

## US forces consider gun-launched UAV

THE US ARMY is considering launching a research study for an unmanned air vehicle (UAV) small enough to be launched from a 155mm artillery piece, while the US Navy and Marine Corps are also studying small tube-launched UAV systems. A basic research effort may be launched by the end of the year.

The army is studying the QuickLook system, under development by the Armament Research Development and Engineering Center as a fire support targeting system for 155mm howitzers. Gunners would use the small vehicle to gather enemy target coordinates and perform battle damage assessment out to 50km (30 miles).

The daylight-only QuickLook air vehicle would use an electro-optical sensor, global positioning system (GPS) and datalink. Project officials are looking for a UAV with a 30min loiter capability accurate to within 20m (65ft) even in a GPS-jamming environment.

The US Navy is also interested in the application. The Office of Naval Research plans to conduct an advanced technology demonstration of an affordable gun-launched surveillance UAV. The vehicle would have a range of up to 139km and would loiter for up to 3h, controlled by a forward observer.

Carolina Unmanned Vehicles is already developing a shoulder-launched unmanned reconnaissance system (SLURS), but the project has had technical problems. SLURS would consist of a 4.5kg (10lb) folding-wing battery-powered air vehicle, tubular launcher and ground control system. □

### NEWS IN BRIEF

#### MD-11 SWITCH CHANGE

Boeing MD-11 operators are to replace or modify two dimmer switches in the cockpit, according to a US Federal Aviation Administration airworthiness directive. The switches must be replaced or modified within a month of inspection.

# Cathay's effort to revive PAL earns approval from receiver

ANDRZEJ JEZIORSKI/SINGAPORE

A CONDITIONAL offer by Cathay Pacific to invest up to \$100 million in debt-ridden Philippine Airlines (PAL) has been accepted by PAL's interim rehabilitation receiver committee.

The two airlines say they will jointly draft a "rehabilitation plan" for PAL, to be submitted to the Philippines Securities and Exchange Commission (SEC) and creditors for final approval. This is expected to take "several weeks", say the carriers.

The SEC has set a deadline of 21 November for the plan, but sources close to the negotiations say Cathay has requested PAL's creditors to extend the deadline to early December.

Under the terms of the proposal, Hong Kong-based Cathay and

PAL's current majority shareholder, tobacco magnate Lucio Tan, will inject into the company an amount of money "yet to be determined". Tan is expected to invest up to 2 billion pesos (\$50 million) himself.

Conditions on the proposal include the completion of the due diligence process, the approval of PAL's creditors to reschedule debts and agreement on acceptable arrangements for Cathay taking management control.

Under Philippine law, only up to 40% of the airline can be bought by a foreign shareholder. Cathay confirms that it is in talks with other potential investment partners.

"Cathay Pacific remains interested in taking an equity stake in PAL and this is a further step towards that goal. We believe that with our resources and management experience we can help re-

establish PAL as a successful airline," says Cathay corporate development director Tony Tyler.

The Philippine Government has said it will sell its 14% share in the airline if Cathay's proposal is accepted. Finance secretary Edgardo Espiritu says that Cathay has demanded a "total dilution of Government equity".

Singapore Airlines and Northwest Airlines have previously been named as interested in buying a stake in PAL, but Cathay's is the only formal offer to date.

PAL has been in receivership since June, with debts exceeding \$2.1 billion. The airline halted operations for over two weeks from 23 September, after trade union negotiations on restructuring broke down. During the stoppage, Cathay took over the operation of some of PAL's domestic routes. □

## A330s head for Brazil after currency hiccup

JOE SIMS/MIAMI

TAM EXPECTS to take delivery of its first two Airbus A330s by the end of the month after a delay of over a month caused by a currency crisis in Brazil.

The carrier, based in Sao Paulo, had been due to receive its first of five Pratt & Whitney PW4000-powered A330-200s last month, but deliveries were put on hold because of financing problems caused by the spread of the economic turmoil in Asia to Brazil and other Latin American countries.

The USA and the International Monetary Fund are working on an economic package that will include up to \$30 billion in credits for Brazil's battered economy. In return, Brazil is introducing a fiscal austerity plan of budget cuts and tax hikes aimed at slowing dollar flows out of the country. It is understood that the anticipation of these measures hampered financing by Brazilian banks for the airline's Airbus purchase.

"There were two financing



TAMs A330s will shortly depart for Brazil after solution of financing snags

options, one with Brazilian banks and the other with Airbus Industrie itself," says TAM. "Because of red tape, we have decided to use the second option."

Airbus confirms that deliveries should begin shortly, and final details are being negotiated with the airline.

The A330s were ordered last year to enable the regional carrier to expand its network, adding destinations in the USA and Europe, as well as for domestic flights

between Sao Paulo, Recife, and Fortaleza. The first two aircraft will allow TAM's Miami route to begin and its remaining three firmly ordered A330s will be delivered by April 1999 to support a second international route to Paris.

TAM's fleet is made up of short haul types including Fokker 50 and F27 turboprops, and Fokker 100 jets. Earlier this year, the airline placed orders for 38 A320 family aircraft, deliveries of which are scheduled to start next March. □