EADS Submits Bid For $35 Billion Air Force Contract

Stephen Manning, AP Business Writer

WASHINGTON (AP) — The European defense contractor EADS said it sumbitted its official bid Thursday for the Air Force's long-delayed, $35 billion aerial refueling plane contract.

European Aeronautic Defence and Space Co., the parent of the aerospace company Airbus, said its North American division delivered copies of its 8,800 page proposal to an Air Force base in Ohio a day before the Pentagon's deadline for bids. A spokesman for Boeing Co. said the U.S. planemaker would submit its own bid Friday morning.

The Air Force hopes to pick a winner by November in an effort to replace its current fleet of KC-135 tankers, some of which date to the late 1950s.

The program has had a tortured past, as several previous attempts to choose a contractor failed. Those rounds of bidding were hampered by disputes between Boeing, based in Chicago, and its then-rival Northrop Grumman Corp., as well as a criminal case against a top Pentagon official.

Northrop, which is based in Los Angeles, backed out earlier this year of a partnership with EADS, saying the Air Force's requirements for the jet favored Boeing's smaller plane. But EADS said it would go alone, offering a military version of its A330 passenger jet. EADS plans to build the plane at a new plant in Mobile, Ala.

Boeing's supporters in Congress are pressuring the Pentagon to consider a recent World Trade Organization ruling against Airbus over European government subsidies to the company for commercial planes. They argue it shows EADS has an unfair advantage over Boeing.

Members of Congress from Washington plan to meet Friday with Boeing workers in Everett, Wash. to support Boeing's anticipated bid.

Source URL (retrieved on *09/16/2014 - 3:51am*):
http://www.impomag.com/news/2010/07/eads-submits-bid-35-billion-air-force-contract