Boeing Receives $1.15B Contract for 15 Canadian Chinooks, Announces Matching Reinvestment in Industry

HALIFAX, Nova Scotia, Aug. 10 /PRNewswire-FirstCall/ -- The Boeing Company [NYSE: BA] today announced that it has received a US$1.15 billion contract from the Canadian government for 15 new CH-47F Chinook heavy-lift helicopters. Under the contract, Boeing will match Canada's purchase price by executing contracts and investments of equal value with Canadian industry.

Designated the CH-147 in Canada, the Chinooks have been contracted to meet Canada's Medium-to-Heavy Lift Helicopter program requirements. They will be produced at the Boeing Rotorcraft Systems facility in Ridley Township, Pa., with deliveries expected to occur between 2013 and 2014.

Speaking today at an event hosted by the ministries of Defence and Industry at the I.M.P. Aerospace facility in Halifax, Jack Dougherty, Boeing vice president, H-47 Programs, said, "Boeing is extremely pleased that Canada has selected the CH-147 Chinook, the world's leading tandem-rotor helicopter, to modernize its defense forces' airlift fleet.

"This is also great news for Canadian troops," Dougherty added. "They are a national treasure, because they not only place themselves in defense of Canada, but also are the heroes who are called on in every manner of civil emergency."

The ceremony also included remarks from the Honorable Peter MacKay, Canada's Minister of National Defence and Minister for the Atlantic Gateway.

"This contract is key in ensuring the Canadian Forces are a first-class, modern, flexible force capable of defending Canada and the Canadian interest for years to come," MacKay said. "This helicopter will give Canada's military a robust capability with the ability to operate in remote and isolated areas, and increase their capacity to respond to disasters both at home and abroad."

In line with Canada's Industrial & Regional Benefits policy, Boeing will match every dollar spent by the Canadian government in acquiring its CH-147 fleet by partnering with and issuing contracts to companies in Canada. These opportunities will result in long-term, high-value jobs for Canadians and build on the long-standing partnership between Boeing and Canadian industry. Contracts worth in excess of $500 million have been signed against this commitment and are being implemented by companies across Canada.

"This is a win-win for Canada and The Boeing Company," said Mark Kronenberg, vice president of International Business Development for Boeing Integrated Defense Systems. "Boeing seeks to partner with the very best of industry, and as a result, we continue to make a significant commitment to Canadian industry. This new contract has created opportunities for new partnerships to further grow our already large supplier base in Canada."

Along with the reinvestments Boeing will make as part of the delivery contract, the company could provide additional industry benefits in excess of $2 billion over 20 years for in-service support of the CH-147 fleet. The performance-based in-service support could include aircraft maintenance training systems and services, engineering support, supply chain management, and other expertise.

The CH-147, which will be modified to meet Canada's operational environment, will be powered by two 4,733-horsepower Honeywell engines and feature extended-range capabilities. It will be able to transport more than 21,000 pounds (9,525 kg) of cargo.

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 billion business with 70,000 employees worldwide.

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