



MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

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MO 26/16/1

13th December 1985

De L. M.

The attached note has been provisionally approved by the Ministers of Defence of the French Republic, the Federal Republic of Germany, the Republic of Italy and the United Kingdom. If the proposals put forward by the European companies are accepted by the shareholders of Westland plc, the document in its present form will be formally approved and signed by the four Ministers. Also enclosed is a resolution between the Defence Ministers of these countries and the Netherlands concerning a collaborative European battlefield helicopter; the status of this document is the same as the one mentioned above.

I should like to make two points. First, as far as the United Kingdom is concerned, the approval of plans for a four nation battlefield helicopter will release funds previously earmarked for the development of a two nation project. This will enable us to place an order for 6 extra Sea King helicopters beyond the present and intended orders. The orders will be placed so that the helicopters expected delivery date will be early 1990.

Second, I draw your attention to paragraph 10 of the note, which says that requirements for helicopters in three classes - which includes helicopters in the 8-9 tonne class - will be covered solely in the future by helicopters designed and built in Europe.

Sir John Cuckney



I am sending a copy of this letter to Mr Agius of Lazard Brothers and Company Limited and to Mr Horne of Lloyds Merchant Bank Limited.

Yours truly

NOTE BY THE DEFENCE MINISTERS OF FRANCE, GERMANY, ITALY
AND THE UNITED KINGDOM

1. Ministers noted the substantial history of European collaboration of helicopters. In 1967 a bilateral programme of collaboration between France and the United Kingdom resulted in the development and production of three types of helicopter: the Gazelle, Lynx and Puma, which are in current use by their armed forces and which have been successfully exported. This collaboration has already resulted in the joint production of over 2000 helicopters.

2. Ministers also noted that, following the signature in June 1975 of a Memorandum of Understanding by Aerospatiale, Agusta, MBB and Westland an intergovernmental 4 Nation Helicopter Steering Committee was set up at official level to promote collaboration between the Governments. This Committee continues to meet regularly.

3. Ministers recalled that in 1978 the Defence Ministers of France, Germany, Italy and the United Kingdom signed a Declaration of Principles in which they expressed the intention of their Governments to work together to develop and produce new

helicopters, including their engines and their equipment, with a view to:

- a. increasing standardisation and interoperability by rationalising and reducing the types used within the Alliance;
- b. reducing costs by increasing the market for each type produced;
- c. maintaining a strong and healthy helicopter industry within Europe.

4. At that time the Ministers also agreed that they would:

- a. make every effort to reconcile their future requirements by agreeing common technical definitions and timescales so that their requirements can be met on a collaborative basis;
- b. seek to develop by this method a family of products suitable for sale to other countries;
- c. pursue a common policy with industry to promote

closer industrial collaboration, in particular by encouraging the creation of a working group composed of delegates from Aerospatiale, MBB, Agusta and WHL;

- d. inform each other and consult together before selecting new equipment and to make every effort to meet their needs with helicopters developed jointly in Europe;

5. Ministers noted that since the establishment of these arrangements substantial progress has been made in European helicopter collaboration:-

- a. In the 13 tonne class a bilateral programme has been set up between Italy and the United Kingdom. Known as EH101, this helicopter will be produced in Anti-Submarine Warfare, utility and commercial passenger versions. Full development was launched in 1984, first flight is planned for late 1986, and initial production versions will be available by about 1990.
- b. In the 8-9 tonne class feasibility studies have commenced of a helicopter known as NH90 under a

Memorandum of Understanding signed by the 4 National Armament Directors, together with their Netherlands colleagues. Tactical transport and naval versions of NH90 are planned, with an in-service date of about 1993/4.

- c. In the Light Attack Helicopter class there are currently two European programmes. In 1984 France and Germany signed a Memorandum of Understanding and placed contracts for the development of the PAH2/HAP/HAC 3G battlefield helicopter having a design mission weight of 5-6 tonnes. In Italy the A129 anti-tank helicopter with a mission weight of 4 tonnes is undergoing flight testing and an initial production order has been placed. Discussions are currently taking place between Italy, the United Kingdom, the Netherlands and Spain concerning the development of a further version of the A129 to meet their future battlefield helicopter needs.
- d. In parallel a range of helicopter engines is under development which will provide Europe with a family of new products across a broad power spectrum. In France the TM333 will have an output of some 900shp; the

MTM385, being developed collaboratively by France and Germany will have an output of some 1200 shp; while the RTM322, under collaborative development by France and the United Kingdom and in which Italian participation is under discussion, will have an output of some 2100shp. In 1985 MTU, Rolls Royce and Turbomeca signed an inter-company agreement in which they undertook not to develop competitors to these engines and to grant each other licence production facilities to meet the engine requirements of their Governments.

6. Ministers recognised the very substantial degree of progress which has been achieved in the helicopter and engine field towards meeting the objectives of the 1978 Declaration of Principles. They noted that that the projects described will provide the European industry with a competitive range of products for the 1990s employing the latest technologies.

7. However they now recognised the need to make further progress, especially in recognition that, following a period of substantial ordering of military helicopters during the 1970s the production requirements of their own armed forces have reduced and were likely to continue at a modest level during the remainder of the 1980s, before increasing again in the 1990s.

It had been hoped that military export and commercial orders for existing helicopters would sustain industrial capacity until the expected up-turn in 1990, but the depressed state of the world helicopter market has resulted in difficulties for all the European manufacturers (and especially for Westlands).

8. Ministers therefore decided that it was important to consolidate national requirements and to provide further for a strong and viable European helicopter industry. Accordingly they agreed to build on their success in harmonizing the requirements in the 13 and 8-9 tonne classes, and noted that it would be greatly preferable to achieve a single battlefield helicopter to meet the requirements of their Armies in the period 1993-5 onwards, thus maximising both the operational benefits of standardization and the economic and industrial benefits of a larger production run. Ministers agreed that a joint battlefield helicopter programme is practicable and desirable within the constraints of differing timescales and priorities. and have accordingly directed that requirements, detailed characteristics and procurement arrangements should be harmonised accordingly. Programmes currently in production would be unaffected but know-how and technology developed on programmes such as the A129, AS332, etc, could be adopted.

9. Ministers agreed that the economies resulting from the development and production of a single European helicopter in the battlefield class could make funds available for the enhanced procurement of programmes currently in production thereby alleviating the loading problems referred to in paragraph 7.

10. Finally, Ministers agreed that the European helicopter industry will be strengthened if a clear European preference is restated. They therefore agreed in reaffirming their commitment to the 1978 Declaration of Principles that the needs of their forces within the 3 classes set out in paragraph 5 should be covered solely in the future by helicopters designed and built in a cost-effective way in Europe.

RESOLUTION

BETWEEN

THE MINISTER OF DEFENCE OF THE FRENCH REPUBLIC,

THE FEDERAL MINISTER OF DEFENCE OF THE

FEDERAL REPUBLIC OF GERMANY

THE MINISTER OF DEFENCE OF THE REPUBLIC OF ITALY

THE MINISTER OF DEFENCE OF THE KINGDOM OF THE

NETHERLANDS AND THE SECRETARY OF STATE FOR

DEFENCE OF THE UNITED KINGDOM OF GREAT BRITAIN

AND NORTHERN IRELAND

concerning

THEIR INTENTION TO INITIATE A PROGRAMME FOR

THE DEFINITION, DEVELOPMENT, PRODUCTION AND

SUPPORT OF A EUROPEAN BATTLEFIELD

HELICOPTER FOR THE 1990s

The Minister of Defence of the French Republic, the Federal Minister of Defence of the Federal Republic of Germany, the Minister of Defence of the Republic of Italy, the Minister of Defence of the Kingdom of the Netherlands and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, hereinafter referred to individually as "France", "Germany", "Italy", "The Netherlands" and the "United Kingdom" respectively, and "the nations" collectively:

HAVING NOTED THAT

- each nation has a requirement for battlefield helicopters to enter service in the 1990s, amounting to a total requirement of more than 600;
- there are two collaborative battlefield helicopter projects -HAP/PAH2/HAC3G and A129 LAH - under consideration by the nations;
- there would be a saving of effort and resources should the two projects be combined, which would be in accordance with the principles set out in the 1978 Declaration of Principles which, inter alia, expressed the desire of associated nations to foster co-operation

between their industries to develop and produce new helicopters; and allow savings in costs which might be used to further strengthen the European helicopter industry;

- Ministers have signed a Statement of Intent to pursue a single European solution for the battlefield helicopter;
- there is a high degree of commonality between the nations' needs for the basic battlefield helicopter;

INTEND

- to implement a joint programme to meet these requirements by a single joint European development of the basic battlefield helicopter to enter service in the 1990s. Such a helicopter is envisaged as including the following characteristics;
- a Mission Take-off Mass of around the 5 tonne class, depending on application;

- carrying up to 8 collaboratively developed anti-tank guided missiles, currently assumed to be LR TRIGAT;
- an advanced night vision and sighting system including optical, TV AND IR components;
- an engine from the European family of helicopter engines, (for example MTM 385 and RTM 322), whilst allowing installation of other engines;
- advanced helicopter technologies, including advanced rotor designs, active control systems, autonomous navigation system multi-function cockpit displays and composite structures.
- survivability with particular attention paid to agility and signature reduction.
- the more detailed characteristics are listed in the annexes attached to this resolution and will form the basis of the joint helicopter.

AND INSTRUCT

- their Chiefs of Staff and National Armament Directors to make joint detailed proposals for such a programme by the end of February 1986.

SIGNED IN THE [ENGLISH AND FRENCH] LANGUAGES BY:

INON1986

Minister of Defence of the French Republic _____

Federal Minister of Defence of the
Federal Republic of Germany _____

Minister of Defence for the Republic
of Italy _____

Minister of Defence for the Kingdom of
the Netherlands _____

The Secretary of State for Defence for
the United Kingdom of Great Britain and
Northern Ireland _____

HELICOPTER WORKLOAD AT WESTLAND

- DIRECT LABOUR

P.R.

ADDITIONAL WORK

2000

1000



MANUFACTURING WORKLOAD
- EXISTING AND MOD PROJECTS

6 SEA KING
AGUSTA
AEROSPATIALE

* * * * *

* DELIVERIES

87

88

89

90

91

13.12.85

