



CHINOOK, APACHE FACE CUTS IF BUDGET TALKS FAIL

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Two Boeing helicopter programmes – the Boeing AH-64 and CH-47 **Chinook** – **face** several **cut-**backs if the Congress is unable to pass a new budget for Fiscal 2016, US Army acquisition leaders warn.

The army's request to buy 64 AH-64Es in the fiscal year that began on 1 October would be cut by half under a continuing resolution, says Heidi Shyu, assistant secretary of the army for acquisition, logistics and technology.

Under the same scenario, the army also would be forced to buy seven fewer remanufactured CH-47Fs, while also slashing new-build Chinooks models by half, Shyu says.

Both cuts would be part of a \$6.1 billion loss from the army's acquisition accounts in the event of a continuing resolution, Shyu says.

"It is a big impact," she adds. "It isn't just a little impact."

A continuing resolution is a quirk of the US budgeting process if lawmakers are unable to pass an

annual appropriations bill. Instead, Congress can pass a continuing resolution, which general resets spending levels to the previous fiscal year.

There have also been times when Congress is unable to pass a continuing resolution, and that triggers a temporary government shutdown until an agreement can be reached. Such a scenario played out only a month when ago, when a last-minute deal passed a continuing resolution that keeps funds flowing until it expires in December.

Speculation is rising that Congress will resort to such brinkmanship tactics all year rather than pass an appropriations bill that would allow spending levels to rise.

The uncertainty comes at a sensitive time for the AH-64 programme. The army is negotiating the terms for a new multi-year procurement deal, which is expected to be signed in Fiscal 2016 but take effect from Fiscal 2017-2022.

Col Jeff Hager, the army's project manager for the AH-64, declines to comment on speculation about a continuing resolution, but says his office remains focused on securing approval from the Secretary of Defense Ashton Carter for the multi-year agreement.

Any such deal is likely to involve dozens of aircraft ordered by foreign customers. Boeing is now in talks with 10 potential customers, with a combined total of more than 75 aircraft in discussion, says Mark Ballew, Boeing's head of business development for attack helicopters.

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