



Defense Security Cooperation Agency
NEWS RELEASE

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NATO Consortium – Support for C-17 GLOBEMASTER III Aircraft

WASHINGTON, December 07, 2006 - The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the NATO Consortium of support for Boeing C-17 GLOBEMASTER III aircraft. The total value, if all options are exercised, could be as high as \$589 million.

The North Atlantic Treaty Organization (NATO) requests a possible sale in support of a Direct Commercial Sale for up to four Boeing C-17 GLOBEMASTER III aircraft. This proposed sale includes up to two Pratt & Whitney F117-PW-100 spare engines, up to four AN/AAQ-24V(13) Large Aircraft Infrared Countermeasures (LAIRCM) Systems, up to fifteen AN/AVS-9 Night Vision Goggles, Electronic Combat International Security Assistance Program software equipment, spare and repair parts, mission planning system and software, Personnel Life Support equipment, flares, COMSEC equipment, supply support, training equipment and support, publications and technical data, U.S. Government and contractor technical assistance and other related elements of logistics support for use by the NATO Maintenance and Supply Agency (NAMSA) to support the aircraft. The estimated cost is \$589 million.

An international consortium made up of NATO allies is forming the NATO Strategic Airlift Capability (NSAC) consortium; the ownership entity will be a chartered NATO Weapon System Partnership (WSP) of allied nations. NAMSA will administer the WSP.

This proposed sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of NATO and further weapon system standardization and interoperability with U.S. forces. NATO is transitioning to an expanded global role, increasing the share of its burden in the Global War on Terrorism, specifically for out-of-area operations. NATO allies have agreed to increase the capability, usability, and deployability of their forces, transforming them from their Cold War territorial defense roles. This expanded role includes peacekeeping and stability operations, as well as disaster relief around the globe. The C-17 will partially serve NATO's agreed military requirement for eight C-17 equivalents to rapidly deploy a force around the globe, including the NATO Response Force (NRF). Furthermore, member nations will be able to execute strategic airlift missions in support of national objectives, or to fulfill national contributions to multi-nation missions. This capability provides consortium member nations with an organic capability that compliments global reach efforts supported by the U.S. Air Force.

NATO does not currently have a heavy airlift capability and must rely on outside sources for its military airlift needs. This assistance normally takes the form of either U.S. Air Force airlift or contract carriers that use Russian heavy airlift aircraft. The procurement of C-17s will increase interoperability with the U.S. Air Force airlift system and will enhance relationships with NATO Strategic Airlift Capability members.

NATO has the ability to absorb and employ the C-17. It has agreed to pursue basing the C-17s at Ramstein Air Base, further adding to the synergies of operating side-by-side with U.S. Air Force systems.

Ramstein has already undergone significant NATO-funded infrastructure upgrades required to support operation of C-17s and other large aircraft, and this capability will qualify Ramstein for further NATO Security Investment program funding.

The proposed sale of this equipment and support will not affect the basic military balance in the region.

This proposed sale will involve the following contractors:

Boeing Company	Long Beach, California
McDonnell Douglas Training Systems	
A Wholly Owned Subsidiary (Boeing Company)	St. Louis, Missouri
AAI Services Corporation	Goose Creek, South Carolina
United Technologies Cooperation,	
Pratt & Whitney Military Engines	East Hartford, Connecticut
Northrop Grumman Systems Corporation	Rolling Meadows, Illinois

Additional subcontractors may be needed depending on the exact nature of the contracting arrangements established. There are no known offset agreements proposed in connection with this potential sale.

This proposed sale will require Boeing to enhance a facility at Ramstein to provide C-17 logistics support under the current GLOBEMASTER Support Partnership. The proposed plan will require approximately 14 U.S. Government representatives at the facility. Implementation of this proposed sale will require the assignment of up to eight each U.S. Government and contractor representatives in country for annual participation in training, program management, and technical review.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

This notice of a potential sale is required by law; it does not mean that the sale has been concluded.