

The Internationalization of Military Aircraft

By

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Are modern military aircraft losing their national identity? When does a French helicopter become an American helicopter? Can the United Kingdom sell a German warplane to Saudi Arabia? Has the most British of helicopter manufacturers become an American company?--a European company? Such questions have been raised as a result of important events that have occurred during the past several years in the aerospace industry. Along with numerous other similar developments, they easily lead one to conclude that there has been a growing internationalization of the military aircraft industry. This article will examine several cases which tend to support such a conclusion.

What is the difference between a "dauphin" and a "dolphin"? In the realm of rotary wing aircraft, the Dauphin 2 (designated SA 365 or SA 366) is a very reputable helicopter of French design, produced by or under license from the Aerospatiale Helicopter Division of Aerospatiale SNI. Its various models are used in search and rescue, anti-ship and anti-submarine warfare, and assault transport roles, and they fly in the service of at least three nations.[1] The Dolphin (U.S. Coast Guard designation HH65A) is a very similar appearing helicopter produced by the Aerospatiale Helicopter Corporation (USA) in Grand Prairie, Texas. The Dolphin was contracted for by the Coast Guard in compliance with the "Buy America Act." According to *Jane's All the World's Aircraft*, "engines and equipment of U.S. manufacture account. . . for about 60 percent of the total cost of each aircraft." [2] The Dolphin is now in service in two nations; at least two aircraft have been sold to Israel with the possibility of more sales in the future.[3]

American components of the Dolphin include Avco-Lycoming turboshaft engines, and communications, navigation, and search equipment produced or procured by Rockwell-Collins. Aerospatiale Helicopter Corporation, a wholly owned subsidiary of the French Aerospatiale SNI, is incorporated under United States law. The Dolphin should become better known to many Americans as it is now operational in the United States Coast Guard in a short range recovery role and has participated in several successful rescues.

Is the "Tornado" multi-role military aircraft produced by Panavia GmbH of Munich, West Germany: a.) a German aircraft? b.) a British aircraft? c.) both of the above? d.) neither (a) nor (b)? To this question I would submit that none of the answer choices is totally valid and that all of them are partially correct.

Although based in Munich, Panavia GmbH is categorized (at least by the British) as a tri-national company.[4] It is owned by British Aerospace plc (U.K.), Messerschmitt-Boelkow-Blohm, GmbH (FRG), and Societa Aerospaziale Italiana (Aeritalia) pA (IT). It was formed to "design, develop and produce an all-weather combat aircraft for the air forces of the United Kingdom, Italy, the Federal Republic of Germany, and the Federal German Navy.[5]

The resultant aircraft is the Panavia Tornado IDS (for interdictor strike), now in service with the above countries. An air defense variant (ADV) has also been produced and is now entering service with the British Royal Air Force.[6]

The Tornado is generally acknowledged to be an excellent warplane, capable of accomplishing the tasks it was designed to do and exceeding several of its required performance standards.

There are three assembly lines for the Tornado, one in each of the participating countries at the factory of each of the partner companies. Each of the partner companies also has primary responsibility for the production of a main section or component of the aircraft. A similar multi-national corporate scheme, headquartered in the U.K., produces the RB 199-34R Mk 101 and Mk 103 engines, two of which power each Tornado.[7] Thus, the Tornado is:

- a. A German aircraft, assembled in Germany and flown by the Luftwaffe and the Bundesmarine (Federal German Navy);
- b. A British aircraft, assembled in the U.K. and flown by the RAF;
- c. An Italian aircraft assembled in Italy, and flown by the Italian Air Force, and;
- d. An international aircraft assembled in three countries under the guidance of an international corporation, and containing parts manufactured in each of these participating nations and elsewhere.

Nations outside of the partnership are noticing the Tornado. For example, Oman has signed a contract with Panavia for the purchase of eight ADV aircraft.[8] In addition to this Panavia sale, *International Defense Review* has reported a contract with British Aerospace to sell 72 Tornados (48 IDS and 24 ADV) to Saudi Arabia.[9] These Tornados will have the systems and components contained in the British assembled-RAF flown aircraft. The airframes will be produced in all three partner countries, but procurement of the subsystems will be done by the British and not Panavia.[10] The first 20 planes were being prepared in March of this year by British Aerospace at Warton, England for delivery to the Saudis.[11]

A third issue involves the question of whether a British helicopter company is evolving into an American helicopter company. Well, it is happening. Westland plc (public limited company), the "major helicopter design and manufacturing organization in the United Kingdom"[12], has approved the passing of control of approximately 30 percent of its stock to a bidding team of United Technologies' Sikorsky Aircraft Division (US) and Italy's Fiat.[13] Repercussions to even the rumor of this sale have been heated and serious.

The British Secretary of the State for Defence has resigned in protest of the sale. Prime Minister Thatcher was personally involved in the the ruckus, and was forced to defend her support of the sale before a very hostile Parliament. The chairman of France's Aerospatiale has stated that his company might withdraw some of its Super Puma subcontract with Westland.[14] The future role of a U.K. helicopter representative in future European NATO helicopter ventures is at the heart of the controversy. At the same time, Westland likely will receive a much increased role with Sikorsky in Sikorsky's S-70 BlackHawk international production and marketing efforts. Westland and Sikorsky have been associated with each other since at least 1947 when Westland obtained a license from Sikorsky to build the S-51 which it calls the Dragonfly.[15]

Had Westland not opted for the Sikorsky-Fiat link, it might well have accepted the "European offer" from a consortium consisting of British Aerospace and the General Electric Company (GEC) of Britain, Aerospatiale of France, Augusta of Italy, and Messerschmitt-Boelkow-Blohm (MBB) of Germany.[16] In any case, Prime Minister Thatcher has written that "as long as Westland continues to carry on business in the U.K., the government will of course continue to regard it as a British, and therefore, a European company, and will support it in pursuing British interests in Europe." [17]

The circumstances described herein involve only three examples, but they represent one aspect or another of virtually every free world military aircraft program being negotiated or executed in the 1980s. Third World air forces fly planes obtained from several nations. Aerospace

industry corporations form joint venture multi-national companies, buy shares in foreign aerospace companies, buy and sell licenses to produce each other's systems, and use components obtained from various countries. Governments agree on joint research development and production programs, permit their prime manufactures to bid for and accept bids from foreign contractors (as well as subcontractors and vendors), organize joint training and support commands, honor each other's certifications, and buy, sell, and lease each others planes. Will the real one hundred percent French, American, British, German, or Italian aircraft please throttle-up!

NOTES

1. *Jane's All the World's Aircraft, 1984-85*, pp. 57-58.
2. *Ibid.*, p. 58.
3. *Ibid.*, p. 59.
4. *British Defence Equipment Catalogue, 1986*, Sixteenth Edition, Vol. 1, p. 609.
5. *Jane's All the World's Aircraft, 1984-85*, p. 116.
6. *Ibid.*, p. 119.
7. *Ibid.*, p. 825.
8. *International Defense Review*, October, 1985, p. 1690.
9. *International Defense Review*, November, 1985, p. 1860.
10. *Aviation Week and Space Technology*, September 30, 1985, p. 29.
11. *Aviation Week and Space Technology*, March 24, 1986, p. 59.
12. *Jane's All the World's Aircraft, 1984-85*, p. 292.
13. *Aviation Week and Space Technology*, February 24, 1986, p. 13.
14. *Aviation Week and Space Technology*, January 13, 1986, p. 26.
15. *Jane's All the World's Aircraft, 1984-85*, p. 292.
16. *Aviation Week and Space Technology*, January 6, 1986, p. 26.
17. This represents Mrs. Thatcher's reply to Westland's chairman Sir John Cuckney who asked her if Westland would no longer be considered a European Company if some of its shares passed to a group outside of Europe; as quoted in *Aviation Week and Space Technology*, January 6, 1986, p. 25.

ABOUT THE AUTHOR

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Measure Your Foreign Military Sales Case Management Knowledge

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Case management is an all encompassing term which refers to the various phases in the life cycle of a Foreign Military Sales (FMS) case. Therefore, people involved in case management must be knowledgeable of many different functional areas (e.g., logistics, finance, acquisition, etc.). As a consequence, the DISAM Case Management course was designed for logisticians, contracting officers, case managers, and financial managers. DISAM provides instruction in this subject area in varying degrees in all of its course offerings. FMS is an ever-changing business which emphasizes the need for providing training at DISAM and additional training within the military departments. The following short quiz provides an opportunity for all such managers to test their case management skills. Answers may be found on page 120.

1. The organization responsible for DOD 5105.38-M, *The Security Assistance Management Manual (SAMM)* is _____.
2. The case manager is the focal point for management activity on a case. The task of a case manager is to ensure that the objectives of the assigned case or cases are achieved. What are the three objectives?
 - (1) _____
 - (2) _____
 - (3) _____
3. The DOD component must ensure that approval has been received from _____ before preparing or releasing P&A data for Major Defense Equipment (MDE) items to a requesting country or international organization.
4. The thresholds for reporting FMS cases to the Congress as required by Section 36(b)(1) of the AECA are _____, _____, and _____.
5. The Department of State has statutory responsibility for approving all requests for Foreign Military Sales to eligible countries or international organizations. TRUE _____ FALSE _____
6. Requests to purchase Significant Military Equipment (SME), which originate in the host country, should be transmitted by the _____ and should be addressed to the DOD component with an information copy addressed to State and Defense.
7. The DSAA point of entry for coordination of all LOAs, amendments, notices, and LOIs is the DSAA Comptroller (FMS Control Division). TRUE _____ FALSE _____

8. The _____ is a directory of purchaser representatives and freight forwarder addresses and codes (e.g., *Ship to* and *Mark for*) used by DOD shipping activities.
9. The implementing agency, e.g., MILDEP, must receive obligation authority from _____ before an FMS case can be implemented.
10. Foreign purchaser sole source requests may be honored only when the sole source designation is based upon:
 - a. the objective needs of the FMS purchaser as stated by the purchaser.
 - b. the approval of the DOD component security assistance director.
 - c. cost.
 - d. all of the above.
 - e. "a" and "b" above.