

June 9, 2008

INDEPENDENT STUDY SHOWS TWICE AS MANY U.S. JOBS FROM KC-767 TANKER

Dear Colleague,

The number of American jobs created and sustained has been one of several points of debate about the Air Force's flawed decision to award the KC-X Tanker contract to the EADS team. In recent months, you have seen several estimates of jobs without knowing what different assumptions were used to derive them.

Last week, the Economic Policy Institute (EPI) released an analysis based on common, rather conservative assumptions about the jobs impacts of both proposals. The study concludes that:

*“Because roughly half of the parts and labor that go into making the NG/Airbus tankers will come from overseas, at least 14,000 jobs that could have been generated in the United States if the contract had gone to Boeing will not be created. **Boeing would likely create at least twice as many U.S. jobs as NG/Airbus if it ultimately wins the Air Force tanker contract.**”*

EPI estimates that the most likely employment impacts for annual full-production of 15 aircraft per year breaks down as follows:

	Boeing	Northrop Grumman
Direct Jobs	6,838	3,419
Indirect Jobs	7,098	3,549
Responding Jobs*	14,770	7,385
Total Employment Impact	28,707	14,353

* Responding jobs are the jobs supported by aerospace workers spending their wages in the rest of the economy.

We urge you to read the full EPI report, which can be found at <http://www.epi.org/briefingpapers/218/bp218.pdf>.

We call this to your attention because of our deep conviction that the Air Force decision is wrong for our military and wrong for our nation. We believe that Congress has a responsibility to review this particular acquisition and to consider if there are systemic flaws in the way that the Department of Defense makes contracting decisions.

_____/s_____
Norm Dicks
Member of Congress

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Todd Tiaht
Member of Congress