

Boeing Receives \$891 Million C-17 Support Contract

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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.

A unit of The Boeing Company, Boeing Integrated Defense Systems is one of the world's largest space and defense businesses. Headquartered in St. Louis, Boeing Integrated Defense Systems is a \$27 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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