Dear Guto,

I write with reference to recent reports concerning the potential replacement of the Royal Air Force’s E-3D Sentry AWACS aircraft, and in particular the suggestion that a decision on a replacement system may be taken without a competitive tender in favour of the Boeing E-7 Wedgetail aircraft.

I would first like to register our concern at the current state of the RAF’s Sentry fleet. Information from the Department shows a continuing decline in the availability, readiness and number of flying hours completed by the aircraft. We have also heard anecdotal evidence of the fleet based at RAF Waddington being in a poor state of maintenance and that only one of the six aircraft in the fleet is available for front line service at any one time. As we have recently said in our preliminary report ahead of the Modernising Defence Programme, the surveillance, battle management and communications capabilities provided by AWACS are vital for air operations, particularly in the face of a growing threat from peer adversaries. The poor maintenance and support of this capability over a number of years is greatly to be regretted.

You will be aware from our work on the Mechanised Infantry Vehicle (MIV) that we are always concerned by reports that significant procurement decisions are being considered without a competitive tender. Aside from the usual benefits of seeking the best value for money and considering the widest range of capability available, we are persuaded that a competition would be appropriate where AWACS is concerned. Other manufacturers have taken the trouble to brief Committee Members on their solutions to provide this capability. We consider that these options are sufficiently sound to be considered as part of a competitive process, a view which has been reinforced by our specialist advisers.

It would be particularly inappropriate for a competition to be foregone in favour of Boeing following their involvement in the imposition of punitive tariffs against Bombardier last year. At the time, the then Defence Secretary indicated that Boeing’s behaviour would put their ability to secure future defence deals at risk. Awarding Boeing a major procurement contract without competition so soon after the Bombardier controversy would seem to run in entirely the opposite direction.
You will also recall from our work on the MIV the Committee's displeasure at both the timing of the announcement on the UK re-joining the Boxer programme and the manner in which it was made, with the media being made aware of the decision ahead of Members of Parliament. We hope that this will not be repeated in any future decision on AWACS capability, given that you took personal responsibility for the failure to make this announcement in the proper way.

In the light of the convincing evidence we have received of at least one highly credible alternative to the Wedgetail, we can see absolutely no reason, yet again, to dispense with an open competition.

Yours ever,

[Signature]