

GENERAL AVIATION **1991** INDUSTRY REPORT

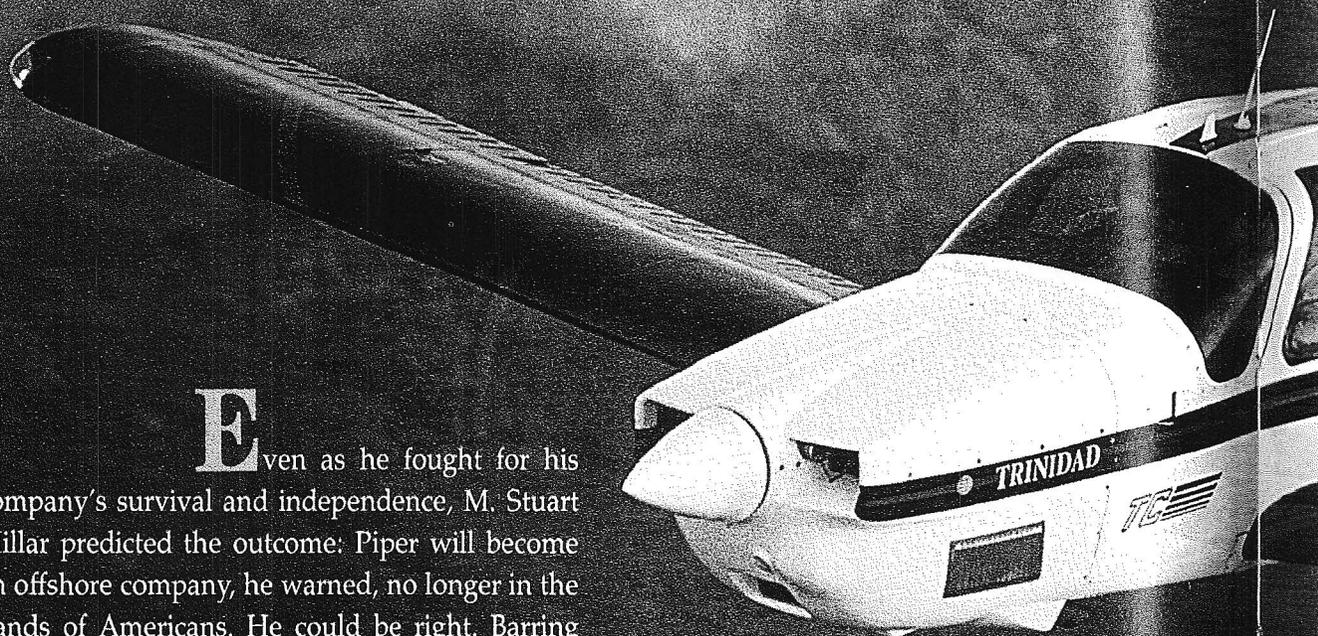
WILL PIPER MAKE THE FRENCH CONNECTION?

*Aerospatiale bids for a much bigger
stake in general aviation.*

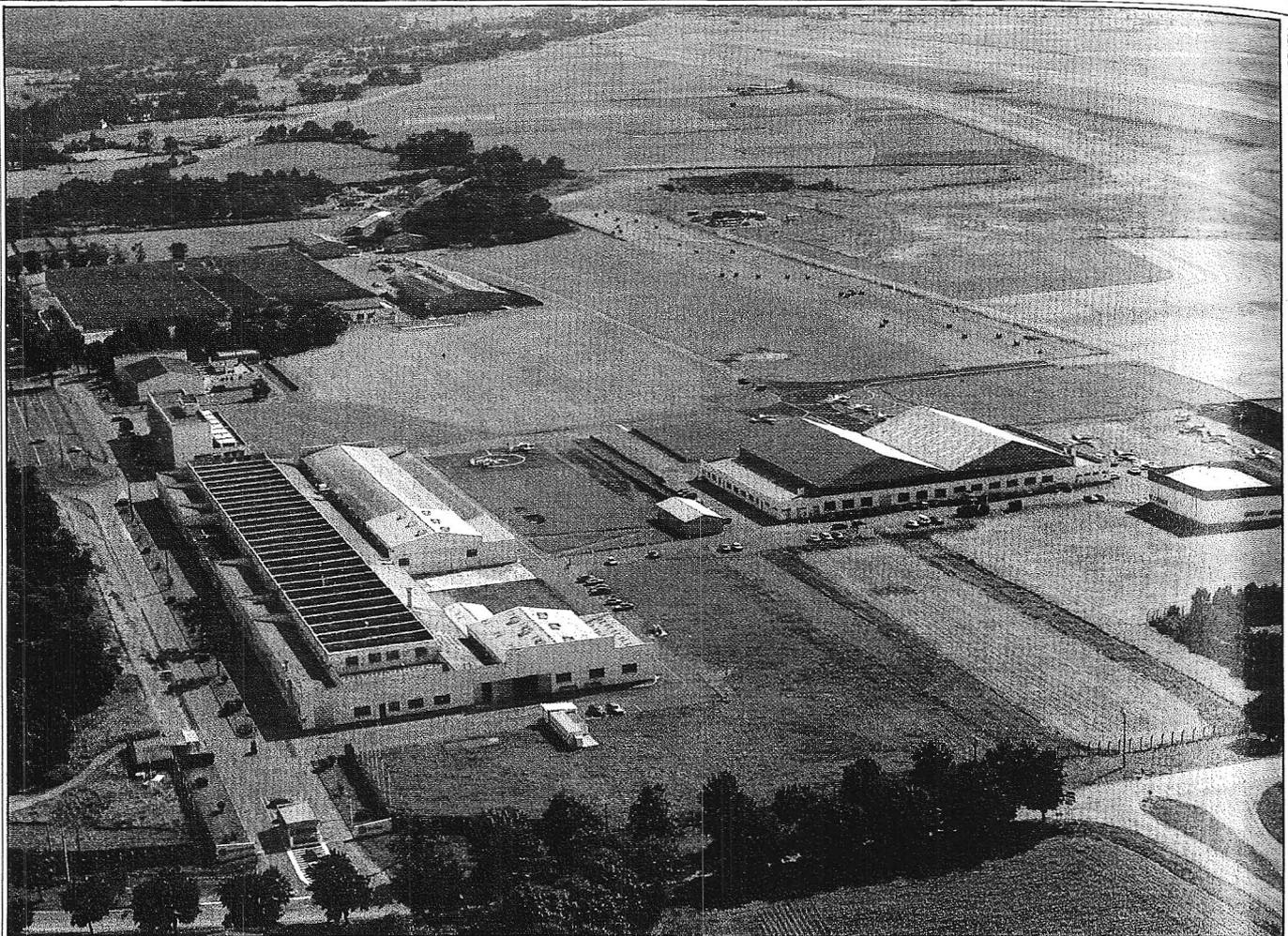
BY MARK R. TWOMBLY

Even as he fought for his company's survival and independence, M. Stuart Millar predicted the outcome: Piper will become an offshore company, he warned, no longer in the hands of Americans. He could be right. Barring some unforeseen obstacle, the ownership of Piper apparently just may be headed east, across the Atlantic to a small town in the south of France. ■ Piper would remain in Vero Beach, Florida, where it has been manufacturing airplanes for 30 years, but the corporate papers would reside in Tarbes, the home of Socata, the lightplane division of the huge—38,500 employees—French government-owned aviation and space manufacturing conglomerate known as Aerospatiale. To get an idea of the size and scope of Aerospatiale,

PHOTOGRAPHY BY MIKE FIZER







imagine gathering Boeing, McDonnell Douglas, General Dynamics, Bell Helicopters, and Mooney under a single corporate umbrella belonging to the federal government.

To play the analogy out a little further, Mooney, the small airplane manufacturer in the group, would be buying Piper. There is more than a little irony in that analogy because Mooney is itself a French-owned company.

Socata has been interested in Piper since 1970, the year Socata became a part of Aerospatiale. Before Millar bought Piper in 1987, Socata had tried to purchase the rights to the Malibu. However, Forstmann Little, Piper's parent at the time, wasn't interested in selling off the company piecemeal. Socata has had its eye on the Vero Beach manufacturer ever since.

What is it about Piper that so interests Socata? One obvious factor is a very favorable francs-to-dollars exchange rate, which makes the purchase by Europeans of anything in this country seem like a bargain. Aside from that, three things in particular attract Socata to Piper, according to Alain Aubry, Socata's man-

Socata needs more production capacity for its piston singles and the TBM 700 turboprop single.

Socata's home near Tarbes, France.

ager of sales. Topping the list is Piper's product line, which ranges from the Cadet primary flight trainer to the Cheyenne 400 twin turboprop. By buying Piper, Socata instantly acquires a complete product line.

Although Socata has not discussed in detail its plans for Piper, indications are that Socata would fulfill all of Piper's contractual obligations for delivering new PA-28 models (the Cadet, Warrior, Archer, and Arrow). At some point, however, the PA-28 line would be replaced with Socata's TB line of piston singles (the TB-9 Tampico, TB-10 Tobago, TB-20 Trinidad, and TB-21 turbocharged Trinidad TC). All other Piper

models may remain in production.

The second Piper asset that most interests Socata is a nationwide network of service centers. Many of these Piper-affiliated fixed-base operations could take on wholesale distribution and retail sales, just as they did before Piper went to factory-direct sales.

Socata's U.S. subsidiary, Aerospatiale General Aviation (AGA), located in Grand Prairie, Texas, has been distributing airplanes through dealers for six years—about 300 TB-series airplanes are operating in the United States—but it has been an uphill effort. AGA has only recently achieved stability in its sales network, and many pilots still are not familiar with the TB airplanes. Socata could achieve that recognition almost overnight by taking on the Piper sales and service network.

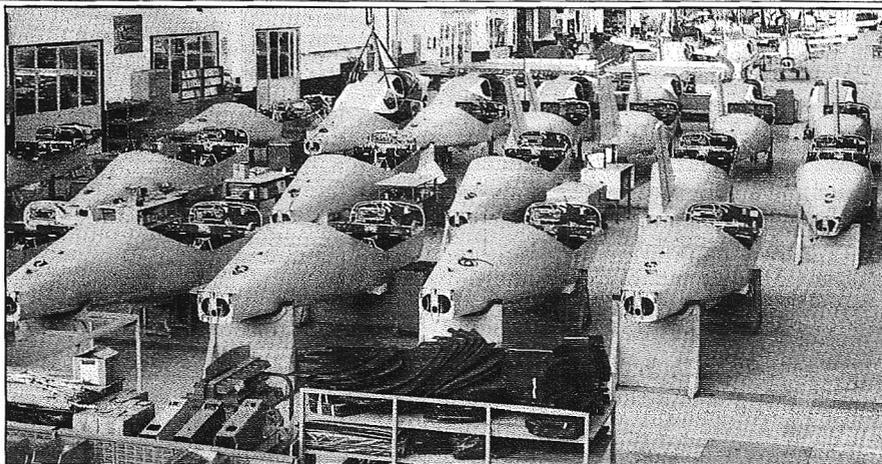
The third reason Socata is interested in Piper is the Vero Beach plant. Socata needs more production capacity for its piston singles and the latest addition to its product line, the TBM 700 single-engine turboprop. The Tarbes factory is operating at full tilt. TB production, including the TBM 700, accounts for only

half of Socata's activity at Tarbes. In fact, all subassembly work on the Tampico, Tobago, and Trinidad is farmed out to small, independent shops. The completed subassemblies then are brought back to the factory, where Socata workers put the airplanes together. However, Socata does all of the fabrication and assembly of the TBM 700 in a brand-new production facility at Tarbes. At the time of our visit in December, Socata was preparing to deliver the first customer TBM 700 to a buyer in France. Socata is concerned that unless TBM 700 production can be accelerated—perhaps by having Piper participate—the company will lose orders. A customer who ordered one today could not take delivery until some time in 1993.

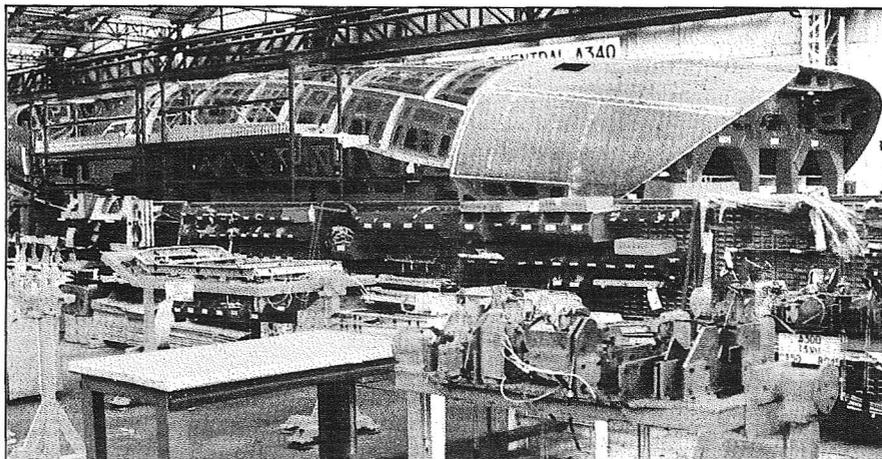
While half of Socata's activity is building single-engine airplanes, the other half is devoted to major subcontract work. Socata builds massive forward-fuselage panels for the Lockheed C-130; a huge, 60-foot-long belly fairing for the new four-engine Airbus A340 transport; complete nose sections, including cockpit, for the Airbus A320; and major structural components for Aerospatiale helicopters, among other projects. Socata's extensive subcontract work enables the company to maintain a steady production flow and employee base even though new airplane sales and production may fluctuate. Socata plans a similar approach—leavening new airplane production with extensive subcontract work—at Piper.

A visitor to Tarbes must be impressed with Socata's computer-aided design, engineering, and production capabilities. Don't let the quaint tile floors, potted plants, and genteel handshaking welders and heavy equipment operators in Socata's pre-World War II-vintage main plant fool you into thinking that decorum counts for more than deliveries. Socata officials say that Piper's production equipment and processes must be upgraded to the efficiency standards in place at Tarbes before Piper can take on TB and TBM production.

Socata has a long and distinguished history dating back to October 1911, when pilot Leon Morane and engineer Raymond Saulnier founded Aeroplanes Morane-Saulnier at Puteaux on the outskirts of Paris. The company's first effort was the 1912 G type monoplane. Saulnier subsequently patented the synchronization system that allows a machine gun to fire between the blades of a spinning propeller, and Morane-Saul-



Efficient production was one of the design objectives for the TB models (above). Socata's extensive subcontract work includes building Airbus A340 belly fairings (below).



nier became an important designer and producer of combat airplanes.

In 1941, the firm moved from Puteaux to a vacant plant in Tarbes that was to have produced the Dewoitine D 520 fighter. Under Nazi occupation, Morane-Saulnier built German aircraft, including the Focke-Wulf 190. As a result, the plant was bombed by the Allies. Despite the occupation and bomb damage, French engineers at the company designed in secret a two-seat fighter trainer that was the first new French airplane produced after the war.

In the 1950s, Morane-Saulnier pioneered a new class of civil airplane when it designed and built two small jet trainers and transports, the Fluert and its derivative, the Paris. The MS 760 Paris, reputed to be the first-ever business jet, was briefly marketed in North America by Beech Aircraft in 1955.

In response to an appeal by the French government for an all-purpose general aviation airplane, Morane-Saulnier designed the MS 880 Rallye, a homely but capable single with nearly full-span leading-edge wing slats that automatically deployed below a certain

airspeed, contributing to excellent short-field takeoff and climb performance and low-speed controllability.

More than 3,500 Rallyes were built over about 30 years. The Rallye was exported to the United States—many still are flying here—and was the first real exposure many American pilots had to French-built light aircraft.

Morane-Saulnier entered a tough period in 1962, filing for bankruptcy protection and then going into receivership. In 1966, government-owned Groupe Sud Aviation took the assets of Morane-Saulnier and formed a lightplane subsidiary, Socata (Société de Construction d'Avions de Tourisme et d'Affaires). The latest chapter in the company's long history opened in 1970, when several large French aerospace manufacturing consortia, including Sud Aviation, teamed up to form Groupe Aerospatiale. Socata became the lightplane subsidiary.

In 1975, Socata began designing a new TB (for Tarbes) line of singles to replace the Rallye. The first of the new line, the Tobago, flew in 1977. The Tampico followed in 1979, the Trinidad in 1981, and the Trinidad TC in 1984. (The

line also is known as the Caribbean series, for obvious reasons.) The TB design is among the most modern looking in all of general aviation. The fuselage is sleek and attractive, and the Renault-designed panel and interior are every bit as sporty and inviting as a new car's.

A major reason Socata launched the TB series was to improve the manufacturing process. Whereas the Rallye required some 3,500 parts and endless spot welding, a Tobago contains about 2,000 parts and no welding.

Socata also builds the Epsilon, a tandem two-seat piston-powered military trainer. France, Portugal, and Togo use the Epsilon for primary flight training for fighter pilots. Socata is trying to sell a turboprop version called the Omega.

In 1990, Socata won French and U.S. certification of the TBM 700, the first all-new, business and personal-use turboprop single destined for the general aviation market. Initially, Mooney, through its principal owners Alexandre Couve-laire and Michel Seydoux, was a partner in TBM 700 development. Mooney was to have taken on production of a portion of the airplane as well as final assembly of those TBM 700s destined for North American customers. However, as development costs rose along with the retail price (from just under \$1 million for the first units to the current price of just over \$1.3 million) and Mooney delayed spooling up for production and assembly, the partnership fell apart.

Meanwhile, Piper's Millar, a World War II fighter pilot and outspoken student of history, has lamented the phenomenon of increasing foreign ownership of U.S. companies. His chagrin is not so much over the foreign buyers themselves, but rather the U.S. legal community that he claims has used this country's liberal product liability laws to prey on industries like general aviation. The result, according to Millar, has been to strip general aviation manufacturers of their financial ability and corporate will to develop new products so that they can survive and compete in the United States and abroad.

Some may wring their hands over the loss to foreigners of yet another American business institution like Piper, but it would be difficult to identify a better savior for embattled Piper than Socata. The reason is that, unlike every one of Piper's former corporate parents, Socata is in the business for all the right reasons: to manufacture and sell general aviation airplanes. □

