

March 14, 2009 - Obama may get stripped-down Helicopter

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President Obama may get a cheaper, less-sophisticated presidential helicopter more suited to tough economic times.

Contractors for a controversial new presidential helicopter are floating the idea of building a more bare-bones version to clamp down on exploding costs.

Lockheed Martin and partner AgustaWestland, a British-Italian joint venture, are reacting to questions from congressional staff about how to contain the costs of the program, which have more than doubled over the last three years.

The new Marine One helicopter program, originally thought to cost \$6.1 billion, is now projected to run as much as \$13 billion.

Rep. John Murtha (D-Pa.), the powerful chairman of the defense appropriations sub-panel, said this week he favors building the first group of helicopters.

“I hope the administration will agree with that and we won’t build the other version,” Murtha told a defense conference this week.

The new chopper received acute attention last month during a fiscal responsibility forum, when President Obama cited it as an example of "the procurement process gone amok." He said that the current helicopter, which is almost three decades old, seems "perfectly adequate to him."

The new presidential helicopter is designed to ferry the president on shorter trips — often from the White House to Andrews Air Force Base. It's only called Marine One when the president is onboard, though the helicopter also ferries other VIPs.

Questions over how to make the current program work come as Connecticut's congressional delegation is relentlessly pushing to get Stratford, Conn.-based Sikorsky to build the presidential helicopter. Sikorsky lost out to Lockheed and AgustaWestland in 2005. But since then, the company and the congressional delegation have been trying to find openings to position themselves for the contract.

A top defense authorizer, Sen. Joe Lieberman (I-Conn.), has maintained that Sikorsky should have won the original competition for the new helicopter.

Obama said that he asked Defense Secretary Robert Gates to conduct a thorough review of the program, but the new Marine One will most likely be fodder for heated debate during the defense authorization and appropriations process for fiscal year 2010.

The new helicopter program was supposed to be developed in two increments, with the first bundle of five helicopters to be delivered by September 2010, according to Navy officials.

The second increment of the program would deliver 23 more technologically advanced helicopters. This second phase was supposed to be the one to satisfy the requirements of the Marine Helicopter Squadron One, HMX-1, which flies the choppers. The helicopters in the second increment are designed have an increased range and upgraded navigation, communications and connectivity.

This second increment of helicopters was ultimately the desired version, sources said, while the helicopters in the first increment were meant to fill an immediate need for more modern aircraft.

But because questions surrounding the cost of that second program are threatening it, a consensus on Capitol Hill and in the defense industry is now building that the White House and Navy should stick with the first increment of helicopters and scrap the more sophisticated second version. The thought it that this would save the current program and salvage the \$3 billion that have already been spent, according to sources familiar with the discussions.

Actions by Murtha's committee over the last couple of years hinted he wanted to move in the direction of using just the first increment of helicopters. In its report to the 2009 defense appropriations bill, his panel wrote:

“The department should consider not moving the program beyond the Increment I phase and should complete the necessary modifications to make the Increment I aircraft operationally suitable.”

Appropriators have significantly cut funding from the second phase over the last couple of years. Lockheed Martin has been under a stop work order on that phase since 2007.

Lockheed Martin is suggesting that it could replace the entire fleet of current Marine Ones with the increment one-type helicopters. Doing that would cost about \$3.8 billion, raising the program's total cost to \$6.8 billion.

Completing the original plan of making 23 helicopters would probably be more expensive. Even without the second phase, the contractors and its supporters contend that the new helicopter would be the most capable executive helicopter with significantly more security and safety than the current fleet.