

Boeing Signs \$549 Million Chinook Contract

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The Boeing Company [NYSE: BA] and the U.S. Army signed a \$549 million contract Dec. 21, 2004, for 17 new-build CH-47F Chinook helicopters.

"The contract underscores the importance of the Chinook to U.S. Army aviation and validates the steps we've taken to improve the aircraft's cost, quality and performance," said Jack Dougherty, Chinook program manager. "Our ability to respond rapidly to customer needs has made the Chinook more attractive in domestic and international markets."

The contract, the largest Chinook order by any domestic or international customer since the mid-1980s. It includes seven aircraft authorized in December 2003 as part of the FY '03 supplemental defense appropriation bill and 10 aircraft approved in the current fiscal year defense budget. Manufacturing preparations have continued since the FY '03 authorization under an undefinitized contract agreement. Deliveries of the 17 new-build Chinooks will begin in September 2006 and continue through the end of 2008.

The U.S. Army Systems Acquisition Review Council, the Army's highest acquisition review panel, approved a new acquisition plan that increases the Chinook fleet from 463 to 513 aircraft. Under the plan, the Army will modernize its entire fleet of 397 CH-47D Chinooks to the new F-model configuration and procure at least 55 additional new-build CH-47F Chinooks. The U.S. Army Special Operations Command will increase its inventory of 34 MH-47D/E Special Operations Heavy Assault Chinooks to 61 MH-47Gs, with an option for future growth.

The CH-47F and MH-47G feature numerous upgrades over earlier models, including reduced vibration, improved avionics and more powerful engines to help improve mission performance and reduce operation and maintenance costs. The aircraft's improved cockpit design offers improved situational awareness to support interoperability requirements.

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