



BOEING REJECTS AEROJET ROCKETDYNE BID FOR ULA LAUNCH VENTURE

News / Manufacturer



Boeing Co ([BA.N](#)) on Wednesday said it had rejected an unsolicited bid from Aerojet Rocketdyne Holdings Inc ([AJRD.N](#)) for United Launch Alliance, a 50-50 rocket launch venture of Boeing and Lockheed Martin Corp ([LMT.N](#)).

"The unsolicited proposal for ULA is not something we seriously entertained," Boeing spokesman Todd Blecher said.

Boeing said it remained committed "to ULA and its business, and to continued leadership in all aspects of space, as evidenced by the agreement announced last week with Blue Origin," a company owned by [Amazon.com](#) founder Jeff Bezos that is designing the engine for a new rocket being designed by ULA.

Lockheed declined comment, saying it did not discuss transactions with other companies.

A source familiar with the matter said Lockheed's refusal to comment did not reveal any disagreement between Lockheed and Boeing, and both companies agreed to reject the bid.

Aerojet spokesman Glenn Mahone declined comment, saying the company had a policy not to comment on negotiations with other companies until some agreement had been signed.

Sources familiar with the matter last week told Reuters that Aerojet board member Warren Lichtenstein, the chairman and chief executive of Steel Partners LLC, submitted a preliminary \$2 billion cash offer on behalf of the engine maker in early August.

Boeing and Lockheed did not take the bid seriously because it lacked details and the due diligence usually present in more formal offers, sources familiar with the matter said Wednesday.

However, Aerojet remains interested in ULA, despite Boeing's public rejection, and is still engaged in discussions about presenting a more formal bid, the sources said.

Analysts said the bid was a strategic move by Aerojet to shut out rival Blue Origin, whose new engine is favored by ULA for use in its new Vulcan rocket. ULA has said Blue Origin's engine program is about two years ahead of Aerojet's work on the AR-1 engine, a claim Aerojet disputes.

Air Force General John Hyten, commander of Air Force Space Command, said the decision was up to Boeing and Lockheed.

"Our job is to make sure that we have assured access to space. The business side of the house, that's their business, Hyten told Reuters at the Air Force Association conference.

Hyten told a news conference later that he saw a far more robust launch industry now than a decade ago when delays in government launches and a dearth of commercial orders prompted Boeing and Lockheed to merge their launch businesses.

He said investment by privately-held companies like Space Exploration Technologies, or SpaceX, and Blue Origin had also changed the dynamic, since they were looking at opportunities with NASA, satellite operators and even in deep space travel.

Chris Chadwick, president of Boeing's defense division, said Boeing had not given any serious consideration to the Aerojet bid, and was not looking for other offers.

"You look at ULA with 99 consecutive launches without an accident. We're the best in industry. Others are trying to attain the record we have," he told reporters at the conference. "We think we have a real good competitive position, and we're committed for the long term."

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