Boeing Weapons Programs Consolidation Drives Transfer of Duluth, GA., Work to Other Company Facilities

Boeing today announced that it will consolidate its Weapons Programs organization at a single site. As a result, the work now done at its Duluth, Ga., facility will be transferred to other locations within the company. Boeing will offer the Duluth site for sale. The company expects the transfer process to be complete in about a year.

"This move is part of a long-term plan to help Boeing sustain and expand its weapons business by consolidating facilities and eliminating duplication," Boeing executives Mike Sears and Jim Albaugh said in a message to employees. Each is president of a major Boeing business group -- Sears of Military Aircraft and Missile Systems, based in St. Louis; and Albaugh of Space and Communications, based in Seal Beach, Calif. The Duluth site serves both groups. The Weapons Programs organization is part of Military Aircraft and Missile Systems.

About 825 people currently work at Boeing-Duluth. About one-third of the jobs there will be transferred to Boeing facilities at Huntsville, Ala., and St. Charles, Mo., beginning with program management and engineering in mid-1999. Where possible, the people who currently hold those jobs will be offered the opportunity to transfer with them. Regardless of the decision announced today, 300 to 400 Duluth employees already faced redeployment or layoff over the next two years because of declining orders.

"These decisions were based strictly on business and in no way reflect on the local employees or community. Boeing has been privileged to employ a reliable, capable and involved group of people in Duluth," Sears and Albaugh said. The company will help its displaced workers search for other jobs both within and outside Boeing. The company will also offer severance pay and health care benefits according to the Boeing layoff benefit plan.

"We will make every effort to minimize disruption to people and programs as we work our way through the transition," Sears and Albaugh said. "We will keep our customers informed about activities related to their programs."

The decision announced today is part of a Boeing-wide strategy -- first articulated March 20, 1998 -- to streamline facilities and operations following the company's acquisition of the defense and space units of Rockwell and the merger with McDonnell Douglas.

"This decision reflects the overall Boeing strategy to focus our business base, reduce costs, gain efficiencies and improve profitability -- in short, to help ensure the long-term success of the company," the presidents noted.

Boeing-Duluth Fact Sheet

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