

Boeing imposes more layoffs

Hector Cordon
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Boeing Corporation announced several hundred layoffs last week as part of a year-long wave of job cuts aimed at reducing its employees by 2,000-2,300 in its Seattle-area manufacturing facilities. Separately, engineers responsible for configuring aircraft interiors have also been informed that Boeing will soon be announcing cutbacks to their units.

Layoff notices, to take effect November 22, were sent out companywide to 447 workers, 266 of them in the Puget Sound area where Boeing manufacture and assembly is concentrated. The lion's share of layoffs in western Washington will be from the commercial jet division, where 220 jobs will be slashed and another 30 cut from defense production.

Boeing, the world's largest airplane manufacturer, last March announced plans to reduce its workforce in response to stabilized production of its newest jet, the 787 Dreamliner. Job cuts are also to take place with the latest version of the Boeing 747 as it moves into routine production.

Boeing claims that these layoffs are unrelated to problems with the lithium batteries in the Dreamliner. Fires on two airplanes, traced to the batteries, forced the worldwide grounding of all 787 jets last January. Boeing resumed delivery of its 787 Dreamliner after being cleared by the Federal Aviation Administration at the end of April.

Boeing IT workers at the Puget Sound, Washington facility were informed last May through a webcast that the company plans to relocate or eliminate 1,500 jobs over the course of the next three years. This is part of a restructuring plan to shift IT work from traditionally unionized areas, Seattle and Southern California, to so-called "centers of excellence" in Missouri and South Carolina.

According to Boeing's employment table, as of August 1,955 jobs have been cut in Washington State while total company employment has dropped by

2,176.

This amount does not take into consideration the hundreds of contract workers who have been let go at the assembly complex in North Charleston, South Carolina. According to a February *Chicago Tribune* article, over 20 percent of employees, primarily contract workers, are to be cut there. The article quoted Boeing spokesman Marc Birtel: "[W]e expect to continue to reduce reliance on contract labor/industry assist to meet our production objectives."

The layoffs come despite reports that Boeing does not expect to see a decrease in its productivity in the coming period, with a \$324 billion commercial plane order backlog—or eight years of production.

Alongside cuts in the workforce involved with building the 787, Boeing plans to increase production of that plane. The Puget Sound area and the non-union North Charleston plant are to double their combined monthly output from five planes per month to 10 by the end of the year.

In an analysis late last year on the web site Seeking Alpha, Adam Levine-Weinberg wrote, "The biggest bump in production is for the 787, which will go from roughly three per month year to date to 10 per month by the end of 2013. In addition, 737 production will be increased from 35 per month to 42 per month by early 2014, and 777 production is increasing from seven per month previously to 8.3 per month in 2013." In 2008 the production rate of the 737 was 30 per month.



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