Boeing, U.S. Air Force Sign Maintenance Contract

The Boeing Company and the U.S. Air Force today signed a one year, $160.5 million contract for maintenance support of the Air Force's C-17 Globemaster III cargo aircraft through September 1998. The contract also includes priced options for two additional years of support, for a total value of $796.6 million for the three-year period.

The contract, under a concept known as flexible sustainment, calls for Boeing to provide logistics support, including heavy maintenance, painting and some major inspections of the C-17. Daily base-level C-17 maintenance will continue to be conducted by Air Force personnel. Boeing has been supporting the C-17s since 1991 through interim contractor support contracts that are routinely used for newly fielded weapon systems.

Under this contract, Boeing will add material management, spares procurement, warehousing, heavy maintenance and engine maintenance to the tasks it had been doing - logistics support, sustaining engineering, repair of repairables and MICAP support (mission critical spares and maintenance). Flexible sustainment intends to apply a greater use of commercial practices to increase efficiency and lower costs.

Engine maintenance will be conducted by Pratt & Whitney, the original equipment manufacturer. Pratt & Whitney has teamed with United Airlines, resulting in a dual-coast repair and overhaul capability.

For 1998, painting and most management activities will be done at Long Beach, Calif., where the C-17s are built; engine maintenance will be split between facilities in Chesire, Conn., and San Francisco, Calif.; and inspections will be conducted at a temporary modification center in Tulsa, Okla. Various other locations also will be used. Locations for work in 1999 and beyond have not been decided. The Air Force plans to decide by 2003 (currently the final program year for C-17 procurement) if it will continue with flexible sustainment, move to traditional Air Force organic depot maintenance, or pursue contractor logistics support.

###

97-235

For further information:
George Sillia
(562) 496-8515