Boeing Signs Billion-Dollar Contract for Australia's Project Wedgetail

Boeing [BA -NYSE] today signed a contract with the Commonwealth of Australia for the development and acquisition of Project Wedgetail, an airborne early warning & control (AEW&C) program.

The contract is worth more than $2 billion Australian (more than $1 billion U.S.).

A Boeing-led team, including Northrop Grumman's Electronic Sensors and Systems Sector, Boeing Australia Limited and BAE SYSTEMS Australia, will provide four 737 AEW&C systems plus options for up to three additional systems. The contract also provides for ground-based support segments for flight and mission crew training, a mission support segment and other system support facilities and spare parts.

During the next several months, efforts will be focused on the preliminary design reviews for the radar, communications system and the aircraft subsystem. The first two aircraft are expected to be delivered to the Commonwealth in 2006.

"The signing of this contract is a significant milestone for this program and for the 737 airplane as an AEW&C platform," said Jim Albaugh, president, Boeing Space & Communications Group. "After years of preparations, we are excited to have this program formally under way and look forward to developing and delivering these platforms to the Commonwealth of Australia in the next few years."

"This contract also firmly establishes a major new product line for Boeing Space and Communications," Albaugh added. "A Boeing-led team was recently selected by Turkey to begin contract negotiations on developing an AEW&C system, and we believe our 737 AEW&C system will attract other customers in the future."

Air Marshal Errol McCormack AO, Chief of Air Force, Royal Australian Air Force, said "Project Wedgetail will deliver a new, eagerly awaited capability for the Australian Defence Force. Airborne early warning and control is fundamental to the way we will operate and cooperate well into the future.

"The system acquisition contract with Boeing is a very large part of the overall project. Signing this contract is therefore a major and critical milestone, and moves us on from the initial design activity, down the path towards realisation of this most important capability," McCormack said.

The 737 AEW&C system features the Next Generation 737-700 increased gross weight aircraft incorporated in the Boeing Business Jet and Northrop Grumman's Multi-role Electronically Scanned Array radar with integrated identification friend or foe capabilities. The Wedgetail mission system also includes an electronic support measures (ESM) subsystem, a flexible, open-system architecture, an extensive communications suite, aerial refueling capability and an electronic warfare self-protection (EWSP) subsystem.

Australian companies will have key roles in developing the Wedgetail system. Boeing Australia will provide systems engineering, lead the product support and AEW&C support center teams, and acquire the operational flight trainer segment.

BAE SYSTEMS Australia will provide the ESM subsystem, EWSP sub-system, operational mission simulator support segment and the AEW&C support facility equipment. Australia's Qantas Airways will provide maintenance support for the aircraft.

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