

## PROCUREMENT

## Apache wins Japan deal

Boeing has won Japan's AH-X attack helicopter competition with its AH-64D Apache Longbow, defeating the Bell AH-1Z. The decision by the Japan Defence Agency (JDA) deals a second blow to Bell in a matter of weeks after Australia opted for the Eurocopter Tiger in early August.

Recent budget cuts have forced the JDA to trim the Apache buy to only 10 units over the next five years, although 50-55 are required over the longer term.

Fuji Heavy Industries – traditionally a Bell partner – will assemble the AH-64s. They will replace the Japan Ground Self Defence Force's AH-1S Cobra fleet. Fuji assembled 89 AH-1S between 1984 and 2000.

The JDA has not revealed the purchase price, but it is anticipated at approximately ¥6 billion (\$50 million) per machine. The JDA is yet to specify a powerplant, although the General Electric T700 is the most likely choice. It is possible that the engines and/or Lockheed Martin AGM-114 Hellfire missiles will also be manufactured in Japan.

JDA says it selected the Apache because it believed life-cycle costs would be lower over a 20-year period, despite the AH-1Z having a lower acquisition cost.

## PROCUREMENT GUY NORRIS / LOS ANGELES

## Canada amends airlifter bid to outright purchase

Canada mulls over its transport options, as Boeing delivers final C-17 to UK Royal Air Force

Boeing has been given until 14 September to respond to a final set of Canadian questions over the possible operation of C-17s and has revealed it is discussing an outright purchase deal rather than leasing as previously anticipated.

In line with other contenders in the Canadian Analysis Of Options For Airlift's exercise, including Lockheed Martin and Airbus Military Company, Boeing has completed responses to two main sets of questions. The final tranche was completed last month for BCMI, a Canadian analyst's company appointed by the government to prepare a report on its airlift options. BCMI is due to present its report on 5 November, leading to an eventual request for proposals from the Canadian Government, expected in September next year.

Boeing is understood to believe the BCMI report constitutes a "mini down-select". This is contested by Lockheed Martin which is preparing airlift "solutions" based on several packages (*Flight International*, 14-20 August) and maintains the exercise falls short of a "mini down-select" because "it doesn't deal with funding".

Boeing says leasing, lease-purchase and buy-back options were



C-17 will be a contender when Canada issues RFP next year

considered for Canada but have been rejected in favour of an "outright straight purchase only". It adds that the only variable in the proposal covers the number of aircraft. This is believed to range from four to eight, though the company says only it is "around six".

Details of the Canadian bid emerged as Boeing delivered the fourth and final leased C-17 to the UK Royal Air Force on 24 August. The RAF fleet has amassed more than 350h since the first C-17 was accepted in May.

"It's about one-third above our normal utilisation rate so far, and mission availability is running at 85% which is well above the 70% rate we traditionally have," says

RAF 2 Group air transport/air refuelling policy director Gp Capt Nigel Beresford.

"The problem will be depressing demand. Within NATO we're the only one with the aircraft and everyone wants to use the C-17s," adds Beresford.

RAF sources say acceptance of the C-17 is already so high that early moves are under way to develop a formal operational requirement for the long-term purchase of the aircraft. Based on the delivery date of the first aircraft, the UK has until November 2006 to commit to a one- or two-year extension of the lease programme. If sanctioned, this would extend the lease to nine years.

## UPGRADE

## Israel Aircraft Industries wins Thai contract to upgrade UH-1Hs

Israel Aircraft Industries (IAI) has been selected to upgrade 19 Bell UH-1H helicopters belonging to the Thai air force. IAI expects the \$23 million contract to be signed shortly.

The Israeli company was selected after the Thai air force scrapped a previous tender in which BAE Systems Australia was to perform the upgrade.

IAI will equip the transport helicopters with new avionics that will enable them to stay in operational service until at least 2010. Modifications will also be made to the fuselage and rotors.

IAI is now trying to win a contract from the Thai army, which is planning to upgrade its 60 UH-1Hs with a similar avionics package as part of a broader modernisation programme.

## ACQUISITION REFORM

## India acts on corruption claims

India is writing a new arms acquisition policy intended to prevent the corruption allegations that have marred several of the country's procurement programmes.

Future procurements will be conducted by a board with the process and decisions posted on the defence ministry's web site, India's minister for defence and external affairs Jaswant Singh has told parliament.

Singh has also dismissed as "irresponsible" reports in the Indian

press that RSK MiG has blamed the government for the MiG-21 Fishbed's high accident rate in Indian air force service. Vladimir Barkovsky, MiG deputy general designer, was reported to have said that India buys low-cost spares which have been the cause of many of the accidents.

The minister also refuted Russian claims that negotiations with BAE Systems on the acquisition of 66 Hawk advanced trainers have broken down.