

Colt Defense Battles Competitors For Slim Rifle Contracts

Richard Lardner, Associated Press

WASHINGTON (AP) — For nearly a decade, Colt Defense went without a lobbyist. The legendary gun maker based in West Hartford, Conn., had an exclusive deal to provide combat rifles to the U.S. military and didn't need a hired gun looking out for the company's interests in Washington.

Times have changed. After buying more than 700,000 Colt M4 carbines, the Defense Department has started a search for the rifle's successor, giving Colt's competitors the long-awaited chance to break the company's grip on the market. So Colt turned to Roger Smith, a former deputy assistant Navy secretary-turned-lobbyist, to be the company's voice in D.C. His fee is \$120,000 a year.

The move highlights the importance of a contest that is the Super Bowl and World Series rolled into one for the small arms industry. The Pentagon may buy hundreds of thousands of the new carbine, which should be more accurate, lethal and reliable than the M4 used by troops in Afghanistan and Iraq. At stake is millions of dollars in business for the winner at a time when budgets are tightening and opportunities for long-term weapons contracts are dwindling.

There are major side benefits to being the primary rifle supplier. The American military's seal of approval paves the way for gun sales to U.S. allies. Colt has sold 100,000 M4s overseas, and millions of its M16s — a rifle first fielded during the Vietnam War — are used by armies and law enforcement agencies around the world.

Remington Arms and other gun makers already had lobbyists in place long before the Army announced it wanted a better combat rifle. Remington has spent nearly \$500,000 on lobbyists over the last two years alone in a push to get more of its weapons into the hands of U.S. troops, according to lobbying records filed with Congress.

Remington, with its headquarters in Madison, N.C., and a manufacturing plant in upstate New York, is represented by the firms Winborn Solutions and Nelson Mullins Riley and Scarborough. Remington will offer its multicaliber Adaptive Combat Rifle.

"The biggest thing that Remington wants is the ability to compete for contracts," said Jason Schauble, vice president of Remington's military products division.

While the Pentagon makes decisions on what equipment to buy, Congress provides the money. And lawmakers can influence the decision-making process by inserting language into legislation that authorizes the military's annual budget.

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Sen. Chuck Schumer of New York, a member of the Democratic leadership, has been a strong supporter of Remington.

Smith, who runs RMax Technologies, a Washington consulting firm, registered as Colt's representative in April 2010, according to disclosure records. He knows how the process works. Before his six years as a senior Navy official, Smith was a staffer on the House Armed Services Committee and responsible for oversight of Army weapons programs.

"There's nothing nefarious about it," said James Battaglini, Colt's executive vice president. "We believe it is important to have a person in the Washington area that is available to speak on our behalf because we are in Connecticut."

Colt is losing a powerful proponent on Capitol Hill. Connecticut Sen. Joe Lieberman, the Democratic chairman of the Homeland Security and Governmental Affairs Committee and a senior member of the Armed Services Committee, will not seek a fifth term. But members of the state's congressional delegation still hold influential positions. Rep. Rosa DeLauro, a Democrat, sits on the House Appropriations Committee. Rep. John Larson is the fourth-ranking Democrat in the House, and Colt is in his district.

Colt won't say what weapon it plans to enter in the competition to replace its M4. But the betting is on the CM901, Colt's newly designed multicaliber rifle, which can switch barrels depending on the size of the round being fired.

Colt received a no-bid contract in 1994 for the M4, a shorter and lighter version of the M16. Colt has been the military's only source of M4s ever since. In the late 1990s, FNMI, the South Carolina-based subsidiary of Belgian armorer FN Herstal, challenged the exclusive arrangement in federal court but lost.

The Army, which serves as the military's principal buyer of firearms, took control of the M4 design rights from Colt nearly two years ago. In January, a draft solicitation was issued, formally kicking off the contest. At the same time, the Army is seeking bids for improvements to the M4s in its inventory.

FNMI sells a combat rifle called the SCAR to the U.S. Special Operations Command in Tampa, Fla. The command has its own acquisition budget and the latitude to buy gear the conventional military branches can't. FNMI also sells machine guns to the Army.

Fighting FNMI's battles inside Washington's Beltway is the American Business Development Group, a firm that boasts a roster of retired military officers who "provide strategic guidance and access" to the leadership at the Defense Department and other federal agencies. FN Herstal pays the firm \$120,000 a year, according to disclosure records.

Sen. Lindsey Graham of South Carolina is a Republican member of the Senate Armed Services Committee. Republican congressman Joe Wilson sits on the House Armed Services Committee. FNMI, based in Columbia, S.C., is in Wilson's district.

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Smith & Wesson, known more for handguns than military rifles, will also bid for the carbine work. The company, based in Springfield, Mass., pays the firm Greenberg Traurig \$360,000 a year to be its Washington representative, disclosure records show.

Sen. Scott Brown of Massachusetts is the top Republican on the Armed Services subcommittee that oversees Army programs.

But not all prospective competitors think a lobbying firm is necessary — at least, not any longer. Heckler & Koch, a German firearms maker with affiliates in the U.S., parted ways with Greenberg Traurig in 2009 and another Washington firm, Mark Barnes and Associates, in early 2010.

The company had no comment on the reason for sidelining its lobbyists.

Wayne Weber, president of Heckler & Koch USA, said the company will submit its HK416 combat rifle as the replacement for the M4. The HK416 is used by U.S. special operations troops, including the Army's elite Delta Force.

Source URL (retrieved on 09/20/2014 - 6:23pm):

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