

Boeing to Reduce Employment and Consolidate Facilities in St. Louis

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Boeing officials announced plans for work force reductions and facilities consolidations affecting the company's operations here. Between now and mid-2001, 6,500 to 7,000 local jobs will be eliminated.

"Once we completed an assessment of our business environment based on the April 30 decision by the government of Greece, we decided to let our team and the community know as soon as possible what to expect for the foreseeable future," said Jerry Daniels, Boeing vice president and general manager and St. Louis site director. "We remain committed to St. Louis and are taking these steps to ensure our competitiveness on our existing work -- including a multi-year contract on C-17 and a proposed multi-year buy of the F/A-18E/F -- and on future programs such as the Joint Strike Fighter."

Daniels noted that Boeing's ongoing programs in St. Louis include the F/A-18E/F Super Hornet, major assemblies on the C-17 Globemaster III, the T-45 Goshawk, AV-8B Harrier II, Harpoon and SLAM ER missiles, and the Joint Direct Attack Munition (JDAM).

"We've worked tirelessly over the past three years to secure additional sales of both the F-15 and the F/A-18C/D," Daniels said. "The Greek order would have extended production for 18 to 24 months beyond current plans."

"We recognize the significant impact this will have on our people, their families and the community," Daniels said. "We will do everything we can to mitigate that impact through outplacement and other employee benefits and services."

The F-15 has been produced in St. Louis since 1972. Renowned as the most capable fighter aircraft ever built, more than 1,500 F-15s have been delivered to the U.S. Air Force, Israel, Saudi Arabia and Japan.

"The work we have ahead of us on our St. Louis programs is significant and very important, particularly to our U.S. government customer," Daniels said. "To perform this work within our customer's budgets, we need to size our workforce and facilities accordingly. Doing so will enable us to keep our programs competitively priced and win new sales."

The company also plans to consolidate into fewer office and production buildings, streamline its internal organizations, and take other steps to cut overhead costs at the St. Louis site.

Current orders for the F-15 will be completed by early 2000. F/A-18C/D deliveries continue to mid-2000. Israel is considering a purchase of new F-15s, with deliveries expected to begin in 2001. Potential orders for the F/A-18C/D have been delayed in several international competitions.

The company expects two-thirds of the cuts to come from management, non-management, and executive-level positions. About one-third of the reductions will affect union members. "This represents a fair and balanced approach to reducing the size of our St. Louis workforce," Daniels said. The 6,500 to 7,000 estimated reductions include 800 to 900 positions previously announced on April 6.

Daniels said that production line breaks on both the F-15 and F/A-18C/D lines are inevitable, regardless of the timing of new orders received for the planes.

Boeing currently employs about 20,000 people in St. Louis.

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