Boeing Receives US Army Production Contract for Brigade Combat Team Modernization Increment 1

ST. LOUIS, Feb. 25, 2010 -- Boeing [NYSE: BA] today announced that it received a contract from the U.S. Army on Feb. 24 for low-rate initial production of the initial brigade set of Brigade Combat Team Modernization (BCTM) Increment 1 capabilities. Under the $138 million, fixed-price contract, a team led by Boeing with support from Science Applications International Corp. (SAIC) [NYSE: SAI] will equip the first Infantry Brigade Combat Team with these networked capabilities, along with associated system engineering and program management support.

"These capabilities are needed today by soldiers conducting combat operations in Afghanistan and elsewhere," said Gregg Martin, Boeing Network & Tactical Systems vice president and BCTM program manager. "We are excited to begin production and look forward to working with our Army customer to get these capabilities, which reflect lessons learned from current operations, into the hands of soldiers as soon as possible."

As the prime contractor, Boeing is responsible for the development and production of BCTM Increment 1. Low-rate initial production will allow for the capabilities to be fielded to the 3rd Brigade Combat Team of the 1st Armored Division for initial operational test and evaluation beginning in 2011.

The contract award follows a successful production review by the Defense Acquisition Board in December.

A key element of BCTM, Increment 1 will provide soldiers with enhanced intelligence, surveillance, and reconnaissance capabilities, as well as increased survivability and lethality. The capabilities that will be produced under this contract award include:

- Small Unmanned Ground Vehicle: a robotic system capable of reconnaissance missions in dangerous or difficult situations such as entering buildings, caves and tunnels
- Class I Unmanned Air Vehicle (UAV): a small, soldier-operated UAV that can hover for reconnaissance and surveillance while providing target acquisition
- Unattended Ground Sensors: multi-mode surveillance sensors for target detection, location and classification, with an imaging capability for identification
- Network Integration Kit: an integrated computer system that hosts the latest communications and radio systems and battle command software, providing the initial network connectivity needed to transfer sensor and communication data.

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