

Air 5402 - another missed chance

By Dr Carlo Kopp

Last week's AIR 5402 announcement represents, sadly, another missed opportunity. It underscores the inability of the Defence bureaucracy machine to adapt to a rapidly changing strategic environment and evolving technology market.

EADS/Qantas conducted a professional campaign and offered an attractive product. While the Boeing aircraft is similar, slightly smaller, but offered a much more mature boom design, the political fracas in the US was an in-superable marketing impediment.

The issue is not one of Boeing vs EADS or 767 vs the A330. The problem is with 5402 itself.

Originally, 5402 aimed to replace the four 707-338C hose/drogue tankers with modern technology widebodies – four or five aircraft to enhance the “training and limited operational capability” in the 707 fleet. The White Paper capped the buy to four or five – compare this to the UK's \$31bn investment in new tankers.

Surveys of used airliners showed airframes about 10 years old were the best value for money – any newer and corrosion life would get ahead of a figure.

Much has changed since. In the region we have seen the Asian arms race ratchet up further. In dia-

cently took delivery of its first batch of Il-78MKI tankers, in a similar payload class to the 767/A330. China converted further H-6 Badger airframes into H-6U/H-6DU tankers.

In dia recently signed for the carrier Gorshkov and a wing of navalised MiG-29Ks. There is emerging evidence of a Chinese program to manufacture indigenous strategic class cruise missiles, one a cloned Russian Kh-55/65 (AS-15 Kent), equivalent to the B-52H CALCM. With a new Badger variant, China acquires a strategic reach of more than 2,000 NM. And Malaysia and Indonesia jumped on the Sukhoi bandwagon.

Australia faces a much more competitive region, with the RAAF force structure continuing to fall behind.

With early retirement of the F-111s reducing the RAAF's limited strategic weight, the proposed JSF doesn't restore this significant loss.

Offsetting the loss of the F-111 requires 12 to 15 medium tankers. Providing tanking to support, on conventional profiles, a fleet of 80 to 100 RAAF fighters requires 20 to 25 medium-class tankers. On persistent profiles – the reality in network-centric combat – tanker numbers go up.

The “demand” side of the force structure equation is further complicated by troubles with the US tanker fleet, anything up to a third being offline because of cumulative maintenance problems and higher optempo. In a crisis Australia can not rely on USAF.

The “supply” side of this equation has also changed with the glut of used airliners post 9/11. 747-400s came down from about US\$90m in 1999 to US\$50-60m now, including a freight conversion.

But the acquisition strategy for 5402 shifted from used airframes to new build.

The buy of five A330 MRTTs provides a robust direct replacement for the 707-338Cs, but this improvement in capability is inadequate against the vast “demand” growth since 1999.

With choice in used airframes, selecting well-priced, good examples is much easier to day than five years ago – a tremendous opportunity to close the “tanker gap”

So much for the Defence goal of a “procurement process which is flexible, responsive, innovative and efficient”

The problem will now persist for at least another decade.

Malaysia will make Steyrs

SUBANG – Austrian arms producer Steyr Mannlicher will shift production of its Steyr assault rifles and pistols to Malaysia, Defence Minister Najib Razak said. The Australian and New Zealand Armies are equipped with Steyrs.

“Steyr Mannlicher will transfer fully the licence to manufacture and export Steyr rifles and pistols in the global market to Malaysia,” Najib said opening a four-day international defence exhibition.

Najib said National Aerospace Defence Industries (NADI) had con-

cluded the deal to manufacture Steyr rifles and pistols.

Cathay buys eight wide-bodies

HONG KONG – Cathay Pacific Airways has placed firm orders for eight more wide-body regional aircraft. The order will expand the airline's fleet to 94.

Orders have been placed for two Boeing 777-300s and six Airbus 330-300s, all of which will be deployed on the airline's short- and medium-haul regional services. The aircraft will be delivered from 2005

to 2007. All the new aircraft will have Rolls-Royce Trent engines.

Iraq AF to get choppers

BAGHDAD – The first planes of Iraq's new air force will not be combat aircraft. A squadron of six UH-1H Iroquois helicopters will be operational in July and joined by two C-130Bs in October.

The helicopter force would expand to 16 next year, when the Hercules fleet would grow to six.

Four light reconnaissance aircraft would be added later this year,