Boeing Announces Realignment, Name Change For Customer Services Unit

The Boeing Company announced today a realignment of its Customer Services business unit in the Commercial Airplanes Group. The company also announced that it is changing the business unit's name from Customer Services to Commercial Aviation Services.

Boeing Airplane Services, which provides value-added modification and engineering services, will combine with Airline Logistics Support, which offers the industry's most comprehensive airplane spare parts distribution system. The new, larger organization will use the Boeing Airplane Services name.

"As we pursue our growth strategy, we continue to refine our organizational structure to ensure we have the most effective way to deliver products and services to our customers," said Tom Schick, executive vice president of Commercial Aviation Services. "The purpose of this consolidation is to align the synergies of our spares business, engineering services and modification businesses. By doing this, we'll have a greater ability to offer our customers value-enhancing solutions tailored to their individual requirements."

Joe Gullion will continue as president of Boeing Airplane Services. Darce Lamb, who led Airline Logistics Support, will serve as Gullion's deputy.

"Joe and Darce will maintain an intense customer focus, ensuring that Boeing Airplane Services meets our customers' needs for total solutions in the after-market," Schick said. "This consolidation will also enhance the traditional spare parts services our customers have come to expect from Boeing."

Schick said changing the business unit's name to Commercial Aviation Services more accurately reflects the full scope of its current and future activities. Its organizations include the newly consolidated Boeing Airplane Services, Customer Support, Boeing Business Jets, and oversight responsibilities for a number of joint ventures, including FlightSafety Boeing Training International, Aviation Partners Boeing, and Boeing NetJets.

The Customer Support organization will continue to be led by Brad Cvetovich as vice president and general manager.

"Our Customer Support team will remain focused on providing world-class product support to operators of Boeing airplanes," Schick said. "We have a number of initiatives under way in this area to increase customer satisfaction and provide product support in ways that respond to the changing airline environment."

Borge Boeskov will continue as president of Boeing Business Jets - the joint venture by Boeing and General Electric Co., to market a derivative of the Next-Generation 737 as a business jet.

As part of its strategy to expand its portfolio of commercial aviation support products and services, already the most comprehensive in the industry, Boeing has announced the following during 1999:

- The formation of its modification and engineering services business
- New after-market products, including jetliner replacement floor panels and insulation kits
- A joint venture on winglets with Aviation Partners, Inc.
- A global modification and engineering network
- Digital versions of airplane maintenance manuals
- A surplus parts distribution agreement with Volvo Aero
- A new version of the Portable Maintenance Aid, a digital support tool
- Contracts for additional modification services for FedEx and Korean Air
- The launch of its Rapid Response Center, providing customers with an unprecedented level of around-the-clock support

"We continue to look for ways to offer new products and services that add value for our customers and create value for Boeing, and we're pleased with our progress so far this year," Schick said.

###

For further information:
Sean O'Donnell
206-544-7553
Dick Schleh
206-544-9528