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OF U.S. BUDGET
BATTLE 6



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DUBAI SHOW WRAP-UP

News and speculation about

Cuts Could Delay U.S. Marines' JLTV

Postponed Buy Would Drive Up Army Price Tag

By MICHAEL HOFFMAN

More budget cuts could force the U.S. Marine Corps to delay its purchase of the Joint Light Tactical Vehicle (JLTV) by a decade, Marine acquisition leaders warned lawmakers. And if that happens, the price of the Army's

JLTVs would rise, which would be a heavy blow to a program already reeling from criticism over its cost, analysts said.

In Nov. 16 testimony, Brig. Gen. Daniel O'Donohue, head of the Corps' Capabilities Development Directorate, and William Taylor, the Corps' Project Executive Officer for Land Systems, said that if the Joint Select Committee on Deficit Reduction — the congressional supercommittee — can't agree on a deficit-reduction deal before the Nov. 23 deadline, the resulting budget cuts would

prevent the JLTV purchase from wrapping up before the Marines start buying Amphibious Combat Vehicle (ACVs).

Now in development, the ACV is the Marines' No. 1 vehicle acquisition priority. Rather than allow the acquisitions to overlap, the Marines would simply push JLTV off a decade, O'Donohue told the House Armed Services Committee's air and land panel.

"If JLTV is delayed, we lose an opportunity that we cannot readdress until after ACV procure-

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Mideast Setback for Rafale, Dassault

UAE Faults Offer, Widens Fighter Competition

By PIERRE TRAN

DUBAI — A stinging rebuke by the United Arab Emirates (UAE) to French efforts to sell the Rafale will pressure fighter maker Dassault to smarten up its commercial approach, particularly as the company is a contender in India's bid for a new warplane, analysts said.

INSIDE Dubai Airshow: Reporter's notebook. *Page 12*

The Rafale is competing against the Eurofighter Typhoon in India's Medium Multi-Role Combat Aircraft (MMRCA) program for 126 fighters, which is due to be decided



AGENCE FRANCE-PRESSE

Missed Opportunity: A Rafale flies Nov. 14 at the Dubai Airshow. The UAE has reopened its fighter contest, once considered a sure deal for the Dassault jet.

Dhabi Crown Prince Sheikh Mohamed bin Zayed said Nov. 16, the official news agency WAM reported. "Regrettably, Dassault [seems] unaware that all the diplomatic and political will in the world cannot overcome uncompetitive and un-

and has extensive procurement experience.

France has been negotiating for three years to sell 60 Rafales to the UAE to replace an equal number of Mirage 2000-9s. The gulf state has been seen as the best prospect for

Finmeccanica, Italy Work To Shed Debt

By TOM KINGTON

In the space of a few days last week, the Italian government and the country's largest defense firm, Finmeccanica — both under new management — separately launched ambitious plans to streamline operations and shed huge debt loads.

An admiral was also named defense minister, the first time in more than a decade that a uniformed officer has held the post.

New Italian Prime Minister Mario Monti promised pension reform, new taxes and economic stimulus measures, while Finmeccanica CEO Giuseppe Orsi announced 1 billion euros (\$1.4 billion) in asset sales and the grouping of units to save millions.

One analyst said Orsi's plans might soon be approved by Monti, who has taken over the treasury ministry as well as the prime minister's office, and will thus oversee state-controlled Finmeccanica.

"Orsi and Monti appear to have similar views on streamlining operations, which could help Orsi in his work," said the analyst, who declined to be named.

Monti's appointment ended a momentous week in Italian politics after Prime Minister Silvio Berlusconi resigned Nov. 12 after he lost parliamentary majority, but not before passing a package of cuts and stimulus measures demanded by the European Union.

Officials at the EU and the In-