



Tim Keating
Executive Vice President
Government Operations

The Boeing Company
929 Long Bridge Drive MC 7949-5929
Arlington, VA 22202-4208

January 23, 2020

The Honorable Edward Markey
255 Dirksen Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Richard Blumenthal
706 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Tammy Baldwin
709 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

Dear Senators Markey, Blumenthal, and Baldwin:

Thank you for your January 13, 2019 letter regarding the publicly disclosed compensation arrangements for Boeing's new President and Chief Executive Officer, Dave Calhoun. Though we understand and appreciate your concern, we believe tying our new CEO's incentive-based compensation to key strategic objectives, including the safe return to service of the 737 MAX, is in the best interest of our company, our workforce, and the flying public.

First, I want to emphasize Boeing's absolute commitment to safety. Boeing's highest priority is ensuring the 737 MAX is safe before it returns to service. For over 100 years, safety has been our business and our top priority when we design, build, deliver, and maintain Boeing aircraft. Each day, approximately 5.3 million passengers globally board Boeing airplanes and fly safely to their destinations. Because of cooperation between Boeing, the FAA, Congress, and other interested stakeholders, over the past twenty years the safety of air travel has increased dramatically. We are committed to continuing and enhancing this effort.

Aligning Mr. Calhoun's compensation with the safe return to service of the MAX around the globe is consistent with that focus. It will require working with regulators around the globe, submitting to all testing they have required, answering their questions, and demonstrating to numerous global experts the quality of our enhancements. This is an outcome that our Board expects, our workforce is striving to achieve, and our customers and the public rightfully demand.



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It is also important to note that, even when the MAX is globally returned to service, the incentive award you highlighted will not necessarily vest. As we publicly disclosed, that award will be forfeited in full unless Mr. Calhoun serves in his position for multiple years and achieves several other key business milestones. Furthermore, this award will be subject to a new enhanced safety-related clawback policy.

Finally, your letter suggests that Boeing may be “rushing” the MAX’s return to service. As you know, the MAX has been grounded worldwide since March 2019—nearly a year. During that time, we have worked closely with global regulators to design and extensively test required enhancements. To date, Boeing has dedicated over 190,000 engineering and test hours relating to those enhancements, flown nearly 1100 test and production flights, conducted simulator sessions with 41 international regulators as well as 99 of our airline customers, and carefully incorporated human-factors-focused specialists in all steps of this process. Our Board, including our new Aerospace Safety Committee, has been actively engaged in overseeing this effort. And that process of testing and refinement is ongoing—we recently announced that our best estimate is that the MAX will not be ungrounded until mid-2020. That said, we have publicly committed—and commit to you again today—that Boeing’s regulators will determine the process for the MAX’s return to service, and Boeing will continue to support whatever process—and at whatever pace—they deem appropriate.

We have learned from these tragedies and are committed to living up to our values, including safety, integrity, and quality, each and every day. The importance of our work demands, and the flying public deserves, the utmost honesty, integrity, and excellence. In addition, we are committed to working with Congress and our airline customers, regulators, and other government authorities to enhance the certification process and advance our shared goal of an aviation industry that is safe and trusted by the flying public.

Thank you for the opportunity to address these issues with you. Please know that I have an open door policy and welcome your continued scrutiny, feedback, and questions.

Sincerely,

A handwritten signature in blue ink that reads "Tim Keating". The signature is fluid and cursive, with a large initial "T" and "K".

Tim Keating
Executive Vice President, Government Operations
The Boeing Company