



Sean O'Keefe
Chairman and Chief Executive Officer

Member of the Group Executive Committee
EADS N.V.

September 11, 2013

Honorable Eric Fanning
Acting Secretary of the Air Force
1670 Air Force Pentagon
Washington, DC 20330-1670

Dear Mr. Secretary,

This is with regard to the Air Force plan to extend the life of the 40-year-old UH-1N fleet another ten to 12 years to meet the nuclear missile base security mission requirements. It appears to be widely acknowledged that this course of action will not alleviate the UH-1N critical shortfalls in meeting these vital mission requirements. Rather, the Air Force's present plan to modify these aged airframes is intended to provide an interim solution until replacement of the fleet can be achieved, perhaps in the next decade.

As an alternative, I encourage your attention to the cost-neutral option to recapitalize the UH-1N fleet with the UH-72 Lakota now. This would provide the U.S. Strategic Command an improved capability immediately at no additional cost. The expense of the planned UH-1N safety upgrades and higher operating costs over the next decade is more than the acquisition and operation of new UH-72A Lakotas, fully modern aircraft that would immediately close the operational capability gap.

We understand the urgency to find an affordable, near term solution. The UH-1N shortcomings to fulfill the 365/24/7 nuclear arsenal security due to age, range, speed, payload, the lack of all-weather capability and degraded night operations are well documented. The US Strategic Command leadership had repeatedly testified that the UH-1N is not the right aircraft for the mission and the security forces need new aircraft to meet the mission requirements.

Meanwhile, over 280 UH-72A Lakota have been delivered to the Army, Navy and National Guard, production continues and the aircraft are available today at a unit cost of just \$5.5 million. This is documented in the EADS North America response to the Air Force RFI seeking UH-1N modernization alternatives. This approach would permit the Air Force to acquire new Lakota aircraft under the existing Army contract at the current price. As a common DOD aircraft, the UH-72A procurement includes access to the existing logistics and training pipeline at no cost to the Air Force. Moreover, this approach offers proven program performance, high mission capable rates and low operating cost. Every Lakota aircraft has been delivered to the Army on time and on cost from our Columbus, Mississippi facility.

While the Air Force has devised acquisition strategies to replace the UH-1N on three separate occasions, the other armed services have retired this aged fleet. As such, the Air Force is the unique DOD operator of a small fleet of 62 UH-1N aircraft and now must shoulder the burden of the logistics, supply and training pipelines specifically for the nuclear missile security requirement. If the Air Force invests resources for UH-1N modifications and incurs the higher operating costs required to keep this unique fleet flying, it still doesn't meet mission requirements for yet another decade, and will require recapitalization in the future.

By contrast, Air Force investment of the same amount to acquire Lakotas on the Army contract will yield a modern aircraft that can meet the 365/24/7 critical national security mission requirements. But, this is a time-sensitive opportunity. Budget uncertainties have impacted the Army, and the future of the Lakota production line in Mississippi is winding down.

Thank you for your thoughtful attention to this important issue. I would welcome the opportunity to speak with you about the UH-72 alternative outlined herein. Acquiring highly capable, all-weather Lakotas beginning in FY15 will lower the risk to the U.S. Air Force nuclear enterprise, and will save taxpayers the considerable cost of future recapitalization.

Cordially,

A handwritten signature in black ink, appearing to read "Sean O'Keefe". The signature is stylized with a large "S" and "O", and a distinct "K" and "E".

Sean O'Keefe
Chairman and Chief Executive Officer

cc: General Mark A. Welsh, III (Chief of Staff, USAF)
General Lawrence Spencer (Vice Chief of Staff, USAF)
Dr. William LaPlante (Principal Deputy, Assistant Secretary of the
Air Force (Acquisition))