/02/02/india-mmrc-losers/>

instead, and this shows how EU internal competition in military industry is a major obstacle to defence policy integration and a source of weakness for EU defence market in general. The other setback in the defence integration process occurred in the context of EU council meeting on defense in December 2013. Meeting for the first time after five years, the council was supposed to spur momentum in the defence integration process. However, apart from the decision to seek to develop Remotely Piloted Aircraft Systems in the 2020-25 timeframe, according to Lisa Watanabe, “decisions on defence and security have been fainthearted,” as “[n]ational prerogatives still appear to outweigh overall EU interests,” and “the EU looks set to muddle through as usual.”³⁰

The influence of the United States on European countries’ military procurement strategy has to be understood in this context. In particular, the degree of influence of the Joint Strike Fighter programme on Europe is directly related to the EU countries’ difficulties in coordinating military procurement and defence policies. The fact that the defence sector is exempt from the rules that regulate the common market allows the United States to cooperate with different European partners through bilateral agreements, and generally, such agreements are of an asymmetrical nature. The case of the JSF programme is particularly instructive in this sense. The JSF is an intergovernmental programme between non-equal partners and it is not based on common technological property – i.e. the technology employed is developed by US government and industry, and the US is carrying three-quarters of the costs. Nonetheless, the United States – through its defence contractor Lockheed Martin – will have access to the best European technologies and know-how.³¹ These factors make asymmetry an undeniable feature of the programme, especially considering that the overall European contribution, even if crucial for the success of the programme, is divided into separate and uncoordinated national contributions, often in competition among them.

³⁰ L. Watanabe, “Lacklustre EU summit did little to spur defence and security momentum”, *EurActiv.com* (January 10, 2014), at <http://www.euractiv.com/global-europe/security-defence-lacklustre-outc-analysis-532701>

³¹ F. Vignarca, *F-35. L’aereo più pazzo del mondo*, p. 39.

Obviously, by negotiating with each country separately, the United States has more leverage than it would have if the EU had a coordinated military procurement strategy. With such negotiating power, it is easier for the US to transfer part of the costs of the project through the development of economies of scale on aircraft deployed in joint missions. The US can penetrate the European defence market through the cracks in its structure. This sometimes creates conflicts of interests for states participating in more than one joint programme. Italy and the United Kingdom, for instance, are members of the JSF programme and of the EFA programme at the same time. In theory, every country would prioritize the purchase of an aircraft it contributed to develop in terms of operational requirements and national industry participation. However, both the Italy and the UK are purchasing hundreds of F-35s to the detriment of Eurofighter Typhoons. From this perspective, we can see how the United States has the power to keep competition from Europe at bay, while tying the air forces of some of its EU allies without jeopardizing its superiority – by keeping the F-22 off the market, for instance.

The lies behind the programme: when things do not add up

One of the main advantages for Italy and the other partners in the JSF programme would be the prospect of acquisition of new technologies from the United States. In 2008, analysts from the *Istituto Affari Internazionali (IAI)* argued that the technology transfer was supposed to occur gradually during the course of the programme, as the US release of state-of-the-art technology was dependent on the partners' reliability in terms of instruments and procedures.³² However, as Gianandrea Gaiani pointed out, the acquisition of new

³² M. Nones, G. Gasparini, and A. Marrone, "Il programma F-35 Joint Strike Fighter e l'Europa", p. 86.

technologies would not include access to the hardware. This means that the aircraft's computerized system, its electronic core, will be accessible only to the United States. Also, as David Pugliese pointed out, Washington will not share the jet's software source codes.³³ Therefore, the F-35s could most likely be deployed only in joint operations with the US. As Gaiani puts it, "with the F-35 we are completely in the hands of Washington."³⁴ This would tie indissolubly JSF partners' military policies to US ones. Italy or other JSF partners would never be allowed to use the F-35s in a mission not sanctioned by the United States. It is also true that the programme allows the integration of non-US weapon systems on the aircraft, and in order to make this possible, partner states would need access to the software. Nonetheless, access to the hardware would still be out of reach, and the United States would benefit greatly from such modification since the European Meteor, Storm Shadow, and Iris-T missiles perform much better than US systems.³⁵ As a result, weapons systems' integration is clearly not enough to preserve the partners' operational sovereignty, as Italian analysts claim instead.³⁶ Without access to the hardware, there cannot be a full degree of operational sovereignty. Another good example of the spirit behind this "technology transfer" – and how it is supposed to reinforce sovereignty – has to do with the secrecy of painting phase of the aircraft, which is crucial for its stealth capabilities. In the FACO/MRO&U centre in Cameri, the painting phase will be realized in a special off-limit area of the base, where Italian operators will not be allowed to enter. This occurs in a state military base, built with public funds, and state operators would not have access to it.³⁷

³³ D. Pugliese, "French Aircraft Manufacturers Say Rafale Fighter Can Provide Canada with Lower Long-Term Support Costs", *Ottawa Citizen* (January 22, 2014), at <http://ottawacitizen.com/news/national/defence-watch/french-aircraft-manufacturers-say-rafale-fighter-can-provide-canada-with-lower-long-term-support-costs>.

³⁴ Scalea, "Con l'F-35 l'Italia si mette nelle mani di Washington? A colloquio con G. Gaiani".

³⁵ F. Tosato, "The F-35 Program from the Italian perspective", *Centro Studi Internazionali – Ce.S.I.* (March 2014), at http://www.cesi-italia.org/images/Program_F-35_Italian_perspective.pdf.

³⁶ Nones, Gasparini, and Marrone argue that "the integration of other systems and weapons [...] on the F-35 platform [is] a crucial element for operational sovereignty." It is probably crucial, but, as we have seen, it is not the most crucial one.

³⁷ F. Vignarca, *F-35. L'aereo più pazzo del mondo*, p. 43.

Italy is supposed to take advantage from the participation in the JSF programme from the occupational and industrial point of view as well. This would constitute a crucial benefit for a country investing a huge amount of public funds in the programme while facing deep economic recession. Until 2009, the main focus was on returns coming from industrial contracts, and not much was said about occupational benefits. Since 2002, the Ministry of Defence's mantra about economic and industrial benefits was "100% return", but this prevision was never really challenged nor discussed, and there is no evidence of how these returns were calculated. In fact, guaranteed contracts added up to 20% of the total investments,³⁸ as the Italian companies involved already received 800 million dollars in contracts against an expense of around 4 billions.³⁹ At the beginning of 2012, in a parliamentary hearing General Esposito – director of Armaereo (Aeronautic Armaments Direction) – estimated returns beyond 14 billion euros against a total expense of 9 billions, therefore predicting an unrealistic capital gain of 5 billion euros from the assembly phase and production of wings only. Later in July 2013 – after the cut in F-35 purchase – in an interview on the Ministry of Defence website, Esposito corrected himself and stated that the total cost would be 18.6 billion dollars – including 9.7 billions allocated for the actual purchase – for the development and production phases, and that the returns would amount to 14.7 billions, which constitutes about 79% of the costs.⁴⁰ The CEO of Finmeccanica Alessandro Pansa also gave different estimates of the potential returns – around 10 billion dollars.⁴¹

Permanent contradiction characterizes the occupational benefits as well. The Minister of Defence claimed that Italy's participation would create 10,000 jobs related to final

³⁸ *Ibid.*, p. 55-56.

³⁹ *Ibid.*, p. 58.

⁴⁰ "F-35: intervista al Generale Ispettore Capo Domenico Esposito, Direttore della Direzione Armamenti Aeronautici" (July 21, 2013), at http://www.difesa.it/Primo_Piano/Pagine/20130711_F35intervista.aspx.

⁴¹ F. Vignarca, *F-35. L'aereo più pazzo del mondo*, p. 58.

production and maintenance of the aircraft.⁴² Yet, these estimates do not match the ones gave by Finmeccanica, the Italian industrial group contributing to the production of the F-35s. Finmeccanica's estimates moved from an initial 3,000-4,000 operators to a more realistic 2,000, especially if we consider that Alenia Aermacchi – the aerospace company owned by Finmeccanica – could not reach 3,000 employees at the peak of production of Eurofighters.⁴³ The last estimate is also more consistent with the figure of 1,800 new jobs predicted by undersecretary of the Ministry of Defence Guido Crosetto in 2009.⁴⁴ Also, if we separate the production and maintenance phases, we realize that the creation of these jobs is contingent upon time. As a matter of fact, the biggest part of operators will be involved in the maintenance phase at a later time; the production phase, according to Alenia, will not employ more than 600 people for the next 3-5 years.⁴⁵

As a side note, it is interesting to notice how all the military officers that officially supported the JSF programme had a brilliant career. This provides evidence of how well-entrenched US influence is in the Italian political system. General Giuseppe De Bernardis, who spoke in front of the Chamber of Deputies as Chief of the IV Division of the General Secretary of the Ministry of Defence on July 28, 2004, at a later stage became Chief of Staff of the Aeronautica Militare, and was in office from 2010 to 2013. General Claudio Debertolis also spoke in front of the Senate in 1998 as Chief of the IV Division of the General Secretary of the Ministry of Defence; he then became Deputy Chief of the Cabinet Office of the Ministry of Defence in 2003 and Secretary General of Defence and National Armaments Director in 2011. Admiral Giampaolo Di Paola is probably the most striking case. He followed the first phases of Italy's involvement in the JSF programme as Chief of the

⁴² G. Di Feo, "F-35? Un azzardo miliardario", *L'Espresso* (June 25, 2013), at <http://espresso.repubblica.it/attualita/cronaca/2013/06/25/news/f35-un-azzardo-miliardario-1.55848>

⁴³ F. Vignarca, *F-35. L'aereo più pazzo del mondo*, p. 61.

⁴⁴ "PD novarese: su Cameri basta con la propaganda, si dica la verità", *Free Novara* (July 18, 2011), at <http://www.freenovara.it/politica/novara/pd-novarese-su-cameri-basta-con-la-propaganda-si-dica-la-verita%E2%80%99>.

⁴⁵ F. Vignarca, *F-35. L'aereo più pazzo del mondo*, p. 62.

Military Policy Division of the General Staff from 1994 to 1998. He was then appointed Chief of the Cabinet Office of the Ministry of Defence two consecutive times, and in 2001 he became Secretary General of Defence and National Armaments Director. During his office, in June 2002, he signed the bilateral US-Italy agreement for the SDD phase. From 2004 to 2008 he was Chief of Staff, and in 2007 Italy agreed to join the PSFD phase. In 2011, Di Paola was appointed Minister of Defence in the Monti government.

Conclusions

How can the Italian case be relevant to other JSF partners as well? First of all, this paper proved that the F-35 is mainly about status, “good ally”, and clientelism considerations, since the “much-needed” expeditionary capabilities can be acquired in other ways, less expensive and more efficient than purchasing very expensive stealth aircraft. Second, this paper highlighted the degree of US influence and leverage in matters of military procurement. If US influence is strong on countries like Italy and the UK, which are involved in another weapon programme (EFA) – and therefore have other sources to draw on – it is certainly even stronger on countries that rely almost solely on the US for military procurement – e.g. Canada. The United States does not even have to actively discourage the development of the Eurofighter, since Italy and the United Kingdom are buying F-35s as well. Unsurprisingly, the EFA programme has already been cut and it will cease production by 2018, if new orders are not made.⁴⁶ As I pointed out when addressing the problems of EU coordination in military procurement policy, the US is able to penetrate the cracks in the European system and cripple EU competition. The F-35 is the device used for this purpose; Gianandrea Gaiani

⁴⁶ G. Gaiani, “F-35 e il monopolio di LM sui jet da combattimento”, *Analisi Difesa* (November 27, 2014), at <http://www.analisidifesa.it/2014/11/con-lf-35-lockheed-martin-avra-il-monopolio-degli-aerei-da-guerra/>

defined it as a “Trojan horse” that “threatens to wipe out all competition in the market of Western combat aircraft.”⁴⁷

One final consideration concerns the possibility of buying F-35s off-the-shelf, which was not pursued by JSF partners. As we have seen, given the absence of technological returns – and therefore that operational sovereignty could not be guaranteed anyway – buying F-35s off-the-shelf would have been a better option, as it would have entailed lower costs and allowed more flexibility. If, on the one hand, it is true that cost estimates were not accurate and expected costs were exceeded, on the other hand, it is also undeniable that the nature and structure of the JSF programme itself – joint programme aiming to create economies of scale with huge asymmetries between the main contributor and its partners – contributed in putting pressure on potential JSF partners to get on board.

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⁴⁷ *Ibid.*

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