

Commercial aviation in the 21st century: Placing our bets on Boeing

By now, everyone knows there are only two world-class heavyweights left standing to slug it out in the worldwide commercial airplane market: Boeing and Airbus.



Bill
Settlemyer
Executive Publisher

Aided by what Boeing claims are generous and unfair subsidies from European governments, Airbus has become a formidable competitor to the legendary American company over the past few decades.

Years ago, Boeing “bet the company” on the 747, for over three decades the largest commercial aircraft in the world. By all accounts, including those of Boeing executives, they really did bet the company—if the 747 had not been a success, Boeing might not even exist today.

And now both Boeing and Airbus are playing “bet the company” by pursuing two different strategies.

Airbus hopes its massive double-decked A380 will become the world’s premier long-distance aircraft, flying 500-plus passengers between major international hubs.

Boeing has a different vision—that people would rather fly point-to-point in smaller, passenger-friendly planes that can fly nonstop between “city pairs” throughout the world.

Boeing’s answer to Airbus is the 787 Dreamliner. Relying on the extensive use of composites, the Dreamliner promises much lower maintenance costs and better fuel economy as compared to planes made mostly from aluminum.

And just as important, Boeing engineers and designers have worked hard to put some of the pleasure back in commercial air travel.

The composite fuselage will allow higher cabin pressure, reducing jet lag. Large windows will reintroduce passengers to the world outside the cabin. Mood lighting will soothe the passage through multiple time zones on long flights.

In other words, it’s a game-changing airplane.

Not to be outdone, Airbus quickly announced they would modify an existing aircraft model to compete with the 787.

But would it fly?

Last summer, the Charleston area was paid a visit by a team from Boeing led by Alan Mulally, president and CEO of Boeing Commercial

Airplanes. During his presentation to a group of local business leaders, I asked him about Airbus’ attempt to match Boeing’s new plane.

“Just keep encouraging them to do what they’re doing,” Mulally said, noting that Airbus wasn’t planning to make the substantial investment needed to design a completely new composite-based plane.

Mulally was right on the money. After months of trying to land major orders from its customers, Airbus is now being told that its attempt to compete with the 787 using old technology won’t fly.

Meanwhile, Boeing has landed an unprecedented number of pre-production orders for the Dreamliner, proving that the international airline industry buys into the Dreamliner concept and has confidence in Boeing’s ability to deliver as promised.

In an article last month, *Business Journal* staff writer Dan McCue reported that the high demand for the 787 may require Boeing to ramp up production beyond its initial plans—good news for Boeing, for our region and for Vought Industries and Alenia Aeronautica, who will be operating major fabrication and fuselage assembly facilities here in support of 787 production.

Team Charleston

Now a word about us: Team Charleston and Team South Carolina—the business, civic and government leaders who worked hard to convince Boeing and its subcontractors that this was the right place to set up shop.

Newt Newton is the project manager responsible for bringing the Vought and Alenia facilities online. Newton has worked in some capacity on every new Boeing aircraft model since the 747. As busy as he is, he has been generous with his time, speaking to our community about the project.

Recently, I heard him emphasize again that in choosing the Charleston area over other possible sites, “the key difference was the people: They lived up to what they said and kept their commitments.” The grand opening of the Vought facility is scheduled for June 6, and the first arrival of the giant, modified 747 that will transport fuselage sections to Seattle for final assembly is planned for Dec. 17.

Trident Tech trains workers

As a member of the Trident Technical College Foundation board, I recently toured the school’s customized training facility for the workers who will fabricate the composite fuselage components at the Vought facility.

Trident Tech’s program manager, Tom Iafrate,

describes the new manufacturing techniques as “Star Wars-type technology.” To make the point, the school’s Center for Accelerated Technology Training is putting the finishing touches on a reception area for the training facility that evokes the Dreamliner’s futuristic vision and advanced design.

Most important of all, however, is the way that economic developers and other officials at the state and local level, as well as area business leaders and Trident Tech, are all pulling together to ensure that Vought and Alenia have the support they need to get the job done.

But wait, there’s more

When Alan Mulally was here last year, he briefly mentioned that Dreamliner technology may provide the template for a new generation of smaller aircraft to replace the tremendously successful Boeing 737.

I quickly raised my hand and asked, “Can we build that one too?”

Mulally chuckled but then grew serious: “Sure, you’re in the running, provided you keep up with us. We are committed to constant innovation, and you, as a community, must do the same.”

Last week, I was listening to a Web cast of a recent “quarterly earnings call” hosted by top executives at AirTran, the low-cost carrier we tried to land a few years ago.

AirTran continues to grow rapidly with the help of orders for up to 100 Boeing “NextGen” 737s. AirTran wisely placed the order while the market for commercial planes was at the bottom after the 2001 recession and the 9/11 terrorist attacks.

Asked about future plans to order more planes, AirTran CEO Joe Leonard said they “want to wait awhile” and find out what Boeing’s plans are for the “next” next-generation 737s. Obviously, AirTran thinks the Dreamliner’s revolutionary design features will most likely be incorporated into a successor to the current version of the 737.

And if that happens, the new 737 will be one heck of an airplane, perhaps flying shorter-range intercontinental routes and opening up even more point-to-point travel than the larger 787 Dreamliner.

Want to see our future?

Drive over to Charleston International Airport and have a look at the Vought and Alenia facilities. Think Boeing. Think composites. And think about doing everything you can to ensure that we continue to keep these great companies as satisfied customers of our region. **■**