Boeing Receives \$891 Million C-17 Support Contract

The U.S. Air Force awarded Boeing [NYSE: BA] an \$891.6 million contract modification to provide sustainment services for the C-17 airlifter fleet. This is the first of four option periods under a contract awarded in July 2004, with a total potential value of \$4.9 billion if all remaining options are exercised.

Known as the C-17 Globemaster III Sustainment Partnership (GSP), the program capitalizes on innovative, performance-based contracting and partnership solutions with the Air Force's Air Logistics Centers.

"This GSP contract allows the Air Force and Boeing to continue providing the proven C-17 sustainment that has become a model for system support," said Pat Finneran, vice president and general manager, Boeing Aerospace Support. "By capitalizing on our expertise and that of the Air Force depots, we are ensuring the warfighter has a C-17 fleet to meet the demanding airlift needs of today and the future."

Boeing has total system support responsibility, with performance guarantees through a single contract. Boeing is responsible for all C-17 sustainment activities, including materiel management and depot maintenance support, and will be held accountable to achieve sustainment performance metrics.

Boeing will fulfill its GSP role by establishing direct-sales partnership agreements with each of the three Air Logistics Centers (ALC) at Robins Air Force Base, Ga.; Hill AFB, Utah; and Tinker AFB, Okla., to perform a variety of C-17 airframe and individual component repair actions. The arrangement allows Boeing to request an ALC to perform specific workloads and ensures extremely high readiness rates for the C-17 at the most affordable cost, according to Finneran.

Boeing's C-17 sustainment efforts have proven to be an overwhelming success. From September 2001 to May 2004, C-17s flew an unprecedented 82,882 sorties, while maintaining a 94 percent worldwide departure reliability record and an 86 percent mission capability rate, despite large increases in both deployment and operating sites.

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For further information:
Tom LaRock
Aerospace Support
(314) 232-0201
thomas.e.larock@boeing.com
Paul Guse
Aerospace Support
(314) 232-1520
paul.m.guse@boeing.com