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From: Ted Ankrum for Congress 2010

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Still Hope for BAE Plant at Sealy, TX : by Ted Ankrum

The Workers at BAE's plant in Sealy, TX have received a small contract to provide repair work which will keep about half of the employees on the job, after work on the tactical truck ceases because of the loss of the follow-on contract to Oshkosh, WI. This will keep the plant viable until award of the Army's contract for the replacement of the Humvee, which is scheduled for 2011. England-based BAE is already selling parts of its US defense businesses, but if the new contract does not go to BAE, all is not lost. However, BAE does seem to be forgoing a significant advantage for the next-generation of tactical trucks.

There are three contenders for the Humvee replacement: BAE, Lockheed-Martin, and a joint venture of General Dynamics and AM General, the current producer of the Humvee. If BAE wins, the Humvee replacement will be built at the Sealy plant. But, if Lockheed-Martin wins, the Sealy plant will also be used to build the vehicles. BAE has just put its Truck and Bus Hybrid-electric propulsion systems division up for sale. It would be a good bet that if Lockheed-Martin wins the Humvee contract, it would be sold to them. If the General Dynamics/AM General consortium wins, Sealy will probably be shut and also put on the market.

BAE also appears to be forgoing any advantage in the forthcoming contract for a next-generation tactical truck. The Army has decided that the fuel costs for operating its trucks in today's remote and land-locked locations puts a premium on fuel efficiency. The cost of fuel delivered to the truck's location can exceed the cost to purchase the truck in only a year. One technology, and perhaps the best, to increase the fuel efficiency of the tactical trucks is a hybrid-electric propulsion system. If BAE goes ahead with its sale of its Hybrid-electric Division, it's giving away a significant competitive advantage and one wonders what BAE's true plans for the future may be.

One hopes that Congressman Michael McCaul, who dropped the ball on the tactical truck replacement contract, is doing better in behind-the-scenes work, now. If not, Ted Ankrum, his challenger in the Congressional District 10 election is ready to step in: with his Colonel-level experience as an

Assistant Chief on the Logistics staff of the Chief of Naval Operations in the Pentagon. Ankrum says: "If you think that Oshkosh got our contract because it's Democratic, get even: elect a Democrat."