Boeing Receives Contract to Support Modernization of Route Clearing Vehicles

ST. LOUIS, Oct. 01, 2008 -- The Boeing Company [NYSE: BA] has received a contract worth up to $78 million from VSE Corp. [NASDAQ: VSEC] as part of a team that will provide logistics support services for the Route Clearing Vehicles (RCV) Modernization Program to strengthen the U.S. military's defense against roadside mines and Improvised Explosive Devices (IEDs). The contract has a potential value of $226 million if the program is lengthened to cover the entire fleet of RCVs.

"IEDs are the number-one source of casualties for U.S. forces in Iraq and Afghanistan, and the Route Clearing Vehicles are one of several tools that the warfighter is using to defeat this threat," said Mike O'Neil, director of Boeing Advanced Global Services & Support (AGS&S) Emerging Programs. "Boeing will provide supply-chain and configuration-management capabilities, along with analysis, modeling, and simulation, to contribute to the modernization of RCVs and a limited number of Mine Resistant, Ambush Protected (MRAP) vehicles, to enhance their capability to find and defeat mines and IEDs."

AGS&S and Aviall, a wholly owned subsidiary of The Boeing Company, will deliver the services. The RCV modernization program will be conducted in two phases: a four-month planning and preparation phase and up to a 20-month modernization phase. RCVs have been used to detect and detonate mines and IEDs in Iraq and Afghanistan for more than three years, and Boeing's half-century of global logistics experience in both supply-chain management and maintenance will help ensure the RCVs will be well-equipped now and in the future.

"AGS&S is focused on drawing on the strengths of Boeing's aerospace capabilities in supply chain management to address the most pressing needs of the warfighter," said Tim Noonan, director of AGS&S. "Teaming with VSE to create a 10,000-mile supply chain for hundreds of Route Clearing Vehicles demonstrates commitment to bringing the best industry capabilities to the fight. This contract is a first step in entering the tactical wheeled vehicle market."

A unit of The Boeing Company, Boeing Integrated Defense Systems is one of the world's largest space and defense businesses specializing in innovative and capabilities-driven customer solutions, and the world's largest and most versatile manufacturer of military aircraft. Headquartered in St. Louis, Boeing Integrated Defense Systems is a $32.1 billion business with 71,000 employees worldwide.
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