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IFPTE White Paper Brings TRUE Transparency to Tanker Contract Decision

EADS tanker could cost taxpayers \$30 billion in unneeded costs, result in the loss of 44,000 American jobs, and provide less security for taxpayers

WASHINGTON, DC – The International Federation of Professional and Technical Engineers (IFPTE) today released a comprehensive report on the U.S. Air Force (USAF) decision to award a foreign company the \$35 billion contract to build America's next generation of aerial refueling tankers.

In the report, IFPTE finds that the USAF “hit a trifecta” in awarding the contract to France-based defense contractor EADS and its minority partner Northrop Grumman -- choosing the “more expensive, less capable aircraft in a manner that undermines our free trade laws.”

“There is growing consensus on the political left and right that the tanker decision is a poster child for the fleecing of America. Moreover, through our research for this White Paper, IFPTE has spoken with former military personnel with direct expertise and experience when it comes to refueling tankers. Based on our discussions it is clear that should an immediate mission arise within the Air Force's area of operations (AOR) and Air Force assets supporting it needed aerial refueling, the KC-135s assigned to supply Marine Corps aircraft with fuel would be redirected, or pulled, and not fulfill its preplanned tasking,” said Paul Shearon, IFPTE Secretary Treasurer.

This consensus among lawmakers is based not simply on the fact that the USAF award to EADS will result in the outsourcing of 44,000 jobs and a considerable parcel of our industrial base to Europe. Rather, the growing political consensus that the contract was a mistake is based on key facts – detailed in the report – including evidence that:

- The EADS KC-30 could cost taxpayers as much as **\$30 billion in unneeded costs**;
- The EADS KC-30 is a **less capable aircraft**, can land in fewer bases, and is more vulnerable to being downed by enemy fire;
- EADS KC-30 is being financed with **illegal subsidies**, according to a near-unanimous consensus of legal experts in the U.S. and leaders of both political parties;

- EADS has a **checkered history of past performance** on major contracts and a documented track record of unethical conduct;
- The Department of Defense made **questionable mid-stream changes in the procurement criteria** that it has not explained to Congress to date;
- EADS and its minority partner Northrop have **little experience** in manufacturing aerial refueling tankers;
- EADS won **exemptions from key national security laws**, including those that restrict the export of sensitive military technologies developed with U.S. funds;
- EADS has very **questionable relationships** with Iran, Russia and others that should be of concern to policy makers tasked with protecting our national security.

The Government Accountability Office (GAO) is currently investigating serious flaws in the Air Force's procurement process, and members of Congress have joined the chorus of critics calling for a serious review, and potential reversal, of the decision.

“No one is arguing that this decision should be made because of domestic economic considerations alone,” Shearon added. “But every sober analysis of the tanker award shows that after considerable lobbying by this foreign contractor, its minority U.S. partner, and Senator John McCain, the DoD buckled to their pressure and made decisions that will leave U.S. workers, taxpayers and soldiers out in the cold. We are confident that upon closer reflection, the Congress will reverse this ill-fated decision.”

Complete findings of the report can be found on www.ifpte.org.

IFPTE is an AFL-CIO affiliated labor union representing 85,000 white collar professional workers in the United States and Canada. IFPTE represents workers in the Federal, Public and Private Sectors.

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