Boeing Seeks Review of California Site Cleanup Law

Boeing remains committed to protecting Santa Susana as public open space

Cleanup will continue while court decides case

State law would harm natural resources, prolong clean up and disrupt community

SACRAMENTO, Calif., Nov. 13, 2009 – Boeing [NYSE: BA] is asking a federal court to review a recent California law passed solely to regulate the environmental cleanup of Santa Susana Field Laboratory, a former federal government rocket engine testing and energy research facility northwest of Los Angeles.

In its filing, Boeing says the recent state law changes the normal cleanup process applied throughout the state by imposing "irrational and arbitrary requirements" on Santa Susana.

"We are reluctantly filing this case now because, despite many months of good-faith discussions, the state refuses to allow us to reserve our legal rights as they have done in many other cleanup orders," said Tom Gallacher, Boeing director of Environment, Health and Safety for Santa Susana. "We believe this matter can be resolved by the court efficiently and will not hold up the final cleanup of the site.

"We are concerned that this law could cause unintended consequences that would destroy the natural, historic and cultural resources of Santa Susana," which is home to several endangered species and a wide assortment of plants and wildlife, Gallacher added. "It also could negatively affect local residents and traffic around the site."

Boeing's filing in the U.S. District Court for the Eastern District of California maintains that the state law is preempted by federal laws governing cleanup at former nuclear energy sites. In addition, Boeing contends that the state has singled out the site to meet cleanup requirements that go "far beyond what is required to protect citizens elsewhere in California under generally applicable state law."

Even though Boeing will restrict and preserve Santa Susana as open space, the company has committed to clean up the site to a more stringent level that is safe enough for suburban residential use. The state law, on the other hand, goes much further and requires cleanup for agricultural uses that will never occur.

In its filing, Boeing says that meeting agricultural use standards could require removing "enough additional soil to fill the Rose Bowl stadium three times over. Excavation activities of this scale would destroy considerably more of the existing ecological habitat at Santa Susana than would otherwise occur and would require an estimated 100,000 additional round trips through the community by dump trucks carrying soil and equipment."

Boeing is not seeking financial damages or attorney's fees as part of the lawsuit, and the company will continue cleaning up the site as the case is heard by the court.

The Santa Susana facility has a rich history of contributions to the U.S. space program beginning with rocket engine testing at the 2,850-acre site at the dawn of the space age. The field lab supported virtually every major U.S. space program from the first manned Mercury flights through the Apollo moon landings and the current Space Shuttle fleet.

Boeing obtained Santa Susana in 1996 as part of the acquisition of the aerospace and defense divisions of Rockwell International. Boeing owns approximately 2,398 acres of the site, of which approximately 90 acres are leased to the U.S. Department of Energy. The federal government owns the remaining 452 acres administered by NASA.

In 2006, rocket engine testing concluded at the site. In 2007, Boeing committed to preserve its land at Santa Susana as permanent open space.

# # #

Contact: Kamara Sams
Boeing Environment, Health and Safety Communications
+1 818.466.8793
kamara.sams@boeing.com
http://www.boeing.com/aboutus/environment/santa_susana/index.html