

## Former Rockwell chairman dies

Sept. 25, 1992 UPI

PITTSBURGH -- Willard 'Al' Frederick Rockwell Jr., former chairman and chief executive officer of Rockwell International Corp., died Thursday of cancer at his home in Pittsburgh. He was 78.

Rockwell, who retired as chairman in 1979, played a key role in the formation of Rockwell International. He served as a member of the board of directors until 1984.

Rockwell oversaw the combining of Rockwell-Standard Corp., North American Aviation Inc., Rockwell Manufacturing Co., Collins Radio Co., Miehle-Goss-Dexter Inc. and other firms into what is now Rockwell International, a \$12 billion conglomerate based in Seal Beach, Calif.

He was elected chairman of North American Rockwell following the 1967 merger of Rockwell-Standard and North American Aviation Inc. North American Rockwell became known as Rockwell International in 1973.

Rockwell, a 1935 industrial engineering graduate of Pennsylvania State University, was employed first by Pittsburgh Equitable Meter Co. in various engineering capacities, then by Timken-Detroit Axle Co. in Detroit. He returned to Pittsburgh Equitable Meter in 1938, became vice president and controller and was elected a director in 1940.

Rockwell served as an Army captain during World War II, then returned to Pittsburgh Equitable Meter, which changed its name to Rockwell Manufacturing Co. in 1945. He was elected president in 1947 and was named chief executive officer in 1964 and chairman in 1971.

After retiring from Rockwell International, Rockwell joined Astrotech International Corp. as chairman and chief executive officer. He retired from Astrotech in 1989.

Rockwell received six honorary doctorates as well as awards from the American Astronautical Society, the American Management Association, the United Negro College Fund and the National Management Association, which named him 'Management Man of the Year' in 1975.

He served as a member of the board of trustees of Pennsylvania State University from 1963 to 1970 and received the university's Distinguished Alumnus Award in 1961.

Rockwell is survived by his widow, Constance; five children: Mrs. Peter E. Boorn, Willard F. Rockwell III, S. Kent Rockwell, G. Peter Rockwell and Russell A. Rockwell; eight grandchildren and one great-grandson.

Services will be held at 3 p.m. Monday at Trinity Cathedral in Pittsburgh.

RETIREMENT IS A BLAST FOR AL ROCKWELL Building up companies is nothing new for the 71-year-old former chairman of Rockwell International. But now he wants one -- Astrotech International -- to go sky high: he's trying to persuade NASA to sell the company a space shuttle or two.

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August 5, 1985

(FORTUNE Magazine) – NOT LONG AGO **Willard F. "Al" Rockwell Jr.** was rereading a letter his father sent him 30 years ago. The missive urged him to be more cautious and to slow the pace of acquisitions he was then making as president of Rockwell-Standard Corp. About the time he came across the old letter, a business associate recalls, "Al walked into my office and said, 'Let's buy Hughes Aircraft.' " Some kids just never listen. Rockwell didn't get Hughes -- General Motors did -- but thinking big and keeping a full plate are old habits he has no intention of dropping. At 71, six years after retiring as chairman of Rockwell International, Al Rockwell is trying to build a new aerospace company that will, he fervently hopes, someday own at least one space shuttle. The venture is blue sky in every sense, but no one is calling it impossible. < Building ever bigger companies seems to obsess Rockwell. In 1967 he pulled off the merger that combined Rockwell-Standard Corp., the Pittsburgh auto parts company his father assembled, with North American Aviation, the prime contractor for the Apollo space program. Al Rockwell became chairman of the new company, North American Rockwell, then merged it with another company his father put together, Rockwell Manufacturing Co., to form Rockwell International. He was chief executive of the Pittsburgh company until 1974 and chairman until 1979. That's when he "retired." Even before then Rockwell was looking around for more to do. "I couldn't stay at home with my wife all the time," he says. "I don't believe in that much togetherness." When U.S. Steel chief Edwin H. Gott was looking for a successor in 1972, Rockwell immodestly suggested that a strategic planner and operator like himself would be a better bet than a "steel guy." U.S. Steel didn't think so, but a headhunter soon invited him to try for the presidency of International Paper, which also turned him down. Undaunted, he went after a piece of the action the modern way: in 1980 he launched a proxy battle for SCM Corp., explaining then, in his even-tempered style, that a guy can't go fishing all the time and by the way SCM was one of the worst-managed companies in the FORTUNE 500. (At the time, SCM management turned in record profits and said it was "proud" of its performance.) He assembled a dissident board that wasn't elected, and was readying another assault when he let SCM buy him out at a profit of about \$1 million. Two years ago Rockwell found a second career to keep him busy. He bought controlling interest in a closed-end investment company from Atlanta conglomerator J. B. Fuqua, moved it to Pittsburgh, and began fashioning it into the aerospace agglomeration now known as Astrotech International. Its main component is a jet engine alloy maker, Special Metals Corp., which Rockwell bought from Allegheny International in December 1983 for \$85 million. Four months earlier he bought Astrotech Space Operations, a kind of launch- pad garage near Cape Canaveral that satellite owners -- such as AT&T and the Mexican government -- lease for balancing their birds, filling them with fuel, and testing them. The cost is about 20% less than the National Aeronautics and Space Administration's quoted price. The other, much smaller Astrotech companies are Quasitronics, a computer peripherals maker, and Ecology One, \$ which is developing microwave technology for use in sewage treatment. Rockwell is shopping around for defense work and a plant to do it in. His rationale is simple: "It's got a high return on

investment, and there's plenty of it." Astrotech estimates it will just about break even this fiscal year, which ends September 30, on sales of about \$130 million. That compares with a loss of \$1.5 million the previous year. The stock, which trades on the American Exchange, recently sold for \$1.25 a share, near an all-time low. The part of Astrotech that makes Al Rockwell's heart leap exists only on paper. The company has set up a red, white, and blue subsidiary called Space Shuttle of America. Its mission: to buy and operate a couple of NASA's shuttle orbiters. The thought may seem somewhat fanciful -- Al's Space Shuttle, all aboard -- yet companies far bigger than Rockwell's acknowledge that the commercialization of space could be a \$60-billion business within 15 years. President Reagan's announcement a year ago that he intended to encourage the commercial use of space sparked Rockwell's imagination. "Since we were already servicing satellites, we thought, why not arrange to sell space on the shuttle, and then why not insurance? And then finally, why not just buy a shuttle?" recalls Rockwell. He says NASA officials were enthusiastic at first and said, "Buy two, it's cheaper." They estimated the price of a new shuttle at \$2 billion. Rockwell envisioned a profitable venture that could eventually be spun off from Astrotech, ferrying satellites and manufacturing goods 300 miles up for pay. But NASA has cooled to the idea. "Commercialization has to do more than just transfer a function," says Ike Gillam, NASA's assistant administrator for commercial programs. "It has to generate new products, services, and revenues that expand the gross national product." An interested critic of NASA's policy is former astronaut Eugene Cernan, a member of the Space Shuttle of America board, who says the success of the French-led Ariane program is proof that the private sector can handle space operations. Recently a report by the Shuttle Operations Strategic Planning Group -- a committee NASA formed to study commercialization -- recommended that the space agency retain control over all shuttle operations for five to ten years. Rockwell calls the report self-serving. NASA administrator James Beggs had previously said that private operation of the shuttle could come as early as 1989, but now that looks impossible. Rockwell is bitter. "They led us down the primrose path," he protests. "We're the only company ready, willing, and able to buy the shuttle." DISILLUSIONMENT has taken many forms since Rockwell moved from the chairmanship of a \$5.3-billion-a-year multinational corporation to that of a small U.S. company. Says his son Kent: "In his heyday at Rockwell International he had tremendous resources to fall back on. They're not available to him at Astrotech. He was used to pushing a button and 45 computer operators would start churning out numbers." At Rockwell International he could raise millions in financing with a phone call. Yet Mellon Bank found Astrotech Space Operations too far out for its taste and turned down Astrotech's bid for financing in 1983, and adding insult to injury, called a personal loan Rockwell had rolled over for several years. Quite a jar to a former director of the bank whose family had been an important client for decades. "They told me they just don't do things that way anymore," Rockwell says. Al Rockwell rose from a well-situated launch pad. His father, "Colonel" Willard F. Rockwell Sr., started with a moribund axle plant in Oshkosh, Wisconsin, and was running three manufacturing companies by the time his son graduated from Penn State in 1935. Al advanced quickly in his father's empire. Like his father, Al sees nothing wrong with keeping things relative. His oldest son, Willard III (known as Terry), 41, has been with Astrotech since its inception, as director of space operations. Son Kent, 40, a former board member and vice president for international and strategic planning at Rockwell, joined Astrotech's board in June after keeping his father at bay for two years. "Now that Astrotech's strategic plan is a little bit more in perspective, my past business practice could help them," Kent says. Al Rockwell is unmoved by the prospect of overshadowing his offspring. "Christ, I worked in the shadow of my father. I always have. They've got guts. They'll live through it." As much as he enjoys work, Rockwell is not driven by it. "He really lives his life," says his pilot, Ron Ray. Rockwell once belonged to something called the "I'll Go"

Club, whose members, a group of young company presidents, would arrange surprise fishing or hunting trips that their colleagues were required to attend. A devoted outdoorsman, Rockwell has fished the Arctic and hunted in Africa, but he now does most of his fly-casting on his estate in Laurel Highlands just outside Pittsburgh. Rockwell and his wife, Constance, spend as much time as they can on Cat Cay, an island and private resort in the Bahamas that he owns with members of some of the first families of Midwest industry -- the Timkens of Timken Co., Frederick Crawford, a founder of TRW -- and Richard Nixon's friend Charles "Bebe" Rebozo, among others. He shuttles to Cat Cay from the mainland in his Bell Ranger helicopter and trades it for a golf cart on landing. The cay is not just a hideaway: Rockwell is building houses on much of the land he owns on the island and has development plans for a nearby island he owns outright. Mrs. Rockwell keeps busy on her own. She has an interior decorating business in Fort Lauderdale and last year opened an office in Pittsburgh. She had hoped that she and Al could travel more together but she knew he wasn't one to slow down. "I'm glad he didn't retire," she says. Astrotech promises to take all the time Rockwell cares to give it. The venture nearly spun out of control in February, falling victim to the kind of cash squeeze that often sinks young companies. A production disaster at Special Metals forced the company to dump millions of dollars of rare-metal alloys, giving Astrotech a \$9.7-million loss for the first half. The stock dropped from nearly \$3 a share to \$1 on the news. The timing couldn't have been worse: Astrotech was planning a stock offering. Rockwell says Securities and Exchange Commission regulations and the company's auditors, Ernst & Whinney, made the company present the prospectus for its new stock on a worst-case basis. The auditors' report questioned Astrotech's ability to fund operations. Astrotech postponed the offering and survived on a loan from the Rockwell Foundation, of which Al is a trustee with other family members. Astrotech President E. Douglas Ward, imported from Gencorp's Aerojet General subsidiary in September, went at Special Metals "with a meat ax," he says, butchering \$6 million of overhead in a month. A revised stock offering a few weeks later succeeded, buoyed by Rockwell's vow to purchase up to \$1 million of any unsubscribed shares. He bought \$2.1 million of stock, giving him 14% of the common shares in addition to the 34% of the preferred he already owned. "There wasn't a damned thing different between the two offerings," he maintains, "except what the SEC and the auditors did. You can't fire the SEC -- but you can fire your auditors." He did. Coopers & Lybrand now keeps the books. EVEN IF ROCKWELL holds Astrotech aloft, his dream of his own shuttle may depend on a political battle. Rockwell is seeking congressional and White House support for his project, and Representative Robert Walker of Pennsylvania, the ranking Republican on the space science subcommittee, says he may soon introduce legislation to sell off the shuttle fleet. Says Brad M. Meslin, executive vice president of the Center for Space Policy Inc., a Cambridge, Massachusetts, consulting firm: "Al Rockwell has identified an extremely visionary objective with respect to private sector activities in the space program. I believe his objective will be realized. I don't know whether it will be by him." Rockwell admits that the passing years may eventually slow him down. "I figure by the time I'm 75 I'll be able to spend more time in a rowboat," he says. That admission hasn't reduced the scale of his plans. Astrotech and NASA are discussing a deal in which Astrotech would put up \$95 million to take over the marketing of the space shuttle's commercial payload business. NASA must ask for competing bids if it decides to go ahead. Rockwell is also investigating other space ventures, such as running an orbiting solar power station -- an interplanetary truck stop -- to supply energy to the shuttles, whose stay in space is now limited by their low energy-storage capacity. It's a limitation Rockwell wouldn't know about. FORTUNE Magazine