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## Aerospace Daily & Defense Report

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### Finmeccanica's North American Unit Eyes Expansion, FCA Win

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By Michael Bruno

The North American fixed-wing aircraft component of Italian defense company Finmeccanica is drafting plans for dramatic increases to its U.S. footprint and expects a win on the U.S. Army's Future Cargo Aircraft program to lead the way, according to Alenia North America chief executive Giuseppe Giordo.

Speaking in the Washington office of The DAILY and its sister publications, Giordo and other executives predicted winning the FCA award, worth \$1.3 billion to \$1.6 billion up front and easily \$3 billion over the 25-year life of the C-27J Spartan aircraft, the result of a joint venture with L-3 Communications.

"The operators know very well the C-27J is the best product," he said. "We are confident we can really succeed."

If so, Alenia eventually would shift its final assembly line and more than 65% of manufacturing to the United States under plans the company is analyzing. The company would focus on Charleston, S.C., where it is establishing a joint, 650-person facility with Vought Aircraft Industries Inc. to provide major portions of Boeing's 787 Dreamliner. The move would not increase program risk and the company would absorb the costs, Giordo said.

The potential move is part of a strategy to become a premiere tier-one subcontractor to system integrating giants such as Boeing and Lockheed Martin. Finmeccanica is trying to strengthen "strategic alliances" with the leading U.S. defense contractors and has jockeyed for prime roles in many of their programs, including the presidential replacement helicopter and the F-35 Joint Strike Fighter.

"We want to be the leader in the military transport side," Giordo said. For now, the North American subsidiary, based in Washington, has 300 employees and is responsible for \$50 million in annual revenue.

The C-27J line was launched without a prearranged customer and the companies are showing it off in a current U.S. demonstration tour (DAILY, Aug. 9). Losing the FCA award will not affect Alenia's intent to expand significantly into the U.S. market, although it would hurt plans to move the C-27J assembly line, Giordo said.

"Plan B is Plan A," echoed Stephen Bryen, president of Finmeccanica Inc.

Although the draft request for proposals (RFP) outlines only 33 aircraft, Giordo and Bryen were not concerned over the initial FCA order quantity, saying more aircraft could be ordered in the future. Raytheon and EADS North America, which have teamed to offer the EADS-built C-295 or CN-235 for the FCA competition, recently expressed concern over the Army's procurement quantity (DAILY, Aug. 24).

The final FCA RFP is expected in October and a fly-off should occur next spring, Giordo said. The executives expect an award before the summer.

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