

# Italy's JSF Win

## F-35 final assembly work goes to Italy as U.K. seeks independent maintenance and support deal

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Washington and Rome are finalizing a deal that will see Italy garner the prize of a European final-assembly line for the Joint Strike Fighter. London, meanwhile, is focusing on securing "operational sovereignty" of the aircraft and, possibly, a maintenance center for European jets.

While Britain is the largest financial contributor to the single-engine fighter program outside of the U.S., securing final assembly and checkout has not been a priority for the British government. Instead it is arguing for the ability to independently support and upgrade the F-35.

Italy's air chief was in Washington last week to iron out details of an agreement. Alenia Aeronautica, which is already a second-source supplier of F-35 wings, will execute the assembly work near Cameri in the northern part of the country. A military airfield, the site satisfies U.S. security concerns that have been the subject of extensive negotiations, says Giuseppe Giordo, president and CEO of Alenia North America. Final assembly of all European F-35s, except those of the British, will take place there, he says.

A FEW "TECHNICAL" qualifications remain for Italy, but the U.S.-based F-35 program office says those final details are on track for a final agreement soon. Giordo says the facility will not add cost to the price of European F-35s.

Following a June 12 meeting with Italian air force chief Lt. Gen. Leonardo Tricarico, U.S. Air Force Secretary Michael Wynne says the Italians are "very satisfied with the return they are getting on their investment." Besides the U.S. Air Force, Italy is the only other nation expected to buy multiple F-35 variants. Rome is interested in both the conventional takeoff-and-landing version that will be used by USAF as well as the short-takeoff-and-landing (STOVL) version primarily designed for the U.S. Marine Corps. Lockheed Martin is also developing a carrier variant for use at sea.

The final assembly deal is another bridge between the defense industries of Italy and the U.S. Last year, a Lockheed Martin team was chosen over incumbent U.S. contractor Sikorsky to supply an AgustaWestland-designed helicopter to transport the president.

"The U.S. administration has realized that Italian products are very, very competitive products," Giordo says. "During last year, the U.S. industry and U.S. administration realized that we can really contribute."

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The U.K.'s BAE Systems, which is a partner on Lockheed Martin's JSF team, has been viewed as a front-runner for the final assembly facility. BAE, as an industry team member, will produce the aft fuselage section for all JSFs.

While BAE has been pushing for final assembly, its efforts have not been reflected by the British government's priorities on the program.

Wynne says the U.S.'s closest ally, the U.K., is "satisfied" with what he calls an "operational accommodation," which is being offered in preference to an assembly facility there.

While this may satisfy the British government, it will likely come as a disappointment to industry, and BAE in particular. "There is a difference between what the industry wanted and what the government wanted," Wynne says.

Instead, London has focused on operational and support issues. The U.S. is drawing up an operational cooperation document that will outline the particulars on this point. One operational issue with which the U.S. has had extensive experience is how to employ stealth most effectively, using a combination of mission planning and tactics

in concert with the aircraft's inherent low-observable design to diminish exposure to threats.

"We will satisfy them from an operational standpoint to make sure that our pilots and their pilots know exactly what the aircraft can do," Wynne says. "The technology transfer, I think, is pilot to pilot."

Negotiations are intensifying with the other JSF partners, Canada, the Netherlands, Turkey, Australia, Denmark and Norway, who have all pledged varying contributions to JSF's design and demonstration phase. Production agreements must be in place by year-end. The U.S. plans to buy 2,443 F-35s, including more than 1,700 for USAF.

The U.K. may eventually buy up to 150, although an initial order for around 80 is possible. These will replace the Harrier GR9 in the carrier strike-role beginning around 2015.

The British government wants to secure a maintenance, repair and overhaul facility for the U.K., with the site likely to be at RAF Lossiemouth in northern Scotland. This will also be the first base for the U.K. aircraft.

Perhaps the shakiest of the remaining partners is Norway, says Wynne. Norway is also considering the Saab Gripen, Eurofighter Typhoon and Dassault Rafale as possible candidates to replace its Lockheed Martin F-16s. A final decision is not expected until 2008.

THE KEY ELEMENT in solidifying an industrial partnership on JSF is value, and industry officials say Norway's offer for work is pricey.

Turkey, meanwhile, is considering \$5 billion in work for Turkish manufacturers from Eurofighter as a concession if the nation opts for the Typhoon to modernize its forces. It is uncertain whether Turkey will decide to go with a single fleet of F-35s or a two-type fleet to include the Typhoon. Wynne suggests that Turkey is using the Eurofighter deal as a hard bargaining chip with the U.S. "I get the sense that they are positively negotiating. If Eurofighter is making a deal, it is probably a bit of a 'but.'"