Boeing to Close Wichita Facility by the End of 2013

Defense budget reductions, limited opportunities for new work and competitive cost structure driving need to close facility

WICHITA, Kan., Jan. 4, 2012 -- The Boeing Company [NYSE: BA] today announced that the Boeing Defense, Space & Security (BDS) facility in Wichita will close by the end of 2013. The Wichita facility currently employs more than 2,160 employees.

"The decision to close our Wichita facility was difficult but ultimately was based on a thorough study of the current and future market environment and our ability to remain competitive while meeting our customers' needs with the best and most affordable solutions," said Mark Bass, vice president and general manager for BDS' Maintenance, Modifications & Upgrades division. "We recognize how this will affect the lives of the highly skilled men and women who work here, so we will do everything possible to assist our employees, their families and our community through this difficult transition."

Boeing Wichita is the base for the company's Global Transport & Executive Systems business and its B-52 and 767 International Tanker programs. The facility also provides support for flight mission planning and integrated logistics.

Over the past five years, contracts in Wichita have matured, programs have come to a close or are winding down, and the site does not have enough sustainable business on the horizon to create an affordable cost structure to maintain and win new business.

"In this time of defense budget reductions, as well as shifting customer priorities, Boeing has decided to close its operations in Wichita to reduce costs, increase efficiencies, and drive competitiveness," said Bass. "We will begin program transitions in the coming months, with the complete closure of the site scheduled for the end of 2013. We do not anticipate job reductions as a result of this decision until early in the third quarter of 2012."

Bass said that Boeing will continue to have a significant impact on the Kansas economy and the health of the state's aerospace industry.

"The company spent more than $3.2 billion with approximately 475 Kansas suppliers in 2011, spanning its commercial and defense businesses, making it the fourth largest state in Boeing's supplier network," said Bass. "Based on Boeing Commercial Airplanes growth projections for the next few years, Boeing anticipates even more growth for suppliers in Kansas. Boeing values its long-term partnership with Kansas, and we will continue to work with all of our stakeholders in Kansas in support of a robust aerospace industry in the state."

Future aircraft maintenance, modification and support work will be placed at the Boeing facility in San Antonio. Engineering work will be placed at the Boeing facility in Oklahoma City. Although work on the KC-46 tanker will now be performed in Puget Sound, Wash., the 24 Kansas suppliers on the program will be providing vital elements of the aircraft as originally planned.

Boeing is providing employee assistance including retirement seminars, job search resources, and financial counseling, as well as help finding jobs inside or out of Boeing.

A unit of The Boeing Company, Boeing Defense, Space & Security is one of the world's largest defense, space and security businesses specializing in innovative and capabilities-driven customer solutions, and the world's largest and most versatile manufacturer of military aircraft. Headquartered in St. Louis, Boeing Defense, Space & Security is a $32 billion business with 63,000 employees worldwide. Follow us on Twitter: @BoeingDefense.

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Related photos and site backgrounders are available to media through the contacts below.

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