Governments contracting out missions that were once the preserve of the military to private companies is nothing new. As oil and gas support continues to be a declining revenue stream for helicopter operators, seeking opportunities in this outsourced sector is one way of helping commercial businesses while freeing up state resources in other crucial areas.

Steve Harrison, president of AAR Airlift Group, is certain that there is a wealth of openings for governments to utilise the commercial sector for defence operations. ‘What we’ve done is one aspect, but there are many opportunities to commercialise operations to get them done cheaper and [more] effectively. So [the military] can focus their resources on only what they can do… It’s about convincing governments to take that step,’ he said.

AAR Airlift Group, formerly known as Presidential Airways, was heavily involved in support operations for government customers before its acquisition by AAR Corporation in 2010, having conducted operations with US federal agencies in Afghanistan and Iraq.

The group has since diversified into Africa where it flies for the US Department of Defense and the UN. AAR Airlift also works for the US Navy, with its embarked helicopters taking care of vertical replenishment through ship-to-shore and ship-to-ship movements.

In a recent development, AAR Airlift is conducting SAR operations with two AW189s and support helicopter missions with two S-61Ns for the UK MoD in the Falkland Islands.

**Challenging environments**

Harrison told RH that AAR Airlift works at its best in challenging environments where there are limited resources on the ground. ‘Our DNA has been wrapped around austere and expeditionary operations, particularly where there’s conflict or actual combat, and also where there’s little infrastructure and little development. [That] is where we operate best,’ he commented.

Despite a reduction in military expenditure amid the budget cuts of recent years, the group’s fourth quarter results saw an increase in sales. ‘The fourth quarter performance was in line with our expectations as the company benefitted from recent investments and strong execution,’ David P Storch, president and CEO of AAR Corporation, noted in a call to analysts.

‘In aviation services, fourth quarter sales grew 11.2% from last year to $400 million due to strength across the segment, while in expeditionary services, sales grew 4% to $57.8 million, which included the successful launch of our Falkland Islands search and rescue programme,’ he added.

‘We have a very strong balance sheet at present. We’ve got a lot of capital that’s available to us, so for us it’s a challenge, but it is also an opportunity that we are in a position to expand given the right opportunities and the right contract,’ said Harrison.

With these firm foundations in mind, the group has the capacity to explore other regions such as Africa. AAR Airlift has now been conducting operations throughout the region for over three years, encompassing Burkina Faso, the Central African Republic, the Democratic Republic of Congo (DRC), Niger and Uganda.

In 2015, it won a $19 million contract with the UN to provide air charter services for three years in the DRC.

Reinforcing his point that the company works well under challenging conditions, Harrison noted that its African operations are taking place in ‘austere locations’, which requires strong competencies in logistics to deal with limited infrastructure on the ground.

‘The other unique competency we can bring is personnel. It takes a specially trained workforce, it takes a particular mindset, and particular training in order to operate in the middle of the jungle.’

**Further afield**

With AAR Airlift’s recent contracts taking place in African jungles or SAR missions in the South Atlantic, Harrison is optimistic of building on this experience even further afield.
Conditions was also a plus point. ‘It’s a tremendously capable aircraft and it has a large cabin so the rear crew like that a lot.’

**Considered choice**

AAR Airlift also flies S-92s elsewhere and while that aircraft was considered for the Falklands, the AW189’s cabin was assessed as being large enough for the crew. ‘They’ve got work space. We can configure it for ten people if we want to carry passengers, but we can also put two crewmen back there, or a couple of patients, and then have it configured for four,’ explained Harrison. ‘It was really about matching the aircraft to the solicitation requirements rather than any perceived notions of capability.’

The two AW189s are on lease from Lobo Leasing. The group is subcontracting to the OEM has a field service representative based in the Falkland Islands. Harrison explained to RH that the type was seen as a perfect fit for the mission, adding that it ‘seemed to be tailor-made for the requirements that were requested for this solicitation’.

The 8t aircraft can seat one or two pilots, and accommodation for passengers can range from 16-19 persons dependent on the layout. The cabin is 3.4m in length with a 2.4m width and 1.4m height. The AW189 can fly at speeds of up to 150kt.

The mission equipment added to the platform in line with the contract was: a twin hoist, a FLIR sensor, a synthetic vision system, a combined mission console, a four-axis autopilot, a limited ice protection system, and SAR/weather radar capability. According to Harrison, the ability to hover over a moving target in bad weather conditions was also a plus point. ‘It’s a tremendously capable aircraft and it has a large cabin so the rear crew like that a lot.’

**SAR operations have been conducted by AAR Airlift Group and partners since April this year.**
BIH for maintenance and the operation of two S-61s for passenger and cargo transfers. Relations with the latter company are particularly strong due to a shared knowledge of platforms. ‘There’s a positive dynamic between the two of us because they also operate S-61s and we’re the largest commercial operator of the S-61 in the world. So there’s a lot of crosstalk and potential to share ideas, tools and equipment,’ Harrison said.

The AW189s’ delivery was slightly delayed, although this did not affect the overall programme schedule. BIH received the AW189s towards the end of 2015 for initial training which took place in Newquay, UK. Prior to delivery, simulators were used by the crew. The initial phase took around three months and included role training. It was during this period that EASA certification was gained, as well as NVG and low visibility approvals.

Both aircraft were then flown to the South Atlantic on board an Antonov An-124. Once in the Falklands, orientation took place with the military units based there, with the UK CAA then providing final certification alongside the MoD inspection and approvals.

The official Sea King SAR operations ended on 1 April 2016, and the AW189s began missions almost immediately. Harrison could not divulge details of operations due to MoD restrictions but noted that call-outs had been responded to in a timely manner and this had ‘proved our bona fides’.

The AW189 crews largely have military backgrounds, with SAR and offshore experience. The requirement laid out in the contract is for only one helicopter, although it has to have 98.5% mission availability, hence the need for a second aircraft.

This assists with scheduled maintenance and the second AW189 can act as a backup for SAR and support helicopter missions.

Regarding fleet expansion, Harrison said: ‘It would have to be mission-driven, so if there’s an expanded requirement then we would. With the current contract we wouldn’t have the need for additional capability.’

**Upgrade potential**

Considering that the contract is ten years long, RH asked whether there would be capacity for technological upgrades.

‘We are undergoing a software progress, which is in progress right now, a version three software which is evolutionary rather than revolutionary,’ Harrison said. ‘We are more likely to refine the system than modify it.’

Some of the hurdles to be overcome from AAR Airlift’s perspective were financial.

‘One of the challenges facing this particular contract, from a business perspective, is currency – the different currencies and how to inoculate ourselves against rapid changes in the currency environment,’ Harrison noted.

‘So we operate almost exclusively in pound sterling on this contract... our employees are paid in sterling, we pay BIH in sterling, but there’s no getting around that we need to pay some bills in euros with respect to [Leonardo Helicopters] and some of their vendors,’ he added.

‘Brexit [the UK voting to leave the EU] has not been good for us because the currency was diminished and that hit our bottom line a little bit converting to dollars. I think that is just the nature of the business,’ Harrison noted.

Looking towards the future, AAR Airlift sees the Falkland Islands programme as...
demonstrative of what the company can achieve in terms of the commercialisation of military operations.

Harrison would not divulge who he was talking to for future programmes but he could confirm that ‘undisclosed efforts are taking place at the moment’.

‘I believe that our core competency [defence work] will continue probably at its current level or slightly above. We are hopeful that we’ll be able to leverage our success in the Falkland Islands and the offshore rescue we’ve done, and other opportunities with other governments or existing [customers] like the US or UK.’

In relation to new opportunities being explored, Harrison said: ‘To field on time and on budget and perform well with our Falkland Islands positioning – we are confident we’ve done that and are able to do that going forward.’

A former US Air Force commander with an insight into the intricacies of military operations after having commanded three deployed units in Afghanistan and Iraq, Harrison has ample experience he can apply to his role at AAR Airlift.

**Intimate understanding**

‘I have an intimate understanding of what the... limitations are for defence operations, and I have a strong understanding of where they can benefit from the commercial sector.

‘I really believe that the commercial sector in the US and the West in general has an asymmetric advantage that they have over other potential opponents. The commercial sector in the West is able to produce just about anything you can imagine with tremendous creativity and talent.’

Harrison went on to say that commercialisation of a military operation for a national mission is a ‘rewarding’ programme as ‘it brings great value to the taxpayers’.

He pointed out how commercial operators are able to utilise technologies much faster in comparison with government agencies, which allows the latter to use their assigned resources elsewhere in areas such as law enforcement.

Candidly, Harrison said that the employment of commercial organisations to conduct SAR missions would provide leverage to the budgets of government agencies.

‘Frankly, I think given the resource constraints that all Western governments are under, the model that we’ve been able to demonstrate in the Falkland Islands is the sort of model that every government agency should be looking at as at least an option.’

He continued: ‘If they’re not at least exploring or considering these options, then I think they are probably doing a disservice to the taxpaying public.’