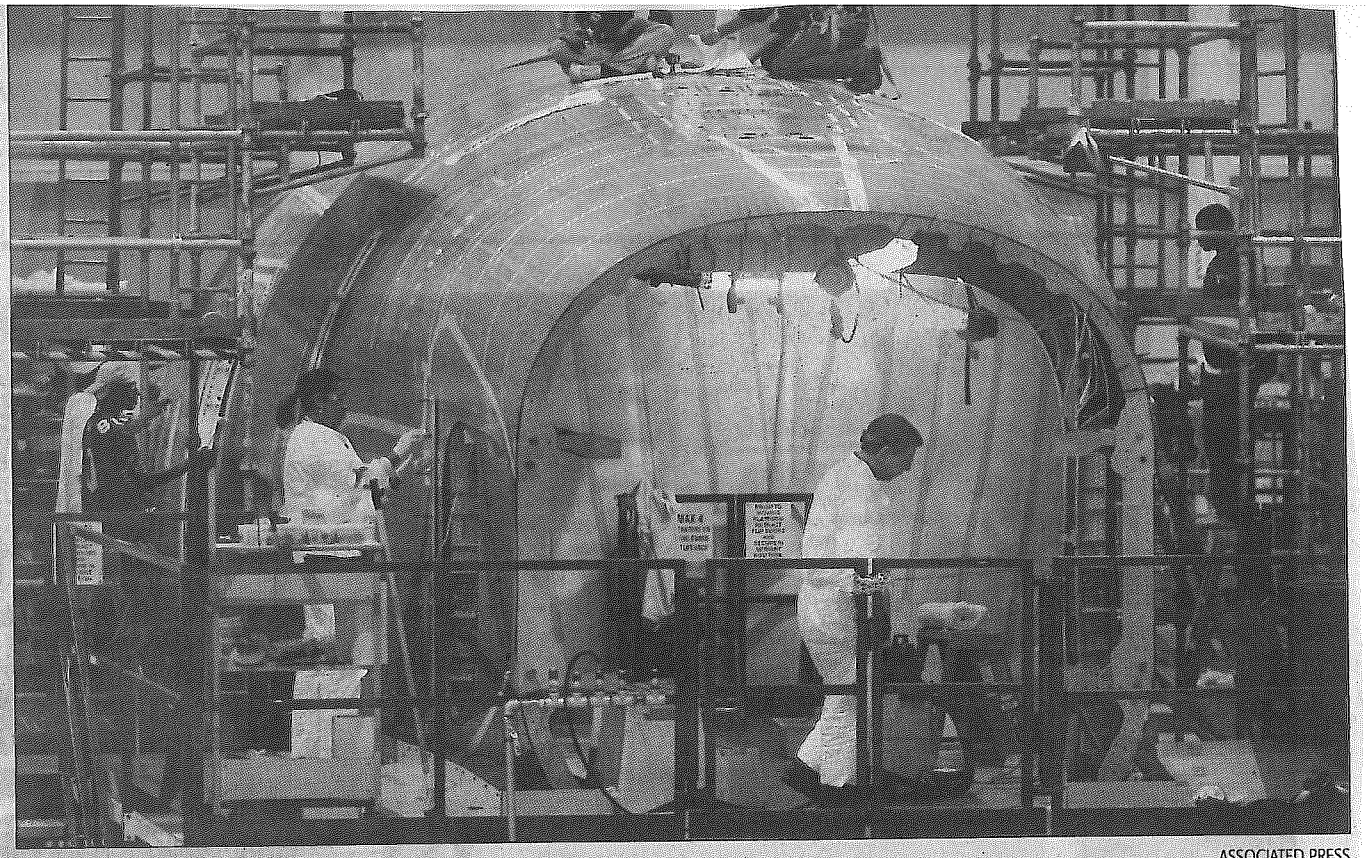


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**Boeing employees work at the Boeing facility in North Charleston on Tuesday. Boeing says it will open a second assembly line for its 787 jetliner in North Charleston, expanding beyond its manufacturing base in Washington state.**

# Boeing picks South Carolina for 2nd 787 assembly line

**DANIEL LOVERING & GEORGE TIBBITS**
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SEATTLE — Boeing Co. will open a second assembly line for its long-delayed 787 jetliner in South Carolina, expanding beyond its longtime manufacturing base in Washington state to take advantage of economic incentives and a nonunion work force.

The Chicago-based airplane maker said Wednesday it chose the site in North Charleston over Everett, Wash., because it best suited plans to boost production of the jet designed to carry up to 250 passengers.

The decision ended an interstate competition for the huge factory, with South Carolina prevailing over the state where Boeing has built airplanes for decades. It hands South Carolina production of a plane crucial to Boeing's future but one plagued by problems stemming partly from the company's reliance on suppliers spanning the globe.

South Carolina offered Boeing $170 million in incentives and relief from sales taxes on things like fuel used in test flights.

The move wasn't entirely unexpected. Boeing already operates a factory in North Charleston that makes 787 parts and owns a 50-percent stake in another plant that also produces sections of the plane, Boeing's best-selling new aircraft to date.

> **'Over the course** of the next decade and a half you could see Boeing being just a shadow of itself (in Washington state).'
>
> **Scott Hamilton**
> **Leeham Co. analyst**

About 55 airlines have ordered some 840 of the planes since the program was launched in 2003 — far more than any other Boeing plane at the same stage of development.

Boeing also has long complained about the business climate in Washington and frequent strikes by production workers. At Boeing's plant in North Charleston, workers last month voted against continued representation by the International Association of Machinists.

Boeing ultimately could decide to move all 787 production away from Everett, said analyst Scott Hamilton of Leeham Co. The failure of Boeing and the union to reach a no-strike agreement meant Charleston was "a foregone conclusion."

"Over the course of the next decade and a half you could see Boeing being just a shadow of itself here," he said, referring to Washington.

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