



Defence Committee

Chairman, Rt Hon Dr Julian Lewis MP

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Stuart Andrew MP
Minister for Defence Procurement
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19 March 2019

Yr ref: MSU/4/8/1/2/ap

Dear Stuart,

Thank you for your letter of 27 February about the potential closure of GE's Rugby site. We are surprised and concerned at the insouciance of the Department at the long-term consequences of the transfer of yet another world beating British developed technology from our shores, especially one that provides such operational benefits to the Royal Navy. With regard to the sale of Type 26 to both Canada or Australia we would draw attention to the fact that both countries are "Five Eyes" countries and accordingly the protocols for sharing and protection of secure data and intellectual property are well understood. In this context we understand that the Nancy site has been subject to Chinese espionage attempts. It is therefore surely open to the Department to inform GE that you are not satisfied that support can be adequately and securely maintained. We would also be interested to know whether Canada and Australia have been consulted about the change, or indeed are even aware of it.

You cite the 2011 Deed Poll between Converteam and GE, but it is unclear from your letter whether you yourself have read it. We believe that it is more restrictive than you suggest, and note that paragraph 2.6, Protection and Exploitation of Technology and Information, provides that the Ministry of Defence must agree in writing to any transfer or disclosure of UK Protected Material outside the UK companies or outside the UK. We should therefore be grateful if you would confirm whether the move to Nancy of production of the frigate motors would entail or require the transfer of any UK Protected Material or original information and material relating to defence contracts outside the UK.

I feel that we must persevere
on this matter.

Yours sincerely, Julian