

Rafale questions

Government's reluctance to share data on the price of the aircraft has raised several scenarios, none of them flattering to it



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WHEN THE COUNTRY'S defence minister conducts an official press conference from South Block, flanked by the ministry's top bureaucrat and a military officer in uniform on either side, the least you expect is a presentation based on facts and figures. But what was witnessed last Friday was a political performance by a spokesperson of the ruling party, where none of the questions raised by the Congress on the Rafale fighter jet deal were answered.

It is important to understand the context in which these answers are being demanded.

In August 2007, after the Indian Air Force (IAF) raised the requirement for a Medium Multi Role Combat Aircraft (MMRCA), a request for proposal (RFP) for procuring 126 Medium Role Combat Aircraft for the airforce was issued.

Projected to cost \$12 billion (Rs 42,000 crore), 18 of these aircraft were to come in a flyaway condition while there was to be a technology transfer (ToT) for 108 aircraft to be made in India by HAL, Bengaluru. The IAF conducted extensive testing and evaluation and Rafale was announced as the lowest bidder in 2012. The process was hailed globally as "the world's most professionally run fighter competition". Under the UPA, negotiations with Dassault Aviation continued with a sole objective: To get the best deal for India.

It was soon after the terms had been concluded, to India's undeniable advantage, that the BJP-led NDA government came to power. In September 2014, the then Chief of Air Staff, Air Chief Marshal Arup Raha, said that the contract was expected to be signed "soon". In November 2014, Dassault Aviation CEO Eric Trappier said that he expected the final contract would be signed by March 2015.

Then, in April 2015, Prime Minister Narendra Modi announced in Paris that India was going to purchase a mere 36 Rafale fighters from France in a government-to-government deal. Here is where the terms start being rewritten. The MMRCA tender was withdrawn by July and in September 2016, the NDA government signed a \$8.7 billion (over Rs 56,000 crore) deal, with no transfer of technology to India. No role was guaranteed for any Indian public sector company, including HAL, in such an important project. However, a private Indian businessman, who had no experience of defence manufacturing, was present in Paris during the PM's visit and eventually benefited from the announcement.

There are some obvious questions raised by this deal, which have not been answered by the government. Foremost among them is: What is the price being paid per aircraft? Is it comparable or even close to the price being offered to India under the UPA government? The defence minister claims that her government has got the aircraft for much cheaper than the price earlier offered

to the UPA government. Yet, there is an uneasiness and unwillingness to share the data. Prices are not a matter of national security and these figures were made available to the public when the UPA held office. The government's reluctance to share this data leads to several inferences. None of them are flattering.

This brings us to a second series of questions: How steep, exactly, are these renegotiated prices given that the government had to drop the technology transfer component for the 36-fighter deal? The government's claim is based on a ludicrous proposition. In sum, it implies that Dassault was offering the Indian government more aircraft, with technology transfer, for significantly less when the UPA was negotiating the deal. However, there was a sharp and unexplained increase in the cost of manufacturing after the NDA came to power, which means we can only afford to buy 36 aircraft without the much-needed technology transfer. The BJP realises that this is a proposition that, at best, makes it look negligent and at worst, complicit in something murkier.

Thirdly, the government must elaborate on the official process followed before the announcement made by the PM in Paris. Was an approval of the Cabinet Committee on Security (CCS) taken before the announcement? If so, why was the then Defence Minister Manohar Parrikar in Goa, instead of accompanying the PM in Paris when such an important announcement was being made? The morning after the announcement, Parrikar told PTI in Goa that the 36 fighters would join service with the IAF within two years. The signing of the deal itself took 16 months, and 36 fighters will only be with the IAF nearly seven years after the PM made the announcement in Paris. There is clearly a vast information gap between the two ministers. Moreover, there is a clearly defined Defence Procurement Procedure which lays out the steps to be taken before any defence item is to be procured from abroad, even through a direct government-to-government route. That procedure seems to have been given a go-by in this case.

The fourth question is about the selection of a private company for discharging offsets worth 50 per cent of the cost of the Rafale contract. With no technology transfer from France, and with this company having no track-record in defence manufacturing, what kind of vetting was conducted by the government to allow this selection? Why was the HAL not selected for working with Dassault? If this isn't unabashed and arrogant crony capitalism, the government needs to stop giving defensive answers and explain the rationale for selecting this particular company.

India's national security requirements are non-negotiable. There is no room for arbitrary and opaque decision-making, when there is so much at stake. By not providing answers to these simple questions asked by the nation, the defence minister is doing herself and the government a huge disservice. If there is one thing the government must learn from its tenure so far it is that the truth cannot be wished away. No matter how much propaganda you throw at it.

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