

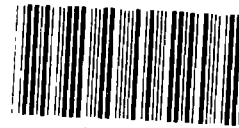
GAO

Fact Sheet for the Honorable  
Howard L. Berman, House of  
Representatives

July 1987

# AIRCRAFT REQUIREMENTS

## Navy's Plans to Acquire a New Maritime Patrol Aircraft



133905



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United States  
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National Security and  
International Affairs Division

B-227526

July 17, 1987

The Honorable Howard L. Berman  
House of Representatives

Dear Mr. Berman:

On April 14, 1987, you requested us to review the Navy's plans to develop a replacement aircraft for its P-3C maritime patrol aircraft. As you requested, this fact sheet summarizes information we provided in a briefing to you on June 1, 1987.

In November 1985 the Navy initiated a program to acquire an improved P-3C on a competitive basis. In March 1987, after the Navy had been unable to obtain such competition, it expanded the program to include derivatives of commercial aircraft. However, the Office of the Secretary of Defense (OSD) delayed the request for proposals (RFP) because it was concerned that the Navy did not have a basis for comparing the different types of aircraft that could be proposed and their costs and that the Navy had not performed an analysis of the aircraft characteristics required. Discussions between the Navy and OSD resulted in the Navy announcing that it would conduct a study that would more clearly define technical requirements.

On May 26, 1987, the Navy issued a request for information (RFI) on alternative aircraft, along with a draft RFP. Responses to the RFI and the draft RFP will be used in performing the requirements study and in developing the final RFP. The Navy's plans for a new maritime patrol aircraft are discussed in more detail in appendix I.

In performing our work, we obtained information from the Navy's P-3 Program Office and from other cognizant offices in the Navy and OSD. We discussed the contents of this fact sheet with agency officials as it was being developed and incorporated their views where appropriate.

B-227526

As agreed with your Office, unless you publicly announce its contents earlier, we plan no further distribution of this fact sheet until 7 days from its issue date. At that time we will send copies to interested parties and make copies available to others on request.

If you have any questions, please contact me at 275-6504.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "John Landicho".

John Landicho  
Senior Associate Director

NAVY'S PLANS FOR A NEW  
MARITIME PATROL AIRCRAFT

The P-3 is a military derivative of the Lockheed Electra commercial aircraft that was developed in the late 1950s and is used primarily to locate and destroy enemy submarines--antisubmarine warfare (ASW). Other missions include antisurface warfare, minelaying, and ocean surveillance. There are 24 squadrons with 9 planes each in the active fleet and 13 squadrons in the reserves. Two of the active squadrons and 12 of the reserve squadrons still fly P-3As or P-3Bs, which are earlier versions of the aircraft. All other squadrons use the latest version called the P-3C, which was first delivered in 1969.

NEED FOR A NEW AIRCRAFT

The Navy has identified a need to replace the large number of P-3As and P-3Bs reaching the end of their service lives between 1992 and 1997. The Navy believes an aircraft with a greater range and payload than the P-3C's is needed. Currently, the P-3C cannot reach some of its patrol areas and still have adequate flying time left to patrol those areas. In time of war some of the foreign airbases now being used might be denied, which would exacerbate the existing range problem. The Navy also believes that, to deal with the future threat, an aircraft is needed with the ability to carry larger payloads of mission avionics and ordnance. Finally, the Navy believes an aircraft using newer technology may be less expensive to support.

STEPS BY THE NAVY TO  
ACQUIRE A NEW AIRCRAFT

In November 1985 the Navy initiated a program to acquire an improved derivative of the P-3C that was to be called the P-3G. The Navy had been buying various versions of the P-3 from the Lockheed-California Company without competition for many years, and it believed that the introduction of competition into further procurement of these aircraft would result in cost savings.

The acquisition target was 125 aircraft, about equal to the number of aircraft in the 14 P-3A and P-3B squadrons. The P-3G was only intended to satisfy the need for aircraft in

the short term because the Navy later planned to acquire a more capable aircraft, called the VPX, that would satisfy long-term needs.

The Navy decided not to buy additional P-3Cs after fiscal year 1987. New P-3G aircraft would be assigned to active squadrons, which would in turn give their P-3Cs to the reserves. The Navy also decided not to upgrade the P-3As and P-3Bs currently in the fleet. A Navy study showed that the cost to upgrade P-3As and P-3Bs to P-3C standards and extend their lives 10 years would be 85 percent of the cost of new P-3Cs.

In carrying out its plan, the Navy sent an RFI to industry in May 1986. Using information obtained from the respondents, the Navy formulated a specification for the P-3G that required a range of 1,600 nautical miles and a time on station of 4 hours with the ability to carry 28,500 pounds, a heavier ASW payload than the P-3C can currently carry. These range and time specifications are about equal to the original P-3 specifications. Over the years P-3 aircraft have been required to carry heavier payloads to meet the increasing submarine threat and, therefore, have lost some of their original range and time on station.

OSD officials approved the P-3G program in July 1986. At that time the name of the aircraft program was changed to the Long Range Air ASW Capability Aircraft (LRAACA) program.

In January 1987 the Navy released a draft RFP for the P-3C derivative to satisfy the LRAACA requirement. At the same time, an internal Navy document indicated that further internal review would be required if there was insufficient industry interest to promote competition. Following release of the draft RFP, no company other than Lockheed indicated an interest in building a P-3C derivative aircraft.

The Navy was unwilling to award a contract to Lockheed in the absence of competition; therefore, in March 1987 the Navy decided to expand the LRAACA competitive procurement to allow consideration of modified commercial aircraft as well as aircraft based on the P-3C. The Navy also decided at that time to update the draft RFP. While the basic aircraft performance requirements remained the same in the revised RFP, the mix of items comprising the payload (i.e. sonobuoys and weapons, which have varying packaging requirements) was

updated to reflect new developments in ASW technology, as presented to the Congress in the ASW Master Plan dated March 10, 1987.

The Navy initially planned to release its RFP to industry on May 1, 1987, and a bidders conference held on that date was attended by Boeing, Gulfstream, Lockheed, McDonnell Douglas, and Rockwell. However, OSD delayed the release of the RFP because it was concerned that expanding the LRAACA competition might result in different aircraft capability and greater cost than the OSD-approved program. It believed that if the Navy was going to consider aircraft other than P-3C derivatives, the Navy should develop a basis for comparing the different aircraft that would likely be proposed. OSD was also concerned that the Navy had not performed an analysis of the aircraft characteristics required.

Following discussions with the Navy, OSD agreed to the release of an RFI and a draft RFP. This was done on May 26, 1987. Prospective contractors were asked to provide operational analyses of candidate airframes in response to the RFI and to comment on the draft RFP. Responses were requested by July 15, 1987. The Navy announced that it would begin a study on the characteristics required in the new aircraft. The letter that transmitted the RFI and the draft RFP noted that the requirements study

"...may lead to different requirements (payload, range, speed, survivability, etc.) than currently exist or have been envisioned ..."

The Navy anticipates that a final RFP, reflecting inputs from both the prospective contractors and its requirements study, will be issued in September 1987. Assuming the RFP for the LRAACA is issued as planned in September 1987, the full-scale engineering development prototype is scheduled to be delivered in July 1990. Deliveries of production aircraft would begin in January 1993 and end in July 1998.

The Navy has not developed a formal cost analysis for the LRAACA program or detailed plans for how it will compare the costs and benefits of different aircraft that may be proposed. A Navy official stated that a methodology for comparing costs and benefits will be developed as part of the requirements study.

The Navy has not yet resolved whether the LRAACA will be a long-term, or merely an interim, solution to its need for maritime patrol aircraft. The Navy's long-term plans call for a follow-on aircraft--the VPX--to the LRAACA; however, some Navy officials believe a follow-on aircraft would be too costly.

The conference report accompanying the Department of Defense Authorization Act for fiscal year 1986 requested the Navy to establish a long-range maritime patrol aircraft procurement plan. This report requested that the Navy's plan address expanding the capabilities of the current fleet, introducing greater competition into the program, and providing for greater capabilities within the same general budget level. The Navy prepared a draft but has not approved a long-range maritime patrol aircraft procurement plan.

#### STATUS OF THE P-3C

Currently, the last P-3C delivery is scheduled for August 1989. The Navy and Lockheed have discussed delivery stretchouts for the P-3Cs bought in fiscal year 1987, but no agreement has been reached. The Navy plans no further procurement of the P-3C; however, it believes there is a good possibility of foreign military sales of P-3Cs in the near future. The 11 planes bought in fiscal year 1987 (including 2 for Norway) are to be the last P-3Cs unless additional foreign orders are received. A delivery stretchout and additional foreign sales would assist Lockheed in keeping its P-3C work force together. Keeping the P-3C work force together would be valuable to Lockheed if it wins the LRAACA competition.

The Navy also plans to modify 133 older P-3Cs to receive the current production mission avionics equipment, while 80 of the newer P-3Cs will receive the mission avionics equipment now in development. This newer equipment will also be used in the LRAACA.

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