

History Repeats Itself

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Panicky feds call in the Yanks

Americans enlisted to solve 21-year, billion-dollar chopper boondoggle

Imagine if the average Canadian setting out to buy a new \$20,000 car spent 21 years and an additional \$10,000 in expenses, trying to decide which model to buy.

Call in the shrinks. The federal government, on the other hand, is well on its way to spending 21 years and almost \$1 billion of taxpayers' money on administration and other wasted expense, trying in vain to decide

which model of naval helicopters to buy for an additional budget of about \$2 billion.

Solution? Call in the Yanks.

Sometime in the past week, the brass at National Defence headquarters in Ottawa quietly slipped their U.S. counterparts at the Pentagon about \$100,000 — don't ask about normal government contracting procedures on this one — to help sort out the great Canadian chopper boondoggle.

The money is being paid to the Mitre Corporation, a respected engineering consulting agency funded by the U.S. military.

It is not clear what the agency knows about helicopters — its website gives no hint that choppers are an area of expertise.

No matter, the American consultants are supposedly being hired to hunt for the truth in what has become a cesspool of bureaucratic infighting, political gerrymandering, and ferocious lobbying.

The Canadian helicopter program is also becoming a scandalous waste of taxpayers' money.

Insiders tell us when all the bills are in, the cost of bureaucrats and consultants working on this purchase since 1980 will add up to more than \$1 billion, including a \$400-million



Greg Weston

The Hill



TURBULENCE ... Cormorant helicopter purchase was kinked by petty politics.

"contingency fund" to cover everything the bureaucrats and consultants missed.

Calling in reinforcements from the American military is only the latest chapter — and expense — in a remarkable saga of mismanagement and political meddling on a scale stunning even for Jean Chretien's government.

While complaints about government contracting are not uncommon, get this: All three main contenders for the helicopter deal are now accusing the Canadian government of rigging the bidding process against them.

The leading contender, EH Industries, claims political interference from Chretien's office is intended to thwart the group's bid to sell the military its Cormorant helicopter.

The other two bidders, Eurocopter and Sikorsky Aircraft, claim it is the military that has rigged the required helicopter specifications to exclude them from the competition in favour of the Cormorant.

Last year, U.S.-based Sikorsky began complaining the company's chopper was being cut out of the running.

The fact that Sikorsky doesn't have a finished product to run in the bidding is certainly a major impediment, but hardly the fault of the Canadian military.

Now Eurocopter, a French-German consortium, has quietly threatened to pull out of the bidding altogether unless the military changes the required specifications. Eurocopter's basic claim — at the risk of great over-simplification — is the defence bureaucrats have gone nuts with their wish lists for equipping the new naval helicopters.

One insider told us the current specifications require so much gadgetry on board, with so much extra weight, the Eurocopter and Sikorsky choppers would have trouble staying airborne.

The larger and more powerful Cormorant has no such problems. Instead, it has a hurdle of a different sort.

The Italian-British Cormorant is the same make as the 43 helicopters ordered by Kim Campbell's Tory government in 1993 — the ones cancelled that year as an election gimmick by Chretien's incoming Liberal government.

After taxpayers shelved out more than \$500 million in cancellation fees, the military again chose the Cormorant for its 15 new search-and-rescue choppers in 1998.

The prospect of now filling the rest of the cancelled Tory order for Cormorants with 28 new Cormorant navy helicopters is obviously one political embarrassment Chretien's crowd would like to avoid.

In fact, sources tell us that pressure from on high erupted into all-out war at National Defence headquarters this week.

Apparently, senior managers in charge of the helicopter program were simply ordered to "dumb down" the requirements to include Eurocopter and Sikorsky, or look for new jobs.

Twenty-one years and a billion bucks for what? If nothing else, all of this is certain to leave a lasting impression with U.S. military consultants.

Weston is the Sun's national political columnist

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