

ICYMI:
EUROPEANS CELEBRATE THE AIRBUS KC-X TANKER
CONTRACT
AND EXPECTED BOON TO THEIR ECONOMY

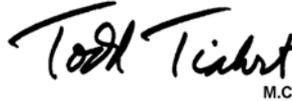
March 10, 2008

Dear Colleague:

When the United States Air Force gave the KC-X Next Generation Air-refueling Tanker contract to a foreign competitor, they gave away 19,000 American jobs. Now, European newspapers and leaders are crowing about how the KC-X contract and how it will be a boon to European economies. Here are just a few tidbits.

The Europeans understand how vital this contract is to their economic security, why doesn't the Pentagon?

Sincerely,



Todd Tiahrt
Member of Congress

The deal, worth around £18 billion in total, will deliver huge benefits for the UK economy with £3 billion of the deal coming to UK-based factories.... UK factories will build all the wings..... Help to sustain and protect around 13,000 high-value, long-term jobs directly in Airbus UK, a further 32,000 in the UK supply chain and 90,000 in induced employment around the UK....Provide approximately 2.5 - 3.5 years work at current production rates..... UK suppliers who will benefit from the programme include GKN, Messier Dowty, Hyde, Magellan, CAV and CML.....Underpin Cobham's air refuelling operations for decades to come, enabling further investment in technology and capability.....Have a UK content on each aircraft of approximately 20%.

Ian Godden, SBAC Chief Executive "This deal is excellent news for the UK aerospace industry and for the wider UK economy - bringing billions into the country and securing many thousands of hightech, highly-skilled jobs for the long term.

-- SBAC, March 1

"Isn't it a welcome change when we are reconciled with the Americans?," French President Nicolas Sarkozy told Le Figaro newspaper in an interview. "Could you imagine for a minute that the contract which EADS has won in such a magnificent way to build aerial tankers could have been signed in the spirit of tension which used to exist between the Americans and French?"

-- United States Air Force Aim Points, March 6

The contract for the air tankers will also bring workload to the EADS factories in Spain. The group still needs to seal the division of tasks specific to Northrop Grumman, but the public information provided by the United States suggests that Spain will have between 12% and 15% of the workload, as well as Germany, as opposed to 7% -10% for the United Kingdom and 5% - 6% for France.

Our country [Spain] has the advantage, as the Spanish subsidiary EADS-CASA has been responsible for developing the boom system for refueling aircraft.

Regarding the tankers EADS has sold to Australia, the centre of Getafe (Madrid) has been responsible for all aspects of the boom, fuel tanks and the militarization of equipment and systems of the first plane.

-- Translated from March 5 Spanish press article in Cinco Dias

EADS WANTS TO CALM DOWN UNION CONCERNS IN EUROPE EADS said yesterday that the US tanker contract would not lead to "job relocations" from Europe to the US.

-- Aujourd'hui en France March 5

Setting a foot in the US military market, EADS "goes West", writes Le Nouvel Observateur. The group also won the contract because it "Americanised" its offer, by seeking a US partner and setting plans for a production site in Alabama. The objective was to "become American", echoes Le Point. The recent election of President Sarkozy also helped, relaxing the French-US political climate.

-- Challenges, Le Point, Le Nouvel Observateur, L'Usine Nouvelle, Les Echos, March 5

French 'non' to open defence markets

France has raised objections to a European Commission proposal to open up national defence markets, warning that it could lose control over the export of defence-related products.

-- Europeanvoice.com, February 28

"participating in the assembly of the 179 planes could create 4.2 to 4.8 billion USD in revenues "

-- Translated from Spain's El Economista, March 4

The wings for the tankers - a modified version of the A330 passenger jet - will be built at plants in Broughton and Filton, in the UK, securing around 9,000 jobs.

--Daily Telegraph, March 4

The deal will also see work cascade down the supply chain, from Cobham, which builds the fuel rigs linking the tankers to the fighter jets, to minnows such as Senior, which makes widgets that fit into the wings. Messier-Dowty, Magellan and a host of other UK and European companies will benefit.

Cobham chief executive Allan Cook said: "I can't tell you how important these long-lead contracts are. They create jobs, but also keep the production lines going and support the confidence to continue investing."

-- Daily Telegraph, March 4