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Boeing [NYSE: BA] has successfully completed a critical design review of key Ultra High Frequency (UHF) payload subsystems for the U.S. Navy's Mobile User Objective System (MUOS) program. Boeing will provide its Legacy UHF payload to Lockheed Martin [NYSE: LMT], prime contractor for the MUOS program.

MUOS is a third-generation narrowband, beyond line-of-sight tactical satellite communications system. It will supply interoperable voice, video and data communications services to U.S. mobile and fixed-site terminal forces worldwide, at sea, in urban canyons and in mountainous terrain. It will replace the current UHF and UHF Follow-on (UFO) constellation.

The Legacy payload, built by Boeing, and an advanced Wide Band Code Division Multiple Access payload, built by Lockheed Martin, ensure continued, critical UHF services as the current UFO constellation ages, and ease terminal transition to the new capability.

"Our MUOS team did an outstanding job in this review, and it's a big step toward realizing the Navy's increasing need for modern UHF communications services," said Charles Toups, vice president, Boeing Navigation and Communication Systems. "Completing this review establishes a detailed design solution based on comprehensive analysis of subsystems and demonstrated performance. Our manufacturing and verification plans demonstrate that our MUOS construction plans are achievable."

The UHF payload critical design review (CDR) is one of 14 subsystem CDRs completed since the end of the preliminary design review phase in October 2005. The Lockheed Martin-led team is progressing on-schedule toward completion of the entire System CDR phase in March that will validate the detailed design of the overall MUOS system to ensure it meets warfighter requirements.

Boeing's extensive history designing and delivering the existing UHF constellation provides a low-risk approach to meeting the Navy's mission requirements. Boeing is working under a September 2004 Risk Reduction and Design Development contract to Lockheed Martin Space System Company, Sunnyvale, Calif., for the design, development, production and test of heritage UHF payload and User-to-Base hardware for the first two flights. The first MUOS satellite is scheduled for on-orbit handover to the Navy in 2010 along with the entire ground system.

Lockheed Martin is the prime contractor for MUOS development, deployment and operations support. It is supplying the satellites and is responsible for overall system engineering and integration. The Navy's Program Executive Office for Space Systems, Chantilly, Va., and its Communications Satellite Program Office, San Diego, Calif., are responsible for the MUOS program.

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 \$32.4 billion business. It provides network-centric system solutions to its global military, government, and commercial customers. It is a leading provider of intelligence, surveillance and reconnaissance systems; the world's largest military aircraft manufacturer; the world's largest satellite manufacturer; a foremost developer of advanced concepts and technologies; 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 sustainment solutions and launch services. ###

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