

America West loses AWA

America West Airlines says that the Steinhardt Group, a New York investment organisation, has offered as much as \$250 million for control of the carrier under a bankruptcy-re-organisation proposal. The bid came after AWA Partners withdrew an offer of \$150 million after talks with the Phoenix, Arizona-based airline.

The Steinhardt Group seeks 80% of the airline. America West, which has been operating under Chapter 11 bankruptcy protection since June 1991, says that it needs only \$150-\$200 million to emerge from bankruptcy. A 10 February deadline has been set for the airline to accept bids, or propose a separate plan to emerge from Chapter 11 on its own.

AWA Partners reportedly backed out of the deal because of conflicts with AWA chairman William Franke. □

AlliedSignal moves in on Lycoming engines

BY RAMON LOPEZ
IN WASHINGTON DC

AlliedSignal is talking with Textron over the possible purchase of Textron Lycoming's turbine-engine division.

The bid follows AlliedSignal's unsuccessful attempt to buy General Electric's small-engine business late in 1992 and Textron chairman James Hardyman's declaration in May 1993 that he would like to find a buyer for Lycoming.

Both concerns decline to comment on the talks, but it is understood that "...AlliedSignal teams have been formed to look at a deal". Negotiations have been under way for several months.

It is accepted among the four US small-turbine engine manufacturers — GE, AlliedSignal, Lycoming and Allison — that rationalisation is needed in the sector, and news of the talks comes as no surprise.

Lycoming's activities include the LTS-101, T53 and T55 turboshafts; the LF507 turbofan for the British Aerospace regional-jet family; the GLC38/T407 large turboprop, developed with General Electric; the LTP512 future regional turboprop; and advanced engine work for the US military.

AlliedSignal's propulsion portfolio includes the TFE731 business-jet turbofan range; the TFE109 and TFE1042 small military turbofans; the TPE331

range of small-airliner, business-aircraft and trainer turbofans; the CFE738 business-jet turbofan, developed with GE and sharing the GLC38 core; and advanced military work.

An internal Textron report is believed to indicate that military work would be consolidated at Lycoming and commercial-engine activity at AlliedSignal's Arizona plants. Textron's 2,250-strong workforce would be slashed by 330 jobs, while another 150 staff would have to re-locate.

Word of the negotiations follows completion of cash-rich AlliedSignal's acquisition of Sundstrand's Data Control business in a deal worth nearly \$200 million.

The corporation is also negotiating the formation of a 50:50 joint-venture civil-avionics company with France's Sextant Avionique. That deal was also due to be completed by the end of 1993. □

MDC/Vought plan composite tail on C-17

McDonnell Douglas (MDC) and Vought Aircraft are proposing to develop an all-composite horizontal tail for the C-17, to reduce the weight and cost of the US Air Force's new transport aircraft.

Funding to develop the tail would be provided by the Air Force's Manufacturing 2005 manufacturing-technology development programme. C-17 tail manufacturer Vought, teamed with McDonnell

Douglas Aerospace, expects a funding decision by the second quarter of 1994.

The carbon-fibre-reinforced plastic horizontal tail would be developed under a technology-demonstration effort to reduce manufacturing cost, but MDC plans to incorporate the unit in production C-17s as an engineering change. The four-year project would include the manufacture of a test article.

MDC's share of the work

would be performed by the St Louis, Missouri-based Phantom Works, the manufacturing-technology and prototyping centre for McDonnell Douglas Aerospace's New Aircraft & Missile Products division. The Phantom Works has developed low-cost composite tooling which would be used.

Phantom Works chief Jerry Ennis says that the C-17 all-composite tail would be manufactured using commercial, rather than military, practices. He also says that it would be similar in size to an MDC MD-80 airliner wing.

■ MDC has accepted, with unspecified "clarifications", the US Department of Defense's plan to put the C-17 programme on "probation" for two years. Under the proposal, the US Air Force will buy an additional 80 aircraft only if MDC meets the cost, quality, and performance targets on the first 40 aircraft. □



Weight and cost problems lead to development of C-17 with composite tail

NEWS IN BRIEF

EUROFIGHTER

Eurofighter managing director John Vincent is to leave early in 1994, and is almost certain to be replaced by BAe's Bill McNaughton, chairman of BAe Systems and Equipment and an ex-deputy managing director of BAe Military Aircraft.

AIRLINE LOSSES

US scheduled airlines collectively recorded a fourth straight year of losses, according to the Air Transport Association. US scheduled airlines had a net loss of about \$1 billion for the first three quarters of 1993. Losses for the full year were projected to be as much as \$1.5 billion.