

2013-08-22

**Bern**

The Ambassador

**Secret**

**IMMEDIATELY** Friday morning

For Ljöstad & Stridh, Fö/MFU. Copied: min. Enström, Bildt & Björling; von der Esch/Fö, Wieslander/SB, Lundberg/Fi, kabs and Oom/UD; amb Ahlberger UD-MK and head UD-EU. Communicate also to FXM (general Director, Wallin, Gustafsson) and FMV (General Director, Averstad).

**The Swiss Gripen procurement - status facing the decisive meeting with the Security committee 26-27 August.**

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*Summary: After contacts with the most important actors during the last week, we can conclude that the situation is brighter facing the important meeting in the Security committee next week. FDP is onboard and even Thomas Hurter, SVP, is thinking about changing sides. A clear "no" to the procurement, therefore, looks close to out of the question and a postponement as less probable. Even defense minister Maurer is well prepared and reasonably optimistic facing the meeting, to be held 26-27 August.*

During the week, I have met with all the most important players with roles before and during the meeting with the Security committee of the big chamber (*Nationalrat*) next week. These meetings have been held with big discretion and the following short review should also be treated accordingly:

Last Tuesday, the leader of FDP Philipp Müller, Secretary General Stefan Brupbacher and the Security Policy spokesperson Corina Eichenberger were at the embassy for a 2,5 hours long briefing with FMV (Håkan Lombrink), FXM (Berndt Karman) and yours truly. The main purpose was to go through the different penalty mechanisms in both contracts. Thanks to

convincing efforts by Lombrink and Karman, all questions asked could be answered, and the meeting, which had started with cautious attitude from their part, ended in a particularly positive atmosphere. Afterwards, Brupbacher and Eichenberger have expressed their big gratitude and explained that - unless defense minister Ueli Maurer screws up completely on Monday - FDP will vote "yes" to the procurement. This is also what they will say if asked by the media. The only possibly uncertain card in SiK/N is still Walter Müller. Party leader Philipp Müller has, though, promised to try to convince him.

Yesterday, I met with the critical president of the so called "Sub-commission" that is scrutinizing the procurement, Thomas Hurter from SVP, in an almost two hour long lunch meeting in Zürich. A meeting that was, by the way, arranged by Maurer. I gave Hurter the same information that was given to FDP and got the distinct impression that he would rather escape voting "no" to the procurement (or abstain), and thus end up in the "wrong" group. Together, we went over the arguments he could use in order to explain that he'd changed his mind (!). Among other things that he after all more or less pushed through three out of four demands at the latest SiK/N meeting (penalties, payments according to deliveries and four percent on hold until end delivery). The only thing that was not accepted is maximum 15 percent payment in advance. However, he did not give any promises and my assessment is that it's 50/50 whether he'll vote yes or abstain.

So, today I met with minister of defense/president Ueli Maurer to go over the status of SiK/N and discuss how next week's meeting should be set up. Everyone that I've talked to have said that it is crucial that Maurer and VBS can give that same notifications at the meeting that we now have given from the Swedish side. And maybe even more important, that he recognizes SiK/N - and especially Hurter - that their demands from April have actually led to a better result for Switzerland. Maurer is now aware of the situation and of what is expected of him. He has also given orders to the others in the delegation (among others the Supreme Commander, the Head of the Air Force, deputy Secretary General Catrina, Project manager Walther and test pilot Antognini) to show necessary humility (or "eat chalk" as they say here).

Finally, from what we know, CVP is still behind the deal (with some minor exception) and will possibly release a communiqué about this in connection to a party congress this weekend.

We have also had some luck with the presence at the SiK/N meeting on Monday and Tuesday. The critical Luc Barthassat, CVP, will not participate, and is replaced by party colleague Markus Lehmann, a strong army proponent. And the somewhat wobbly Yvan Perrin, SVP, is replaced by the more party line loyal Roland Büchel.

The biggest risks right now is that there will be some new "disclosure" in some of the big Sunday papers, or that Ueli Maurer once again will say something insulting during the meeting.

But: My assessment is that it should go through on Monday. If nothing unexpected occurs we can have up to 15 votes for the procurement and 10 against (or nine, if Roland Borer, SVP, choses to abstain). It appears, against the background presented here, as very unlikely that we would get less than 13 votes for (out of 25). They will possibly have time for the election already on Monday, but more likely it will be on Tuesday afternoon, then followed by a press conference.

The interim solution is more uncertain. Hurter has presented a parliamentary bill for it to be forbidden, and yesterday he confirmed his position. Maurer and the Air Force will, though, argue forcefully that this is something that Switzerland wants and needs. For FDP, it isn't a problem (they also know that it is a potential "deal breaker" and will help Maurer in trying to postpone the decision if it would come to that).

If it should go through in the SiK/N, *Nationalrat* will tentatively process the procurement on 11 September, followed by *Ständerat* on the 18th (only the financing). Continuous influencing work will be required and it is therefore very welcoming that we will, by the looks of it, be able to have two Swedish parliamentarians come down to an information meeting in the parliament on 9 September. But, it is quite clear that next week's meeting is the hardest threshold to overcome (besides the referendum next year).

I will fly to Stockholm Tuesday night to participate in the MFA chief meeting and will be available Wednesday to Friday for possible continuous consultations.

THÖRESSON