Boeing Announces Intent to Locate 737 MAX Production in Puget Sound

- New airplane to be built in Renton, Wash., pending ratification of labor agreement

SEATTLE, Nov. 30, 2011 /PRNewswire/ -- Boeing (NYSE: BA) today announced that it intends to build the new 737 MAX in Renton, Wash., pending approval of an early contract extension with the International Association of Machinists & Aerospace Workers (IAM), the union representing hourly employees in Washington, Oregon and Kansas.

As part of an effort to improve their relationship, Boeing and the IAM have been discussing the potential for an early contract extension for several weeks. The current contract is set to expire in September 2012.

Independent of that effort, Boeing has been conducting a review of potential sites for 737 MAX production since the company announced in August that it will build a new-engine variant of the market-leading 737.

Boeing has assessed the business case for locating production of the 737 MAX in Renton in light of the economics of a proposed new labor agreement, and the company is prepared to locate 737 MAX production in Renton provided the economics contained in that proposal are achieved.

Upon ratification of such an agreement by hourly employees, Boeing says it will make the necessary investment to produce Next-Generation 737s and 737 MAXs in its existing Renton facility.

"The 737 MAX builds upon the legacy of the world's best single-aisle airplane and continues to generate overwhelming response from our customers," said Jim Albaugh, president and chief executive officer, Boeing Commercial Airplanes. "If our employees ratify a new agreement, building the 737 MAX in Renton will secure a long and prosperous future there, as well as at other sites in the Puget Sound area and in Portland, Ore., where 737 parts are built."

To date, Boeing has received more than 700 commitments from our customers for the 737 MAX. The new airplane is expected to enter service in 2017.

Contact:
Tim Healy
BCA Labor Communications
+1 206-766-2116

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