Boeing Responds to Inaccurate U.S. News & World Report Article

To The Editor:

On behalf of the 180,000 employees of The Boeing Company, we would like to point out that U.S. News & World Report has done a great disservice with its report on the current debate to upgrade the U.S. Air Force's 40-year-old tanker fleet.

First, no tanker lease deal has been concluded. Congress has merely authorized the Air Force to negotiate with Boeing to replace the 100 oldest tankers, which, built during the Eisenhower Administration, have an average age of 41 years -- often twice as old as the air crews flying them.

Negotiations are still underway. The only good and fair deal for America will be one that both improves the capability of our military forces and is affordable to taxpayers. Air Force acquisitions chief Dr. Marvin Sambur stated that the Air Force is determined "to make sure this deal is good for America." So is Boeing. We are saving the Air Force hundreds of millions of dollars up front by investing our own money into tanker research and development and applying best commercial practices.

Second, taxpayers will not "pay twice" for these aircraft. Prior to entering into a lease, Boeing will guarantee the purchase price of the aircraft, a significant portion of which will be paid off during the lease. Boeing has always assumed that the Air Force would retain ownership of these aircraft, in which case the cost to the Air Force would simply be the portion of the aircraft not yet paid for. If the Congress and the Air Force decided to return the aircraft to Boeing, there would be no conversion cost to the Air Force. The real comparison confronting our nation's leaders is whether to begin this tanker replacement process now, through leasing, or wait and begin the traditional procurement process in fiscal year 2011, as originally planned -- when the cost of any aircraft will be higher. In fact, it is less costly for the Air Force to begin now with a lease -- giving Congress the option to purchase the aircraft at the end for the residual value -- than to wait and begin purchasing tankers in FY 2011.

Third, refueling tankers are critical to today's high-tempo, high-mobility military. From Desert Storm, to the air campaign over Kosovo or the current war on terrorism, today's military simply cannot deploy or employ without tanker aircraft and their highly skilled crews. They are "indispensable," according to Secretary of the Air Force James Roche and Air Force Chief of Staff General John Jumper.

Boeing has been a proud partner and supplier of our military for more than 50 years. We stand ready to quickly and affordably equip our airmen and women with this indispensable military asset.

(signed)
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