

Boeing forms New Subsidiary to Pursue Growing Space Operations Services Market

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The Boeing Company today announced the formation of a wholly-owned subsidiary dedicated to providing cost-efficient space operations mission and data services to government and commercial space customers.

The Houston-based Boeing Space Operations (BSO) will be home to the Company's work on NASA's multibillion-dollar Consolidated Space Operations Contract (CSOC), for which a Boeing-led industry team is currently in competition. CSOC consolidates mission and data services for more than 100 existing and planned NASA spacecraft supporting manned, deep space and Earth remote sensing space activities. NASA is expected to award the 10-year (5 years with a 5-year priced option) CSOC contract on July 1.

BSO will also support the ground operations for the U.S. Air Force's Navstar Global Positioning System (GPS) at Falcon Air Force Base, Colo.; offer its capabilities to provide mission and data services to Motorola-based communications satellite programs; and pursue other opportunities in the burgeoning government and commercial space operations markets, both in the U.S. and abroad.

In addition, BSO will work closely with Boeing Information and Communications Systems, Boeing Expendable Launch Systems and the Sea Launch joint venture to assess and recommend actions to improve customer service and reduce costs for those businesses. The goal, says BSO president Rick Stephens, is for Boeing to become the global provider of choice for low-cost, reliable, commercially-based space operations services.

"The formation of BSO creates a market-focused organization and aligns the company's businesses to efficiently pursue and support both NASA's CSOC and other external space operations customers, as well as internal Boeing customers such as Delta IV, Sea Launch, Resource 21, DigitalXpress and Aviation Information Services," said Stephens. "Expansion of our customer base will, in turn, result in lower space operations service unit costs for all customers." In his new position, Stephens will report to Jim Albaugh, president, Boeing Space Transportation. He will also continue as vice president and general manager, Boeing Reusable Space Systems, and will chair the CSOC Senior Advisory Board, which acts as the NASA CSOC executive leadership council for integrating Boeing CSOC team member companies and senior leadership.

The company today also announced that former astronaut Dick Covey has been appointed vice president, BSO and CSOC program director, reporting to Stephens. Covey was previously the Boeing CSOC Team's deputy program director for Operations. In his new position, Covey will be responsible for day-to-day CSOC operations, ensuring that customer requirements are met cost effectively and responsively and that missions are safely and successfully executed.

Through CSOC, NASA hopes to cut in half the roughly \$600 million a year it currently spends on mission and data services by moving end-to-end responsibility and accountability to industry and streamlining and adapting private-sector commercial practices and services. These savings would then be redirected to science, development and exploration.

CSOC encompasses NASA's total space operations infrastructure, including all elements currently managed autonomously under 15 separate contracts by nearly 6,000 people at numerous private contractors and five major NASA centers (Johnson Space Center, Houston; Goddard Space Flight Center, Greenbelt, Md.; Kennedy Space Center, Fla.; Marshall Space Flight Center, Ala.; and Jet Propulsion Laboratory, Pasadena, Calif.).

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