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By Roxana Tiron

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Facing incensed Boeing supporters, Air Force officials defended in Congress Wednesday their decision to pick Northrop Grumman over Boeing for a new midair refueling tanker — and they warned that if Congress overturns the decision, it could have a severe impact on the Pentagon's ability to buy weapons systems.

Rep. John Murtha (D-Pa.), the powerful chairman of the defense appropriations subcommittee, said that he does not have any doubts the Air Force followed the law in its decision to award the tanker contract, worth between \$35 billion and \$40 billion, to a team made up of Northrop Grumman and the American subsidiary of the European defense conglomerate EADS, which includes aircraft maker Airbus. Eventually 179 planes will be built under the contract.

"I think they followed the law, but there is a lot more to this," Murtha told reporters after a hearing by his committee. "There is the industrial base you have to consider, there are allies that have not stepped up and helped us in Iraq or Afghanistan. You have to look at what the public has to say."

Murtha added that he is not ready to make any decisions about blocking or altering the contract until the committee has looked at every detail the Air Force has to present. But he did remind the Air Force that his panel has the power of the purse.

"All this committee has to do is stop the funding and this program is not going to go forward," he said.

The Air Force's decision to go with the Northrop Grumman team has infuriated lawmakers in both chambers and both parties. They charge that the selection shortchanges U.S. jobs, weakens the aerospace industrial base, and creates jobs in Europe at a time when America is facing a potential economic crisis.

The congressional outcry could spark as much anger as the 2006 decision to hand the operation of several U.S. ports over to the United Arab Emirates-owned Dubai Ports World. That agreement was scuttled amid congressional outrage.

"This is as political as anything that we do," said Murtha during the hearing.

Both Democratic presidential candidates, Sens. Hillary Rodham Clinton (N.Y.) and Barack Obama (Ill.), expressed concern about the award, while House Speaker Nancy Pelosi (D-Calif.) said that the contract raises "serious

questions that Congress must examine thoroughly.” Senate Majority Leader Harry Reid (D-Nev.) said that Congress should at the very least hold hearings.

Murtha indicated that a Democratic president could overturn the Air Force’s decision.

Meanwhile, GOP presidential nominee John McCain, the Arizona senator who was instrumental in thwarting a corrupt leasing deal for tankers between Boeing and the Air Force five years ago, said that he would look into whether the Air Force fairly applied its own rules when reaching the decision.

Several lawmakers, in particular Boeing supporter Rep. Norm Dicks (D-Wash.), have made McCain a scapegoat of sorts for putting the Air Force in the position to have to choose an Airbus plane.

Murtha at the hearing also accused McCain of slowing down the Air Force’s efforts to replace aging tankers.

A visibly aggravated Dicks called the Air Force’s decision “fatally flawed” and charged that it had applied a “bait-and-switch” tactic. According to Dicks, the Air Force said it wanted a medium-sized aircraft — for which the Boeing 767 would have fit the bill — but then chose the bigger aircraft in the offering. He said that Boeing could have bid with its bigger 777 plane had it known.

Meanwhile, Rep. Todd Tiahrt (R-Kan.) has started an online petition to protest the contract award.

He will send the signatures to the White House, the secretary of Defense and congressional leaders.

But the Air Force maintains that its call was fair.

“Northrop Grumman brought their A-game based on the law that I must abide by,” said Sue Payton, the Air Force’s assistant secretary for acquisition, at the hearing. “I wish I could award this to somebody I like … [or] to somebody who offers things that I personally like.

“But … I promised the House and the Senate when I went through confirmation that I would uphold the law as written,” she added. “That is where I find myself.”

Murtha himself said that Boeing might not have done a “very good job in their presentation” ahead of the decision.

“They did not sharpen their pencils. That is what I hear,” he said.

The Air Force finds itself in a tough position. After the tanker lease-deal flap, the Air Force came under pressure by the

Pentagon leadership, its own officials and Congress to hold a fair and open competition for the program.

As a result, congressional concerns about such issues as job creation and the manufacturing and assembly of the tanker were never part of the decision-making in the tanker award, and they do not play a role in the Pentagon's acquisition rules.

Another factor is that the Buy America Act has exemptions allowing contracts to be awarded to companies in certain countries, including Britain, Germany, France and Spain — all nations that now have a stake in the tanker program.

But Murtha said he "doubted" that Congress would make any changes to the Buy America Act.

The Air Force also did not take into account a dispute at the World Trade Organization between the United States and the European Union regarding allegations of illegal government subsidies to Airbus and tax breaks for Boeing. Air Force officials extracted a commitment from both bidders that they would not be affected by the WTO case, even if it resulted in hefty penalties against either the U.S. or EU.

For their part, Northrop Grumman and EADS North America did not have vocal defenders on the panel Wednesday. But Rep. Jim Moran (D-Va.), a veteran appropriator, warned that blocking the contract could have searing implications for U.S. foreign sales.

In a press release, Northrop Grumman said that the Airbus tanker will have about 60 percent U.S. content and that the tanker program will create a new aerospace manufacturing corridor in the Southeast.

The Air Force is debriefing Boeing on its decision Friday and the winning team next week, said Payton.