

Inside the Army

Royal Thai Army To Buy Lakota Helicopters To Be Built In Mississippi

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The Royal Thai Army plans to buy six LUH-72A **Lakota** helicopters that would be built on the same production line as the Army's Lakotas in Columbus, MS, marking the first foreign military sale of the aircraft, according to industry sources and a letter from the Pentagon acquisition chief to the Royal Thai Army's commander-in-chief.

"I am pleased Thailand has selected the LUH-72A **Lakota** helicopter under the U.S. Government's foreign military sales program to meet its light utility helicopter requirement," Kendall writes in his April 19 letter to General Prayuth Chan-ocha. "The project is of great importance to the Department of Defense, and we look forward to its successful implementation for the Royal Thai Army."

The informal congressional notification process was slated to wrap up last week and formal notification has yet to be sent to Capitol Hill, an industry source confirmed. Formal notification of the sale is expected this week, the source said.

The deal is important because the Army's **Lakota** production is scheduled to end in fiscal year 2015 and EADS North America has been working for years to firm up FMS contracts that could keep the American Eurocopter **Lakota** production line running beyond that time.

While EADS has been chasing opportunities with the other services and is looking for chances to build additional Lakotas to fill possible future Army and Army National Guard requirements, FMS customers will be key in keeping the line running (Inside the Army, June 3).

According to another industry source, while the Thai Army's initial purchase is only for six helicopters, it is rare for a country to stop its procurement at just a few aircraft. The source assessed the possibility for follow-on sales to Thailand at 60 to 80 aircraft.

The source noted that the first FMS sale of a helicopter is typically the biggest hurdle. Once the first FMS sale goes through, it opens the door for more countries to want to follow suit. "Nobody ever wants to be the first," the source said.

In an interview before a May 30 employee rally at the **Lakota** production line, called to fight potential cuts to the Army's **Lakota** procurement plans, EADS CEO Sean O'Keefe told Inside the Army the company has been pushing hard for FMS opportunities. Because the plan all along was to finish the Army's order in FY-15, EADS has focused its business development on FMS for some time. O'Keefe told ITA that EADS was working to bring its first FMS deal to fruition and was making progress with a range of countries in South America, Asia and the Middle East (ITA, June 3).

Because the **Lakota** is derived from the company's commercial EC-145 helicopter, "FMS opportunities see this as an attractive platform because the airframe is ubiquitous, it's everywhere," O'Keefe said. "The supply chain is global; roughly 80 percent of this aircraft is common with the characteristics of any commercial version available."

Meanwhile, EADS has achieved some success on Capitol Hill in restoring the cuts the Army wants to make to its final **Lakota** procurement numbers. While the Army had intended to buy 31 aircraft in FY-14 and 10 more in

FY-15, its FY-14 budget plans included funds for just 10 more Lakotas, all intended for the Army National Guard (ITA, April 15). The Army has said the buy will fulfill the National Guard's requirement while the active-duty force will use Black Hawks coming back from Afghanistan for missions in the continental United States. If the cut goes through, **Lakota** production at the Mississippi facility will end a year earlier than planned.

However, those cuts may be reversed. Both the House Armed Services Committee and the House Appropriations Committee moved to fully restore funding to the **Lakota** program in their bills, but the Senate Armed Services Committee is not adding any funds on top of the Army's \$96 million request, according a statement on the committee's version of the FY-14 authorization bill. The bill in its entirety has yet to be released.

While the Senate authorizers did not restore funding for the **Lakota**, the statements notes that "DOD should take into consideration the health of the United States helicopter industry in building its annual budget request."

The House Armed Services Committee moved to add \$135 million to the Army's \$96 million request in its FY-14 authorization bill last week.

"The committee recognizes that funding constraints and assessments in investment priorities contributed to the Army's decision to end UH-72 LUH production early, but also recognizes the platform has performed very well in valuable mission scenarios, to include homeland security, patrol along the Southwest border, and state and regional emergency response," the lawmakers write in their report on the bill. The committee says it is "concerned that the Army's decision may have an impact on the UH-72 LUH industrial base that increase risks over time for the support of its fielded fleet of 315 aircraft."

The authorizers also noted that "no further requirements for additional platforms have been formally identified by the National Guard Bureau; should additional requirements be identified, the committee expects the National Guard to use National Guard and Reserve Equipment Account funds."

Additionally, the committee "encourages the Army to assess the feasibility of transferring additional UH-72 LUH rotorcraft from the Active Component to the National Guard if additional requirements are validated."

The House Appropriations defense subcommittee followed suit in restoring **Lakota** funding in its FY-14 spending bill last week. "The concept of the **Lakota** program has worked as the Army had envisioned," appropriators wrote in their report on the bill. "The less expensive **Lakota**, purchased as a commercial aircraft and non-deployable, has been assigned to utility missions that previously had been accomplished by a Black Hawk, thus freeing a Black Hawk for combat duty. The Army still has a Black Hawk shortfall and the concept to substitute Lakotas for Black Hawks in non-combat duty remains valid."

The administration -- in a June 11 statement on the House version of the FY-14 defense authorization bill -- objected to the addition of what it called "unnecessary funding" for the **Lakota** helicopter. -- Jen Judson

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