

Boeing Submits NewGen Tanker Proposal to US Air Force

ST. LOUIS, July 9, 2010 -- The Boeing Company [NYSE: BA] today submitted a proposal to the U.S. Air Force to provide the service with a next-generation aerial refueling tanker aircraft. Based on Boeing's 767 commercial airplane, the NewGen Tanker would replace 179 of the 400 Eisenhower-era KC-135 aircraft currently in the Air Force fleet.

The 8,000-page NewGen Tanker proposal, hand-delivered to the KC-X program office at Wright-Patterson Air Force Base, Ohio, offers an American-made, 767-based multi-mission tanker that will satisfy all 372 mandatory Air Force requirements and be capable, survivable, and combat-ready at the lowest cost to the taxpayer. The proposal was created by an integrated "One Boeing" team from various sites across the company, including employees from the Commercial Airplanes; Defense, Space & Security; and Engineering, Operations & Technology organizations.

"We are honored to support our U.S. Air Force customer and submit this proposal to meet the critical mission needs of this nation," said Dennis Muilenburg, president and CEO of Boeing Defense, Space & Security. "Boeing has more than 60 years of experience developing, manufacturing and supporting tankers for America's warfighters, and we're ready to build the NewGen Tanker now. This revolutionary tanker will deliver widebody capabilities in a narrowbody footprint, operate in any theater or from any base, and -- with the lowest operating cost of any tanker in the competition -- save the Air Force and the American taxpayers billions of dollars."

"As the only company in this competition with rich experience in developing and manufacturing derivative aircraft for the warfighter, Boeing brings the talent and resources of our existing team and facilities to fully meet the requirements of the U.S. Air Force," said Jim Albaugh, president and CEO of Boeing Commercial Airplanes. "With our Boeing commercial and defense teams and a proven supplier network, we have delivered more than 1,000 commercial derivative aircraft to U.S. government customers and military customers around the world. Add to that our experience as the only company to deliver a combat-tested aerial refueling boom, and we are ready to provide the right tanker for the Air Force and the best value for taxpayers."

Based on the proven Boeing 767 commercial aircraft, the NewGen Tanker is a widebody, multi-mission aircraft updated with the latest and most advanced technology and capable of meeting or exceeding the Air Force's needs for transport of fuel, cargo, passengers and patients. It includes state-of-the-art systems to meet the demanding mission requirements of the future, including a digital flight deck featuring Boeing 787 Dreamliner electronic displays and a cockpit-design philosophy that places the pilot in command rather than allowing computer software to limit combat maneuverability. The NewGen Tanker also features an advanced KC-10 boom with an expanded refueling envelope, increased fuel offload rate and fly-by-wire control system.

More cost-effective to own and operate than the larger and heavier Airbus A330 Tanker being offered by the European Aeronautic Defence and Space Co. (EADS), the Boeing NewGen Tanker will save American taxpayers more than \$10 billion in fuel costs alone over its 40-year service life because it burns 24 percent less fuel. The Boeing tanker also will cost 15 to 20 percent less to maintain than the A330, which means it will save taxpayers hundreds of millions of dollars in maintenance costs.

Nationwide, the NewGen Tanker will support approximately 50,000 total U.S. jobs with Boeing and more than 800 suppliers in more than 40 states. That is tens of thousands more jobs in the United States than an Airbus A330 tanker that is designed and largely manufactured in Europe.

Boeing has the capacity and capability to meet the production rate at whatever level the Air Force determines -- with a low-risk approach to manufacturing that relies on a trained and experienced U.S. work force and existing Boeing facilities in Washington state and Kansas. Boeing will use a proven and cost-effective in-line production system similar to that used on the company's successful P-8 program for the U.S. Navy.

In addition to building the U.S. Air Force KC-135 and KC-10 fleets, Boeing has delivered four KC-767Js to the Japan Air Self-Defense Force and is on contract to deliver four KC-767As to the Italian Air Force.

To learn more about the NewGen Tanker and Boeing's bid for the KC-X tanker competition, visit www.UnitedStatesTanker.com.

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