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Boeing [NYSE: BA] and the U.S. Air Force MILSATCOM Systems Wing have exercised an \$8.4 million contract option to activate Phase II of the Enhanced Polar System (EPS) payload study. Phase I began in July 2006 with a \$1.5 million award to Boeing to define the next-generation communications payload for a polar-orbiting satellite.

Phase II focuses on further payload system definition efforts and lays the foundation for future EPS system definition and production efforts. The work is expected to conclude in December 2007.

"Under the initial six-month contract, Boeing defined the payload architecture and specifications and delivered the payload system requirements review package to the U.S. Air Force," said Charles Toups, vice president of Navigation and Communications Systems for Boeing Space & Intelligence Systems. "Our work on the military's Interim Polar Satellite program, the heritage system to EPS, along with our expertise in digital signal processors and mobile satellite communications means Boeing is well equipped to execute the next phase of development."

The proposed EPS would provide protected satellite communications for warfighters operating in northern polar regions and fill expected communications gaps in areas not covered by the military's Advanced Extremely High Frequency and Transformational Satellite Communications systems now in development. This contract is the first step in defining a robust and secure satellite payload needed for Extremely High Frequency communications for Air Force and Navy warfighters in remote regions of the world.

The U.S. Air Force MILSATCOM Systems Wing at the Space and Missile Systems Center at Los Angeles Air Force Base, Calif., will oversee the Enhanced Polar System program. The results contained in this submission were generated in whole, or in part, through work supporting the MILSATCOM Systems Wing.

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