

STATE SENATOR • GILDA Z. JACOBS • 14TH DISTRICT

Jacobs Press Release

P.O. Box 30036 • Lansing • Michigan • 48909-7536 • 517-373-7888 • Fax: 517-373-2983
E-mail: sengjacobs@senate.michigan.gov • www.senate.mi.gov/jacobs



FOR IMMEDIATE RELEASE
Jun 20, 2008

Contact: Sen Gilda Z. Jacobs
Phone: (517) 373-7888

SEN. JACOBS PRAISES FEDS DECISION ON RE-BIDDING AERIAL TANKER CONTRACT

LANSING – Sen. Gilda Z. Jacobs today praised the federal Government Accountability Office (GAO) recommendation to re-bid the Air Force's aerial tanker contract. The original \$35 billion award went to Northrop Grumman Corporation for the EADS Tanker. However, the Boeing Corporation, who produces the KC-767 tanker, had disputed the decision, resulting in the GAO recommendation.

Critics of the original contract argued that the EADS Tanker would do more for the European economy than the U.S. and would outsource thousands of quality American and Michigan jobs. The GAO decision also confirmed many suspicions that the original bidding process had been flawed.

"As a supporter of fair a fair and competitive bidding process, I am very pleased at the GAO recommendation to re-bid the contract," Sen. Jacobs said. "Michigan is home to some of the most skilled and innovative workers in the country, and could see hundreds of new jobs and millions in economic investment from the KC-767, providing a much needed boost to our economy. Boeing already maintains a significant presence in my state senate district through its suppliers. This tanker would only spur additional growth."

The GAO's recommendation that the contract be re-bid follows an Air Force admission that the life cycle cost of the Northrop/EADS Tanker would be much greater than the Boeing KC-767. The larger size of the EADS Tanker would cost taxpayers millions of dollars in extra fuel costs each year. The KC-767's smaller size meets the Air Force's original specifications and uses 24% less fuel than the EADS model. It is estimated that over 25 years, Boeing's proposal for the KC-767 would save taxpayers more than \$8 billion in operating costs.

#