



Helicopter Hospital

Bell Helicopter is banking on subsidiary U.S. Helicopter in Ozark, Ala., to bring the company major revenue growth

BY DEBORAH LOCKRIDGE

You don't have to be in the military or aviation arena to have heard of the storied Bell UH-1 "Huey" helicopter. Probably the most famous helicopter in the world, it earned its fame during the Vietnam War.

But chances are you haven't heard of U.S. Helicopter in Ozark, Ala., which has earned a reputation for modifying and refurbishing the Huey, destined for overseas militaries, the U.S. Department of State and other customers.

Bell Helicopter, the original manufacturer of the Huey, was so impressed by how the company took care of its helicopters that it bought U.S. Helicopter in June 2005 and is banking on it to bring major revenue growth to its Bell Aerospace Services subsidiary.

While there has long been an aviation company located at the Ozark airport, U.S. Helicopter got its start in 1990, when the U.S. Army for the first time let out the UH-1H for commercial overhaul, explains Joe Doherty, controller and executive direc-



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tor of administration.

“Previously it was all performed by the Army themselves at the Corpus Christi [Texas] Army depot,” he says. “The Army retired the UH-1H from their active service and they were refurbished for overseas customers, foreign military, that the army selected.”

The small company that won the contract and eventually would become U.S. Helicopter built the 60,000-foot hangar where U.S. Helicopter does its primary work today. That company soon was acquired by UNC Aviation Services. In 1995, the current general manager and several other employees bought the Ozark operation from UNC, and U.S. Helicopter was born.

In 1997, U.S. Helicopter started doing Huey II upgrades. “The helicopter was aging,” Doherty says, with more needs for repairs. “To resolve those issues, the OEM decided to put out a kit to solve all of these problems, and that kit is what we’ve been installing on the majority of our aircraft since 1997.”

With the Huey II program, the U.S. Department of State became a major customer. “Their primary missions were for drug interdictions down in South America, in countries such as Colombia, Peru and



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Bolivia,” Doherty says.

More recently, the State Department has had need for the Huey II in Afghanistan and other Middle Eastern countries. Last summer, the department awarded U.S. Helicopter a contract for 10 Huey

II aircraft upgrade kits. “The Department of State had an urgent need to get 10 aircraft completed for their activity in Afghanistan,” Doherty says, with the last four of that contract expected to be completed in April.

Doherty says the State Department doesn’t exactly tell the company what it’s going to be doing with the aircraft in the Middle East. However, he notes that the Huey, which is known as a utility helicopter rather than a combat model such as the Cobra, typically would be used for tasks such as troop move-

ment, surveillance and medevac support.

“We like to be known as the premier Huey depot in the world,” Doherty says. “The UH-1H isn’t refurbished or modified like we do it here, anywhere. The Army doesn’t even have their depot any longer.”

While there are some companies that do Huey modifications and upgrades, he says, no one does it on the scale that U.S. Helicopter does.

Today, the U.S. Helicopter depot maintenance facilities encompass eight buildings on six acres. In addition to doing modifications, main-

tenance and upgrades to the Huey for the U.S. Army, National Guard, Department of State and Foreign Military Sales, U.S. Helicopter also serves domestic and international commercial customers. Some of the other modifications and upgrades they perform include a weather radar modification, medical configurations, and firefighting modifications such as water and fire retardant tanks, cargo hooks and rescue hoists.

Since its acquisition by Bell, U.S. Helicopter is poised for growth.

"From a capital standpoint, [the acquisition] has given us a little more strength and power to go after more programs," Doherty says. "Our mission now is to not only work in the UH-1 arena, but also to go after other airframes." Initially the company plans to move into modifications and upgrades for other Bell helicopters, but it eventually will go after non-Bell opportunities as well.

Bell Aerospace Services' goal is to grow its revenues from about \$20 million in 2004 to \$250 million in five years, Doherty says, and the majority of that revenue is expected to come from U.S. Helicopter. "This year, [Bell Aerospace] is going

to be about \$100 million, and of that, I'd say \$85 million is for U.S. Helicopter."

In order to meet Bell's goal of \$250 million in revenues, Doherty says, it's important to increase capacity, and U.S. Helicopter is starting work on a major expansion. In January, the state of Alabama awarded \$350,000 in grants to support the expansion.

"We're currently in a Phase 1 expansion, having engineering done to build a 30,000-square-foot hangar at the end of our current heliport area," Doherty says. "Fire suppressant capability will let us hangar fueled aircraft. If we need to have repairs performed while in a test-flight standpoint, we won't have to de-fuel the aircraft as we currently do."

As part of this expansion, Doherty says, the city of Ozark has received grants from the Federal Aviation Administration to lengthen the runway at the airport and to provide infrastructure needed for the expansion, such as water and sewer work.

"The city and the governor have been fantastic, paving the way for these things," he says.

"We've had a fantastic relation-

ship with our local mayor," Doherty says. Mayor Bob Bunting "has been one of our biggest fans, from the inception back in the early '90s when he was working for the city as their economic development employee. He's since become mayor and he's been one of our staunch supporters as we've grown."

U.S. Helicopter is one of Dale County's top 10 largest employers, and Bunting expects it to move

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closer to the top of that list.

"Ozark is known as the Center of Excellence for Helicopter Maintenance and Training," Bunting says. "Aviation maintenance is the principal industry in the area. U.S. Helicopter obviously fits the mold. It is an aviation industry, an established aviation maintenance center of excellence, provides the best-paying jobs in the area, and is growing by leaps and bounds."

Bunting has high expectations for U.S. Helicopter's future. "I see U.S. Helicopter's payroll and facilities expanding four-fold, and there is the potential that it will become the largest non-government maintenance provider in Alabama."

In addition to the support from local and state governments, the company's location offers other benefits. The Army's contracting operation is located in Huntsville, Ala., about a four-hour drive. When the company needs to transport aircraft overseas, major ports such as Charleston, Jacksonville and New Orleans are within driving distance.

"Being just outside of Ft. Rucker, the home of Army aviation, there's a

Job done, another copter is shipped for action elsewhere.



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huge labor force of retired Army aviators who have worked on the UH-1,” Doherty says. “We also have an aviation technical college right across from the airport here, which we pull some of our employees from as well.” The Enterprise-Ozark Community College’s Aviation Campus is certified by the FAA, offering the only comprehensive aviation maintenance training program in the state. U.S. Helicopter started a two-year apprentice program to guide the technical school graduates into full-fledged mechanics.

When the company must bring in employees from outside of the area, Doherty says, there are many things about Ozark that make it

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attractive. The cost of living is low; you can drive to the Florida coast in about an hour and a half. For retired military, Ft. Rucker and its PX and medical facilities are a draw.

The company is very much a part of the local community, taking part in community events. U.S.



A helicopter is shrink wrapped prior to shipment.

Helicopter is the highest per-capita contributor to the United Way fund, Doherty says. “We have about 180 to 200 employees, and our contribution matched another employer out of Ft. Rucker with 3,000 employees.”

Mayor Bunting says the community has much to offer businesses. “Alabama and particularly Ozark have a world-renowned work ethic,”

he says. “The Alabama Industrial Department of Training is the best in the country, and Ozark’s work force has been able to respond to any employer’s need. Ozark’s business climate — the cost of doing business — is favorable when compared to any area. The quality of life, education system and programs, and affordable housing make Ozark most attractive.”

Both the community and the state of Alabama are very good to work with, Doherty says. “It’s very industry favorable. They’re sensitive to your needs. Both the local and state community go out of their way to try to figure out what they can do to help, whether it’s how to train employees or trying to decide what feeder companies you need to come to the area. They’re trying very hard to make it a place for industry to come, and that goes all the way up to the governor.” ■

