Boeing Consolidates Delta Rocket Production

Boeing officials announced plans today to consolidate the majority of Delta rocket production into the company's facilities in Pueblo, Colo., and Decatur, Ala.

The plan is a continuation of the Boeing facilities announcement made in March 1998 and will maximize the use of existing Delta facilities, which are currently 80 percent under-utilized. Other contributing factors are the downturn in the global launch services market, which reduced Delta production by 50 percent since January 1999, and Boeing transitioning C-17 work out of the Huntington Beach facility.

Over the next two years approximately 600 production jobs will be eliminated in manufacturing, half the reductions associated with C-17 manufacturing and half associated with the Delta realignment. In addition, up to 300 positions will be eliminated in associated support functions.

"In order to strategically realign our Delta production, we needed to consolidate operations and reduce manufacturing duplication," said Gale Schluter, Boeing Expendable Launch Systems (ELS) Vice-President and General Manager. "By placing like-work together in Decatur and Pueblo, Boeing will become more efficient and competitive in the global launch-services market."

The transition of work from Huntington Beach and Pueblo will begin in the third quarter of this year. By the second quarter of 2002, Boeing will reduce its owned and leased Huntington Beach facilities by 606,995 square feet. Delta manufacturing will be allocated as follows:

Delta manufacturing to remain in Huntington Beach:

- Delta II stainless steel second-stage tank manufacturing
- Delta II hydraulics
- Metal Delta IV and Titan IV fairing manufacturing
- Delta II and Delta III composites
- Electronic modification and rework
- Delta development

Delta manufacturing moving from Huntington Beach to Pueblo:

- Delta II payload attach assemblies (PAA)
- Delta II blankets and wire harnesses
- Delta II and Delta III tubing/welded ducts
- Delta II and Delta III subassembly work

Delta manufacturing moving from Huntington Beach to Decatur:

- Delta II and Delta III skin machining, processing, and forming
- Delta II and Delta III ring manufacturing
- Delta II and Delta III center bodies, engine frames, aft skirts, equipment shelves, socketrons, and thrustbeams
- Delta II first-stage tank assembly
- Delta IV tubing/welded ducts

Delta manufacturing moving from Pueblo to Decatur:

- Delta III and Delta IV fairings
- Delta IV blankets and wire harnesses
- Delta IV upper-stage assembly

There is no immediate increase in employment expected at either Pueblo or Decatur as a result of this realignment.

In discussions with employees today, Rich Noviello, Boeing Director of Operations, committed to provide the people affected by the announcement with continuous information on the company's plan. Boeing will also provide employees with transition services to help them identify other employment opportunities within the company and the local community.

"We are continuing to evolve our technology, laboratory and development activities here in Huntington Beach, which is in keeping with plans to evolve this facility into one of the company's premiere Program Management Centers (PMC)," Schluter

said. As a PMC the facility will have management responsibilities for all Expendable Launch Systems and Reusable Space Systems programs, along with the associated supplier management, program marketing and research & development activities.

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