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MINISTRY OF DEFENCE

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PERMANENT UNDER-SECRETARY OF STATE
SIR CLIVE WHITMORE KCB CVO

19th June, 1986.

PUS/V86/627
(1/10)

mb
Prime Minister
I asked Clive
Whitmore for his
comments on a number
of the points put to you
by Arnold Weinstock.
This is the result.

Dear Charles,

NIMROD

CDP
20/6

In your letter of 10th June you asked for my views on a number of points which had been raised with the Prime Minister. Taken in order they are as follows:-

i. GEC have demonstrated new data processing techniques in the laboratory using previously recorded radar data. But they will not be in a position to test these new systems in the air with actual radar inputs until later this year.

ii. GEC will have to complete the contract at a fixed price because we have imposed that as a condition of the competition. But on the basis of what we know at present (and GEC have not yet submitted their final technical proposals) the view here is that there is still a significant technical risk associated with their ability to complete the contract in a reasonable timescale.

iii. I believe that this comment is unfounded. The project management staff in London are in day-to-day touch with GEC, while Peter Levene and David Craig recently visited GEC at Hemel Hempstead for a half-day briefing on the state of the project given by Jim Prior, Jack Pateman (the Managing Director of GEC Avionics) and their staff. GEC have also been told that we will take full account of any technical information and trials results that they make available to us right up to the last day of their 6-month trial period. The RAF have a very pressing operational requirement for an AEW system to allow them to discharge their primary role of providing air defence for the United

Kingdom. They would be delighted to take the Nimrod AEW into service at the earliest possible date if it can be made to work satisfactorily; and if Nimrod is the winner in the competition we are now running, that is what will happen.

iv. In making their initial submission Grumman pointed out that, in addition to their E2 Hawkeye aircraft, there might be a very cost-effective solution to be found by fitting their existing radar and computing system into our existing Nimrod airframes. We thought that this proposal deserved further examination and asked for a full proposal. Grumman could not provide this until 7th July. Jim Prior protested last week that this was giving Grumman an undue advantage over GEC and the other competitors whose final bids had been due in on 16th June; and so to ensure even-handed treatment for all the bidders, 7th July was set as the date for the submission of everybody's final fixed prices. The position was explained in the House of Commons by John Lee at Question Time on Tuesday of this week.

[I gather that GEC are satisfied with this.]

... You also asked for an overt account of progress on the Nimrod project and the possible alternatives. I attach short notes on the known contenders, but you will appreciate that until we receive the final submissions on 7th July, it is impossible to give any indication of the likely outcome of the competition.

Yours ever,

Alvin Whinnery.

C. D. Powell, Esq,
PS/Prime Minister,
10 Downing Street,
London, SW1.

NOTES ON AEW COMPETITION CONTENDERS

As currently demonstrated the GEC mission system in the Nimrod AEW aircraft is a long way from meeting the RAF requirement because the system becomes overloaded when the radar is pointing towards land and is unable to establish and display aircraft tracks with any consistency. GEC are working on various improvements, including the use of a new computer. It is unlikely that a system which begins to approach the RAF requirement could enter service before the end of 1988. The overall technical risk with this system is still high.

2. The Boeing E3 AWACS is already in service with the USAF and the NATO AEW force in Europe, and the Grumman E2 Hawkeye AEW aircraft with the USN. Technical risk for both these systems is very low.

3. The Lockheed Orion and Grumman Nimrod proposals both use the E2 Hawkeye radar mounted in an alternative airframe. The technical risk with these systems is presently assessed as being lower than with the GEC system but higher than with the Boeing E3 AWACS and the Grumman E2 Hawkeye aircraft.

4. In addition incomplete and non-compliant bids have also been received from Airship Industries (for an airship without a radar) and MEL (for a radar without an aircraft). Technical risk would be very high.