

## Battle Brewing Over Future Of Army Aviation Programs

March 2014

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*Army OH-58 Kiowa Warriors*

The approved 2014 Defense Department budget contained mostly good news and few surprises for Army aviation, but this may be the calm before the storm. The fiscal year 2015 budget is likely to spur a massive brawl between the Army and its National Guard component.

Army aviation leaders in January announced a proposal to mothball two of its helicopter fleets, replacing them with aircraft from the Army National Guard. The initiative has yet to be approved by President Barack Obama for inclusion in the Pentagon's 2015 budget, but Congress and advocacy organizations for the National Guard are already formulating ways to block it.

Army officials are considering the complete divestment of the OH-58 Kiowa Warrior and TH-67 training helicopter, announced Maj. Gen. Kevin Mangum, commanding general of the Aviation Center of Excellence and Fort Rucker.

AH-64E Apache aircraft teamed with Shadow and Gray Eagle unmanned aerial vehicles would take over the reconnaissance missions currently flown by the Kiowa. In order to have enough Apaches to perform

both attack and scout roles, the Army's active component would take control of the Guard's entire fleet of 192 Apaches. In return, the Guard would get 111 hand-me-down UH-60 Black Hawks to be used for missions such as lift and medical evacuation.

TH-67s, meanwhile, would be replaced by about half of the Guard's UH-72 Lakota aircraft.

The move would cut a total of 898 OH-58A/C, OH-58D and TH-67 helicopters.

The National Guard Association of the United States slammed the plan, saying it would negatively affect the Guard and put its domestic missions at risk.

"The plan flies in the face of fiscal reality. Two studies done by Pentagon agencies tout the efficiencies found in the National Guard, which can perform the same missions as the active component for about one-third the cost," a statement from the association said. "The Army created its plan without significant input from National Guard state leaders, who understand the need for economic responsibility and are willing to accept reasonable cuts that do not affect the dual-mission status of the force."

In response to the service's proposal, Rep. Joe Wilson, R-S.C., introduced legislation that would freeze the transfer and divestiture of Army National Guard aircraft while a commission investigates Army force structure.

Even if the plan becomes part of the Pentagon's 2015 budget, analysts are skeptical that Congress would approve it. Political considerations, such as lawmakers' longstanding support for the National Guard, will likely prevent full divestment of the Kiowa Warrior, said Michael Blades, senior aerospace and defense analyst for Frost & Sullivan.

"I bet they're going to mothball some [Kiowas], but I got a feeling they're going to keep some of them around," he said.

Transferring the Apaches to the active Army could have economic implications for local communities, which will likely trigger legislators into trying to protect affected hometown districts, said Ray Jaworowski, senior aerospace analyst at Forecast International.

The possible shelving of the TH-67s is not likely to have equal political resonance, but it may have implications on the number of UH-72s Congress buys from Airbus, formerly Eurocopter, he said. The Army has tried to cut back its total Lakota procurement, but if the active component gains Guard UH-72s, Congress could add more helicopters onto the Army's budget request.

"The Army officials themselves characterized this plan as essentially being driven by financial considerations," Jaworowski said. "I think that's an argument that may ultimately hold sway, and if it can be shown that indeed you are saving money through these various machinations, that very well may hold up in Congress."

With no new Army helicopter program of record on the horizon, the service will focus on keeping its current fleets in the sky. The Army is in the midst of modernizing its Apache, CH-47 Chinook, and Black Hawk helicopters to the E, F and M models, respectively.

Because the service will be dependent on these upgrades to carry the fleet into the 2030s and beyond, Blades and Jaworowski believe these modernization programs will be safe from cuts to the total number

of aircraft procured.

The question is, at what rate will the Pentagon be able to afford those upgrades? Jaworowski asked. “I think it’s quite likely, if the financial situation remains dire, you will see even further slowdown in the pace of the annual buys ... which means the total buy will be stretched out over time in order to get to the desired number.”

Certain science and technology initiatives — the improved turbine engine program and a digital cockpit for UH-60M aircraft — will likely be safe from cancellation because those programs are integral to Black Hawk and Apache modernization, Blades said.

The service plans to purchase a total of 690 AH-64E aircraft, 56 of which will be newly built. As of January, Boeing had delivered 48 Echo-model Apaches to the service.



*The AH-64E may take over reconnaissance missions*

The 2014 National Defense Authorization Act fully funded the Defense Department’s budget request for remanufactured and new-build Apaches. The Army will procure 42 remanufactured Apaches for \$608 million and gain \$150 million for advanced procurement of remanufactured AH-64Es. Congress also set aside \$142 million for advanced procurement of new-build Echo-models.

Even if the Army decides to use the Apaches for both attack and scout missions, the service does not plan on increasing or accelerating the purchase of AH-64Es, Mangum said.

But with so much pressure on the existing fleet, it’s possible the Army could eventually tack more Apaches onto its procurement plan, Jaworowski said.

Boeing officials declined to speak about the Army’s restructuring proposal or whether Apaches would need to be reconfigured for the scout role.

Other helicopter programs also fared well in the 2014 NDAA. Congress fully funded the service’s \$801 million request to purchase 28 CH-47s in fiscal year 2014. Boeing delivered 46 CH-47F aircraft in 2013. This year it will deliver the first CH-47G models to Army Special Operations Forces.

Last June, Boeing and the Army signed a \$4.9 billion contract to provide 155 CH-47F helicopters with options for 60 additional aircraft. The Army has already exercised 22 of those options, said Chuck Dabundo, program manager for Boeing’s cargo helicopter programs.

The Army planned on procuring 65 UH-60M helicopters in fiscal year 2014. Congress appropriated an additional \$72 million for four new aircraft. The program also received \$116 million for advanced procurement.

The Defense Department planned on buying 10 Lakotas in fiscal year 2014 at a total cost of \$96 million, but Congress added \$75 million for extra aircraft.

The 2014 budget was also kind to the Army's fleet of unmanned aerial vehicles. Both Gray Eagle and Raven procurement was fully funded at \$518 million and \$10 million, respectively. Congress also authorized modifications to RQ-7 Shadow aircraft for \$121 million.

Those programs may be subject to cuts as they mature, said Larry Dickerson, Forecast International's unmanned systems analyst. "You could see a slacking off in UAV purchases just because [the Army is] meeting [its] requirements."

Instead of buying new aircraft, the service may choose to save money by upgrading what it has. Even that could be subject to budget constraints, he said.

"You might see certain types of upgrades go through, but the big ones might have to be pushed off or they might have to do them piecemeal."

The Army's restructuring plan has implications on current programs, even if it is never implemented, experts said. The proposal would not officially cancel an armed aerial scout program, but Blades and Jaworowski agreed it was the death knell for a possible competition.

"This is a program that has had nine lives," said Jaworowski. "At this point, it seems to be the end."

For years the Army deliberated whether a new armed aerial scout aircraft or an upgraded Kiowa would be the best way to accomplish airborne reconnaissance missions.

Boeing, AgustaWestland, Bell and EADS North America — now Airbus — flew aircraft during a 2012 demonstration for the Army. At that point, service officials favored buying a new aircraft, Mangum said. But after sequestration and other fiscal pressures took their toll in 2013, Army aviation leaders came to the conclusion that none of those aircraft or the Kiowa were viable options.

Procuring a fleet of new armed aerial scout helicopter would cost at least \$16 billion. Modernization of the Kiowa would cost \$3 billion for cockpit and sensor upgrades and \$7 billion for a service life extension, Mangum said. "It was going to be putting new shoes on an old horse for \$10 billion. Oh, by the way, we don't have that \$10 billion."

The divestment of the Kiowa Warrior fleet would be a blow to Bell Helicopter, which has already begun upgrading OH-58 cockpits and sensors.

Bell currently has contracts valued at about \$100 million a year for OH-58 production, cabin modifications, cockpit and sensor upgrades and engineering support, said Jim Schultz, the company's program director. Until a final decision is reached, it's too soon to tell the extent of the impact such a move would have on the company, he added.

The Army and Bell Helicopter offered conflicting takes on the cost-effectiveness of the service's restructuring plan.

Army officials have said that mothballing the Kiowa fleet will cut costs, though they have not specified how much money would be saved. A Bell-contracted Logistics Management Institute study, meanwhile, found that the Apache would cost \$1 million more than the Kiowa per year for maintenance and fuel costs, Schultz said.

A 2010 analysis of alternatives found that the most effective way to fill the armed reconnaissance gap was with the combination of Apaches and unmanned systems, Mangum said.

That may be true, Schultz said, but that study also stated that the most affordable option is using upgraded Kiowas and Shadows for the scout mission.

A twin-engine aircraft like the Apache will give aviators a longer range and higher speeds, but the small size of the Kiowa Warrior has its benefits, he said. Apaches must be dismantled before they can be loaded onto strategic airlift, and then are rebuilt in theater. The process of tearing down or restoring the aircraft takes at least three hours.

"When you talk about ... all the Army special units that require an expeditionary capability, you basically have hampered them considerably because you've taken that air support away from them," he said. "A Kiowa Warrior, you can roll two of them right onto a C-130 and roll them off and have them ready and in the air in 15 minutes after the thing lands."

The possible armed aerial scout competition was slated to be the only competition for an Army helicopter program of record until future vertical lift, a series of next-generation rotorcraft that will replace the Army's current inventory. Initial operating capability of the medium variant of the aircraft isn't scheduled until 2035.

Past Army helicopter programs — from the failed Comanche project to the fruitless search for an armed aerial scout — have suffered from a disconnect between the service's true requirements and what officials tell industry the requirements are, Blades said.

"Do you want something that's cool and makes you go, 'Wow,' or do you want something that gets the job done? Then you have got to tell [industry] what the job is, what it needs to do, and industry will answer that call," he said.

"I think the Army is going to work really hard to make sure they have the correct requirements going into this FVL program," he said. "They're going to put everything they have into it."

That sentiment was echoed by Maj. Gen. Tim Crosby, the former program executive officer for Army aviation who oversaw the latest push to purchase an armed aerial scout.

Future vertical lift has strong support from industry and is a good plan to meet future requirements, he said before his retirement in January. "I think we need to stick to our guns."

Source: <http://www.nationaldefensemagazine.org/archive/2014/March/Pages/BattleBrewingOverFutureOfArmyAviationPrograms.aspx>