

Conservatives Leaders Call for Congress, Air Force to Weigh Trade Violations in Tanker Bid

Contributed by George Landrith
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WASHINGTON, DC -- A group of conservative leaders concerned with defense and trade issues sent a letter to Congress today calling for the Air Force to take European trade violations into account when evaluating bids for the Air Force's new aerial refueling tanker.

On September 4, the World Trade Organization issued its preliminary finding that the tens of billions of dollars European governments have given Airbus in "launch aid" represents an illegal trade violation. The decision was the result of a complaint first brought by the United States Trade Representative in 2004.

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Last week, the Air Force issued a preliminary request for proposals for another round of bids for its next generation of

tankers. The Secretary of the Air Force has been quoted in news accounts saying the illegal launch aid Airbus has received will not be a factor in the bidding process.

“The illegal trade subsidies were specifically intended to enable Airbus to underbid its chief rival Boeing,” according to Kerri Toloczko, of the Institute for Liberty. “For the US government to ignore such flagrant cheating in bid for a defense contract worth at least \$35 billion is an insult to the American manufacturing sector and to the very concept of free trade.”

The conservatives write that if Airbus is permitted to bid on the tanker contract, the procurement office in charge should be required to establish and disclose the true costs of the Airbus offering, including the estimated benefits Airbus received in the form of illegal “launch aid” to develop the original platform.

While favoring both free trade agreements and foreign companies being allowed to bid on American defense contracts, the group opposes treating Airbus as an equal player in the tanker bid because of its massive trade violations.

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