The New Hork Times

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April 21, 2009

Defense Nominee Said to Seek New Value Test

By THE NEW YORK TIMES

<u>President Obama</u>'s nominee for the Pentagon's top arms-buying official told a senator on Monday that the Defense Department planned to seek bids for aerial refueling tankers based on overall value, not just on the lowest initial price, the senator said.

The senator, <u>Richard C. Shelby</u>, Republican of Alabama, who supports efforts by Northrop Grumman and a European company to win the \$35 billion contract, had placed a hold on consideration of the nominee, Ashton Carter, earlier this month.

Northrop Grumman and the <u>European Aeronautic Defense and Space Company</u> won the competition last year when it was based on both cost and the capabilities of the aircraft.

But that contract was canceled after federal auditors upheld a protest from <u>Boeing</u> over flaws in the process. And in trying to simplify the bidding, Pentagon officials had talked recently about awarding the contract based on the lowest bid. Dr. Carter could not be reached for comment.

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