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Boeing Commercial Airplane Group plans to finish the year with approximately 335 7-series airplanes tendered for delivery.

In November, Boeing tendered for delivery 24 of the 25 7-series airplanes it had projected, tendering the 25 th on Dec. 1.

"Through Dec. 15, we have delivered 17 airplanes, including the airplane delivered on Dec. 1," said Bob Dryden, BCAG executive vice president for Airplane Production. "For the second half of December, we have an aggressive schedule. Boeing plans to tender for delivery an additional 36 commercial airplanes by the end of the month. Seventeen of those airplanes are to be tendered for delivery in the week following Christmas, a time when Boeing is traditionally on vacation. Crews will be working overtime during the holiday to accomplish this. All of these airplanes are factory complete and are in the process of customer acceptance."

As in November, Boeing anticipates that customer-unique circumstances may preclude some customers from immediately taking final delivery of a small number of these tendered airplanes. An airplane is tendered for delivery when we have completed production and the customer has been notified that the airplane is ready for the customer's purchase. Delivery occurs when the customer completes the purchase and flies away with the new airplane.

"Our job with regard to factory recovery is to ensure that the airplanes are ready for delivery to all our customers," Dryden added.

Factory recovery is proceeding satisfactorily, he said, noting that overall part shortages, behind-schedule jobs, and out-of-sequence work are at or better than the recovery plan. The plan, announced this fall, involved stopping the 747 production line for 20 manufacturing days and deferring new Next-Generation 737 final assembly for 25 manufacturing days. Today, factory operations are back in sequence and overtime is down to 17 percent from a high of more than 20 percent.

Boeing expects to deliver the first 737-700 to Southwest Airlines this week. The next three 737-700s, all for Southwest, will be delivered in December. The delivery plan calls for 27 737-700s to be delivered by the end of the first quarter of 1998.

"The challenge now is to continue to keep part shortages and behind-schedule jobs on track with the recovery plan and to keep them under control as we increase the 747 production rate from four per month to five per month; and the Next-Generation 737 from seven per month to 14 per month in the spring of 1998," Dryden said. Total 737 production (all models) will increase from 21 per month to 24 per month at that time.

In addition, Boeing noted that it believes employment in commercial airplane operations should start to decline by approximately 12,000 in the second half of 1998. A significant portion of the decline is expected to be accomplished through attrition. Boeing Commercial Airplane Group employment currently is at approximately 118,000, including Douglas Products Division.

In total, Boeing expects to tender for delivery 375-385 commercial airplanes in 1997, including the MD-series.

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