Boeing Reorganization Aligns Space Systems Business By Markets

In a move that intensifies the company's focus on its critical space markets, The Boeing Company has announced that its Space Systems business unit has been realigned by market area.

Space Systems was initially formed on Aug. 4 following the Boeing-McDonnell Douglas merger, and combines the space efforts of Boeing with those of Rockwell and McDonnell Douglas. Today's announcement further defines how the unit is being restructured.

"Reorganization of the space businesses of The Boeing Company will strengthen our efforts to address three fundamental Boeing priorities," said John McLuckey, Space Systems president.

"It will allow us to deliver on our current commitments, to capture new business based on the efficiencies of the new Space Systems business unit, and to improve the ability of the various units of Boeing to work together to leverage our combined strengths to meet the existing and future needs of our customers."

With headquarters in Seal Beach, Calif., Space Systems employs more than 27,000 people. Approximately 16,000 employees are based in California, but the new unit also has significant operations in Alabama, Colorado, Florida, Mississippi, Ohio, Texas, and Utah.

The Space Systems organization addresses five major markets: reusable space systems; expendable launch systems; propulsion and power; missile defense; and guidance, navigation, and sensor systems. It also includes the Boeing prime contractor responsibility on the International Space Station program, diverse space operations support activities, and two major joint ventures. McLuckey announced the new organization as follows:

International Space Station (Houston, Texas) under Doug Stone: The entirety of the Boeing role on International Space Station -- which includes work previously performed by Boeing, McDonnell Douglas, and Rockwell -- has been combined into a single organization.

"The consolidation of our International Space Station activities will enable us better to address the evolving needs of this complex and important program. We are replacing the existing structure of "prime" and "product groups" with a simplified and flattened organization that assembles people, skills, and resources together into a single, efficient operation. That operation will have a strong emphasis on system, element, and sub-system management." McLuckey said.

"This new alignment will provide dual benefits to the International Space Station program," McLuckey added. "It will bring substantial financial benefits through the consolidation of three formerly separate organizations, and it will create operational efficiencies by shortening lines of communications."

Doug Stone, who headed the company's work on the International Space Station prior to the reorganization, now leads the new operation.

Space Operations & Utilization Support (Seal Beach, Calif.) under Bob Minor: Boeing Space Systems activities on the "Space Coast" (Florida), in Huntsville (Alabama), and in Houston (Texas) have been consolidated into a newly-formed unit: Space Operations & Utilization Support.

"Each of these sites incorporates elements from Boeing, McDonnell Douglas and Rockwell. They are being combined to enhance our customer focus and operating efficiency," said McLuckey.

Bob Minor, formerly head of Reusable Launch Systems, has been named to lead the new unit. Minor will also be responsible for the current Phase 1 Consolidated Space Operations Contract (CSOC) effort, and the proposal effort for CSOC Phase 2.

Four major businesses in Space Systems are aligned by market areas:

- Expendable Launch Systems (Huntington Beach, Calif.) under Gale Schluter:
  Includes major elements of the former McDonnell Douglas Space & Defense Systems in Huntington Beach, Calif., and incorporates Delta II, Delta III, Advanced Systems, Evolved Expendable Launch Vehicle/Delta IV, fairings, Inertial Upper Stage, and Boeing Sea Launch support activities to the Sea Launch Company.

- Reusable Space Systems (Downey, Calif.) under Russ Turner:
  Includes Boeing work on the Space Shuttle, Shuttle Upgrades, Crew Return Vehicle, Future-X Vehicles, Space Maneuver Vehicle, and Military Space Plane efforts. Turner was named to succeed Bob Minor, who has assumed leadership of Space Operations and Utilization Support.

- Rocketdyne Propulsion & Power (Canoga Park, Calif.) under Jim Albaugh:
  Continues to be responsible for all current Rocketdyne programs including Space Shuttle Main Engines; propulsion for

Atlas, Delta, X-33 launch vehicles; Power Systems; Divert Attitude Control Propulsion; Advanced Propulsion and Power; Lasers; and related Electro-Optical Applications.

- Guidance, Navigation & Sensors (Anaheim, Calif.) under Bob Paster:
  Includes a broad array of electronics and systems efforts on programs such as Minuteman III Guidance Replacement Program, ICBM Prime, ICBM Depots, Marine Systems, and Sensors & Signal Processing (Electro-Optics/Infrared, Millimeter Wave and Rate Sensors) as well as overall responsibility for missile defense programs such as Ground Based Interceptor/ Exoatmospheric Kill Vehicle, Patriot Advanced Capability-3 (PAC-3), Navy Theater Wide, Anti-Satellite (ASAT), Small Low-Cost Interceptor Device (SLID), Infrared Countermeasures, Development of Integrated Components Experiment (DICE), and Space Based Infrared System -- Low.

Space Systems also includes these activities:

- National Missile Defense -- Lead System Integrator (Downey, Calif.) under John Peller:
  Peller continues to lead this program. "This represents a major Boeing initiative to establish systems leadership in the overall field of missile defense," McLuckey said.

- The Systems Development Center (Seal Beach, Calif.) under Barry Waldman:
  The Systems Development Center supports both the Space Systems business unit, and the Boeing Phantom Works. It is being realigned to focus on three areas: A Strategic Integration Initiatives function will be established to focus on new business initiatives that will call on core competencies across Space Systems. Advanced Space activities will support overall Space Systems efforts and the Boeing Phantom Works. The Systems Integration Laboratory will be reassigned to the Boeing Phantom Works.

- Joint Ventures
  Space Systems is also responsible for two major Boeing joint ventures: United Space Alliance, Houston, Texas (a joint venture with Lockheed Martin), and the Sea Launch Company, Oslo, Norway, (a joint venture with Kvaerner of Norway; Yuzhnoye of Ukraine; and RSC Energia of Russia).

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