

Hawker Beechcraft Decides To Stay Put In Kansas

Roxana Hegeman, Associated Press

WICHITA, Kan. (AP) — Aircraft maker Hawker Beechcraft Corp. on Tuesday announced its commitment to keep its aircraft operations in Kansas for the next 10 years as part of a \$45 million deal brokered with state and local officials.

In return for an incentives package, Hawker Beechcraft has agreed to maintain its current aircraft lines and keep at least 4,000 jobs in the state during the next 10 years. The news comes as an early Christmas present for a community that has been on edge since the debt-ridden firm said earlier this year it was considering moving all operations out of the state.

Hawker Beechcraft Chief Executive Officer Bill Boisture said the company had held significant discussions in the past several months — and that there had been quite a lot of apprehension about the company's future.

"We are committing to the further success of Hawker Beechcraft as . a U.S., a Kansas and a Wichita-based private company and we are preserving a valued American industry in tomorrow's aviation market," Boisture said.

The company plans to maintain its headquarters along with its engineering, its supply chain management, its composite fuselage manufacturing, its aircraft final assembly, its flight test and its global customer service and support business in Wichita, Boisture said.

"We will go forward with a renewed lift under our wings," Boisture said.

Gov. Mark Parkinson told a crowd gathered for the announcement at the National Center for Aviation Training that he had no doubt the aircraft maker could have gotten a lot more than \$45 million if it had been willing to move.

"This is the 'Air Capital of the World.' That is not just a saying, it has something behind it," Parkinson said. "There is a reservoir of knowledge in this community about this industry that cannot be replicated by some rogue state that decides that they think they know how to build airplanes. You can't replicate the history and knowledge base you have here."

Louisiana had tried to lure the company from Kansas. Louisiana Gov. Bobby Jindal didn't describe specific proposals pitched by the state, but acknowledged he had met with Boisture personally to discuss a possible move.

"They weren't confident they could meet the job commitments they would have to make to come to Baton Rouge so it just didn't make sense at this time," Jindal said.

Kansas Gov.-elect Sam Brownback said he would make implementing the

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agreement a priority for his administration.

"I am committed to defending the Kansas aviation industry from other states and nations which have their sights on it and will fight fire with fire when necessary to ensure its continued success," Brownback said in a statement.

The incentives include \$40 million from the state of Kansas, through a program in the state Department of Commerce. Of that, \$10 million over three years is designated for employees attending the National Aviation Training Center or a state university.

Parkinson said the money was not "a huge bailout," noting the funds were not coming out of the state's general fund but out of the income tax withholdings of Hawker Beechcraft employees themselves.

The city of Wichita and Sedgwick County also agreed to provide \$2.5 million in incentives each.

"We have let the other states know that you are not going to take what is most important to us — and that is our aviation industry from the city of Wichita, Sedgwick County or the state of Kansas," Wichita Mayor Carl Brewer said.

Funds will be paid out gradually, beginning next year, with a penalty if employment levels fall under 4,000 workers.

The governor said the agreement guarantees Hawker Beechcraft will remain in Wichita. The company still needs to reach a long-term agreement with its machinists' union whose contract expires next summer. It also needs the economy to turn around.

"I can't guarantee how many planes Hawker will produce. I can't guarantee how many employees it will have," Parkinson said. "But what we have done today is that however many planes that Hawker finally assembles . . . those planes will be assembled and delivered here in Wichita."

Hawker Beechcraft is the second aircraft maker to get state incentives to keep operations in Wichita since the downturn in the economy devastated the city's aircraft manufacturing industry. In July, the state announced a \$27 million incentive package for Bombardier Aerospace to build its new midsize Learjet 85 in Wichita.

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