

## Layoffs affect 300 at Columbia Aircraft, more possible

by Bend\_Weekly\_News\_Sources

“Supplier Woes cause Production line to grind to a halt”

Citing “supplier woes” caused by faulty integrated avionics systems, Columbia Aircraft Manufacturing of Bend, Oregon announced it has laid-off 300 employees, with more furloughs possible.

This marks the third time this year the company has made similar announcements. On March 8, ten percent of the workforce was laid off in what Columbia described as a “permanent reduction of workforce to better align staffing levels with current production needs.”

On March 22, an additional 185 employees were furloughed in a “temporary workforce alignment, and the company experienced a shakeup in senior management with the acquisition of a new CEO and four key executive. In May, the company began recalling the workers affected by the March 22 lay-offs.

In the latest turn of events and according to a news release issued by the company, major avionics supplier Garmin recently notified Columbia of an inherent problem in the AHRS (Attitude, Heading & Reference System) of its G1000 integrated avionics system that will delay shipments of the Primary Flight Display used in the Columbia 350 and 400. The problem limits aircraft operations to VFR only and causes an inability for Columbia to issue a Certificate of Airworthiness to customer specifications for delivery.

The resultant supply chain stoppage and business interruption is forcing Columbia Aircraft Manufacturing to furlough a portion of its direct workforce as the production line grinds to a halt until the issue is resolved and parts shipments commence. Customer Care, Factory Service Center, Sales, Marketing, and Engineering will continue to provide the same level of support during the interim period until parts shipments enable production to begin.

The Garmin G1000 avionics system is one of personal aviation's most popular modern advances and

has made the G1000 the industry standard used by most leading personal aircraft manufacturers including Cessna, Diamond, Hawker Beechcraft, Mooney, and Piper. Columbia had been selling and delivering aircraft at a record pace in 2007 having already exceeded 100 deliveries through Q2.

Columbia officials learned of the problem from Garmin last week after other aircraft manufacturers reported attitude failure modes within the Primary Flight Display. The chief concern is that the avionics supplier is unable to definitively confirm when the problem will be resolved or when parts shipments will resume to Columbia. According to Garmin, all G1000 Primary Flight Displays manufactured on or after May 1, 2007 are suspect.

“This latest supplier-driven interruption is very frustrating,” said Columbia President Wan Majid. “Our recovery plan was masterfully executed earlier this year and deliveries have been proceeding on target. In fact, Columbia has delivered 220 aircraft in the past four quarters – our best performance in Company history. However, we simply cannot continue to complete and deliver new aircraft without the functionality and reliability that customers demand. Unfortunately, this means that we have no alternative but to furlough portions of our workforce until the issue is resolved.”

Majid stated that Columbia furloughed nearly 300 employees from its manufacturing facility today. He also stated that it is possible that the Company will have to furlough additional employees if Garmin is unable to resolve the issue and resume component shipments quickly.

“Unfortunately, this problem is completely out of our control. I am deeply troubled to have to once again ask our valued employees to make this type of sacrifice as the result of supply chain issues. We will do everything in our power to resolve the situation as quickly as possible, but unfortunately I am not in a position to commit to a timeline at this point,” Majid said. The Company is in constant contact with Garmin management and is supporting their efforts for a quick and proper solution.

Columbia Aircraft Manufacturing Corporation manufactures a variety of all-composite aircraft, including the Columbia 400 – arguably the world’s fastest certified piston-single. The Columbia 350, 350i, 350SL and 350SLX are normally aspirated, four-place aircraft with a cruise speed of 191 knots. The Columbia 400, 400i, 400SL and 400SLX are intercooled, twin-turbocharged, four-place aircraft certified to FL250 with a cruise speed of 235 knots.

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