

Fort Worth Star-Telegram

Tuesday, May 17, 1983 ★ ★ ★

Army decides to pull out of \$50 billion JVX program

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WASHINGTON — The Army has decided to pull out of the \$50 billion JVX program, a move that could derail plans by Fort Worth's Bell Helicopter to build the revolutionary tilt-rotor aircraft for the Pentagon.

"The Army is no longer participating in the program," an Army spokesman said Monday, confirming weeks of vague rumblings about dissatisfaction with the huge project.

The Army's action, made official in a May 13 memo signed by Undersecretary James P. Ambrose, could lead to the collapse of the entire JVX program, defense officials said.

Under the Pentagon's initial plans, the Army was to buy 284 of the 1,086 JVX aircraft scheduled for production beginning in 1991. The remaining aircraft are to be built for the Air Force, Marine Corps and Navy.

Military officials closer to the program said it will continue to move ahead despite the Army's withdrawal.

"This decision will make my job tougher to keep the program working, but it'll also make it easier because the aircraft won't have to fulfill so many missions," said Marine

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— Charles Crawford,
Army's director of aviation development

Col. Jimmie Creech, the JVX program manager.

Even though the Army was to have paid for 34 percent of the JVX development costs and bought a fourth of the aircraft built, Creech said its decision to drop out won't cripple the program.

"It really won't affect the Marine Corps and the Navy too much," he said. "We were buying at the front end of the learning curve anyway."

Because the Marines and the Navy are planning to buy almost all the early models — the so-called "front end of the learning curve" — they would have to pay more per aircraft than the Army, which had intended to buy later production models, Creech said.

"I'm not giving up the ghost — we're going to pull this off," Creech said. "This'll just make it a little tougher."

Bell officials had no comment on the Army's action.

In St. Louis, Charles Crawford, the Army's director of aviation development, stressed that Ambrose's memo offered the other services the Army's expertise in helping to build the JVX.

"I think it boiled down to an affordability issue," Crawford said. "Basically, the Army could not afford to support a third of the JVX development and get a new LHX going at the same time."

The LHX is the name for a new family of lightweight helicopters being planned by the Army for its attack, scout and utility missions.

"The Army'd get only one mission out of JVX, but they'll get three out of LHX," Crawford said. "It was simply a matter of priorities."

Several defense officials said the

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Army's decision could be reversed by Secretary of Defense Caspar W. Weinberger or by Congress.

Ambrose said the Army wanted to get out of the program because the service isn't sure the airship is suited for the electronic warfare mission for which all the Army's JVX aircraft are earmarked.

The Army action comes less than a month after the Pentagon awarded Bell, teamed with the Boeing Vertol Co. of Philadelphia, a \$69 million preliminary design contract for the JVX. Later contracts would include a \$2.3 billion full-scale development program and a \$42 billion purchase program.

Able to take off, land and hover like a helicopter, as well as cruise like a turboprop airplane with the aid of rotating engines, the tilt-totor — a Bell project for 30 years — could revolutionize flight, aerospace officials have told Congress.

The Pentagon had expected the Army to contribute \$700 million to JVX development over the next five years, although Ambrose said the Army will argue during internal Pentagon budget deliberations that the money can be better spent elsewhere.

Although Pentagon studies last year determined that the JVX could be developed to meet the Army's "Special Electronic Mission Aircraft" plans, Ambrose took issue with that finding during a session with reporters.

The Army hasn't determined just how heavy the SEMA payload will be, he said, and that will make any selection of an aircraft for the mission guesswork. The Army will not know the size of that payload until well after full-scale engineering work on the JVX has begun if the Marines are to meet their 1991 initial delivery deadline, he said.

Ambrose said the SEMA mission doesn't warrant a special aircraft for that purpose, and he said its design might hamper SEMA flight operations.

The Army's withdrawal from the program will boost the price of each remaining JVX to the three other services and could make the cost too high to continue the program, some defense officials believe.

Bell, apparently, isn't taking any chances.

A spokesman confirmed Monday that the company is drafting plans for a tilt-rotor to fulfill the Army's LHX mission.