Boeing in Pennsylvania to Reduce Workforce and Move Toward Becoming an Assembly, Integration and Testing Center

Boeing announced today that it intends to keep its rotorcraft facility here open but will reduce the size of the facility and its workforce.

"As previously announced in January 2001, our workforce will be about 5,000 at the end of this year," said Roger Krone, vice president and general manager of U.S. Army programs, which is based in Ridley Township. "Additional reductions of between 1,000 and 1,500 jobs are necessary because our business has continued to decline. We will have a workforce of 3,500 to 4,000 by mid-2004."

Krone said employees have made significant process and quality improvements; however, lack of success in bringing in new international sales of the Chinook, production delays on CH-47Fs for the U.S. Army and lower production rates for the V-22 are forcing the workforce reduction.

Krone said Boeing also is taking steps to keep the Pennsylvania site a viable enterprise and position it to take advantage of future business opportunities in the global marketplace.

"We are going to reduce the size of our facility by selling property and buildings, and realigning work," said Krone. "We will be focusing on ways to strengthen our core competencies, which are design and engineering, assembling aircraft, integrating systems and testing products. Activities that don't support this goal will be reviewed for placement with suppliers who can do them more cost effectively, allowing us to focus our efforts on those areas critical to our success. We also will be asking our local union to partner with us in determining how to realign work to support our goal of becoming a world-class assembly, integration and testing facility."

Outplacement services will be offered to laid-off employees through a partnership of Boeing and the Delaware County Office of Workforce Development. Some of the services offered include use of office equipment, resume preparation, career counseling, Internet access to Pennsylvania's CareerLink and Employment sites, Microsoft Office 2000 training, job-search workshops, Boeing benefits briefings and access to unemployment compensation information. Employees also receive a week's pay for every year of completed service, up to 26 weeks.

"This is a difficult time for all Boeing employees, but we are committed to keeping this site open," said Krone. "These changes are necessary to accomplish that goal."

The Boeing operations in Pennsylvania are part of Boeing Military Aircraft and Missile Systems, based in St. Louis. The Pennsylvania site manufactures and sells rotorcraft, including the CH-47 Chinook, the RAH-66 Comanche and the V-22 Osprey.

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