NATO Consortium Completes Agreement to Acquire Boeing C-17s

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ST. LOUIS, Oct. 1 /PRNewswire-FirstCall/ -- Boeing (NYSE: BA) today announced that an international consortium of 10 NATO members -- joined by Partnership for Peace nations Sweden and Finland -- signed a Memorandum of Understanding (MOU) on Sept. 24 to acquire three Boeing C-17 Globemaster III long-range cargo jets. The agreement sets the stage for NATO's first major defense purchase in 30 years.

Under the agreement with the U.S. Department of Defense and the NATO Airlift Management Agency, two of the advanced airlifters would be purchased from Boeing, while a third would be provided by the U.S. Air Force. The aircraft would be assigned to NATO's Heavy Airlift Wing and jointly operated by the nations from Papa Air Base, Hungary. Delivery of the first aircraft could take place as early as spring 2009.

Each participating nation would pay for a portion of a C-17 rather than an entire aircraft, allowing them to share a pooled fleet. The 12 countries participating in NATO's Strategic Airlift Capability (SAC) program are Bulgaria, Estonia, Finland, Hungary, Lithuania, the Netherlands, Norway, Poland, Romania, Slovenia, Sweden and the United States.

"The SAC will provide an important new capability to address the critical alliance need for strategic airlift to support operations in Afghanistan and elsewhere, as well as other national missions, including EU and U.N. missions," said Peter Flory, NATO Assistant Secretary General for Defense Investment. "It can also provide a model for future capability development."

"The C-17 is built for the very missions that NATO has been performing for decades," said Jean Chamberlin, Boeing vice president and C-17 program manager. "The Globemaster III, now in its 15th year of service, continues to be recognized as the backbone of international airlift missions, supporting numerous contingency, humanitarian relief, and peacekeeping efforts around the world. It is with tremendous pride that we welcome NATO, Sweden and Finland to the C-17 family."

The C-17 fleet will allow each nation to meet its airlift requirements to support sovereign and multinational mission requirements. NATO does not currently own a heavy airlift capability and frequently contracts with nations such as the United States and Russia for assistance with its heavy airlift requirements. The MOU calls for Boeing to establish a facility at Papa Air Base to provide C-17 logistics support under the current Globemaster Support Partnership.

"We continue to see strong international interest in C-17s," said Tommy Dunehew, Boeing International C-17 program manager. "And this NATO agreement is a reflection of that."

A high-wing, four-engine, T-tailed aircraft with a rear-loading ramp, the C-17 can carry large combat equipment and troops or humanitarian aid across international distances directly to small austere airfields anywhere in the world. With a payload of up to 170,000 pounds, the C-17 can take off from a 7,600-foot airfield, fly 2,400 nautical miles, and land in 3,000 feet or less.

There are 192 operational C-17s worldwide -- 178 with the U.S. Air Force; six with the Royal Air Force (UK); four with the Royal Australian Air Force, and four with the Canadian Forces. Boeing received a contract in July to provide the C-17 to Qatar, with deliveries starting in late summer 2009.

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SOURCE: Boeing Integrated Defense Systems

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