

Boeing Awarded \$2.8B for KC-46A Tanker Initial Production

EVERETT, Wash., Aug. 18, 2016 – The U.S. Air Force awarded Boeing [NYSE: BA] \$2.8 billion on Aug. 18 for KC-46A tanker low-rate initial production.

The award includes the first two "production lots" of 7 and 12 planes respectively, as well as spare parts. Including future options, Boeing plans to build a total of 179 of the 767-based refueling aircraft for the Air Force to replace their KC-135 fleet.

"The KC-46 tanker will provide the Air Force unprecedented refueling capabilities, operational flexibility and combat readiness," said Leanne Caret, Boeing Defense, Space & Security president and CEO. "It's an important day for the company and program. We're excited about building low-rate initial production aircraft, and it's only possible because of the hard work of the joint Boeing-Air Force team."

This step forward follows a Defense Acquisition Board review and announcement that the KC-46 program completed "Milestone C" -- a set of required ground- and flight-test tests -- and is approved for initial production. Those tests included refueling flights with F-16, F/A-18, AV-8B, KC-10, C-17 and A-10 aircraft and a cargo handling demo.

Boeing received an initial contract in 2011 to design and develop the U.S. Air Force's next-generation tanker aircraft. As part of that contract Boeing built four test aircraft -- two configured as 767-2Cs and two as KC-46A tankers. The test aircraft have completed more than 1,000 flight hours to date.

The KC-46A is a multirole tanker that can refuel all allied and coalition military aircraft compatible with international aerial refueling procedures and can carry passengers, cargo and patients.

Boeing is assembling KC-46 aircraft at its Everett, Wash., facility. The company will begin delivering tankers to the Air Force in 2017.

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