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Tough road ahead in Sealy

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Ashley Reibenstein was 5 years old when her father went to work as one of the first assembly mechanics at Sealy's mammoth manufacturer of military vehicles.

Some of her earliest memories are of visits to the factory, now owned by the London-based BAE Systems, where she'd be hoisted aloft into the Army-beige 5-ton trucks her father helped make.

At 23, she now works on the business side of the plant, while her father has risen to the rank of operations manager for the assembly line.

They are among more than 3,000 working for Austin County's biggest employer. The BAE Systems sign, bright-red by the highway, marks the beating heart of Sealy, itself home to barely more than 5,000 residents.

The rural county was shaken when, last month, the government awarded the next multibillion-dollar contract for these mid-weight tactical trucks to a competitor, putting the Sealy plant's future in jeopardy.

“It was just a shock,” said Harold Reibenstein. “This company has been very good to me and my family. Not getting the re-buy is kind of like losing a family member.”

Losing the factory would put a crater in a local economy that has come to depend on the roughly \$500 million a year the plant pumps out in wages, sales taxes and property taxes.

Austin County Judge Carolyn Bilski estimates that one in five county residents either works at the plant or has a friend or relative who does.

Uncertainty over the plant's future has already forced county commissioners to put a hold on plans to give county employees a 3 percent raise.

“A great deal is riding on that company,” Bilski said. “They're part of everything that happens in the community: from the high school scoreboard sign they sponsored, to the employees they support, to the restaurants where those employees eat.”

Lost to Wisconsin

In a million square feet of warehouse space, just west of downtown Sealy, workers assemble 44 trucks a day — several varieties of the same class of military vehicle, either 2½ or 5 tons, used to transport troops and supplies.

BAE assumed its contract would be re-upped in August but lost out to a Wisconsin company that gave an estimate 30 percent lower than what BAE is currently charging.

BAE filed a protest, arguing that the Department of Defense violated its own policy of considering product quality and company reliability along with price.

“How can someone be considered equal who's never built one of these vehicles, when we've built 56,000?” asked Dennis Morris, president of BAE's Sealy operation.

A spokesman for the Wisconsin-based company, Oshkosh Defense, said the 80-year-old company is no rookie to the Army truck business.

“Oshkosh won this contract because its proposal represents the best value to the Army, its soldiers and the nation's taxpayers,” said the spokesman, John Daggett. “We are confident the protest process will bear this out.”

Dean Lockwood, an analyst who tracks military contracts for the Newtown, Conn.-based Forecast International, said that while protests have become practically pro forma when a company loses a contract, this one is unique.

It's almost unheard of for an incumbent manufacturer to lose a defense contract, he said, unless the product is defective. BAE's Sealy-made trucks have never engendered a complaint, he said. And cost isn't usually the deciding factor.

“I think BAE has a legitimate beef,” he said. “How it's going to be resolved, time will tell.”

Officials with the Army's Tank-automotive and Armaments Command, which awarded the contract, did not return phone calls seeking comment this week.

U.S. Rep. Michael McCaul, who represents Sealy, said he is working with other elected officials to see the decision overturned.

“I have already begun productive meetings with the Army and have brought to their attention what BAE and I believe was a flawed procurement process that produced a flawed outcome,” said the Republican, whose 10th Congressional District stretches across eight counties from Austin to the Houston suburbs.

Contract runs through '10

The Sealy plant has produced only this particular military vehicle for so long that officials say adapting to make a new product would be difficult. It would mean revamping the facility and possibly the work force.

“Whenever you change a product, something has to change in the factory,” said Chris Chambers, a vice president at BAE. “Without this contract, 3,000 jobs are at risk.”

The current contract runs through 2010.

On a recent Wednesday, BAE's warehouses buzzed with power tools as workers, and the occasional robot, turned sheets of steel into fully equipped trucks.

In the fabrication warehouse, press brake operator Claudio Rojas lowered 100 tons of force onto a butterfly-shaped steel cutout, folding the wings up as easily as if it were origami.

In the welding shop, dozens of men hunched over blue flames from which yellow sparks arced like popcorn. One of Rojas' folded butterflies joined lengthwise with an identical part to form a trailer tongue.

The parts then moved to the assembly shop, where truck skeletons moved down one line, accruing air lines, electrical cables and hydraulics like veins while, on a parallel track, engines met transmissions and gained belts and fans.

Under a sign proclaiming "Congratulations! Night shift main line/Injury free for one year," an engine dangled from hooks as workers lowered it into the skeleton's head, then scurried to connect cables and tighten bolts.

24-hour cycle

At station 18, testers turned ignitions and the trucks roared to life, then emerged for their inaugural ride: 55 mph around an oval track and then up and over a 60 degree slope.

The cycle repeats constantly, 24 hours a day, seven days a week.

In the fabrication shop, Rojas used a T-square ruler to check his work, concentrating intently. The 41-year-old Wharton resident has worked at the plant for four years.

"I'm concerned. I'm a father who supports two kids and a wife. But I'm thinking positively, that hopefully we'll get that contract back," he said. "The best I can do is build the parts the best I can."

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