

Sky's the limit for CSeries

Bombardier exec Chet Fuller trumpets merits of Cseries

BY FRANCOIS SHALOM, THE GAZETTE FEBRUARY 26, 2011



Chet Fuller, senior VP of sales, marketing and asset management at Bombardier Commercial Aircraft, shows a mock-up of the CSeries plane.

Photograph by: Dario Ayala, The Gazette

It's been hotly debated, asserted as fact and dismissed as mythical. Bombardier Inc. itself called it "purely speculative."

But in a wide-ranging interview Thursday, new Bombardier executive Chet Fuller made perhaps the most definitive statement yet on the subject of the CSeries wing.

The \$3.4-billion CSeries program as it stands calls for a 110-seat version, the CS100, to roll out in 2013, and a CS300 130-seat model to come one year later. That model can carry up to 149 passengers.

Some aerospace engineers, though, were struck by the wing's span and strength, speculating that it was designed to support a significantly larger aircraft than those two initial iterations. One said it looked sturdy enough

to carry 160 to 180 passengers - the "sweet spot" in the 100-to 200-seat segment for aircraft manufacturers, the industry's largest and currently the exclusive preserve of Chicago's Boeing Co. and Toulouse-based Airbus SA.

The CSeries galvanized the industry, an upstart in a cosy duopoly that for decades has carved up that segment between the 737 and A320.

Airbus, in fact, recently announced it will "re-engine" its A320 with the same geared turbofan family of Pratt & Whitney next-generation engines that will power the CSeries, in response to that aircraft's challenge to their market.

Bombardier itself fuelled the wing chatter when it was discovered the company had trademarked the appellations "CS500" and "CS900." But it hurriedly deflected the implications of that, saying that it was done "purely to protect these designations and that nothing more should be read into it."

Fuller, who joined Bombardier in November from General Electric Co.'s aviation division as Bombardier Aerospace's chief commercial aircraft salesman (excluding business jets), was less reticent on the subject.

"I think it's fair to say that the wing is oversized for the small aircraft," said the former U.S. Navy pilot inside a new mock-up CSeries cabin. "I mean, it's a big wing for a small airplane. That's always the case in an aircraft family."

"We're going to constantly evaluate (going bigger) ... Right now, we got a best-in-class 110-ish seat airplane, and we're going to have a best-in-class 130-ish seat airplane."

"At some time in the future, if we get further down the road and there's an expression of interest and we want to make that investment, there's always the possibility technically (of stretching the CSeries). There's no show stoppers from a larger airplane."

But Fuller added that, "You have to evaluate all of that. It's a different performance and a different market. Think about this: the (Airbus) 321 (a stretch of the A320) has been kind of a marginal airplane for a long time. It's not a given that you want to do that."

The notion recently floated by Teal Group consultant Richard Aboulafia that the CSeries will be delayed a year or even 18 months largely because of Chinese supplier Shenyang Aircraft Corp.'s inexperience is dead wrong, Fuller said.

"I just don't know who bets against the Chinese," he replied.

"Throughout my career (at GE Aviation and Honeywell Aerospace), I've had multiple opportunities to work with the Chinese, both in joint ventures and in production. Betting against them is always a bad strategy."

Besides, added Bombardier director of commercial aircraft program planning development and customer requirements Sam Cherry, Shenyang is hardly inexperienced.

"They've been making components for us for 25 years, and our (turboprop) Q series complete fuselage for three years," he added.

Aboulafia conceded that "nothing concrete tells me (it will incur delays of) 18 months, except for all the evidence provided by every other jetliner program."

Referring to the prototype CSeries centre fuselage Shenyang delivered to Bombardier last year, Aboulafia said; "One fuselage delivered, but it's going to fly next year and enter service the year after? There's no way to meet this schedule."

Boeing's 787 Dreamliner, now more than three years late, was largely a self-inflicted debacle, top executive Jim Albaugh recently admitted, the result of excessive outsourcing and overreliance on unsupervised suppliers, some of which did not have the technical expertise to fill orders for which it had bid - and won.

In fact, said Fuller, "even long-standing companies - 100-year-old companies - in the western world have struggled."

The statement appeared to refer to two Boeing suppliers that contributed heavily to the 787's disastrous performance, Italy's Alenia Aeronautica and South Carolina's Vought Aircraft Industries - which Boeing was eventually forced to buy outright to avoid more delays.

Boeing's and Airbus' Chinese suppliers were not a factor in delays of the 787 and Airbus' also much-delayed A380, whose costs ballooned out of control.

Alenia is also supplying the CSeries' horizontal and vertical stabilizers, but Fuller said that Bombardier built in "darn near 50 per cent longer" than the 42 months Boeing expected to develop its 787.

"We said 66 months, and that's an enormous difference ... We built a flight test program that accommodates discovery and development."

From launch in 2008, Bombardier "embedded our own people with suppliers - from the avionics guys, the environmental control systems guys, the airframe guys, the structures guys.

"So they're like this (bringing two hands together), not on the phone, not across time zones, they don't have half an hour to go to talk to each other."

Fuller also dismissed rumours that he was replacing a demoted Benjamin Boehm, Bombardier's vice-president of commercial aircraft who was, until Fuller's arrival, the public face for the CSeries, along with his boss, commercial aircraft president Gary Scott, to whom Fuller reports directly.

Fuller's new post, vicepresident of sales, marketing and asset management (used airplanes) for commercial aircraft was vacant for the past year, and Fuller said Boehm is "off doing big things" in his new job of vice-president of global operations for the CSeries, the Q series and regional jets.

Fuller is cautious about the possible tonic effect surging oil prices could have in reviving the moribund sales of the CSeries, whose main pitch to airlines is its expected 20-per-cent reduction in fuel consumption and 15 per cent lower cash operating costs - a boon for airlines. In fact, yesterday marked the one-year anniversary of the last order for the CSeries, which has a total of 90 firm orders so far from three customers, plus 90 options.

"It's a double-edged sword," Fuller said. "(Oil price jumps) definitely spur the need for more efficient airplanes. But at the same time, they also diminish demand. That's pure economics. It's a wallet issue, energy costs go up, and you have less disposable income for discretionary travel. And that's a huge part of the travel world."

"A little more expensive (oil) is not a bad thing for selling our most efficient aircraft. But if it goes back up to \$150 (a barrel), it will be bad for everybody."

Raymond Jaworowski, an analyst with Forecast International In Newtown, Conn., said that the CSeries has to get more orders this year "or this program is in trouble."

"For a while, the CSeries got a bit of a break because no one was ordering planes. But Boeing and Airbus certainly did very well last year, and the CSeries no longer has that excuse."

But he said that the "Paris (air show) is looming very large this year, larger than Farnborough last year for CSeries orders."

Michael Boyd of Colorado's Boyd Group International Inc. said that Fuller's hiring may be timed "to bring in your heavy hitters, to line up as much sales firepower as possible" in anticipation of major sales campaigns from the three biggest U.S. airlines this year; American Airlines, Delta/Northwest and United/Continental.

The CSeries is well positioned to snag orders from at least one of those, Boyd said.

"With oil above \$100, these guys have a very compelling story."

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AVIATION HAS BEEN A LIFELONG LOVE

Charles R. Fuller - call him Chet - has to land the plane.

But the former aircraft-carrier pilot appears undaunted by the task of selling his "economic machine" to airlines pleased, so far, to sit on the sidelines until development of the CSeries is further along its scheduled 2013 delivery date.

The new senior vice-president, sales, marketing and asset management for Bombardier Commercial Aircraft was previously president of civil systems for GE Aviation - so he knows the CSeries and its competitors well.

After spending 14 years in the U.S. Navy, the pilot he began his civilian career at low-cost ATA Airlines - formerly America Trans Air - in 1998, moving in 2003 to Honeywell Aerospace, where he became vice-president for the Americas, and on to GE Aviation in 2005.

"I'm an airplane guy my whole life," said Fuller, 49, this week at the St. Laurent building where 4,200 Bombardier employees are developing the CSeries.

"I'm all in here, right? I came here for a reason - and remember, to make this move, Bombardier had to sell me on the airplane.

"I have no memory of not wanting to be a pilot or in aviation. I have never worked in any other industry. I never will. It's the only thing I like to talk about; it's the only thing I like to do."

So don't tell him that the 100-to 150-seat market - the CSeries market - is a graveyard for manufacturers.

"Fifty per cent of all departures today in narrow-body aircraft are between 100 and 150 seats - 50 per cent worldwide every single day. So the thought that that market space is dead is ludicrous. It's absolutely ludicrous.

"As long as every week has a Tuesday and a Wednesday, seat risk is always going to be an issue."

The aerospace industry, the market, demand and expectations have all changed, Fuller said.

"You know, 25 years ago, I didn't have a computer, I didn't have Internet, I had no BlackBerry and I had a full head of hair. I was 175 pounds, I was ripped, I was flying off a flight deck at night. Now I have no hair and I got these (eyeglasses). I'm telling you; things change."

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