



U-2 production may be restarted

LOCKHEED MARTIN is looking to re-open its U-2 reconnaissance-aircraft production line on the back of potential orders for the US Air Force and the Royal Air Force.

The company submitted a "data package" on the U-2 at the request of the UK Ministry of Defence (MoD) in May. The U-2 will be considered as a candidate to meet the RAF's Airborne Stand-Off Radar (ASTOR) programme. The RAF's preferred solution for the ASTOR project is based around a business jet capable of carrying crew for onboard data processing.

The MoD funded two study contracts led by Raytheon, proposing the Canadair Global Express, and Lockheed Martin, offering the Gulfstream V. The results of these were submitted in the second quarter of 1996 (*Flight International*, 4-11 September).

If there is budgetary pressure on the ASTOR project then an off-the-shelf procurement of the U-2 could prove attractive. Senior Lockheed Martin executives suggest a six-aircraft package would cost about \$300 million.

The company is also discussing the procurement of an additional batch of U-2s with the USAF. The USAF is faced with a limited number of aircraft for training, and there is also pressure on operational aircraft because of deployment requirements and attrition. The U-2 production line was closed in 1989, but the company says that it would be easy to restart. □

NEWS IN BRIEF

FADEC PARTNERSHIP

Woodward Governor and Lockheed Martin Control Systems are to form an alliance to develop integrated full-authority digital engine-control (FADEC) systems. The work will focus on versions of the Williams/Rolls-Royce FJ44 engines for the Swedish SK-60 military trainer and the Raytheon Premier I business jet.

Matra BAe venture 'will set the tone' in European missiles

BRITISH AEROSPACE and Lagadère claim that their Matra BAe Dynamics joint venture is positioned to become the focus for a single European integrated missiles business.

"This merger will set the tone and direction for the way that the missiles business develops in Europe," says John Weston, chairman of BAe Defence, adding that the eventual aim must be to see the bulk of Europe's missiles merged into a single grouping.

He argues that, even with sales of \$1 billion, the Matra BAe venture needs to grow further to keep pace with the scale of the emerging US giants.

Further consolidation is already

in prospect, if Matra's parent Lagadère can pull off its bid to take control of Thomson-CSF after its pending privatisation. Noël Forgeard, head of Matra Défense and managing director of Lagadère, says that a decision from the French Government is expected in mid-October, although no official timetable has been confirmed.

Forgeard says that its missiles agreement with BAe already provides for the Thomson business to be brought into the venture. If either partner acquires a new missiles interest, that will become part of the 50:50 venture, with the other making up the difference in cash.

BAe has already had to pay £80 million (\$120 million) in cash to

offset the difference in valuation between its missiles business and Matra Défense. The sum could rise or fall by £30 million depending on how business develops over the next five years.

The joint venture also hopes to involve Germany in missiles projects, which could provide a crucial link to Daimler-Benz Aerospace (DASA). While the German initiative is not directly linked to a business merger, Weston says that they are taking place against the backdrop of a push for consolidation.

Such moves raise more questions over DASA's delayed missiles tie-up with Aerospatiale, although the French group says that it is still committed to the alliance. □



Stand-off over Germany as Tornado conducts captive fire trials with KEPD350

BAe briefs Germany on Storm Shadow

BRITISH AEROSPACE has briefed the German defence ministry on its Storm Shadow derivative of the Matra Apache stand-off missile in the wake of its victory in the Royal Air Force's conventional stand-off missile (CASOM) programme. BAe officials visited Bonn in August.

Germany has a similar requirement to the UK for a stand-off missile, even though a limited number of the Matra Apaches have been procured as the German air force's stand-off anti-runway weapon.

Germany made it clear during the CASOM competition that it was increasingly interested in the Daimler-Benz Aerospace/Bofors KEPD 350 to meet its missile requirement, despite acquiring the Apache.

The first captive flight trial of the KEPD 350 was carried out on a Panavia Tornado aircraft at

Manching in southern Germany on 20 August.

BAe and Matra are pooling their missile interests and are keen to persuade the German defence ministry that the Storm Shadow can meet its stand-off missile requirement. The Anglo/French would have industrial advantages, such as making room for DASA in the programme. DASA is already working with Matra on the anti-runway Apache for the German air force.

The German/Swedish alliance continues to push Bonn to support the KEPD-350. Funding for a study to examine the weapon against air force requirements could be released later this month.

DASA claims that Bonn has lost interest in the Apache to meet its stand-off missile requirement. The programme is not included in the draft 1997 budget. □

Boeing holds back on plans for regional

BOEING DOES not plan to begin development of a new 90- to 115-seat regional jet until technology is available to achieve a significant reduction in aircraft production costs.

The US manufacturer's continuing low-cost, small-aircraft study has set a target price of \$16 million per unit, including \$4 million for the aircraft's engines. Boeing, however, estimates that it is unable to get the next-generation aircraft's cost below \$21-22 million.

Projected demand for a 100-seat aircraft sector has raised further doubts about the programme's financial viability. Boeing does not see a market for any more than 2,000 aircraft over the next 20 years, of which two-thirds are replacements for existing aircraft.

The company had hoped to cut costs and generate additional demand by teaming with Aviation Industries of China (AVIC) to produce a new 90 to 115-seat passenger jet.

China has since selected a consortium of European manufacturers (including Al(R) and, potentially, Airbus Industrie) to develop its planned AE-100 regional jet. □