

## Big Win for U.S. Workers

# MACHINISTS CELEBRATE TANKER VICTORY

IAM members across North America are celebrating a victory in the long-awaited decision to award a \$40 billion contract to supply the Air Force with a new generation of air refueling tankers.

After workers endured a 10-year roller-coaster ride, the Air Force made its final choice on Feb. 24, 2011 to have America's Boeing Company supply 179 new tankers in the largest

Aeronautic Defence and Space Co. (EADS), the parent company of Airbus.

"The Pentagon's decision will result in an American aircraft, built by American workers for America's warriors," said IAM International President Tom Buffenbarger. "Our legacy as providers of the best-built military aircraft in the world was on the line, challenged by a foreign competitor who

Many of the jobs at stake are held by IAM members employed at Boeing facilities in Washington and Kansas and Boeing's suppliers. The IAM and its members have been at the forefront of the 10-year effort to ensure the U.S. military gets the best plane built by the best aerospace workers in the world.

The Boeing win will generate thousands of jobs in recession-ravaged communities across America. In Connecticut alone, the contract will create an estimated \$339 million in economic activity annually, including orders for engines from Pratt & Whitney and electrical and environmental systems from Hamilton Sundstrand.



Workers across the country cheered the news of the tanker contract win. From left, John Jenkins, Gary Ottinger, Janis Tawrel and Josh Allen join the celebration on the 767 line in Everett, WA.

defense contract in U.S. history. More than 50,000 jobs in 40 states were on the line in the competition between Boeing and the European

hoped to establish a high-tech beachhead in this country that could have permanently altered our ability to provide for our own defense."

### Most Experience

Boeing workers have produced more than 2,000 tankers in the last six decades. The KC-135 tankers in service today were produced when Dwight Eisenhower was president and are a testament to Boeing workers' ability to build a quality tanker.

Boeing's winning entry, the NewGen tanker, is based on its 767 commercial jet that meets or exceeds all of the Air Force's criteria. Boeing workers have

delivered more than 1,000 767s and are constantly upgrading the manufacturing process and flight systems to state-of-the-art technology.

The Boeing NewGen tanker is also much cheaper to operate. The EADS Airbus A330-based entry has 40 feet more wingspan and is 30 tons heavier than the 767. Over a 40-year life cycle, the larger A330 will cost 20 to 25 percent more to operate than the NewGen 767, according to an independent analysis. The NewGen 767 is expected to save up to \$36 billion over the life of the program, which is almost equal to the acquisition cost of the proposed 179 planes.

### Lowball Bids

Even though Boeing has the longest history of supplying the nation's air refueling tankers, Airbus has stayed in the running through three competitions by submitting low bids



*Boeing workers have delivered more than 2,000 tankers over the last six decades and are ready to supply the NewGen Tanker which is less expensive to operate than the Airbus A330 and will save billions over its 40-year lifespan.*

made possible by heavy government subsidies. "Underbidding Boeing was always at the heart of Airbus' strategy for winning the Air Force tanker competition," reported defense analyst Loren Thompson in the *Wichita Eagle*. Thompson claims Airbus used "massive, illegal infusions" of subsidies that allowed it to "submit a lowball bid the same way it

often does in commercial transport operations."

"Congress and the Defense Department should consider the costs to America's manufacturing base, communities and workers when making such momentous decisions," said Buffenbarger. "If we keep looking to other countries for illusive short-term cost savings, we will cripple our ability to make products critical to our national security, forcing American communities to suffer and eroding the number of good-paying U.S. jobs. Thank goodness reason prevailed, and we will use U.S. taxpayer money to create U.S. jobs to build the best plane."

As the *IAM Journal* went to press, EADS had 10 days after the announcement to submit a protest of the Air Force's decision to the U.S. Government Accountability Office (GAO). If EADS submits a protest, the GAO has 100 days to render a decision.



Bill Burke, Page One Photography

*The IAM's grassroots campaign for U.S. jobs was matched by efforts in the halls of Congress, media campaigns, newspaper op-eds and appearances before policymakers, such as IAM General Vice President Rich Michalski's address to key leaders at a tanker supplier conference in 2010.*