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COMMITTEE ON INDIAN AFFAIRS
COMMITTEE ON ARMED SERVICES
COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION

United States Senate

December 1, 2006

VIA FACSIMILIE AND FIRST CLASS MAIL

Dr. Robert M. Gates
President
Texas A&M University
One Circle Drive
College Station, TX 77843

Re: Tanker Replacement Program

Dear Dr. Gates:

Subject to the confirmation of your nomination, perhaps the most important new major defense acquisition program for which you will be responsible, will arise from the replacement of the KC-135 aerial refueling tanker fleet. As you probably know, this program is currently valued at about \$200 billion.

Given the regrettable history of the Air Force's prior attempt to recapitalize the fleet, it is vital that this program obtain the best possible joint aerial refueling capability at the most reasonable price. In my view, this can only be achieved by conducting a competition for replacement aircraft fully, openly and transparently—using objective, verifiable metrics. More to the point, if this very important program is to reach production timely, I respectfully suggest that the final Request for Proposals (RFP) must be unambiguous and uncontroversial. Unfortunately, I am not sure we are yet on that course.

In recent correspondence to Deputy Secretary Gordon England, I conveyed concern about the unprecedented inclusion of an element related to litigation between the United States and the European Union Trade Commission currently pending before the World Trade Organization (WTO), in the draft Request for Proposals (dRFP). I remain troubled that, without clarity on how answers to this provision will be evaluated, this element (and other similarly troubling provisions, including an overly restrictive invocation of the Berry Amendment and a questionable extension of ITAR regulations) may risk eliminating competition before bids are submitted. I understand that the Department will issue a final RFP on December 15, 2006.

Recent developments in the program underscore my concerns. On Tuesday, November 28, 2006, the Air Force held an Acquisition Strategy Panel (ASP) to review tanker requirements and select an acquisition strategy for replacement aircraft. I understand that the ASP selected a

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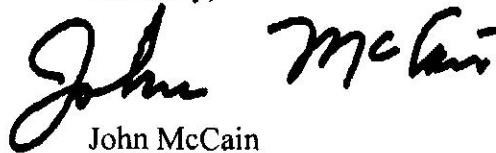
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strategy that did not include a “capabilities-based acquisition.” As such, the approach that the ASP selected appears to deviate from what I understand the Joint Requirements Oversight Council (JROC) prescribed. I understand that, in vetting the KC-X Operational Requirements Document (ORD), the JROC called on the Air Force to consider tanker aircraft options that maximize cargo and passenger capacity. But, without a capabilities-based evaluation that objectively and verifiably measures capability beyond thresholds in either the primary mission area (aerial refueling) or other inherently critical missions available from large aircraft platforms (such as airlift), it is difficult to see how the JROC’s recommendation can be implemented. As a result, competition may, once again, be eliminated before bids are even submitted.

Against this backdrop, I respectfully suggest that issuing a second dRFP, which can address issues raised by all prospective offerors in their responses to the first dRFP, and conducting a capabilities-based evaluation, which can help assure that the warfighter and the taxpayer obtain the most capable platform at the best possible value, may be useful.

If you are confirmed, I respectfully ask for the following: that you withhold releasing the final RFP until you have provided me with an explanation of how you intend to assure that the competition for tanker aircraft will be conducted fully, openly and transparently—particularly in light of the issues described above.

Sincerely,

A handwritten signature in black ink that reads "John McCain". The signature is written in a cursive, slightly slanted style.

John McCain
Chairman, AirLand Subcommittee

cc: Honorable John Warner, Chairman, Senate Armed Services Committee
Honorable Carl Levin, Ranking Member, Senate Armed Services Committee
Honorable Gordon England, Deputy Secretary of Defense
Honorable Kenneth Krieg, Under Secretary of Defense for Acquisition, Technology and Logistics
Honorable Michael Wynne, Secretary of the Air Force
Honorable Robert Wilke, Assistant Secretary of Defense for Legislative Affairs