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SIERRA NEVADA CORPORATION CORRECTS THE RECORD ON U.S. AIR FORCE LIGHT AIR SUPPORT PROGRAM

Misinformation and Legal Wrangling Delaying Mission-Critical A-29 Super Tucano for American Warfighters in Afghanistan

SPARKS, NV, February 2, 2012 – Sierra Nevada Corporation (SNC), the winner of the U.S. Air Force Light Air Support (LAS) competition, today issued a point-by-point rebuttal of misinformation being spread by the disqualified contender for the contract.

The LAS contract provides aircraft, training and support for the U.S. government's partner building efforts in Afghanistan and other nations. The aircraft is urgently needed to support aerial reconnaissance and light air operations in Afghanistan, as well as to develop the organic capability needed to complete the United State's counterinsurgency mission in Afghanistan. On Dec. 22, 2011, the U.S. Air Force awarded the LAS contract to SNC, having earlier disqualified the other contender for the contract, Hawker Beechcraft, as being not in the competitive range based on the finding that "multiple deficiencies and significant weaknesses found in [Hawker Beechcraft's] proposal make it technically unacceptable and results in unacceptable mission capability risk." Since that time, Hawker Beechcraft has undertaken a massive misinformation campaign, challenged the integrity of the U.S. Air Force contracting process, questioned the intentions of the Obama Administration, and used litigation to stop work on the contract.

"It is essential that the full facts of this situation are presented clearly and transparently to the American public. There is too much at stake," said Fatih Ozmen, CEO of Sierra Nevada Corporation. "The people who are paying the price of this reckless and irresponsible behavior are the American taxpayer and the American warfighter. Sierra Nevada Corporation and our partners are honored by this award and the opportunity to serve our country as we remain ready to get to work on the LAS contract."

In its Request for Proposal, the Air Force specifically sought a non-developmental, in-production aircraft so that warfighters in-theater could have an advanced solution quickly and so that American taxpayers would not have to pay development costs. The plane proposed by SNC's

competitor is a developmental aircraft that is not in production and has never been used for light air support or any other purpose.

In contrast, the aircraft selected by the Air Force and to be provided by SNC, Embraer's A-29 Super Tucano, is a light air support aircraft that is currently in use with six air forces around the world. This aircraft will be made in America by American workers. More than 88 percent of the dollar value of the A-29 Super Tucano comes from components supplied by American companies or countries that qualify under the Buy America Act. The aircraft will be built in Jacksonville, Florida creating at least 50 new high tech jobs and supporting another 1,200+ jobs across the country.

"It's unfortunate that the truth is being sacrificed for the self interests of Hawker Beechcraft and its owners a Canadian company, Onex, and an investment bank, Goldman Sachs. Hawker Beechcraft is using aggressive media and lobbying tactics to fight the Air Force decision instead of letting the Court decide this issue in due course. These delaying tactics are having the greatest effect on our fellow Americans currently engaged in combat operations. They need the capability that only the A-29 can provide. The delay also is preventing the creation of jobs at a time when there is an urgent need to put Americans to work," said Taco Gilbert, Ret. USAF Brigadier General, and Vice President of ISR Business Development at SNC.

"Unbelievably, this is the second time that Hawker Beechcraft has prevented a light air support aircraft that has been thoroughly evaluated by our military from going forward to support our troops in need. Urgent requests for the A-29 from Afghanistan continue to languish because Hawker cannot provide an acceptable capability, but will not let anyone else provide it either," Gilbert said.

In a separate and unusual action in the midst of a legal proceeding, the USAF issued a [fact sheet](#) on the LAS acquisition process and specifically countered claims by Hawker Beechcraft that it has not received information regarding the evaluation of their proposal.

The point-by-point rebuttal of the misinformation being spread about the LAS contract is below. It and other information can also be found at www.builtforthemission.com/presskit.php.

The Light Air Support Competition – The Facts

On Dec. 22, 2011, the United States Air Force awarded a contract for aircraft, training and support for its Light Air Support (LAS) program to Sparks, Nev.-based Sierra Nevada Corporation (SNC). In the Request For Proposal, the U.S. Air Force specifically sought a non-developmental, in-production light air support aircraft. The airplane to be provided under the contract is the Embraer A-29 Super Tucano.

The other main contender for this contract, Hawker Beechcraft, of Wichita, Kan., and its prototype aircraft, the AT-6, was disqualified by the Air Force in November 2011. As the Government Accountability Office (GAO) stated, the USAF “conducted discussions with those offerors in the competitive range from April 8 until September 23, 2011. After reviewing HBDC’s responses to issues raised during discussions, the Air Force concluded that HBDC had not adequately corrected deficiencies in its proposal.” Since contract award, Hawker Beechcraft has been fighting the USAF decision – first to the GAO and now in the US Court of Federal Claims – and waging a misinformation campaign about the winning aircraft.

CLAIM: Hawker Beechcraft says the U.S. Air Force made a “fundamentally flawed decision” in awarding the LAS contract to SNC and the A-29 Super Tucano.

FACT: The Air Force selected a proven platform in the A-29 Super Tucano that is currently in service with six air forces worldwide. The AT-6, on the other hand, is a developmental aircraft, with no planes currently flying in any air force in the world. The U.S. Air Force disqualified Hawker Beechcraft from the LAS competition because its plane was too risky. According to the GAO, the Air Force concluded that, “multiple deficiencies and significant weaknesses found in [Hawker Beechcraft’s] proposal make it technically unacceptable and results in unacceptable mission capability risk.”

CLAIM: Hawker Beechcraft says that awarding the LAS contract to SNC results in the loss of 1,400 U.S. jobs.

FACT: Only two prototype AT-6 aircraft are in existence. The AT-6 is not currently in production and does not support any U.S. manufacturing jobs. SNC’s fulfillment of the LAS contract will support approximately the same number of U.S. jobs as Hawker Beechcraft says they would have. Specifically, 50 + new high tech jobs will be created in Jacksonville, Fla., where the A-29 Super Tucano will be made and another 1,200-plus jobs across the U.S. will be supported as a result of the LAS contract.

CLAIM: The Super Tucano will be manufactured by “Brazilian labor and flown to the U.S.”

FACT: The A-29 Super Tucano will be built in America. Embraer will make the plane at a new production facility in Jacksonville, Fla. Over 88 percent of the dollar value of the A-29 Super Tucano comes from components supplied by U.S. companies or countries that qualify under the Buy America Act. No new jobs are being created in Brazil as a result of this contract.

CLAIM: The Super Tucano “costs over 25% more” than the Hawker Beechcraft AT-6.

FACT: Hawker Beechcraft has no insight into the bid provided to the U.S. Air Force by SNC and therefore has no credible basis from which to make such a statement. Unlike the AT-6, the A-29 Super Tucano has more than seven years of real-world combat and training experience behind it. This means that its operational costs are known and that all costly development issues related to weapons load, maneuverability and operations have already been worked out.

CLAIM: Hawker Beechcraft says it has delivered 740 AT-6 aircraft.

FACT: Hawker Beechcraft has neither sold nor delivered a single AT-6 aircraft. The company is deliberately confusing its T-6 trainer with the still-in-development AT-6. The U.S. Air Force specifically sought a non-developmental, in-production light attack aircraft for its LAS program. The AT-6 remains today a prototype aircraft. Hawker Beechcraft has been attempting to rework its trainer with a larger engine, intelligence/surveillance/reconnaissance (ISR) technology, and weapons in order to meet the LAS requirements. Meanwhile, more than 150 A-29 Super Tucanos are in use around the world today performing ISR and security missions. This fact is undisputed.

CLAIM: The AT-6 performs better on key combat criteria.

FACT: Only the A-29 Super Tucano has actually flown in combat. More significantly, only the A-29 was built from the ground up to perform counterinsurgency and light air support operations. The A-29 is larger in size allowing it to make full use of the 1,600-hp engine without power limitations due to torque. It sits higher off the ground and has a broader stance, increasing stability on unprepared airfields. The A-29's longer tail section increases longitudinal stability and provides exceptional accuracy for the delivery of weapons.

Only the A-29 delivery system is specifically designed with the five NATO hard points for external stores, translating into maximum operational flexibility for the war fighters in the theater. The AT-6 carries no munitions in its native configuration. This is a critical difference. The A-29 also is munitions-certified with over 130 operational external load configurations. The AT-6 is not yet munitions-certified.

CLAIM: The U.S. Air Force decision process did not include a hands-on evaluation of the A-29's flight handling characteristics.

FACT: Both the A-29 Super Tucano and the AT-6 were subject to a rigorous fly-off / flight evaluation in New Mexico in January 2011. The U.S. Air Force identified serious technical deficiencies with the AT-6 which ultimately led to the aircraft's disqualification from the LAS competition in November 2011.

CLAIM: The logistic support system for the AT-6 airframe and mission systems is in place and paid for today.

FACT: The AT-6 is a developmental aircraft. With only two prototypes in existence, it has never been in production. Hawker Beechcraft is once again claiming elements of its T-6 program as part of the AT-6 offering. Only the A-29 Super Tucano, with more than 150 aircraft in service in six air forces around the world, has an established logistical / mission support system in place.

CLAIM: Hawker Beechcraft is an American company.

FACT: Hawker Beechcraft is jointly owned by Onex, a Canadian private equity firm, and by Goldman Sachs, the investment bank that in 2008 received a \$10 billion bailout from the U.S. government. The Hawker brand was invented in the United Kingdom by British Aerospace and even touts itself as one of “Britain’s best-known performance brands.” The AT-6 is based on a design licensed from the Swiss company Pilatus.

CLAIM: We should be creating jobs in America, not outsourcing them to other countries.

FACT: Since 2007, Hawker Beechcraft has been shifting production and employment from their headquarters in Kansas to Chihuahua, Mexico. According to recent news articles (e.g., [Aviation Week](#) Nov. 4, 2011 and the [Wall Street Journal](#) Jan. 31, 2012), Hawker Beechcraft is now carrying \$2.4 billion in debt with \$1.4 billion of it coming due in the next 24 months. These financial and competitive pressures seem to be driving the move to Mexico and the resulting layoff of thousands of U.S. workers. During this process, Hawker Beechcraft has extolled the talents of the company’s Mexican workforce. In a February 2011 Hawker Beechcraft [press release](#) announcing the opening of the company’s second facility in Mexico, Hawker CEO Bill Boisture said: “We have seen a high level of quality and craftsmanship from the country’s skilled workforce and have great confidence in their ability to assume additional responsibilities in the manufacturing process.” Hawker has a third facility planned for Mexico.

Sierra Nevada Corporation and its team member Embraer are both financially and technically very strong and growing companies that are investing in the U.S. SNC is the Top Woman-Owned Federal Contractor in the U.S. and is ranked among America’s fastest growing private companies. Founded in 1963, SNC employs over 2,100 people in 31 locations in 16 states. It is also continuing to create new jobs in the U.S., while supporting thousands of American jobs through its significant outsourcing efforts in the U.S. SNC is privately held and 100 percent U.S.-owned.

Embraer has been in the U.S. for more than 30 years and currently employs 800 people at U.S. locations in Ft. Lauderdale and Melbourne, Fla.; Nashville, Tenn.; Mesa, Ariz.; Minneapolis, Minn.; and Windsor Locks, Conn. Embraer recently shifted global operations for its Business Jet business from Brazil to Melbourne, Fla., marking a major investment in the United States. A new production facility, recently opened in Melbourne, is creating 200 engineering and technical jobs in an area hard-hit by the winding down of the Space Shuttle program. The opening of the Jacksonville, Fla. manufacturing facility for the A-29 Super Tucano will mark a similarly significant U.S. investment.

CLAIM: Embraer is owned by the Brazilian government.

FACT: Embraer is a publicly traded company listed on the New York Stock Exchange (NYSE: ERJ). The Brazilian government has no ability to interfere with the company’s provision of aircraft under the LAS contract.

About Sierra Nevada Corporation: Sierra Nevada Corporation (SNC) is one of America's fastest growing private companies based on its significant expansion and reputation for rapid, innovative, and agile technology solutions in electronics, aerospace, avionics, space, propulsion, micro-satellite, aircraft, communications systems and solar energy. Under the leadership of CEO Fatih Ozmen and President and CFO Eren Ozmen, SNC employs over 2,100 people in 31 locations in 16 states. SNC's seven unique business areas are dedicated to providing leading-edge solutions to SNC's dynamic customer base.

SNC is also the Top Woman-Owned Federal Contractor in the United States. Over the last 30 years under the Ozmen's leadership, SNC has remained focused on providing its customers the very best in diversified technologies to meet their needs and has a strong and proven track record of success. The company continues to focus its growth on the commercial sector through internal advancements and outside acquisitions, including the emerging markets of renewable energy, telemedicine, nanotechnology, cyber and net-centric operations. For more information on SNC visit www.sncorp.com.

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