

3. CROATIA

Situation as per June 27th, 2005

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3.1. General:

- SSF is increasing its political pressure (PM studied in Vienna, US Ambassador meets President and PM next week), Presidential Office is prepared and briefed (WW, J)
- Project will consist only of 8x8 vehicles now, no more 6x6
- SSF offered DD a Teaming Agreement for the project
- BAFO will exactly specify all requested information (tables) and ask for complete vehicle offers for the 30mm and WS variants. For all other variants a basic vehicle prepared for the variant shall be offered, but without specific superstructure and equipment
- it is important to a) offer a competitive price and b) an attractive local content to DD. Political influence will influence the decision below 50%.
- decision criteria (Price-LCC-OFFSET) is not supported by DD and not final (would lead to minimum fulfilment of requirements). Present rating:

Price	50%
LCC	25%
OFFSET	25%
- J was attacked (3 Faxes) by SSF and asked to be fair and not so obviously on PATRIA's side

3.2. Activities and Timing:

- this week (June 29./30.) DD will visit SSF for a SP 30 firing demonstration
- J recommends to form a joint team with PATRIA and start determination of local content and pricing thereof (3-4 meetings) prior to BAFO
- SSF insists to be Prime Contractor with DD as Subcontractor, poor local content, whereas DD prefers a Consortium
- Request for BAFO is ready and will be out before middle of July, with 60 days response time, MoD plans Contract in force by End of November latest
- J's recommendation:
 - Definition of Basic Vehicle
 - Arrive at a reasonable price by using DD's production, assembling and R&D capacity (R&D will be less expensive and is accountable for Offset)
 - DD will not invest into new machinery and equipment, to keep the production cost low
- First meeting of a Joint PATRIA and DD Team could be held after July 5th, 2-3 more meetings will be required

3.3. Local Support:

- J rates the decision makers as follows:

	pro PATRIA:	pro SSF:
DD:	++	
CoS + President *):	++	
MoD:		+
PM:		+ (?)
Score:	++++	++
*) Supreme Commander		

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- J stresses the importance of increased PATRIA political support
- WW met former PM Gregoric (2x) and President (1x), their support is secured
- J represents, for the time being, sufficient counter weight in MoD meetings in favour of PATRIA

3.4. Next Steps:

- | | |
|---|-----------------|
| - form joint team with DD and proceed with cost/price determination | short term |
| - assign R&D tasks to DD and evaluate cost/price of new variants | short term |
| - enter these new figures into BAFO | mid September |
| - increase political support level for the final 60 days | Sept/Oct |
| - elaborate BAFO | mid July+60 d's |

4. UDLP and TAIWAN:

Situation as per June 27th, 2005

4.1. General:

- after take over of UDLP by BAe, survival of UDLP seems to be secured
- there is no own 8x8 wheeled armoured vehicle, which UDLP could market, as a platform of their turrets.
- BAe also has no own vehicle which they could license to UDLP (ALVIS has got the PIRANHA production license for certain projects)
- therefore, UDLP would be a prime strategic partner against GDLS (DDGM, Santa Barbara, SSF), for projects in US-friendly countries, as well as in the USA

4.2. Activities and Timing:

- UDLP is a leading participant in the wheeled armoured vehicle project of ROCA, offering its 30mm and 105mm turrets
- the ROCA project includes 1.890 vehicles from 2007 to 2016, to be supplied/part manufactured in Taiwan/ROC
- in case of licensing of the AMV 8x8 to UDLP, USA could include the exports to ROC in the "bucket" supplies which are officially agreed each year between USA and PRC. In such case, no repercussions are to be expected from PRC to PATRIA
- even a modest License Fee (no deliveries counted) would get PATRIA 50 Mill. EURO of revenues from this project
- UDLP is under considerable time pressure and has to make the decision which chassis to use, within the next 2-3 weeks

4.3. Local Support:

- a local representative office (Hyphen) with specialized staff is available to us

4.4. Next Steps:

- decision on the side of PATRIA to team with UDLP, for strategic reasons, provided that future dealings with PRC are not jeopardized
- if positive, urgent kick-off meeting with UDLP
- RHG is stand-by and could assist

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5. THAILAND

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5.1. General:

- the RTMC program (13 APCs) is still open, but it is important to submit the offer soonest
- besides, the RTA program for the purchases of 97 units of 8x8 wheeled armoured vehicles is again open, after cancellation of the intended Barter Trade with PRC (chicken meat)
- if PATRIA is interested, we can quickly form the required Lobby. Gen. Sapon, whom Mr. Niittynen has met twice already, is the key person in this project and we have excellent access
- it is for both projects required to act under a Government-to-Government Agreement of Understanding (similar to an MoU) so that no tender is required

5.2. Activities and Timing:

- submission of RTMC offer soonest, together with Embassy cover letter
- decision by PATRIA whether to go ahead with the RTA project
- appointment of Agent
- Letter from the Finnish Embassy in Bangkok
- Presentation to RTA
- Formal start-off of the G-to-G relation for this project

5.3. Local Support:

- successful organization is ready, past sales under G-to-G Austria-Thailand exceeds 550 Mio. EURO.

5.4. Next Steps:

- decision to go ahead by PATRIA
- to gain full support from the Finnish Embassy in Bangkok
- proceed as under 5.2.

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6. KORLATH

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- Mr. Manfred Korlath joined RHG/T&L in March 2005, after having parted from SSF
- Mr. Korlath's son (mechanical engineer) has developed an evaluation mechanism for military vehicles (wheeled and tracked) which seems to be adopted by an increasing number of MoDs for their assessment of new technologies
- Mr. Korlath jun. would like to assist PATRIA by producing a favourable technology profile for the AMV 8x8, using his program.
- A few input data are still missing and should be provided by PATRIA
- it is also recommended that PATRIA invite Mr. Korlath jun. to Finland, for a presentation of his evaluation and assessment program.

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7. SSF

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- SSF management counts with receipt of down payment from the Portuguese project by end of June 2005
- a delegation headed by Dr. Skoff, Member of SSF Management and responsible for R&D, visited Portugal last week. Background: SSF is aware that P needs some vehicles by the end of 2005 for their committed UN participations. SSF offered the help of GDLS in obtaining used Spanish vehicles for Portugal. Obviously, the offer was not accepted.
- if SSF does not receive the down payment from P, it is believed that the company will suffer massive lay-offs and will be kept afloat by the banks and GD until the decision of the Croatian project (Oct/Nov 2005)
- in case of loss of the Croatian project, SSF will most probably have to give up
- SSF is definitely out in the Kuwait KAG project
- the KNG will donate all their PANDUR vehicles (70) to the Iraqi Army and buy the same new vehicles as will be acquired for KAG
- the Slovenian project has too little impact to save SSF
- would PATRIA be interested in preparing a take-over?

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8. **DOKUMENTATION**

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The head of SSF documentation department is available and wants to part from SSF and open his own business, if possible in collaboration and under participation of RHG/T&L.

Ing. Manjit ROOPRA (Indian/Austrian)
m.roopra@hotmail .com

would PATRIA be interested in getting into contact with this highly recommendable specialist in the field of NATO documentation of wheeled and tracked armoured vehicles?

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