

# Funding Pressures Haunt U.K. Projects

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Scrambling to shave procurement costs, the British Defense Ministry is scrutinizing a raft of guided-weapons programs for the air force and army for potential cuts, at the same time

Guided-Weapon (LFATGW) programs. "It's basically about what you absolutely need to have, and what it would be nice to have," one military source told *Aviation Week & Space Technology*.



as it attempts to protect key weapons procurement programs.

Several air-launched and anti-armor missile projects are coming under the microscope as the ministry seeks to rein in procurement costs. Pressure for reductions is mounting from the Treasury-led annual comprehensive spending review.

The Defense Ministry is having to grapple with legacy guided-weapons programs that were driven by the need to attack large numbers of tanks and armored vehicles. This difficulty is being compounded by its increasing expeditionary warfare role and its requirements for precision-strike weapons, against a backdrop of looming cash constraints.

The ministry is in various stages of purchasing several new air-to-surface weapons for the Royal Air Force: the Precision Guided Bomb (PGB), the Brimstone anti-armor missile and the Storm Shadow land-attack cruise missile. Two short-range anti-armor missiles are being purchased for the army under the Next-Generation Light Anti-Armor Weapon (NLAW) and the Light Forces Anti-Tank

Procurement numbers for the NLAW are under pressure, according to industry sources. The ministry has been looking to procure 14,000-22,000 missiles. Sources believe 14,000 is probably the best that can now be anticipated. In the run-up to a selection of the missile, the ministry's Equipment Approval Committee will this month forward its recommendation.

**FOR THE LFATGW** program, some 4,500-5,000 missiles were originally to be purchased, though this number is also now under review.

The ministry also plans to cut the number of Brimstone missiles for its strike aircraft by at least 25%. However, this number cut has yet to be contractually agreed on with European missile manufacturer MBDA. The acquisition of the AGM-65 Maverick under an urgent operational requirement also impinges on Brimstone numbers.

"There is a rebalancing of the anti-armor weapons mix," a ministry spokesman confirmed.

Three bidders are vying for the PGB program, which is viewed as a priority pro-

gram to provide the air force with an all-weather/day-night low-cost precision weapon. Raytheon is offering a solution based on its Paveway family of weapons, MBDA is teamed with Boeing to offer Joint Direct Attack Munition (JDAM) variants and France's Sagem is proposing the Armement Air-Sol Modulaire, now in development for the French air force.

Revised bids for the first phase of the two-phase procurement were submitted on Mar. 12. The bids were prompted in part by the ministry's interest in using the fuze selected as part of the PGB program for retrofit of its remaining stock of iron bombs and possibly other air-to-surface weapons.

The ministry will downselect from three bidders to two in June. During the second phase, it will elaborate on its interest in an upgrade path for the basic PGB

**The RAF is keen to bolster its inventory of air-to-surface weaponry, like the Paveway, but it may first have to defeat Treasury desires to drive down costs further.**

to provide it with a standoff capability against an enlarged target set. Sources indicate on the order of 140 million pounds (\$196 million) has been earmarked initially for the PGB program, with up to 3,000 weapons to be purchased. This amount also has to cover aircraft type integration, in itself a significant cost.

Industry and ministry sources admit there is currently an imbalance between the number of low-cost precision weapons being purchased, and high-end standoff cruise missiles.

The initial buy of 3,000 PGBs is low in terms of its ratio to the number of Storm Shadow cruise missiles being bought. Around 900 Storm Shadow missiles are being purchased. By way of comparison, in the U.S., the ratio between the number of JDAM and Joint Air-to-Surface Standoff Missiles being bought is in excess of an order of magnitude greater. For example, in the next two years alone, the U.S. will purchase more than 50,000 JDAMs.

The initially limited PGB purchase is down solely to available funding, with follow-on orders likely. Given funding constraints, however, finding more cash for additional PGBs may need to be at the expense of another program.

A winner for the PGB program is likely to emerge during the second quarter of 2003, with service entry in 2006.

Beyond the initial PGB configuration, the ministry is also looking at an enhanced PGB which would provide a standoff capability, coupled with the ability to engage relocatable targets.