



Defence Committee

Chairman, Rt Hon Dr Julian Lewis MP

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Rt Hon Gavin Williamson CBE MP

Secretary of State

Ministry of Defence

Floor 5, Zone D,

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Dear Gavin,

The recent success in selling to Canada the Type 26 frigate is extremely welcome and also a tribute to the efforts of both industry and the Ministry of Defence.

However, this highlights concerns over the future of one of the key components of the Type 26 which is the power conversion equipment currently made at the General Electric Power Conversion facility in Rugby.

As you know, there are proposals by the company to relocate the work, including restrictive classified UK defence work, to Nancy in France. The Rugby site currently designs, engineers and manufactures silent motors for naval fleet vessels, as well as supporting in-service maintenance. You will be aware of the technical advantage of the Type 26 motor, which we understand is the quietest in the world, a critical capability in its anti-submarine role. The consequence of such a move would not only affect jobs, skills and long-term knowledge at Rugby, but would also have national security implications because of the transfer from the UK of capacity for MOD classified work.

We also understand that the Nancy GE facility is not equipped to deal with the electrical installation work necessary to comply with Royal Navy standards on motor noise transmission. In addition, the Rugby facility contains the largest vacuum pressure impregnation (VPI) tank in Europe, which is essential for pressure varnishing of large motor coils. Transferring this facility to Nancy would leave the UK without the future capability to make large engines for naval shipping.

The US Navy's Future Large Surface Combatant programme and Frigate programme could result in orders in excess of 80 ships over the next 15-20 years as the Rugby motor is the only one

meeting the criteria in the required programme timescales. Again there is a danger that the US Navy will look at other options if the manufacture is moved to France.

The significance of this site was clearly recognised in 2011 when it was bought by GE and the company signed an agreement with the Ministry of Defence that if the company proposed significant reductions to the infrastructure supporting the Royal Navy in the UK, the company would seek the agreement of MOD in advance of any such changes being implemented.

We understand that discussions are taking place between the company and your Department and we hope that agreement to the move will be withheld, in order to stop the transfer of this critical technical capability, as well as preventing the hollowing-out of the UK's defence industrial capacity.

Yours sincerely,

Julian