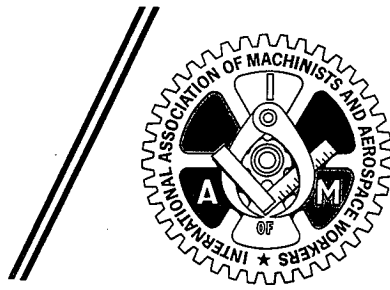


**International
Association of
Machinists and
Aerospace Workers**



9000 Machinists Place
Upper Marlboro, Maryland 20772-2687

Area Code 301
967-4500



OFFICE OF THE INTERNATIONAL PRESIDENT

GL 2 - Legislative

March 4, 2008

Dear Senator,

Last Friday, in a shocking announcement, the Pentagon awarded a \$40 billion contract to the European Aeronautic Defence & Space Company (EADS) of Toulouse, France, and Northrop Grumman to build 179 refueling tankers for the U.S. Air Force based on the Airbus A330. Over time this European stimulus package could grow in value to over \$100 billion as additional tankers are purchased. Meanwhile, America descends into recession and we continue to hemorrhage good paying manufacturing jobs; over three million have been lost since 2000. The decline in U.S. manufacturing has serious implications for our Nation's defense industrial base as we whittle away at the critical industrial infrastructure necessary for our security.

Topping \$600 billion, defense spending constitutes the largest discretionary component of the federal government's budget. Defense purchases should be based on the Buy American Act provisions of the Federal Acquisition Regulation. It is simple common sense that we invest our tax dollars in the U.S. and that we make what we need to defend ourselves, but in recent years we have seen an alarming increase in waivers. According to the Department of Defense it spent nearly \$5 billion in FY 2006 on foreign purchases. The value of the Airbus tanker contract will shatter existing records for foreign purchases of defense products and represents an unprecedented break with the intent of the Buy American Act.

Under the guise of "free trade," American workers and producers have long struggled to compete against the unfair trade practices of many of our global trading partners. EADS, the parent company Airbus, is no exception. Their tanker is European from its inception, relying on the design of A330, which was heavily subsidized by the European Union. Subsidies for Airbus are the subject of one of the largest lawsuits ever brought before the World Trade Organization. These ongoing subsidies, totaling some \$100 billion, were originally seen as a threat to our commercial airline industry. Now the illegal subsidies constitute a clear and present danger to the viability of our defense industrial base, and, incredibly, in the tanker contract award our own government is complicit. How many other critical sectors, such as, aluminum, glass, rubber, avionics, and jet engines will suffer a similar fate?

U.S. manufacturing, and by extension our defense industrial base and our national security, will continue to erode if our own government awards waivers for critical defense products and turns a blind eye to the unfair trade practices of foreign governments. The winners in the 21st Century global economy will depend upon the skills and abilities of their workforces. Europe understands this as demonstrated by its willingness to subsidize EADS and preserve skilled European jobs. The question America faces is simple; does the Department of Defense realize the critical tie between national security and the skills of the American workforce? Or will the Department of Defense in its search for the "best value" take the Wal-Mart approach to manufacturing and eventually source critical defense products from China?

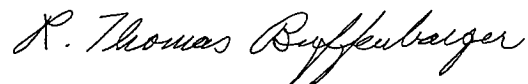
In light of the grievous actions of the Department of Defense, we ask that Congress do the following:

- Conduct a full investigation of the circumstance surrounding the awarding of the tanker contract to a foreign contractor.
- Conduct additional hearing on the scope, nature, and quantity of waivers granted by the Administration, as well as the impact of the waivers on readiness and national security.
- Defund the award of the Air Force's contract to EADS/Northrop.

America is at a critical juncture. Our military is over extended. We continue to outsource our industrial base as our economy sinks into recession. Our economic competitors acknowledge the challenges of the dangerous world we live in. Now it is up to America to do so as well and invest in our own economy and people.

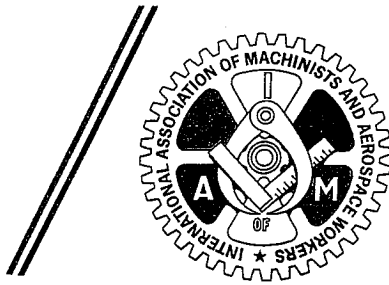
If you have any questions, please contact Legislative and Political Action Director Matt McKinnon at (301) 967-4575.

Sincerely,



R. Thomas Buffenbarger
International President

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