

National Security Assessment of the C-17 Globemaster Cargo Aircraft's Economic & Industrial Base Impacts

BIS conducted an assessment of the C-17 Globemaster Cargo Aircraft program in 2005 to better understand the economic and industrial base issues related to the production of the aircraft, including the consequences of terminating production and the costs of restarting manufacturing lines at a later date. The study was performed at the request of the Office of the Deputy Assistant Secretary of the Air Force for Acquisition Integration at the Department of Defense (DOD).

To document mothballing, restart, and termination costs, BIS used its mandatory data collection authority under the Defense Production Act of 1950 as amended. Separate industrial surveys were sent to Boeing and selected key suppliers to gather information on production phase-out and restart costs, workforce size, restart schedules and related factors. BIS also conducted site visits and consulted industry experts, DOD program managers and acquisition personnel, and regional economic organizations.

Specifically, the assessment examined and provided findings regarding the:

- Economic and employment activities associated with C-17 production in the United States;
- Dependence of the U.S. defense industrial supply chain on C-17 production;
- Costs of closing, then restarting C-17 production, if more C-17s are required beyond 2008; and
- Potential sale of C-17s in the military export market and entry into the cargo industry.

By agreement with the Office of the Deputy Assistant Secretary of the Air Force for Acquisition Integration, this study does not contain specific recommendations for DOD and the Congress on the number or type of cargo aircraft that DOD should maintain in its fleet.

Distribution of this report is limited to authorized Department of Defense personnel.