

## Employee Frequently Asked Questions

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### Situation

**Q. What is changing?**

**A.** We have made the business decision to close our Boeing Wichita facility by the end of 2013. We plan to place future work in San Antonio, Texas, and Oklahoma City. Program management, engineering, product support and functional support currently located in Wichita and Puget Sound will be centralized in Oklahoma City. Aircraft modification work will be centralized in San Antonio. Other business units are determining how to manage their business in light of this closure.

**Q. Why are we closing the site?**

**A.** The primary reason is current programs are ending or winding down and in this current budget environment there are limited opportunities for new work.

**Q. Why were Oklahoma City and San Antonio selected as the sites for future work?**

**A.** Boeing chose the Oklahoma City site because of the proximity to its prime customer, Tinker Air Force Base. Our San Antonio site is well-positioned to accommodate the upgrade and modification needs of our customers. San Antonio has a skilled workforce that performs maintenance on critical Air Force platforms and presents us with an opportunity to meet demands of the current budget environment.

**Q. When will this change take place?**

**A.** We expect the placement of program management, engineering, product support and functional support to begin in early 2012. The placement of all work is expected to be complete by the end of 2013. We are already working a reduction plan based on the completion of the modification work on several programs, and the plan to place future work will continue based on aircraft schedules. Over the next two years, the plant closure in Wichita will be accomplished in accordance with contractual obligations, Boeing procedures and collective bargaining agreements. We anticipate that any job reductions required by this decision will not begin until early in the third quarter of 2012.

**Q. Who will be impacted by this change?**  
 A. All Boeing employees who are based in Wichita – regardless of business unit – will be impacted as well as all Global Transport & Executive Systems employees based in Puget Sound. Today, there are more than 2,100 employees performing work at the Wichita facility. These employees represent four different businesses of the company - Boeing Defense, Space & Security; Boeing Commercial Airplanes; Shared Service Group; and Engineering Operations & Technology. They hold hourly, nonexempt, exempt and management positions.

**Q. Which programs will be affected?**  
 A. All business performed at the Wichita Site will be impacted.

**Q. How will other non-BDS programs be impacted by this change?**  
 A. Senior leaders in BCA, SSG, and EO&T are continually assessing current and future workforce requirements and resources needed to support operations. The closure of the Wichita facility will require each organization to reexamine where ongoing support will be needed. More information from other organizations at the Wichita facility will be forthcoming. Boeing is committed to assisting our employees through this transition.

**Q. Are union-represented employees impacted by the closure?**  
 A. Yes, all employees, including union-represented employees, at the Wichita site will be impacted by the closure. We will, as always, be acting in accordance with Boeing procedures and collective bargaining agreements. But more importantly, we will work with employees to help identify new opportunities within Boeing.

## Business Environment

**Q. Why doesn't Boeing place more work in Wichita?**  
 A. We have pursued business in an effort to keep Wichita viable, but unfortunately we simply don't have enough business to replace the contracts that have ended. After a great deal of consideration including the impact of this decision on our employees and the community, Boeing has determined that we must close our Wichita operations and place future work in other locations.

**Q. Are union labor rates the real reason Boeing is closing Wichita?**  
 A. No. Boeing has made the difficult decision to close the Wichita plant because current programs are ending and there is not enough future business to maintain a maintenance and modification facility in Wichita. Labor cost concessions would not have changed our decision. We know this is difficult on employees and requires change; we are committed to assisting our employees through the entire two-year transition.

**Q. What is Boeing doing as a whole to be more affordable?**  
 A. Across all of Boeing, we are looking at what needs to be done in the markets we serve. Recent examples include the relocation of the C-130 AMP and B-1 Program to Oklahoma City; the closure of the Carson City warehouse facility; and the consolidation of our Washington, D.C. offices.

- Q. Didn't the recent win of the KC-46 tanker competition bring more jobs to Wichita?**  
**A.** Unfortunately, the number of Boeing jobs generated by the KC-46 tanker win is not enough to sustain the Wichita site.

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## Location Selection

- Q. How was the decision made to place future engineering work in Oklahoma City and future maintenance and modification work in San Antonio?**  
**A.** Excess capacity is forecasted for both Oklahoma City and San Antonio. Boeing also took into account the long-range business plan, program affordability, market competitiveness and proximity to our prime customer.
- Q. What role did state and local incentives play in this decision?**  
**A.** Incentives do play a role in providing a competitive business environment for Boeing to operate. However, the decision to close Wichita is based on current programs winding down and limited opportunities for new business. Boeing did factor in available incentives when deciding where to place the work and will apply for the incentives available to us in Oklahoma at the appropriate time.
- Q. Was the state of Kansas approached for incentives before deciding to close the plant?**  
**A.** No. This was a decision based not just on economic incentives, but also on the lack of current work and future business opportunities.
- Q. Will San Antonio and Oklahoma City experience continued growth?**  
**A.** Boeing is positioning the Global Services & Support business for future growth. Future growth depends on Boeing's success in competing for new work.

## Puget Sound

- Q. Why is Global Transport and Executive Systems (GTES) Puget Sound relocating to Oklahoma City?**  
**A.** In addition to the declining work scope, the C-40 and C-32A customer office recently relocated to Tinker Air Force Base in Oklahoma City. We are aligning our business where our primary Air Force customer is located and will leverage the synergies created by the expertise that will be built in Oklahoma City as a result of this decision.
- Q. Will any GTES employees remain in Seattle?**  
**A.** Our current plan is to relocate all the positions to Oklahoma City.
- Q. What if I want to end my DTA now and return to my work assignment in Wichita so that I can be with my family?**  
**A.** We ask that you consider completing your assignment. However, before you make a decision to end your DTA earlier than anticipated, please discuss this with your manager of record for the most appropriate course of action and work assignment options available.
- Q. If I am on DTA to another work location how do I contact the Employee Assistance Program?**  
**A.** DTA employees should contact EAP at 1-866-719-5788.

- Q. If I am in Puget Sound on DTA, who can I go to if I have questions about the announcement and my future?**
- A. For HR questions please contact your HRG of record at your home location.

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## Relocation

- Q. Will employees be asked to relocate?**
- A. Some employees will be asked to relocate; however, not all positions will be relocated. Boeing is committed to helping all employees through this transition. Current employees interested in relocating are encouraged to apply for openings on BESS.
- Q. Who is responsible for identifying critical program positions?**
- A. Business leaders in conjunction with Human Resources will determine which skills, capabilities and positions will include relocation packages. As always your leaders will be attentive to and act in accordance with Boeing procedures and any relevant collective bargaining agreements. Other Boeing businesses located in Wichita are also evaluating their needs as a result of this decision. This will be a two-year transition.
- Q. How will I know if my position is selected for relocation?**
- A. Business leaders will provide more information as plans are finalized. When more information becomes available, leaders will schedule appointments and meet one-on-one with each individual to discuss their specific situation.
- Q. Are relocation benefits being offered for all job postings?**
- A. No. Availability of relocation funds will be identified on the Boeing Enterprise Staffing System (BESS) requisitions. The leadership team posting the requisition will determine whether relocation is offered for individual positions.
- Q. How can I find out more about relocation benefits?**
- A. General relocation information is available to all employees on the [Global Mobility website](#).
- Q. If relocation is not identified on BESS job openings can I still apply for the job?**
- A. Employees always have the option of applying for a job opening that does not offer relocation benefits.
- Q. Can I work virtually if I do not want to relocate to another site?**
- A. All virtual office assignments are temporary and subject to management concurrence in accordance with PEO-497, Virtual Office and Telecommuting Program Procedure. Current virtual assignments will be reviewed by management.
- Q. Can I work in Oklahoma or Texas and maintain my residence in another state?**
- A. Yes. However, employees assume all financial liabilities and tax consequences as a result of performing work and maintaining a residence in different states. Additionally, employees may need to make benefit election changes to ensure eligible dependents remain covered by an authorized network and have access to treatment.

**Q. May I decline to move?**

A. Wichita employees are not required to accept job offers which involve relocating. However, employees who decline to move may be affected by future reductions in force, as a result of the Wichita facility closure. We will be following Boeing procedures and collective bargaining agreements as applicable. Any reductions as a result of this decision will not take place until early in the third quarter of 2012.

**Q. Does the company guarantee that employees who do not relocate and stay through the facility closure, will be placed in a position following the transition?**

A. No. The company cannot guarantee placement; however, we will work together with our employees over the next two years to help identify new opportunities within the company and outside the company.

**Q. Can I make changes to my benefit elections if I relocate?**

A. Yes. Relocation is a qualifying event, and employees can make election changes.

**Q. Will there be changes to my compensation and benefit package if I elect to move to Oklahoma City or San Antonio or another site?**

A. Yes. Company benefit packages and costs are established by region and employee choices and cost share between the Company and employees may vary by location. There will be more detail available when you discuss specific sites and positions.

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## Applying for Jobs

**Q. How will positions be filled in Oklahoma City and San Antonio?**

A. Jobs will be posted on BESS with Oklahoma City or San Antonio identified as the new work location. Current employees interested in relocating are encouraged to apply for openings on BESS.

**Q. Can spouses or other family members not employed by Boeing apply for BESS postings in Oklahoma City and San Antonio and receive a guaranteed interview?**

A. If a requisition is posted "external" then yes an employee's family member can apply for that position. We cannot guarantee an interview.

**Q. Will I still have access to apply for other company positions?**

A. Yes. Employees may apply and compete for any and all Boeing jobs posted in BESS regardless of their current job title or level.

**Q. Will my base salary change if I accept another position?**

A. Salaries will vary by location and position.

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## Employee Assistance

**Q. Will I have access to the Employee Assistance Program (EAP)?**

A. Yes. The EAP remains available to all employees.

**Q. Will an early retirement incentive package be offered to affected employees?**

A. No early retirement packages are being offered to employees impacted by the decision to close the Wichita facility.

**Q. What benefits are available to Boeing employees affected by a layoff?**  
 A. Benefits and other compensation questions may vary by individual based on a number of factors. Employees may access this information on their Total Access portal under Life Events. In addition, employees may work with their Human Resources organization to determine eligibility for Company benefits.

**Q. What assistance will Boeing provide for employees who may receive layoff notices?**  
 A. Human Resource professionals will be assigned to work with displaced employees and assist them with resume writing, job hunting skills and assistance to find jobs. We plan to work with several agencies to ensure that our workers are aware of the community resources that are available during this transition period. We will also have available areas for employees to conduct job searches outside of normal working hours. The Employee Transition Center is on the first floor of the 205U building in Wichita.

**Q. Boeing Transition Assistance in Wichita**  
 A. The Career Transition Services (CTS) Group of Global Staffing provides a variety of services to employees both virtually and face to face. Using a suite of tools to help individuals plan and manage their careers, Career Transition Services works with Global Staffing process owners, Human Resources organizations and external partners to offer wide-ranging services.

- CTS Provides Assistance In The Following Areas:
- Resume and Cover Letter Construction
  - Interviewing Tips and Techniques
  - Assistance With Job Search
  - Individual Career Counseling

**Q. Wichita leadership and HR are working with the State Department of Labor for employment services and unemployment insurance.**

- HR is working with Employee Assistance to provide on-site counseling.
- Work Life Events
- <http://insides.web.boeing.com/HR/template.asp?id=3428>
- Employee Assistance Program (EAP)
- <http://eap.web.boeing.com>
- Workforce Centers of South Central Kansas
- <http://www.workforce-ks.com/>

**Q. What if I have other questions about my particular situation? Where can I go for answers?**  
 A. If you have the need to speak with someone privately, please see your immediate supervisor or your Human Resources Generalist.

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## Tanker

**Q: What impact will this have on the KC-46 Tanker program?**  
 A: The boom assembly and finishing center will be relocated to Puget Sound.

**Q: When will the move begin?**

**A:** Transition of our Tanker work will begin immediately, with Boom Assembly transition complete by October 2012, and the Finishing Center transition complete by the end of 2013. Our engineering teams in Wichita were always scheduled to transition to Puget Sound by 2013, when testing begins.

**Q: How soon will we know who gets relocated to Puget Sound, and when?**

**A:** Within the next few weeks we'll complete the process of identifying the employees who will be offered relocation packages. They'll be contacted by Human Resources.

**Q: How many Tanker employees will be impacted by this decision?**

**A:** There are currently 220 full-time and 100 part-time employees, most of them engineers, assigned to the Tanker program in Wichita. About 70 employees support the Finishing Center and Boom Assembly. This will be a two-year transition and we do not anticipate any reductions as a result of this decision before the third quarter of 2012.

**Q. The Kansas Congressional delegation and Kansas Governor Sam Brownback said Boeing promised more tanker jobs – as many as 7,500. Aren't you breaking your promise?**

**A.** Even with today's announcement, we do not anticipate a significant difference in the total number of jobs in Kansas in support of the KC-46 program. In terms of employment, the KC-46 Tanker program will continue to have a significant impact on this state, especially when we reach the production phase of the program. Kansas has a long history with Boeing and continues to be an important partner. In 2011, Boeing placed approximately \$3.2 billion of work with approximately 475 suppliers in Kansas impacting 125,000 direct and indirect jobs.

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## General Questions

**Q. Where can I get more information?**

**A.**

- An employee transition website is available starting today and will be updated regularly: <http://fil-globalservicesandsupport.web.boeing.com/community/index.html>
- Managers of all impacted employees will begin holding meetings in the coming days.
- An Employee Transition Center will open on Jan. 4<sup>th</sup> in the Building 205U employee hoteling area.

**Q. Were local and state government leaders contacted and told about the closure of the Wichita facility?**

**A.** Yes. Kansas local and state representatives were informed of the study in November 2011 and of our decision to close within the last few days. Boeing did not seek incentives from the state of Kansas or local authorities. This decision was based on the lack of current work and future business opportunities, not just on economic incentives.

**Q. Other aerospace companies in Wichita have committed to keep jobs in Kansas through state and local incentives, so why is Boeing different?**

**A.** We are in a position where we do not have enough business on the horizon in Wichita to keep the Wichita plant open. This is not about incentives, it is about having a viable business so we can make competitive offerings to our current customers and win new business.

**Q. Were union leaders notified about the closure of the Wichita facility?**  
**A. Yes.** The organizations representing employees in Wichita through collective bargaining agreements were notified of the study in November and the decision to close the facility at the same time we were notifying our business leaders.

**Q. Were community leaders and other local organizations notified about the closure of the Wichita facility?**  
**A. Yes.** The Boeing Company is proud of its relationship and partnership with local organizations and charities, which has spanned decades. We are sensitive to the impact this will have on the local community and we will work diligently with local leaders to mitigate the impacts on our employees, their families, and our community partners.

**Q. What role did unions play in Boeing's decision to close the Wichita facility?**  
**A.** The company's decision to close the Wichita facility is a result of our current work ending and no opportunities for new work in this difficult business environment. This is about not having enough work to keep the plant open.

**Q. How can I find out more about Oklahoma City or San Antonio?**  
**A.** Information packets will be made available to employees interested in relocating. Interested employees should contact their Human Resources representative for further information, if needed. Links to the Oklahoma City and San Antonio Chamber of Commerce can be found on the employee transition website:  
<http://fil-global/servicesandsupport.web.boeing.com/community/index.html>

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