

DEFENCE PAUL LEWIS / SANTIAGO

# USA unlocks South American sales

Approval for AMRAAM export to Brazil could release missile to Chile, but Congress may still vote to block decision

The US Government has cleared the Raytheon AIM-120 AMRAAM for sale to Brazil. The approval, which emerged at last week's FIDAE air show in Santiago, Chile, opens the door for the first time to the release of the active-guided air-to-air missile to other South American nations, including Chile.

Until now, Chile has been blocked from acquiring the beyond visual range (BVR) weapon as part of a Lockheed Martin F-16 order.

The US State Department and Department of Defense have cleared the AIM-120C5 for Brazil in support of Lockheed Martin's bid to win the F-X fighter competition

with the F-16C/D. Brasilia is understood to have told Washington DC that refusal to release AMRAAM would have ruled the US manufacturer out of the contest.

AMRAAM will be included as part of an F-16 letter of offer and acceptance (LoA) to Brazil due to be formally notified to the US Congress later this month. The deal could still be blocked by Congress if enough votes can be mustered in the Senate Armed Services Committee. Attention is focused on Democratic Senator Christopher Dodd, who was instrumental in blocking AMRAAM for Chile, say industry sources.

State Department policy has long been to refuse release of a new weapon system, such as BVRs, to regions of the world unless a comparable capability already exists. There has been evidence for some time, including a picture taken from local television, published last year in *Flight International* (10-16 July, 2001), that Peru has a BVR weapon in the form of the Russian Vypel RVV-AE (R-77/AA-12 Adder) arming its RSK MiG-29 fighters.

Furthermore, Chile is widely believed to have already acquired or be in the process of receiving the Rafael Derby BVR missile which was on display at FIDAE. The

missile initially will arm Chile's Northrop F-5E/F Tiger IVs, upgraded in recent years by Israel Aircraft Industries (IAI), and is seen as an alternative to AMRAAM for the air force's 10 F-16C/Ds due for delivery in 2005-6.

Chile could opt to pay Lockheed Martin to integrate Derby with its F-16s or have IAI perform the work, but US sources warn that the aircraft would not then be compatible with future software updates. Alternatively, AMRAAM could be included in a supplemental LoA for Chile once the proposed Brazilian deal is approved.

SEE FIDAE SHOW REPORT P12-15

## IN BRIEF

### BOEING ON COURSE

Boeing delivered 110 commercial aircraft in the first quarter, and says it is on track to meet its reduced delivery forecast of 380 aircraft for the full year. In the first quarter of last year, the company delivered 122 commercial aircraft en route to a year-end total of 527. The first quarter total included 59 737s, 16 777s, 12 757s and 12 767s, eight 747s and three 717s. Another 737 was delivered on operating lease.

### DETECTION DEAL

Northrop Grumman and Raytheon have teamed up to bid for a US Transportation Safety Agency (TSA) contract to manage the procurement, installation and support of thousands of explosives detection system (EDS) machines at 429 US airports. The TSA has until 31 December to ensure that 100% of US-checked baggage is scanned by EDS machines – a deadline many observers believe it will miss. The agency has ordered up to 600 systems from InVision Technologies and L-3 Communications and secured temporary licences to allow other manufacturers to build the machines.

DEFENCE GRAHAM WARWICK / WASHINGTON DC

# USAF rules out 'higher-risk' EADS tanker proposal and opts for 767

The US Air Force has resumed negotiations with Boeing on a 767 tanker lease after rejecting an EADS offer of Airbus A330-based tankers as it was considered technically more risky and costly. The USAF plans to present a business case for leasing tankers to Congress in the third quarter.

Although Congress had directed the US Air Force to lease tankers from Boeing, the service issued a request for information (RFI) to "determine if competition was practical". EADS offered the KC-330, based on the A330-200. The USAF says assessment of the RFI results "shows that the EADS offering presents a higher-risk technical approach and a less preferred financial arrangement".

The USAF says EADS' lack of relevant tanker experience and its need to develop an air-refuelling boom and operator station makes the KC-330 significantly higher risk than Boeing's 767-200ER-based tanker. The US manufacturer is already developing the boom- and drogue-equipped KC-767 for launch customers Italy and Japan. The USAF also says the KC-330's larger



A 767 tanker deal is considered less risky and costly than an Airbus one

size "does not bring with it a commensurate increase in available air-refuelling offload". Whereas the KC-767 has a ground footprint 29% larger than the Boeing KC-135E it would replace, the KC-330's is 81% larger, the service says.

EADS also lost out on cost, with the USAF concluding that a comparison of net present values for the A330-200 and 767-200ER "establishes Boeing as the preferred financial option". Aircraft residual values influence lease rates, although the USAF is likely to opt for a lease-to-buy arrangement to

replace its older KC-135s. The service also determined that leasing the KC-330 would demand a greater infrastructure investment, which "dramatically limits the aircraft's ability to operate effectively".

Although disappointed, EADS has received a boost from the USAF accepting it as a competitor for the first time. It says it has been encouraged by the USAF to participate in future competitions, including tanker programmes, and that it is better placed for future tenders having gained experience of the US procurement system.