

United States Senate

WASHINGTON, DC 20510

January 13, 2020

Board of Directors
The Boeing Company
100 N. Riverside Plaza
Chicago, IL 60606

Dear Members of the Board:

We write to express our serious concerns about the \$7 million bonus payment you have proposed to award Boeing CEO David L. Calhoun if he returns the 737 MAX to service.¹ This reward represents an inappropriate incentive for Mr. Calhoun to pressure regulators and attempt to rush the 737 MAX back into the sky before its safety is guaranteed. Moreover, the bonus continues a pattern of corporate decision-making in which Boeing prioritizes profit over the wellbeing of the flying public. We urge you to cancel this incentive payment to Mr. Calhoun and take no further action to rush the 737 MAX's return to service.

In pursuit of profit, Boeing rushed the design, production, and certification of the 737 MAX. Reports indicate that Boeing pressured its employees to work at "double the normal pace" when submitting technical drawings and designs for a plane that could compete with Airbus, opening the door to decisions that ultimately endangered public safety.² Recently released emails between Boeing employees further reveal that the company not only callously disregarded safety as a value to be prioritized,³ but deliberately misled regulators on the differences between the 737 MAX and its predecessor model in order to expedite the plane's certification.⁴ As a result, in part, of these corporate behaviors, Boeing produced a dangerously flawed plane that killed 346 people.

Boeing should have internalized a clear lesson from Lion Air Flight 610 and Ethiopian Airlines Flight 302: safety cannot be rushed if the traveling public is to be truly protected. Yet, in a report Boeing recently filed with the Securities and Exchange Commission, you have declared that Mr. Calhoun is eligible for a \$7 million bonus if he returns the 737 MAX to service.⁵ This payment represents a clear financial incentive for Mr. Calhoun to pressure regulators into ungrounding the 737 MAX, as well as rush the investigations and reforms needed to guarantee public safety. We believe that this bonus would be unconscionable in the face of two tragic plane crashes and proof that Boeing has not learned its lesson.

¹ The Boeing Company, Current Report (Form 8-K) (Jan. 10, 2010),

<https://www.sec.gov/ix?doc=/Archives/edgar/data/12927/000001292720000003/a202001jan108k.htm>.

² David Gelles, et al., *Boeing Was 'Go, Go, Go' to Beat Airbus With the 737 Max*, N.Y. TIMES (March 23, 2019), <https://www.nytimes.com/2019/03/23/business/boeing-737-max-crash.html>.

³ Natalie Kitroeff, *Boeing Employees Mocked F.A.A. and 'Clowns' Who Designed 737 Max*, N.Y. TIMES (Jan. 9, 2020), <https://www.nytimes.com/2020/01/09/business/boeing-737-messages.html>.

⁴ Chris Woodyard, *'Jedi mind tricks': Boeing 737 Max emails show attempts to manipulate airlines, FAA, USA TODAY* (Jan. 10, 2020) <https://www.usatoday.com/story/news/nation/2020/01/09/boeing-737-max-plane-crash-faa-emails-jedi-mind-tricks/4428720002>.

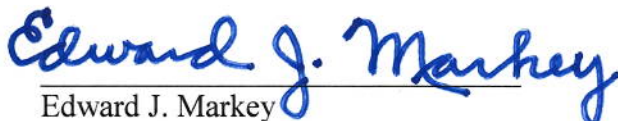
⁵ The Boeing Company, *supra* note 1.

We are also troubled by the \$62 million exit package for Boeing's former CEO, Dennis A. Muilenburg, that you reported in the same filing as Mr. Calhoun's bonus.⁶ Although we understand that these payments are not an incentive bonus akin to the one offered to Mr. Calhoun, we are still deeply disturbed by this report. The magnitude of Mr. Muilenburg's compensation stands in stark contrast to another announcement made on the same day as your filing – that 2,800 employees on Boeing's supply chain have received layoff notices due to the "ongoing uncertainty" surrounding the 737 MAX.⁷ These workers are suffering because of a situation created by Boeing's corporate decision-making, a fact that makes Mr. Muilenburg's \$62 million exit package all the more obscene.

Given these circumstances, we believe that it is highly inappropriate for Boeing to offer Mr. Calhoun any bonus for returning the 737 MAX to service. We therefore urge you to cancel this incentive payment immediately and cease all efforts to rush the 737 MAX back into the sky. Boeing must learn to prioritize safety as its number one value, as well as work with Congress and the Federal Aviation Administration to implement significant reforms to our aviation system moving forward.

Thank you for your prompt attention to this important matter.

Sincerely,



Edward J. Markey
United States Senator



Tammy Baldwin
United States Senator



Richard Blumenthal
United States Senator

⁶ *Id.*

⁷ Aaron Gregg and Douglas MacMillan, *Boeing's departing CEO leaves company with \$62 million amid 737 Max supplier layoffs*, WASH. POST (Jan. 10, 2020), <https://www.washingtonpost.com/business/2020/01/10/airplane-fuselage-supplier-spirit-aerosystems-lays-off-2800-wichita-due-boeing-737-max-production-cut>.