CHICAGO, May 27, 2020—Boeing President and CEO Dave Calhoun issued the following letter to employees today providing an update on workforce actions:

Team:

Following the reduction-in-force announcement we made last month, we have concluded our voluntary layoff (VLO) program. And now we have come to the unfortunate moment of having to start involuntary layoffs (ILO). We’re notifying the first 6,770 of our U.S. team members this week that they will be affected. We will provide all the support we can to those of you impacted by the ILOs — including severance pay, COBRA health care coverage for U.S. employees and career transition services.

Our international locations also are working through workforce reductions that will be communicated locally on their own timelines in accordance with local laws and benefit terms.

The COVID-19 pandemic’s devastating impact on the airline industry means a deep cut in the number of commercial jets and services our customers will need over the next few years, which in turn means fewer jobs on our lines and in our offices. We have done our very best to project the needs of our commercial airline customers over the next several years as they begin their path to recovery.

I wish there were some other way.

For those of you who are notified, I want to offer my personal gratitude for the contributions you have made to Boeing, and I wish you and your families the very best. For more, please see this video message.

For those staying on, enormous challenges remain. Keeping our colleagues healthy and safe is chief among them. So is supporting our customers and suppliers through the recovery, and working with them to assure the traveling public that it can fly safe from infection. We also will have to adjust our business plans constantly until the global pandemic stops whipsawing our markets in ways that are still hard to predict. Through it all, the safety of our products and services will remain priority No. 1.

We are seeing some green shoots. Some of our customers are reporting that reservations are outpacing cancellations on their flights for the first time since the pandemic started. Some countries and U.S. states are starting cautiously to open their economies again. And some parts of our business, most notably on the defense side, will continue hiring to meet customer commitments and fill critical skill positions.

The Defense, Space & Security and defense services teams have achieved a number of milestones recently, including the successful return to orbit of the reusable and autonomous X-37B Orbital Test Vehicle. We’re moving forward with our plan to restart 737 MAX production in Renton, Washington, as our return-to-service efforts continue. And our Global Services team is changing its organization to ensure it is lean and focused on the post-COVID needs of its customers.

But these signs of eventual recovery do not mean the global health and economic crisis is over. Our industry will come back, but it will take some years to return to what it was just two months ago. The surest way through it is for every one of us to be true to what Boeing has traditionally stood for: values, integrity, quality, reliability, know-how, resilience and commitment to the needs of our customers. Let’s work together to ensure that we are those things. For our future. For each other. For everyone who counts on us.

Stay safe, and thank you for all that you do.

Dave
Contact

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