Hulking Airbus A400M Takes Graceful Maiden Flight

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SEVILLE, Spain (AP) — The A400M military transport plane that has been causing Airbus and European defense ministers budgetary and logistical headaches finally took to the skies for its maiden flight on Friday.

But even as the hulking gray airlifter took off from the Spanish city of Seville, defense officials are meeting on the sidelines of the event to decide how to continue with the much delayed and over budget project.

Louis Gallois, head of Airbus parent EADS, said he found the takeoff "more moving than I expected. It's enormous. We've been waiting a long time."

He disappeared into the VIP tent — where journalists are not allowed — when asked about cost overruns.

The A400M program was launched six years ago with an order for 180 planes from seven governments — Belgium, Britain, France, Germany, Luxembourg, Spain and Turkey. The project is running at least three years late.

The original price was euro20 billion ($29.46 billion), but a preliminary report by auditors PricewaterhouseCoopers said EADS might need an extra euro5 billion — inflating the final bill by 25 percent, a person familiar with the talks said on condition of anonymity, as he is not authorized to speak to reporters.

Airbus CEO Tom Enders declined to talk about the A400M's funding gap, saying "I am not talking about any sums of money today, we are celebrating the first flight."

"There are ongoing negotiations," he said. "I hope we can conclude them in the weeks ahead."

Enders told The Associated Press that he enjoyed a breakfast of croissants and "very strong coffee" with the six man crew Friday morning to wish the two test pilots and four engineers good luck.

"They were very confident," he said.

Friday's flight is testing basic functions such as the landing gear and the flaps. It marks the beginning of a three-year flight test program.

The 127 ton (140 short tons) plane took off 15 minutes late after a few glitches with the flight instruments, said Fernando Alonso, head of Flight Operations at Airbus. It headed southwest, over the Spanish region of Extremadura.

At a briefing an hour after lift-off, Alonso said that "everything is going fine" and the crew "feel very comfortable with the airplane."

The crew, dressed in orange jump suits, are equipped with parachutes and helmets just in case.

"It's only after they land that we will be able to party," Alonso said.

EADS has asked governments to renegotiate the initial contract, which was agreed along the lines of Airbus' standard fixed price commercial contracts, rather than a risk-sharing military deal.

Enders has slammed the contract agreed by his predecessor, which saddles the European planemaker with most of the costs of delays.

But asking governments to pay more has become difficult at a time when countries' budgets have ballooned as they fight off the worst of the economic crisis.

As well as raising the price, officials could agree to cut the number of planes on order, reduce the specifications, or spread increased payments out over time.

Officials meeting in Seville will try to overcome a deadlock between countries such as France and Britain, whose militaries need the aircraft urgently, and other countries, such as Germany, that have budget concerns.

Ministers are hoping to agree in principle to continue with the project before the end of the year, according to the person familiar with the talks. But the tricky details probably won't be pinned down until the contract signing in late March or early April, the person said.

As well as price, governments need to decide on technical specifications and delivery schedule.

Abandoning the project would cost EADS euro5.7 billion ($8.4 billion) in advance payments it would have to return to governments — and would dent its credibility. It has already has put aside euro2.4 billion in provisions against losses related to the plane.

The A400M is designed to replace Lockheed Martin Corp.'s aging C-130 Hercules cargo aircraft used by the U.S. Air Force as well as the retired C-160 Transall transport aircraft developed by a French and German consortium.

It should almost double its predecessors' cargo capacity and have a range of up to 4,000 miles (6,400 kilometers).

South Africa recently pulled out of an order for eight A400Ms, leaving Malaysia as the only export customer.

The flying truck, designed for combat missions in rugged areas like Afghanistan as well as humanitarian missions, took off on Friday with nine flags on its side — the seven nations, Malaysia as well as South Africa.

"Maybe the South Africans will be so impressed by the flight today they ... will come back'," Enders said hopefully.

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