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French Premier Wants a Simpler Airbus Structure

By DAVID PEARSON
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PARIS -- The management structure at European aircraft maker Airbus needs to be streamlined to speed up decision-making, French Prime Minister Dominique de Villepin said yesterday.

Mr. de Villepin also indicated in a radio interview that ensuring a balance between French and German interests is less important than ensuring that the company is efficient and competitive.

"Airbus must have the means to carry out its recovery. Discussions are under way between Airbus and [parent company] **European Aeronautic Defence & Space Co.** to simplify internal decision-making processes that are too complex," Mr. de Villepin said. EADS, jointly controlled by French and German shareholders, owns 80% of Airbus and is imminently expected to buy the remaining stake it doesn't own from Britain's **BAE Systems PLC**.


Mr. de Villepin said he had no information to the effect that Airbus Chief Executive Christian Streiff -- who was brought in three months ago to work out a recovery plan for the aircraft maker -- has intimated he is prepared to resign if he isn't given full latitude to implement his decisions. According to people close to the situation, Mr. Streiff has been pushing for more independence in carrying out a restructuring plan than some officials at EADS are ready to accept. Officials at the two companies declined to comment.

The plan, announced last week, is aimed at revamping Airbus's operations in the wake of huge and costly delays in making and delivering the A380 superjumbo jet.

The manufacturing problems have highlighted management and organizational problems within the company, which makes parts and assembles them at several sites in Germany, France and the United Kingdom. Last week, German Finance Minister Peer Steinbrueck called on EADS not to upset the national parity inside Airbus.

Mr. de Villepin said that France has to be "vigilant" in regards to jobs at Airbus, which employs nearly 50,000, including 20,000 in France. Asked about Airbus's need to balance its French and German interests, Mr. de Villepin said: "I didn't mention the need for balance, but the need to be

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efficient, and to respond to the needs of the company. In this business, the first rule is efficiency...and I think best practice should be our guiding principle."

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