Boeing Cancels 737 Line At Long Beach; Adds Modification Work

The Boeing Company said today it will retain all 737 final-assembly work at Renton, Wash., reversing an earlier decision to assemble some 737s at its Long Beach Division in California.

"We have increased production rates on the 737 from 14 to 21 airplanes per month at the Renton, Wash., facility with very satisfactory results," said Dick Pearson, vice president and general manager -- Long Beach Division. "In light of that success, we reviewed both market demand and production options and determined that we will not require the additional 737 capacity in Long Beach."

"However," Pearson added, "we will offer 737 lap-joint modification services to the airline community beginning next year. This new service could provide 400 or more jobs a year for our team here in Long Beach."

Lap joints are areas in which skin panels overlap. Over time, these areas can be subject to fatigue cracking, which must be repaired. Pearson noted that more than 2,200 737s could require this modification over the next 15 years. "If we are competitive, we could win a significant portion of this work," he said. "But we will have to be extremely cost-conscious because we'll be competing against other organizations around the world that would like to perform this work."

Pearson said Long Beach also will continue to develop and produce the 717-200 and manage a variety of customer-service programs, including fleet support, in-production spare parts, out-of-production spare parts, airplane modification services, and the MD-10 program. Long Beach also will perform fabrication work to support other Boeing divisions and groups.

Pearson said, "the Long Beach work force has the skills and the experience to perform very well in any of the programs we have in place now or that we are studying for the future. We are committed to customer satisfaction."

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