Boeing: Effect Of Budget Plan Not Yet Clear

Ken Miller, Associated Press

OKLAHOMA CITY (AP) — The Boeing Co. said Tuesday that it's too early to know whether a proposal to eliminate a program to upgrade the cockpits of C-130 aircraft will affect the number of jobs the company plans to move to Oklahoma City.

The federal budget plan President Barack Obama released Monday would end the program, saving the Department of Defense an estimated $2.3 billion through fiscal year 2017.

The government notified Boeing in January that the program would be put on hold in March, company spokeswoman Jennifer Hogan said. Boeing's contract for the project was worth about $200 million this year, she said.

"They haven't given us a contract termination, so we're still working," Hogan said.

Four aircraft have already been upgraded and sent to Little Rock Air Force Base in Arkansas, where they are being tested by Arkansas Air National Guard crews, Hogan said.

"The fifth one will be delivered in March, and those five will make up the fleet the Air Force will use for the customer test program," Hogan said. Once the fifth plane is delivered, the program will be put on hold, she said.

Hogan said she didn't know when Boeing would learn whether the program would be restarted or discontinued permanently.

"This is a slow process," she said.

Boeing announced plans in 2010 to move about 550 employees from Long Beach, Calif., to Oklahoma City, with about 230 of them working on the C-130 Avionics Modernization Program upgrades and the remainder on a similar program involving the B-1 aircraft.

About 110 employees, including engineers involved in the design of the C-130 modifications, have moved to Oklahoma, Hogan said.

The engineering work on the upgrades is being done in Oklahoma City, while the upgrades are being made at Warner Robins Air Logistics Center at Warner Robins Air Force Base in Georgia and a Boeing plant in San Antonio, Hogan said.

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