as the centre fuselage for the Avro RJ Regional Jet. Aviation services is another separate company within BAe Operations Ltd and engages in heavy maintenance of larger commercial airliners, conversions of VC10 airliners into air-to-air tankers, and Liverpool airport maintenance.

BAe Operations Ltd is headed by Chris Geoghegan and various programs are supported by functional areas in a matrix organization (Exhibit 21). Procurement for the Airbus Business unit takes place at Filton within the Product Operations Directorate along with Engineering and Manufacturing. The procurement department is headed by Alan Wakeham and is organized into 4 distinct areas including equipment, airframe, materials, and non-production (Exhibit 22). Procurement has been closely aligned with engineering, accordingly, each of the department's procurement officers works with an engineering counterpart to facilitate product and supplier performance evaluations and to reinforce customer support. Filton Aerostructures has its own procurement department headed by John Ramsey.

BAe Airbus manufacturing and equipping of wing boxes and design activities are primarily undertaken at sites in Chester and Filton. However, some sub assemblies, and detailed machining and composites work also takes place at plants located in Brough and Samlesbury. Wheel and brake assemblies on landing gear systems are integrated at a small plant in Toulouse.

BAe Airbus procures through a system of open tenders and is pressing to become increasingly transparent, nevertheless there is still some bias towards internal supply sources in aerostructures and precision machining through its ownership in Filton Aerostructures. The company does not have system supply capabilities within the group (unlike Aerospatiale, through its interest in Sextant, is a major player in avionics systems).

(refer to Exhibit 34 for British Aerospace contact names and coordinates)

<u>Construcciones Aeronauticas S. A (Spain)</u> (Appendix 4)

CASA is the principal player in the Spanish aeronautical sector and has been quite profitable since 1993. The company was founded in 1923 and is presently owned by TENEO which is part of the very large state industrial "INI Group".

The company is organized into three divisions including Space, Aircraft, and Aircraft Maintenance. CASA's interest in AI is managed within the Aircraft division, which accounts for well over 80% of the company's turnover and engages in aircraft and component design, manufacturing and marketing (Exhibit 23).

In house products include the CN-235 (twin turboprop STOL seating 44 passengers),