

## Columbia Aircraft lays off 10 percent of workforce

by Bend\_Weekly\_News\_Sources

Columbia Aircraft Manufacturing Corporation today announced a permanent and immediate reduction in its workforce to "better align staffing levels with current production needs". The lay-offs will impact 59 of the Bend company's 605 employees.

Columbia officials point out that in 2006, sales and deliveries of Columbia aircraft reached unprecedented levels. However, a cascade of unanticipated events, including a significant certification delay and a hailstorm that required more than 60 aircraft be refinished, has hampered Columbia's ability to operate profitably.

"We actually increased our staffing level in the last 18 months in an effort to not only maintain our production of new aircraft at a level that matches our order rate, but also to refinish the aircraft harmed in the hail storm," Columbia President and CEO Bing Lantis said.

"At one point last year, we were above 700 employees. As this additional work has been completed, we've gradually reduced our workforce naturally through attrition. Unfortunately, we now need to make more sizable adjustments to our workforce to balance it with our production needs."

The chain of events began in October 2005 with a six-month certification delay on Columbia's new Garmin G1000 instrument panel installation. Then, in June 2006, a freak hailstorm damaged the aircraft on the ramp awaiting certification.

Although, the Company was able to maintain its workforce and production rate during these two events, Columbia was unable to deliver the volume of aircraft required to sustain its expanding workforce. Due to these factors, Columbia Aircraft announced today that it will permanently release 59 employees effective immediately.

Lantis stated that the Company does not expect to make additional staff cuts, but that more layoffs may be necessary as the Company continues to refine its production efficiency and implement its Lean Manufacturing practices.

The reduction in force leaves Columbia Aircraft's staff count at 546. Columbia Aircraft continues to manufacture and deliver new Columbia 350s and 400s and officials report that sales for both aircraft remain strong.

The Company continues to build and deliver aircraft and maintains a 90-day backlog of orders.

*Columbia Aircraft lays off 10 percent of workforce by Bend\_Weekly\_News\_Sources*