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Realignment to be completed by end of 2014

EL PASO, Texas, Jan. 10, 2013 -- Boeing [NYSE: BA] will consolidate its El Paso facilities and reduce the workforce there by the end of 2014. The move is part of the company's strategy to increase affordability for government customers and become more competitive in an increasingly global marketplace.

The 370 workers at the site manufacture electronics for a variety of Boeing products. Anticipated U.S. defense budget cuts likely will mean less demand for these items. Therefore, Boeing will reduce occupied square footage 50 percent by moving from three buildings into one, and will reduce employment by up to 160 positions.

"This difficult decision was based on a thorough study of the current and future business environment and the need to remain competitive," said Derek McLuckey, director of Boeing Network Operations. "We recognize this will affect the lives of many of the highly skilled men and women who work here, so we will do everything possible to assist our employees, their families and our community through this difficult time."

Affected employees will receive assistance with finding employment elsewhere in Boeing or outside, as well as financial counseling and retirement seminars.

Despite this consolidation, "Texas remains critical to Boeing with more than 6,000 employees working at Boeing locations and subsidiaries throughout the state," McLuckey said. "We also have valued relationships with suppliers in Texas. In 2011, Boeing spent \$2 billion with our supply base here."

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