possible closures of additional facilities including those located in Speyer and Laupheim. Over the past two years, DASA has closed plants in Lemwerder and Munich and reduced personnel by more than 3600. While keeping its core production activities, DASA could potentially move some other primary and secondary structures and component manufacturing activities outside Germany where there is considerable world excess capacity. Other factories are located in Bremen, Dresden, Nordenham, Stade, and Varel. The Stade facility is a world class composite material centre.

Final assembly of the A321 and A319 and major fuselage sections on other Airbus programs takes place in Hamburg-Finkenwerder. Management of the Airbus Spares centre in Hamburg has also been negotiated into DASA's work share. Primary responsibility for procurement rests within the Materials management functional area which is headed by Mr. Reiner Oelwein (Exhibit 27). Procurement for "flying parts" is headed by Mr. Werner Muenster, who's department is organized into four product areas including Raw Materials, Aircraft Equipment (systems), Customized Equipment, and Aerostructures (Exhibit 28). The Airbus division is also engaged in Folker and Dornier programs as well as a limited military business unit.

Past Canadian supplier involvement is notably disappointing with DASA Airbus. This likely stems from both a lack of knowledge of Canadian capabilities on the part of DASA (as sourcing efforts are concentrated in the US through satellite procurement offices) and a lack of aggressiveness towards this market on the part of the Canadian sector; however, the company stresses that it remains open to proposals which may help to meet its current challenges.

(refer to Exhibit 36 for Daimler Benz Aerospace Airbus DmbH contact names and coordinates)

Supplier and Product Qualifications

Each partner is responsible for designing and developing all structures, components, systems and procures all that is required in accordance with its negotiated work share. While the partners have developed their own stringent supplier and product qualification criteria, each partner recognizes the other's qualification procedures thereby eliminating the need for requalification with other Airbus partners.

The basic requirements for a company to qualify as a vendor to the independent procurement departments of the A1 partners remains fairly consistent and would be initiated only if there is a reasonable likelihood of a potential future contract. Suppliers are evaluated by Airbus partner procurement departments on the basis of their ability and willingness to meet the demanding aspects of aircraft construction.

To ensure the prospective supplier is capable of remaining a reliable source for