

“We Europeans have the best expertise for the construction of helicopters.”

Despite the projected cut-backs that the German Minister of Defence has anticipated for the defence budget, the Bundeswehr has a number of imminent requirements resulting from operational experiences in out-of-area operation, above all the ISAF mission in Afghanistan. The service introduction of new and additional rotary wing capabilities ranks among the top materiel priorities.

In this interview, Dr. Lutz Bertling, the President and CEO of the Eurocopter Group, considers the situation of and the perspectives for his company.



Dr. Lutz Bertling has been the President and CEO of the Eurocopter Group since November 2006.

All photos: Eurocopter

ESD: How long have you been in your current position, and how has the company developed under your direction?

Bertling: After being a member of the Board of the Eurocopter Group between 2003 and 2006 I was appointed Group CEO in November 2006. The first few years were characterised by strong growth, and we increased delivery figures to almost 600 helicopters per year. This required comprehensive adaptation of organisational structures and processes, which we have successfully implemented. During the last years Eurocopter has obviously also been affected by the difficult global economic situation, this again requiring adequate measures. Thanks to a significant volume of government orders we have been well able to compensate financial shortcomings in the civilian sector, although a significantly reduced order income – in terms of numbers – had to be accepted. De-

liveries could be maintained at a high level above 500 helicopters. One important focus during my early years was and has been the increased investment in new, innovative products and services. In this sector we will continue to boost Eurocopter’s attractiveness with very interesting offers in the years to come.

ESD: As a result from the delays in the German TIGER and NH90 programmes your company has been subject to severe criticism for quite some time. Is this kind of criticism justified? Does the industrial prime contractor represent the major problem?

Bertling: Essentially, military procurement programmes are technically highly sophisticated and need continuous adaptation to new and changing operational findings. Besides, the test and certification procedures are extremely demanding. But this is necessary, because the lives of our soldiers depend on the performance of our aircraft. There is no alternative to running major procurement efforts in multinational arrangements. Although this generates many technical advantages it requires stringent coordination among and between all players. This explains why military procurement efforts frequently become subject to delays. There is no “black” or “white”. I am not questioning that industry has underestimated the length of development cycles and, also, the complexity of processes in the cooperation with OCCAR, the international defence procurement agency, and other partner nations. But the German customer, too, has had major capacity problems in the rating authorities and with the certification of series production helicopters. In no other country the certification process lasts as nearly as long as in Germany. Also, some GFE items were only supplied after year-long delays.

Shifting the blame to each other, however, does not help. What I want is closer cooperation between all involved parties when it comes to identifying and solving problems – problems that one just cannot avoid in such a complex programme – in order to make sure that finally the user can take faster advantage of the materiel that he needs.

During operations in Afghanistan the TIGER in particular has demonstrated that we Europeans have the best expertise for the construction of helicopters. If, for instance, you speak with a French TIGER pilot, he will confirm that there is currently no other comparable helicopter. The French aircraft are flown there with a

very high technical availability and with a high rate of mission success. Besides, the Australian Army has achieved operational readiness of the TIGER this year. And we should not forget that similar programmes in the United States that were supposed to run in parallel, like COMANCHE, ARH or the Presidential Helicopter, could not be completed successfully.

ESD: Which advice can you give to the public procurement authorities in order to exclude – either in part or in total – such delays in future programmes?

Bertling: In principle we should agree on all involved parties – procurement (BWB) and materiel authorities (Air Force) as well as the users (Army) – working closer together in order to realistically assess and implement the complex requirements. Here, all involved have to better direct their efforts in the same direction and have to cooperate in integral teams.

Already when drafting the contract one has to discriminate between the current state of technology (which has been demonstrated) and what might become possible in the future. If you want the latter you cannot determine prices and delivery deadlines in advance.

Frankness and visibility are crucial for all parties in order to jointly and early address problems that such a complex programme will inevitably bring along.

Besides, all involved have to learn their lessons from the problems identified. In order to avoid delays in future it will, for instance, have to be made sure that sufficient military personnel is available for tests and certifications of the new weapon system.

ESD: The German procurement authorities have issued requests for proposals (RfPs) for new naval helicopters as well as CSAR capable platforms for the Air Force. What are the perspectives of your company in light of these requirements? What can Eurocopter offer that others can’t?

Bertling: It is correct that Eurocopter participates in the competition for the Bundeswehr’s new naval helicopter with the type NH90-NG. We submitted our offer for 30 aircraft at the beginning of August. With the SEA LYNX and SEA KING models Eurocopter has gained year-long experience in the maintenance and modernisation of naval helicopters for the Bundeswehr. In response to the requirements of the German Navy the MH90-NG is a dedicated development for use with the Class F124 and F125 frigates. Over the last ten years already

250 million euro have been afforded in development efforts for this aircraft.

As a result, the NH90-NG is the helicopter with the highest level of interoperability with the NH90 fleets of the Army and the Air Force. This high commonality between the services' fleets results in significant savings in operating and life cycle costs. Pilot training, the use of simulators and spare parts logistics are almost identical, and that reduces costs.

Only few weeks ago we delivered the first naval helicopters to the Netherlands and France as our allies in NATO. Norway and Italy will also be served later this year. With the naval version of the NH90 the Navy receives a weapon system that she has specified herself, and which is already in use with other navies.

In the scope of the „CSAR Helicopter” procurement programme Eurocopter received the RfP for the development and integration of mission kits in 19 NH90 aircraft, which the German Air Force has already procured. Of the three required mission profiles the NH90 CSAR responds to two, and one in part. Since these helicopters have already been ordered and only the related, though extensive, mission kits have to be procured, it is the fastest available and by far most economic solution for the imminently required capability profile of air rescue operations while facing hostile threats.

ESD: *What are Eurocopter's perspectives with regard to the European requirement for a future heavy transport helicopter (FTH)? Do you have a design preference (single or tandem rotor)?*

Bertling: As an important operational element of the Bundeswehr and friendly forces the next generation transport helicopter (FTH) will have to respond to the requirements for a tactical transport system for decades to come. Best possible protection of the soldiers and interoperability of our forces, particularly during



345 UH-72 LAKOTA Light Utility Helicopters (LUH) are under contract by Eurocopter for the U.S. Army.

combined missions and operations abroad, have been identified as priorities.

Currently, there is no helicopter model available or under development, which could satisfy the requirements that have been formulated by Germany, France and NATO, too.

FTH will be the exposed European helicopter programme of the decades to come. Moreover, as a result from a similar capability gap of the US forces, there is the possibility for a transatlantic cooperation pattern that all participants can take advantage of.

Through optimisation of the economic and technological benefits a joint transatlantic FTH programme not only bears the potential to minimise risks and costs for all involved, besides, it can effectively support our international defence policy and facilitate common crisis management.

To consider these demands, we are working with Boeing on a pre-feasibility study in order to explore possibilities for the design and construction of this new type of helicopter – in response to all requirements. However, a contractual agreement detailing the individual shares in this cooperation has not yet been formulated, so I cannot release any conceptual details in this regard.

ESD: *Which of the programmes relevant for Eurocopter do you envision to be threatened by the budget cuts that the German Minister of Defence has anticipated?*

Bertling: Obviously, we are aware of the work that the structural commission is carrying out by order of the Defence Ministry, and we know the figures that have been suggested as budget reductions affecting the defence industry. Even if first proposals from individual working groups have already been publicised we have not yet entered into negotiations with the customer. For this reason I do not intend to contribute to further speculations at this point. I should wish, however that despite the downturn of the German defence industry the German core capability in the design and production of helicopters – which is at the leading edge globally – be maintained in the medium and long term. The same applies for protected vehicles, NBC defence technology and conventional submarines.

ESD: *What is the status of the Light Utility Helicopter programme for the U.S. Army?*

Bertling: This programme for the introduction of the UH-72 LAKOTA Light Utility Helicopter (LUH) into the Army of the United States of America represents an excellent example for good cooperation between the military and industry.

Once the selection of Eurocopter by the U.S. Army was confirmed all necessary resources for the production, delivery and in-service support of these helicopters were concentrated lo-



TIGER support helicopter of the German Army.



UH-145 manufacturing site.

cally. With this contract award Eurocopter has drawn on its 20 year long success story as a supplier of helicopters to the US Government. My company has already supplied aircraft to numerous public security organisations in the US, including the Coast Guard, the Department of Homeland Security and the FBI. We are proud that the U.S. Army has selected Eurocopter for this central mission portfolio, thus providing proof of the U.S. Army's trust in our abilities to comply with the demanding delivery schedule and the rigid support requirements for this important army helicopter.

With 345 helicopters under contract thus far all aircraft could be delivered to the customer on or ahead of schedule. One decisive element for this success is that this EC 145 based helicopter is operated by the forces under a civil certification from the Federal Aviation Administration (FAA) – and only the military adaptations are subject to dedicated military certifications. The Farnborough Air Show again provided a good opportunity to discuss this project with the customer who has confirmed his absolute satisfaction with the way the programme is running.

ESD: *Recently, one of your development focuses was on environmentally friendly technologies. What can Eurocopter offer in this segment, and what are the medium-term perspectives?*

Bertling: The reduction of exhaust and noise emissions represents a priority of these development activities that we have branded

BLUECOPTER. Even if Eurocopter has already set global standards in this field over the past 20 years, the objective is the development of yet more environment-friendly helicopters. In a first step we are aiming at an additional, drastic reduction of fuel consumption of the conventional turbine engines currently in use with our aircraft. But we want to go further: Eurocopter is already working on studies for the development of alternative propulsion systems, including low consumption Diesel- and electro-hybrid propulsion systems for helicopters. With regard to noise reduction in connection with increased efficiency we are working, above all, on new rotor blade technologies, which we have already introduced under the brand names Blue-Edge and Blue-Pulse and which are already subject to test flights on our aircraft.

ESD: *In general, what are the business perspectives of your company? What do you tell a job entrant in Donauwörth when he asks you if his job will still be safe in ten years?*

Bertling: Like other helicopter manufacturers Eurocopter is a so-called „late cyclist“: Due to our order backlog and delivery schedules economic downturns affect us later than other industries. For the years 2010 and 2011 the global financial situation represents a difficult challenge for us. As a company, however, we have reacted in time to be prepared for the future. On the bottom line this means that particularly in difficult times we have to accompany our customers even more closely, offer-

ing related service and support measures. It also means, however, that we have to implement cost savings in the company wherever suitable and necessary. In parallel we have to make investments securing our future. As we are expecting a medium-term growth of some 7% annually, we are in the process of massively expanding our innovation activities.

And I would advise each entrant who has decided for a business career in aerospace that the helicopter industry is a “hidden champion”. Not only that helicopters are technologically particularly thrilling, no other segment in this industrial branch has such a diverging customer base – from wealthy actors through to globally active civilian fleet operators, government organisations tasked e.g. with air rescue duties, and the US Army. Eurocopter supports 11,000 helicopters for 2,800 customers. And these helicopters are subject to an extremely long life cycle. We have major subsidiaries and field offices in more than 20 countries, thus offering the opportunity to also gain international business experience. As a leading helicopter manufacturer in the commercial and semi-government markets with the largest product variety worldwide we are sure that we can offer job starters a multitude of thrilling challenges in the medium and long term. ■

Dr. Bertling, thank you for this interview.

The interview questions were asked by Jürgen Hensel.