

Boeing set to move up to 1,000 jobs to Oklahoma

Up to 1,000 engineering and management jobs will be moved to Oklahoma City as Boeing prepares to close its decades-old operation in Wichita.

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Up to 1,000 engineering and management jobs will be moved to Oklahoma City as Boeing prepares to close its decades-old operation in Wichita, Kan.

The announcement is a blow to Wichita, where Boeing is one of the city's largest private employers, but significantly adds to the 550 jobs the company decided in 2010 to move to Oklahoma City from Long Beach, Calif.

The move includes 800 to 900 jobs from Wichita and another 100 jobs from Puget Sound, Wash.

The announcement was not a total surprise to local economic development officials, who have hinted in recent months they believed Boeing might increase the number of jobs it would bring to Oklahoma City.

“The factors that drove their initial decision, I think, kind of forewarned us there was going to be additional opportunities,” said Roy Williams, president of the Greater Oklahoma City Chamber. “The factors that drove it were getting closer to customers, leaner and more efficient and lower operating costs. We felt that those were all very tangible factors, and as a company like Boeing goes through this decision-making process, that other operations might be located here.”

In a news conference Wednesday, the company announced it will be closing its Boeing Defense, Space and Security plant in Wichita by late 2013. The plant employs 2,160 employees.

The company intends to move remaining aircraft maintenance, modification and support work in Wichita to its operation in San Antonio, while remaining engineering work will be moved to Oklahoma City. It also announced that some jobs would be shifted to its operation in Puget Sound, while other jobs currently in Puget Sound also would be moved to Oklahoma City.

“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 Boeing Defense, Space and Security's Maintenance, Modifications and 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.”

‘Just not competitive’

According to a September report delivered to the Oklahoma City Economic Development Authority, Boeing already had 800 employees in Oklahoma City when it decided to relocate its B-1 program and C-130 Avionic Modernization Program from Long Beach.

The company is building a six-story office building next to its current base of operations at SE 59 and Air Depot Boulevard.

In response to questions from reporters, Bass denied politics or incentives prompted the decision to close the Wichita plant and relocate the remaining jobs to Oklahoma City and San Antonio.

Instead, he said the Wichita operation, which dates to World War II and consists of 97 buildings totaling 2 million square feet, cannot be made efficient enough to fit into the new economic reality.

“It's just not competitive,” Bass said.

“And business would continue to erode in Wichita. This is why we're making this decision.”

Bass said Oklahoma City, meanwhile, has a “large cadre of engineering and management support” already in place and the company would gain efficiencies with the consolidation. Wichita labor costs, he said, were higher than those in Oklahoma City and San Antonio.

Bass added that while incentives were not a consideration for the plant closing, he added the company will take advantage of existing incentives programs in Oklahoma and Texas.

In Oklahoma, the company is expected to apply for the state's Quality Jobs program and for grants from Oklahoma City's General Obligation Limited Tax fund. Boeing was awarded a \$1.5 million grant from the city late last year as it proceeded with the first of the two-phase relocation of 550 jobs from Long Beach.

‘Forward momentum’

The deal calls for the money to be paid as the company moves 232 jobs with an average

first-year salary of \$90,000 and \$2.8 million in local investment. A second-phase application was expected later this year for the remaining 318 jobs attached to the B-1 program relocation.

Gov. Mary Fallin said she wants to make sure current employees offered a chance to relocate to Oklahoma City will be accommodated.

“This is a difficult time for Boeing employees who have been impacted by the decision to close the Wichita facility, and my heart goes out to those men and women,” Fallin said.

“However, as with the recent relocation of Boeing staff from California to the Boeing Oklahoma City facility, our state stands ready to welcome all employees and their families who will now call Oklahoma home.”

Neither state, city or chamber officials would comment Wednesday on what, if any, incentives are being discussed with Boeing.

“My administration has worked very closely with The Boeing Co. to ensure that Oklahoma has both a competitive business climate and a high quality of life for any employees that might be located here,” Fallin said.

“It's a tribute to Oklahoma's progress and forward momentum that we have been chosen as a relocation site.”



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