Officials: AL Airbus Plant Will Employ 1,000

Phillip Rawls, Associated Press

MONTGOMERY, Ala. (AP) — Airbus's planned aircraft assembly plant in Alabama will cost $600 million to build and will employ 1,000 people when it reaches full production, officials said ahead of a formal announcement Monday.

The European company's first aircraft assembly plant in America will produce A320 single-aisle passenger planes that will compete with Boeing.

New Airbus CEO Fabrice Bregier arrived in Mobile late Sunday and will unveil details Monday, according to two officials with knowledge of the France-based company's plans.

Two state officials said the plant in Alabama's port city of Mobile should create about 2,500 construction jobs, and it will turn out about four planes a month in 2017. All four officials spoke to The Associated Press condition of anonymity because they weren't authorized to discuss the plant ahead of Monday's announcement.

The plant will be located at Brookley Aeroplex, which was an Air Force base until its closure in 1969.

News of the plant broke last week, and details about it have gradually emerged in media reports.

The dean of the business school at the University of South Alabama, Carl Moore, said attracting a company like Airbus could have a transforming effect on Alabama like Mercedes-Benz had when it picked Alabama for its first American assembly plant in 1993.

"It's a prestige name that's internationally known," Dean Carl C. Moore of the University of South Alabama said.

Mercedes' plant was so successful that it was soon followed by Honda and Hyundai assembly plants and a Toyota engine plant that reshaped the manufacturing economy in a state still reeling from the loss of textile and apparel jobs.

The Airbus announcement comes as Alabama struggles to recover from the recession. Unemployment has dropped from 10.0 percent in July 2011 to 7.4 percent in May, but part of that drop came from people leaving the work force rather than finding jobs.

Moore said one job at an aircraft assembly plant can create up to three jobs at suppliers. "It will be a tremendous economic impact for Mobile, the surrounding area and the state," Moore said.

The project marks the second time that Airbus' parent company, the European Aeronautic Defense and Space Co., has been attracted to Mobile. EADS planned to build a $600 million, 1,400-employee assembly line at Brookley for Air Force refueling tankers if it won a federal contract, but the company lost the five-year competition to Boeing in 2011.

Boeing is a longtime employer in Alabama with defense and rocket operations that employ 2,700 in north Alabama. It used the upcoming announcement to criticize what it sees as European government subsidies that help Airbus compete. "While it is interesting once again to see Airbus promising to move jobs from Europe to the United States, no matter how many are created, the numbers pale in comparison to the thousands of U.S. jobs destroyed by illegal subsidies," the company said in a statement.

Airbus also criticizes Boeing's subsidies, and the two companies have had a long-running international trade dispute.

The Mobile operation will join Airbus assembly plants in in Toulouse, France; Hamburg, Germany; and Tianjin, China.

"It's going to have a very positive impact on Mobile and hopefully it will lead to an interest in Mobile for more aerospace jobs," said former Gov. Don Siegelman, a Mobile native who recruited some of Alabama's auto plants and suppliers.

Airbus' 150-seat A320 is generally used on short- and medium-haul flights, and Airbus makes more of them than any of its other planes. Boeing is also ramping up production of its 737, which competes directly with the A320. Both companies are putting new, more fuel-efficient engines on the planes, hoping to extend their appeal as airlines try to cut their fuel bills. Airbus made its new-engine decision earlier than Boeing and got a big jump on orders.

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