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FINMECCANICA GROUP CEO:

**“President Obama will be flying in
a Finmeccanica helicopter”**

Guarguaglini: “The contract for the first five helicopters is not in doubt. The cancellation relates to the other 18. Is it US protectionism? I don’t think so.”

By Nicola Porro
Our Moscow correspondent

Finmeccanica chief Pier Francesco Guarguaglini is in Moscow with the business mission organised by Confindustria, ABI and ICE, to define a series of local contracts. It has been confirmed that the first Superjet 100 (built by Sukhoi with Alenia Aeronautica) will be delivered to Aeroflot by the end of the year; an initial contract for rail signalling with Ansaldo STS has been signed; and another agreement has been reached between Selex Sistemi Integrati and Russian Technologies to ensure the safety of critical infrastructure in Russia. But naturally thoughts turn to Washington and the recent words of US defence secretary Robert Gates, who in disclosing guidelines for the budget to be officially presented in June, announced the cancellation of the US presidential helicopter, a project in which Finmeccanica plays an important role. A few days before his trip to Russia, the Finmeccanica CEO agreed to discuss this freeze (as it was immediately dubbed) with *Il Giornale*. “The key thing to note is that the contract still exists” he said. “It is worth EUR 3.7 billion and we have direct responsibility for over EUR 1 billion of it. We are contracted to build five operational helicopters and four test models, which means the President will therefore fly with a Finmeccanica helicopter. This contract exists and that’s all there is to it. If anything, the issue under discussion is the broadening of the scope of the contract. In the original plans, the contract included the supply of a further 18 helicopters, making a total of 23.”

The key issue emerging here seems to be the fact that US taxpayers would have to spend a lot of money to purchase a helicopter, even if it is for the President. And this certainly isn’t the right time for such costly deals.

“That’s not quite right. You have to bear in mind that AgustaWestland is not just selling a helicopter but a 20-year support contract. So you can’t think just about the costs for one year. You have to take a much longer-term view.”

In the meantime, though, the helicopter costs have shot up.

“There has also been a bit of confusion around that. The increased costs compared with the original plan are not due to any errors of calculation by us, but to the new security systems that the purchaser has understandably requested.”

Don't you think, in more general terms, that America under President Obama, with his industrial policy – first “Buy American” and now this case – is becoming more protectionist?

“That might have happened at certain levels of decision-making, perhaps, but I don't think it applies in the helicopter case. It's being built entirely in the US. Moreover, what we are talking about is only a proposal, which will have to be presented to the US Congress. It's all about the plans to restructure the defence budget, which affects not only Finmeccanica and AgustaWestland, of course, but all types of programme.”

Guarguaglini can't resist a final footballing reference. As he gets into his car at the start of his trip to Russia, he says, “Trapattoni was right: “Don't count your chickens before they are hatched”. It's not clear, however, whether he thinks the chickens are being counted by Finmeccanica or by its competitors, who are today cheering the presidential helicopter freeze.