Navy Awards Boeing $9.6 Billion in Super Hornet and EA-18G Contracts

The U.S. Navy has awarded Boeing [NYSE: BA] a multiyear procurement contract valued at $8.6 billion for the production of an additional 210 F/A-18 Super Hornets and a $1 billion contract for system design and development (SDD) of the EA-18G airborne electronic attack aircraft.

Under the terms of the multiyear contract, the Navy will purchase 42 aircraft in each of the fiscal years 2005 through 2009. The agreement provides the Navy with the flexibility to increase the quantity of aircraft on order by as many as six aircraft per year. Deliveries for aircraft purchased in the second multiyear will begin in fiscal year 2007.

The 5-year SDD program for the EA-18G runs from FY04 until early FY09 and encompasses all laboratory, ground test, and flight tests from component level testing through full-up EA-18G weapons system performance flight-testing.

"This contract will keep the lines running and keep St. Louis working," said Sen. Christopher "Kit" Bond (R-Mo.). "This is great news for the workers and their families this holiday season. The F/A-18 Super Hornet platform continues to serve as a model procurement program, consistently producing aircraft ahead of schedule and under budget. Pound for pound and dollar for dollar, the Super Hornet is the best tactical aircraft the Navy operates."

This is the second multiyear contract for the Super Hornet program, which has already produced 170 of the aircraft for the U.S. Navy. The first contract calls for the production of up to 222 Super Hornets and ends in 2004.

"The multiyear contract and the development contract for the electronic attack variant ensure that the U.S. Navy has the most capable, versatile and affordable fighter aircraft well into the next century," said John Lockard, senior vice president, Naval Systems, for Boeing. "These contracts continue to evolve the Super Hornet to latest technology and benefit our U.S. Navy customer, the taxpayer, our suppliers, and our Boeing workforce."

Rick Smith, president of the International Association of Machinists and Aerospace Workers Local 837, said the contract was a sign of the government's confidence in the Boeing workforce.

"Congratulations to the men and women who make up Boeing St. Louis's fine workforce," Smith said. "These contracts are the U.S. government's stamp of approval on their terrific, high-quality work. This work helps extend the site's distinguished heritage of performance on contracts, and helps lay the foundation for a bright future in St. Louis."

F/A-18 E/F Super Hornet

U.S. Navy Capt. B.D. Gaddis, NAVAIR F/A-18 program manager, said one of the F/A-18 program's great strengths is the stability of its procurement accounts.

"Multi-year procurements have driven stability and increased cost efficiencies with the program," Gaddis said. "The U.S. Navy realized around $750 million in cost savings from the first Super Hornet Multi-Year contract. In the second Multi-Year contract we've realized just over $1 billion in savings. I would call that a pretty good return on investment. I think we've built a lot of trust between NAVAIR, our program sponsors, OSD and Congress with these types of contracts. We need to keep it going."

The Super Hornet program is introducing advanced technologies and capabilities that will provide the U.S. Navy and Joint Forces Commanders advanced connectivity and warfighting capability. Those technologies include the Active Electronically Scanned Array radar and the Advance Crew Station, which are in flight test. The Advanced Target Forward Looking Infrared system and the Joint Helmet Mounted Cueing System were used in Operation Iraqi Freedom.

EA-18G

The EA-18G will provide the warfighter with abundant operational flexibility. It can carry up to five ALQ-99 jamming pods and will typically add two AIM-120 self-defense missiles and two AGM-88 High Speed Anti-Radiation (HARM) missiles.

"While developing the EA-18G concept and configuration, our design team maintained as much of the inherent growth capacity in the F/A-18F as possible," Lockard said. "The result will be a platform designed to take advantage of the latest airborne electronic attack and networking technologies, enabling significant improvements in threat suppression."

Upon initial fleet introduction the EA-18G will be capable of self-protection, freeing up dedicated escort aircraft for strike and other missions. It will be capable of rapidly locating and destroying surface-to-air missiles.

In addition to standoff and escort jamming missions, speed, maneuverability and advanced systems will enable the EA-18G to perform time critical strike mission targeting support. By combining two proven systems, the Boeing F/A-18F and the Northrop Grumman ALQ-218(V)2 receiver, the U.S. Navy will maximize the benefit of ongoing investments, while allowing for an initial operational capability by 2009.

A Boeing-led industry team builds the Super Hornet. Boeing builds the forward fuselage and wings and conducts final assembly.

Northrop Grumman Corp. is the principal airframe subcontractor, supplying the center and aft fuselage and the principal electronic combat system supplier for the EA-18G. General Electric Co. produces the engines, and Raytheon Co. manufactures the aircraft's radar.

A unit of The Boeing Company, Integrated Defense Systems is one of the world's largest space and defense businesses. Headquartered in St. Louis, Boeing Integrated Defense Systems is a $25 billion business. It provides systems solutions to its global military, government and commercial customers. It is a leading provider of intelligence, surveillance and reconnaissance; the world's largest military aircraft manufacturer; the world's largest satellite manufacturer and a leading provider of space-based communications; the primary systems integrator for U.S. missile defense; NASA's largest contractor; and a global leader in launch services.

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