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TO: Adm. Zumwalt

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FROM: W. R. Clark

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DATE: 1/22/91

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PHONE # 703-875-8400

January 22, 1991

Dear Secretary Cheney:

On December 10, 1990 the Navy made the F-14D the fighter of choice in its final budget submission for the FY 92 Budget. This conclusion was reached after 18 months of Fighter Alternative Investigations by the Navy, studying the NATF, F-14, F-18, and relevant upgrades. This outcome reflects the future planning flexibility the F-14 offers the Navy in both the fighter and attack arenas.

The F-14D and its potential upgrades offer cost-effective weapon system options in fighter, strike fighter and medium attack roles. It's wide ranging operational utility, today and in the future, translates into planning flexibility as the Navy re-examines how to best achieve fewer asset types.

Reviewing the programatics, it appears that the NATF has high cost and risk. The F-18E is viewed as an all new design due to the magnitude of the changes with attendant high cost and risk. The F-14D development is done, with both TECHEVAL and OPEVAL complete, giving the Navy a no risk program with no required investment. F-14D upgrades for additional strike capability are retrofittable for the near term with the "Quick Strike" option requiring little or no up front development costs. Grumman's past performance in developing the F-14D provides confidence that any upgrade can be accomplished as predicted.

In the face of today's turmoil, the F-14D should be kept in production to maximize the options for the Navy and the country.

## ISSUES RELATED TO THE FATE OF THE F-14D AND GRUMMAN

### BACKGROUND

- o F-14 conceived as highly capable strike-fighter, with significant growth potential
- o Production/reman decision in 1990 budget process preceded:
  - Berlin Wall collapse ... which potentially favors re-emphasis on system upgrades
  - A-12 termination ... which necessitates re-look at Navy's "neck-down" strategy for reducing the different types of carrier-borne air assets
  - Persian Gulf confrontation ... which shows need for today's highly capable weapon systems and demonstrates the survivability of those air assets when used as part of an integrated battle plan including defense suppression and electronic warfare
- ... all astounding events, any one of which strongly favors a reconsideration of the F-14D production status at least for the near term
- o Navy made F-14 the fighter of choice in 10 Dec final budget submit
  - Conclusion based on 18 months of comprehensive Fighter Alternative Investigations by the Navy, studying NATF, F-14, F-18, and relevant upgrades (in the face of OSD guidance to do otherwise)
  - Outcome also reflects the future planning flexibility the F-14 offers the Navy in both fighter and attack arenas, magnified in importance by subsequent A-12 termination

### DESIGN OPTIONS AND OPERATIONAL PERSPECTIVE

- o F-14D and potential upgrades offer cost-effective weapon system options in fighter, strike-fighter, and medium attack roles; there are two distinct, yet related, design options:
  - F-14D with "Quick Strike" package ... which expands the capabilities of the F-14 in the air-to-surface arena, is very low cost/low risk, features predominantly software changes to introduce A/S missiles and radar modes, and can be available in the immediate future (e.g., folded into a 1992 buy of F-14D's)
  - Advanced F-14 (nee Tomcat-21) ... which is an "evolutionary" upgrade, builds on the completed investment in the F-14D, provides NATF-class operational performance, can be specifically tailored to stress critical strike mission mandates if desired, and has been configured to preserve retrofitability in manufacture
- o Wide ranging operational utility, today and in the future, translates into planning flexibility as Navy re-examines how to best achieve fewer asset types; i.e., new F-14D's today essentially "buy time" for the Navy to carefully examine air wings post A-12 termination
  - prior to 10 Dec ... A-12/NATF/ATS
  - 10 Dec submit ... A-12/F-14/ existing assets (go with F-14s into 21st Century)
  - post 7 Jan A-12 termination ... TBD, though one potentially attractive alternative involves a high/low mix of strike fighters, with the F-18 and its upgrade in the light attack role and the F-14 family serving as the high end strike fighter thereby providing at least an interim medium attack option (the transition of such F-14 assets nicely matches force level needs in the immediate future, and addresses potential inventory depletions due to Desert Storm)

### PROGRAMMATICS AND RELATED RISK

- o Development perspective for F-14 and alternatives
  - NATF: high cost and risk, with dependency on ATF success and unproven transition from Air Force to Navy, as well as marginal operational benefits

- F-18E: viewed as all-new design due to magnitude of changes, with attendant cost and risk (Navy even considering competitive production), and requires a single, large vehicle-oriented development program because today's F-18 is out of growth; upgrade to the "E" model addresses needs of the light attack community, could fit within a Navy air wing strategy focusing on high/low strike fighters, but still has substantial shortcomings compared to the needs of the VAM and VF communities (i.e., need considerably more investment in the future to consider an F-18 dominated air wing viable)
- F-14D: development is done, with both TECHEVAL and OPEVAL complete; thus, there is no risk with an F-14D program and no required investment (unit cost advantages of the smaller F-18E over the F-14D are compensated for by the upfront investment needed for the F-18E, and associated time-value-of-money, with comparable buy rates)
- F-14D upgrades: retrofitable nature of both near-term "Quick Strike" option and Advanced F-14 designs onto the current "D" model permits the Navy to utilize a block change strategy - with controlled, low-risk, incremental development as desired - starting with today's F-14D, adding Quick Strike, and tailoring any subsequent enhancements for strike or fighter roles as the Navy's future requirements and views of their air wing unfold (little to no upfront development cost; only make the investment as the need becomes obvious)
- A-12: though aircraft "primes" have been terminated for default, successful system component developments within the A-12 program potentially can be applied to F-14 upgrades based on the F-14 airframe's ability to still accept growth and the volume available in an F-14 class vehicle ... this could further enhance the F-14's viability as an interim (or longer) attack asset and simplify any downstream system integration efforts because of the modular approach taken on A-12 (more modern than F-18)
- o Grumman's past performance in developing the F-14D provides confidence that any upgrade can be accomplished as predicted; in March 1990, the first production F-14D was delivered on-time and on-performance, based on commitments made over six years ago, within five percent of projected cost, managed under an aggressive no-profit development program ... almost a singular accomplishment in this industry today

#### GRUMMAN AND THE INDUSTRY

- o Grumman: viability as producer of new aircraft relies on a strong F-14 program because of other DoD/Navy decisions on A-6, EA-6, and E-2; timing is critical in the face of a production gap for new articles; Internal Corporate Redirection effort has made substantial progress in streamlining operations, but business base is essential in controlling unit costs
- o Navy Airframe Manufacturers: today there are only two suppliers with the unique engineering, manufacturing, and support skills to design, produce and deliver carrier-based aircraft ... termination of the F-14D will lead to total reliance on a single industry team
- o Subcontractor Base: In the face of recent developments on other programs such as A-12, P-3/P-7, V-22, NATF, and B-2, the "industry team" issue is being magnified throughout the entire supplier base; on a large program such as the F-14, 2500 to 3000 subcontractors are involved, and sole Navy reliance on McDonnell and the F-18 today would compound the other decisions and have potentially irrevocable long term consequences as these suppliers are forced to leave the defense business

**KEEP THE F-14D IN PRODUCTION FOR NOW, IN THE FACE OF TODAY'S TURMOIL,  
TO MAXIMIZE OPTIONS FOR THE NAVY AND THE COUNTRY IN THE FUTURE!**