

# No goals too big for Pino, Sikorsky

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Sikorsky Aircraft president Jeffrey P. Pino speaks during a ceremony in a hanger at the Sikorsky...  
at some of the highest levels they have ever produced at."

Pino, 52, sat down with the Connecticut Post recently for an hourlong interview, the first he has granted to a news organization since being named president. He spent the previous four years as the company's senior vice president for corporate strategy, marketing and commercial programs. Pino joined the company in 2002 after working for 17 years at Bell Helicopter.

Pino's annual salary and bonus pay has not been publicly disclosed but is likely near \$1 million, which the presidents of Pratt & Whitney, Otis and Carrier — other UTC subsidiaries — topped in 2005.

When the strike ended, Pino said workers were welcomed back with open arms. He noted that more than 17,000 people attended the company's family day last summer and pointed to a company motorcycle ride that he led with bikes stretched in a line more than a mile long.

"I come through the factory and I see their tattoos and their shirts that all say some of the local motorcycle brands.

"I said 'I like to ride. Would anybody like to ride?' And we do this online registration. I think 60 signed up but 200 showed up the day of the ride. It was hourly and salary and management and me. You know, it was just a great day," he said.

Teamster representatives did not return several telephone calls seeking comment for this story. However, several workers contacted by the Post who walked the picket line said morale is low in the factory.

"Very few hourly employees went to family day. It was basically new employees and engineers," said Douglas Marshall, of Milford.

A strike captain, Marshall said he has been harassed since the strike ended — leading him to file four grievances since April. He said that in his prior 33 years at the company, he filed only one.

Pino said that he has reached out to employees to let them know where the company is headed.

"We're really focused on a tremendous amount of growth right now," he said. "In 2003, we said let's double this business in terms of revenue by '08 and we are clearly on a track to do that. We might even do a little better."

Sikorsky's revenue reached a record \$2.8 billion in 2005 and the company has orders for \$8 billion worth of helicopters, the bulk for the U.S. military. The Army wants as many as 1,500 UH-60 Black Hawks, the Navy another 500 MH-60 Seahawks, and the Marines will need about 150 new CH-53 Super Stallion that are in the design phase.

"There are 600 engineers at the Dictaphone building in Stratford working on the CH-53," Pino said. "We moved all 600 of the engineers down there and gave them a real identity of their own. That's a \$3 billion development program that will enter production." Commercial orders have also increased largely to support the offshore oil industry. The company, which delivered six S-76 helicopters in 2002, produced 49 commercial S-76 and S-92 helicopters in 2005.

"He picked the right time to become president," said Richard Aboulafia, an aerospace analyst with the Teal Group in Fairfax, Va. "This is a charmed period of military and commercial growth. Both are superb."

Despite the boom, the company has had a few setbacks. Last month, Sikorsky's S-92 helicopter failed again to win a major U.S. military contract. The Air Force instead chose Boeing's Chinook for its fleet of combat, search-and-rescue helicopters. The S-92 had previously lost a bid to be the next Marine One presidential helicopter.

Ray Jaworowski, an analyst with Newtown-based Forecast International, said that Sikorsky will retain its ranking as the top provider of military helicopters for the foreseeable future. "That is primarily due to the H-60 series. The Black Hawk and Seahawk," he said.

Pino, he said, proved his abilities at Sikorsky while heading the commercial business that saw robust growth in the last few years.

Jaworowski also noted that Pino has pushed along the repair and spare parts business, which accounts for about half the company's revenue.

Sikorsky recently teamed with EADS North America to handle the logistics, maintenance and repairs for the Army's next light-utility helicopter that EADS will produce.

The rapid spike in production has put stress on the company, which is facing growing concerns about its quality control.

The Navy recently found 42 defective tail rotor blades on its Sikorsky helicopters, and the Army discovered the walls were too thin on main gear box housings on Black Hawk helicopters.

And the Pentagon is frustrated by production schedule delays and increasing quality defects.

In a recent letter to Pino, the Department of Defense issued "Level III: Corrective Action Requests" giving the company 30 days to submit a full strategic plan to correct problems it blamed on outsourcing of production and increasing sales to foreign governments.

Pino responded by shuffling his senior staff. In a letter to employees, he said the moves were "designed to focus on operational excellence, perfect quality, on-time delivery and customer satisfaction," according to a WTNH-TV report.

Sikorsky declined comment on the Pentagon letter, but Pino defended the company's commitment to quality and safety.

"There are two rules: People come to work and go home in the same condition. And, Sikorsky helicopters land under power at the pilot's point of choosing. Everything else is corporate hoo-ha. Those two things have to happen every time," he said.

Pino said that because of the "robustness of the design," no soldier's life was endangered by the tail rotor defect or the thin gear box housing. He also said that there have been "no material failures" of the Black Hawk in theater.

Sikorsky floor workers said quality control problems are real and they laid the blame on lax management, insufficient inspections and a rush to keep the production line moving. "It exists and everybody is sick of it," Marshall said.

Another worker — many Sikorsky employees interviewed for this story did not want to be identified — said that parts are coming in from subcontractors that routinely do not meet specifications, but no corrective actions occur. There are also bad parts being produced within the factory and there are increasing problems with foreign object and debris being found inside helicopters on the production line — typically metal shavings that have not been properly cleaned up.

Other workers complained that jobs are being assigned to workers who do not have the skills necessary to complete them properly and that training is inadequate.

As for the recent contract loss, Sikorsky has filed an appeal of the Air Force decision. But, with or without that win, Pino said the S-92 program will be fine.

Canada has ordered 28 military S-92 versions that will be delivered starting in 2008. Once they are flying, he expects other governments will look to the S-92. Meanwhile, commercial orders are "pretty full" for the next few years.

"It is an established product," he said.

Aboulafia, however, says that the S-92 is "treading water" without a U.S. military commitment.

"All the large helicopters need a home market," he said. "It tells foreign markets there will be a steady stream of upgrades. While the Canadian order saved the program, its long-term prosperity depends on the U.S. military."

Paul Nesbit, an aerospace analyst for JSA Research in Rhode Island, also said it is "awfully difficult" to build a weapons program without U.S. support.

"They put probably more than \$1 billion into developing this," Nesbit said. "It is undoubtedly state-of-the-art, but it hasn't been the right size for the major programs that have come up." Despite concerns raised by Sikorsky employees, they appear willing to give Pino a chance — particularly because he has credentials as a helicopter pilot.

"He's fairly new, but he has helicopter experience and he says his door is always open," said Scott Zorn, of Waterbury, who works in the company's overhaul and repair factory in Shelton.

Pino, who graduated from the University of Arizona in 1976, began his Army service on the ground until he saw a Cobra helicopter up close.

"I was on the tank range with all my troops and they closed us down from our shooting because a helicopter had to expend some ordnance," Pino said. "This Cobra flew over, expended all its ordnance and I'm looking up at it thinking: 'He's Army. I'm Army.' And, my application went to flight school virtually the next day."

Pino became a helicopter pilot and eventually served as a test pilot on the Army's OH-58D Kiowa Warrior program. He holds FAA commercial instrument and certified flight instructor ratings in both helicopters and airplanes.

"I don't know why but I'm fascinated by vertical flight. To this day, if I'm walking in the back of the factory and one of these wonderful machines lifts off, I stop and wait for it to fly away before I continue my journey," he said.

Nick Lappos, a former Sikorsky executive who worked with Pino on the S-92 presidential helicopter program, said that Pino has earned respect and a certain amount of admiration from his employees and the industry as a whole.

"Jeff Pino loves aviation and commands respect through his enthusiasm and energy," he said. "He's a breath of fresh air for Sikorsky."

Pino said that he tries to keep employees engaged and informed about where the company is heading. He is conscious of the fears of production line workers that their jobs may be headed out of state, or overseas, as the company expands beyond its Connecticut base.

Sikorsky recently announced plans to build an International Black Hawk that would be assembled not in Stratford, but on foreign soil.

"In today's environment, you can't just export product," he said. "You have to team. You have to partner. You have to build with them. Aviation is a national treasure no matter what nation you are in."

Pino is also excited about the company's proposed X-2 technology that will use a coaxial rotor to increase speed.

The company, he said, has overcome key technical challenges in developing a fully fly-by-wire aircraft that can cruise at more than 250 knots. The world speed record for a conventional helicopter is 217.5 knots, or nearly 250 mph.

"Instead of just building another helicopter, we are spending our money on a new technological advantage, which we see as speed," he said.

Back in July, Pino said the program was "absolutely and definitively on track" to test fly a demonstrator before the end of the year. He is now looking to early next year for that flight, saying there have been some delays in obtaining parts from subcontractors.

"You always try to set what we call big, audacious goals," he said. "I will tell you that the aircraft is essentially built. We've had the engine run on the aircraft. We're just waiting for some final parts and it's not going to be many months before you see that helicopter fly."