	UP FRONT
12	Mid-year report on A&D companies
	provides fresh clues on the effects
	of leaner budgets, rising jet demand
	THE WORLD
13	India prepares to open bids for the
	two Medium Multi-Role Combat
	Aircraft finalists before Oct. 31
	¥
14	Aviation Week's Fred George wins
	NBAA award for lifetime achieve-
	ment and editorial excellence
	PROPULSION
22	Pratt and Rolls challenge GE and
	5

and aerospace/airline industry playing out over emissions trading **ARMY AVIATION**

29 Early flight demo decision catches some of the five Armed Aerial Scout contenders unprepared

28 Fraught relationship between EU

30 AAI unveils upgraded Shadow as U.S. Army expands the so-far unarmed UAV's capabilities

DEFENSE

AIR TRANSPORT 24 Increasing weakness in air

forced to rely on export credit

agencies to sustain their deliveries

cargo points to dreary days for

and Snecma with new engine joint

venture aimed at midsize transports

international passenger business **27** Airbus and Boeing again may be

31 Divisions appearing in united defense industry-Congress front

against potential military cuts **32** Rand report: U.S. should look to long-range strike and intel

weapons to hold Beijing at risk

SPACE **34 U.S. outlines** criteria for commercial rocket makers to break into

33 Italy notches another European first by simultaneously flying three UAS

51 USMC touts Afghanistan success

of KC-130J's precision-guided

munitions and explores upgrades

in civilian airspace and over ground

How far is China's military reach? The answer depends on what it wants to do. A Chinese warship deployed to the Mediterranean this year, so, by that yardstick, global reach is at hand. Substitution of J-11

Flankers for older aircraft is one of the many ways in which China is

extending its so-far limited power-projection capability,

national security space arena **36** India's launch of satellite to study

climate and atmosphere boosts country into space-partnering club

49 EADS Astrium enters uncharted ter-

ritory in accepting ESA backing

to build a high-speed data service

50 Singapore strives to establish itself as a space industry center for the Asia-Pacific region

AIRLINES

47 Now that Taiwan's China Airlines

has joined SkyTeam, its growth

52 Multitude of Chinese defense

potential will depend on Beijing.

60 With few programs beginning soon, industry turns to long-standing

needs that can now be addressed

CHINA'S MILITARY BUILDUP

programs promise to increase the country's strategic reach **54** China's assertive claim to South

EDITORIAL

78 European Union's cap-and-trade

about whether revised timetable for an ATC upgrade can be met

44 Serious questions being asked

43 Winglets to take center stage as

bizav increasingly looks to new

shapes and concepts for savings

AIR TRAFFIC MANAGEMENT

taking on greater sense of urgency





eye each other warily while assess-

ing if the other could be an ally or foe

MILITARY AIRCRAFT UPDATE

45 Satellite-based airport approach advantages being compromised by slow deployment worldwide

46 Efficiency gains spur introduction in many countries of required naviation performance approaches