

and Portugal) participating in the Airbus Military Company over design, cost overruns, and other issues.⁶⁹

The French support the Airbus Industrie's A400M option as a means of addressing Europe's deficit in strategic airlift capability necessitating the replacement of Europe's aging fleets of American-built Lockheed Hercules and German-French Transall C-160 by 288 of the FLA's.

In November of last year, Belgium, Britain, France, Germany, Italy, Luxembourg, Spain and Turkey made a decision to place a collective order for 225 of the Airbus A400M military transport aircraft.⁷⁰ The A400M's procurement contract, worth an estimated \$20 billion, is expected to be signed by OCCAR in time for this year's Paris air show (June 16-22). It will be the first contract signed by the agency on its own authority since OCCAR gained bona fide legal footing on January 28 of this year. According to industry sources, "A decision by seven European nations to give an embryonic procurement agency, OCCAR, oversight of their purchase of a A400M military transport aircraft is the agency's long-sought stimulus for more efficient, coordinated military purchases in Europe."⁷¹ Lucien Mille, former financial director of OCCAR and now head of the Paris-based Fondation pour la Recherche Stratégique described it as "a strong political gesture."⁷²

Common New Generation Frigate (CNGF)

Differences in procurement procedures have plagued a collaborative effort to build the Horizon air-defence frigate. Launched in 1994, the project envisioned the production of 22 6,000-tonne air-defence frigates, 12 of which were ordered by Britain, 4 by France and 6 were supposed to go to Italy. Despite a last-ditched attempt in March 1999 to maintain British participation by offering British companies the largest share of the construction work, the tri-national programme collapsed in April following Britain's withdrawal.⁷³

According to a UK House of Commons Defence Committee Report published in November, the UK withdrew from the project "after losing patience with the programme's unfocussed management and the high price of the warship." Among other stated reasons were "the incompatibilities of the equipment selections and competition policies of Horizon's partners."⁷⁴ Basically, the British government, with its market-oriented procurement policy and its privatised defence industry regarded cooperation with Italian and French state-owned shipbuilders impracticable. The UK Chief of Defence Procurement Sir Robert Walmsley blamed fighting over workshare on Project Horizon as responsible for its demise.⁷⁵

69. Tomas Valasek, "European Defense: Slumbering No More?" *Weekly Defense Monitor* (14 May 1999), <http://www.cdi.org/weekly/1999/>.

70. Belgium will purchase 7 A400Ms, France 50, Germany 73, Italy 16, Luxembourg one, Spain 27, Turkey 26 and the United Kingdom 25.

71. Douglas Barrie and Brooks Tigner, "OCCAR Finally Moves Toward Oversight Role," *Defense News* (11 Dec. 2000), p. 1.

72. *Ibid.*, 1.

73. "EU-frigate," *AFP*, 23 March 1999.

74. "UK report targets Euro industrial collaboration," *Jane's Defence Weekly* (17 Nov. 1999), p. 8.

75. Damian Kemp, J.A.C. Lewis and Bryan Bender, "The Year Of Building Carefully," *Jane's Defence Weekly* (1 Dec. 1999), pp. 21-3.