

Machinists cheer ruling overturning Air Force tanker deal



A jubilant crowd gathered at Machinist Lodge 751's Hall in Everett, Washington, June 20 to cheer the release of a GAO report saying that the process the Air Force used to award a multi-million-dollar re-fueling tanker contract to a foreign manufacturer was flawed. The GAO called on the Air Force to re-bid the contract. After the initial contract was announced, the Machinist launched a massive grass-roots campaign to build-it-in America

They said it couldn't happen. The industry experts and defense analysts who track the aerospace industry said there was no way the Government Accounting Office (GAO) would ever recommend an overhaul of the \$35 billion tanker contract that was awarded earlier this year to a consortium including Northrop Grumman Systems Corp. and European Airbus Industrie over Boeing Co.

But the so-called experts were wrong. Not only did the GAO recommend a new round of bidding, but they rebuked the Air Force decision to award the contract to Airbus in blunt and unequivocal terms.

"Our review of the record led us to conclude that the Air Force made a number of significant errors that could have affected the outcome of what was a close competition between Boeing and Northrop Grumman," the GAO said. "We therefore sustain Boeing's protest."

The 69-page GAO decision was not made public because it contains proprietary and sensitive information about the Boeing and Northrop tanker bids. But the GAO did issue a three-page summary that found significant mistakes by the Air Force in seven key areas. Among the points made in the GAO report was that the Air Force did

not assess the relative merits of the tanker proposals in accordance with the criteria it initially established. The GAO also cited the Air Force for conducting "misleading and unequal discussions" with Boeing by informing Boeing that it had fully satisfied a key performance objective, but later determined privately that Boeing had not. The GAO also concluded the Air Force miscalculated the life-cycle costs of Boeing's tanker, and incorrectly concluded that the Northrop tanker would have lower operating costs.

"Not only is the Boeing aircraft superior, but we can begin building these planes right away," said Machinists General Vice President Rich Michalski, who urged IAM members and others to contact lawmakers and urge that the contract be awarded to Boeing.

The Machinists represents about 35,000 Boeing employees in Everett, Portland, Wichita, and elsewhere.

The Society of Profession Engineering Employees in Aerospace represents 21,000 engineers and technical workers at Boeing.

(Editor's Note: The International Association of Machinists and Aerospace Workers and Press Associates Inc. contributed to this report.)



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(For information, see flyer insert for ATU members in this issue.)