

PEOPLE

++ City Bird Cargo has appointed **Lucien Huesmann** chief executive. Huesmann joins the recently created cargo arm of Belgian airline City Bird from Cargolux Airlines where he was director of the Luxembourg-based carrier's fast-growing Latin American operations. **++ Bristow Helicopters** has named **Keith Chanter** chief executive. Chanter, who replaces Stephan Palframan, joined Bristow in 1997. **++ Butch Bouchard** has become president of **Mercury Air Cargo**, having held the position temporarily. Before joining Mercury, he was president and owner of Excel Cargo, the Canadian air cargo handler acquired by Mercury Air Group in 1997. **++ Ronald Zielinski** has been appointed **Dassault Falcon Jet's** vice-president of marketing for the US Western region. Previously international marketing vice-president, he replaces Neil MacDonald, who is to retire. Zielinski's old position is taken up by **Jeffrey Habib**, now international sales manager for North Asia. **++ Visionaire**, the US company pioneering development of the Vantage single-engined business jet, has strengthened its management with four senior appointments. **Don Kozlowski** becomes president and chief operating officer, from executive vice-president, and Vantage programme manager, while **Fred Miller** steps up from acting president to vice-chairman. **Gregory Bubb** becomes chief financial officer and senior vice-president and **Joseph Furnish** vice-president engineering. **James Rice** remains chairman and chief executive.

EC rebuff forces KLM to drop bid for total Martinair control

KLM ROYAL Dutch Airlines has dropped plans to acquire the 50% holding in Dutch operator Martinair that it does not already own. The news comes after KLM failed to reach agreement with the European Commission (EC) over the conditions required to let the deal go ahead.

In the face of an expected formal rejection of the deal from the EC, KLM abandoned the Fl350 million (\$170.7 million) purchase of shares from Nedlloyd, its partner in Martinair.

Martinair operates scheduled, charter and cargo flights with Boeing 747s, 767s and MD-11s in passenger and cargo configurations.

Martinair president and chief executive Aad van Bochove says the decision is a "major setback in our efforts to streamline our operations with KLM and Transavia [the Dutch airline owned 80% by KLM]". Although it had failed to win the argument on this occasion



Martinair's MD-11s will stay in the same colours

KLM suggests it has not entirely given up on the take-over. "Later, under different circumstances, determination on this matter can be carried out easier without a formal rejection from the EC," it says.

EC Competition Commissioner Karel Van Miert says the take-over foundered on the fact that competition in the Dutch leisure market would have been eliminated. There were complaints from the only non-KLM owned charter operator, Air Holland, and from Dutch tour operators, on market dominance.

The deal would have given the flag carrier control over 65% of the Dutch charter market to the Mediterranean and 75% of the market to other European markets.

Following the decision, Nedlloyd said it had "the situation under discussion, but sale of Martinair shares to other parties is a non-issue". But Dutch financial analysts forecast that Nedlloyd may be sold to an independent investor, such as the Dutch National Investment Bank, which also owns 20% of Transavia's shares. □

Bombardier loses Canadair Regional Jet partner

BOMBARDIER HAS lost one of its key risk-sharing partners on the Canadair Regional Jet (CRJ) Series 700 programme, although the company concerned will continue as a subcontractor.

Vancouver-based Avcorp Industries says increased non-recurring costs on its contract to design and develop the horizontal and vertical stabilisers for the stretched CRJ have forced the company to write

off C\$8 million (\$5.5 million).

Bombardier has agreed to accelerate payment of C\$15 million to Avcorp for transfer of the intellectual property rights on the components. The manufacturer will be responsible for test and certification of the CRJ-700 tail.

"We could not afford to continue to spend to completion," says Avcorp, which blames design changes "beyond that anticipated"

for the increased costs. Avcorp will supply production horizontal and vertical stabilisers as a subcontractor. The company supplies Bombardier with horizontal stabilisers for the CRJ-200 and Challenger.

Participation in further risk-sharing projects is "questionable", admits Avcorp. It has submitted a bid to supply the tail section of Bombardier's planned Continental mid-size business jet. □

Precision Castparts leaves Scaled Composites on tenterhooks

PRECISION CASTPARTS (PCC) says that it has yet to decide whether to keep Wyman-Gordon's Scaled Composites subsidiary once its acquisition of the forgings specialist is complete. Senior PCC executives visited the Burt Rutan-run prototyping operation at the end of May.

PCC, which produces structural and airfoil castings for gas turbine engines, announced last month that it is to buy Grafton, Massachusetts-based forgings specialist Wyman-Gordon for \$825 million cash in a deal that will strengthen the Oregon-based company's position in the aircraft

engine and airframe structural components markets.

Wyman-Gordon owns Scaled Composites, based in Mojave, California, and its Colorado-based Scaled Technology Works production arm.

The company acquired Rutan's operation in the 1980s, but it

accounts for only a "few per cent" of Wyman-Gordon's revenues, according to PCC.

Wyman-Gordon achieved sales of \$753 million and profits of \$33.9 million, while PCC reported profits of \$103 million on sales of \$1.4 billion. The figures were a record for both companies. □