**Defense Secretary Gives Go-Ahead To Army's Planned Aviation Restructure**
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Defense Secretary Chuck Hagel has approved an Army plan to restructure its aviation forces that includes divesting all OH-58 Kiowa Warrior helicopters and taking all AH-64 Apache helicopters out of the National Guard to fill the active component's armed aerial scout mission requirement, according to a defense official.

The official said the defense secretary has adopted the Army's plan in the form it was briefed on Capitol Hill, to key industry players and to Inside the Army last month. The approval of the aviation restructure was driven by internal Pentagon guidance given to the Army earlier this week. A resource management decision that will further detail the implementation of the plan, which will inform the fiscal year 2015 budget request, has yet to be distributed. Orders from the Army staff to move the plan forward are expected in March or April, the official added.

Another defense official confirmed the plan has leadership support, but noted the budget is only considered final when the President releases it.

Office of the Secretary of Defense spokeswoman Maureen Schumann told ITAtoday she did not have any information to release on any decisions from the defense secretary on the proposal, while Army spokes-man Lt. Col. Don Peters said the "Aviation Restructure Initiative is still an Army proposal," and referred further questions to OSD.

ITA first reported last month that the Army was proposing to restructure its aviation fleets to deal with declining budgets and expected force reductions. The service's FY-15 through -19 program objective memorandum was set to "salami slice" the Army aviation's budget, according to a service official, leading the Army to develop an alternate plan to better manage its aviation assets and structure the branch in a way that makes sense for its future role.

Army officials said in early December that the service's proposed restructure is designed to simplify the types of platforms within the fleet and divest the oldest, least-capable aircraft.

In addition to retiring the Kiowa fleet and using Apaches to fill the armed scout mission, the Army plans to retire its entire training fleet of TH-67s and replace those with LUH-72A Lakota helicopters.

In return for losing all of its Apaches and some Kiowas and Lakotas – a total of 215 aircraft –the Guard will receive 111 L-model Black Hawks, according to a National Guard Association document obtained by ITA. The Guard's total loss amounts to 104 aircraft.

The National Guard Association and Guard advocates on Capitol Hill are questioning the Army's proposed aviation restructure, especially its move to take Apaches out of the Guard. John Goheen, NGAUS communication director, said last week that taking the attack helicopters away from the Guard amounts to "squandering" valuable experience and capability. "Putting all the aircraft on that active side means that is all you've got," he said. "You have nothing in reserve. Where is the cost savings here? And quite honestly these proposals never take into consideration the value and experience, nor do they take into consideration the turbulence of these types of moves."

Goheen said the Army plan seemed to have been formulated in a hasty manner without the Guard's input, but Army spokesman Peters disagreed. "The Army has been completely transparent with the National Guard, which participated in the process, throughout the development of the Aviation Transformation effort and we will continue to be," he said.

The Army National Guard Readiness Center is putting together a counter-proposal that "is not ready yet," Goheen said last week, adding that he did not know the details behind it. He said he expected the plan to be ready soon for consideration by OSD.

"The Adjutants General are looking at the proposal," National Guard Bureau Chief Gen. Frank Grass told ITA following a Jan. 9 National Press Club luncheon. "We are getting some feedback; we had a meeting yesterday. We are not at a solution yet, but we are continuing to negotiate."

Grass said the Guard has been working "extremely closely" with the Army to find the right mix. The reserve components should be complementary to the active component, he said when asked whether the Guard needed Apache helicopters as part of its operations. "We've got a lot of experience right now in our Apache units and as the Army draws down we would like to be able to offer those pilots coming off active duty opportunities in the Guard and keep that experience level. What it takes to train an Apache pilot is a lot of time and lot of money. We could take that into the Guard and help save a lot of training and recruiting money," Grass added.

Also on the table in discussions is finding a way to structure the active and reserve components "where you bring the active and Guard to serve together because I think there is huge value there for the future," Grass stated.

"We've got a long way to go, we continue to work it and work it hard and the dialogue is every week. But in the big scheme, we have this budget issue we've got to deal with," he added.

Meanwhile, the Army is continuing to execute a program that is facing cancellation under the service's aviation restructure plan. Retiring the Vietnam-era Kiowa fleet would mean the cancellation of the OH-58's Cockpit and Sensor Upgrade Program, still in its early stages and not slated to reach low-rate initial production until July 2015. CASUP is meant to keep the Kiowa flying until a life-extension program can be initiated or a new replacement procured.

The Army has tried to replace the Kiowa Warrior three times, most recently holding official flight demonstrations of industry offerings from Boeing, Bell, EADS, AgustaWestland and MD Helicopter in the summer and fall of 2012. The Army also looked at data on Sikorksy's yet-to-be-built, next-generation coaxial helicopter, called Raider, that is expected to make its first flight by the end of the 2014.

"KW CASUP continues to execute in accordance with the restructured program schedule approved in August 2013. The first production qualification aircraft build is scheduled to complete in March 2014, and will then enter acceptance test procedures," Army spokeswoman Sofia Bledsoe wrote in a Jan. 9 statement to ITA.

The FY-14 budget and the next POM "are not certain at this time," she said. "In light of this uncertainty, the program is operating prudently by obligating the minimum resources necessary to maintain the program schedule."

The program "will continue to execute the developmental efforts as scheduled until a formal decision is made with respect to the Aviation Force Restructure," Bledsoe wrote. "Current development efforts include supporting the Flight Test Program and PQ aircraft builds for the Limited User Test and Milestone C." -- Jen Judson