

Boeing Responds to U.S. Efforts to End Subsidies to Airbus

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The Boeing Company [NYSE: BA] issued the following statement in light of the announcement that the United States has terminated the 1992 US-European Union Agreement on Trade in Large Civil Aircraft and requested formal consultations in the World Trade Organization (WTO) to address the matter of subsidies paid by European governments to Airbus Industrie:

"The Boeing Company fully supports the action taken today by the U.S. government, which came only after unsuccessful government-to-government attempts to resolve the issue. It is clear that the 1992 agreement does not reflect current market realities and has outlived its usefulness," said Boeing President and Chief Executive Officer Harry Stonecipher.

"Boeing appreciates the U.S. government's leadership and its commitment to end the subsidies, particularly launch aid, that Airbus receives," Stonecipher said. "The decision to request consultations with the World Trade Organization provides the opportunity for the two governments to continue working toward a new agreement that eliminates launch aid going forward.

"Boeing shares the government's view that EU subsidies to Airbus -- now a successful and profitable company -- must cease. We remain determined to ensure that competition in the large commercial aircraft market is undistorted by such subsidies," said Stonecipher. "Boeing will continue to support any course of action that the U.S. government feels is necessary to reach a new agreement that achieves this goal."

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