Boeing CEO Message on U.S. Government Support for Airlines and the Aerospace Industry

Boeing President and CEO Dave Calhoun issued the following letter to employees today regarding U.S. government support for airlines and the aerospace industry:

Team:

Our industry took a step on the long road to recovery from the COVID-19 crisis this week. The U.S. government and 10 airlines agreed on a $25 billion package of support that will help tide our customers over until passengers can begin to travel again.

Let me take a moment to underscore how important that is.

The impact of the global pandemic on the airlines has been like nothing anyone has ever seen. Global airline revenues are set to drop by a total of $314 billion by the end of the year. In the U.S. alone, some 2,500 aircraft have been idled, and passenger volume is down over 95% compared to last year. The relief provided by the government is vital to maintaining the aviation pillar of the U.S. economy, even if full recovery will take years, not months.

Knowing that the U.S. airline industry has critical financial support through this devastating wave of the virus allows us to plan our production system for the medium- and long-term impact on air travel. We are hopeful that governments around the world will follow the lead of the U.S. and support their aviation industry in a similar fashion. In addition, the U.S. government can now turn its attention to the manufacturing base that supports the global air travel industry.

Our industry will need the government's support, which will be critical to ensuring access to credit markets and likely take the form of loans versus outright grants. The aerospace industry is a vital pillar of the economy, supported by 17,000 suppliers and 2.5 million jobs. For every dollar Boeing spends, approximately 70 cents goes directly to our suppliers. Our team continues to focus on the best ways to keep liquidity flowing through our business and to our supply chain until our customers are buying airplanes again. We continue to believe strongly in the future of aviation and of Boeing as the industry leader and are willing to borrow against that future.

I promise to keep you informed on our work to navigate through this crisis and beyond. But in the meantime, if you're looking for a spirit boost in these challenging times, I encourage you to look around the company at the fantastic work going on in support of our colleagues, customers, suppliers and communities.

The realization that we're all in this together is especially important as we begin making the transition back to work at Boeing sites as it's safe to do so.

Following thorough reviews of local conditions, we've started restoring operations at some sites where work has been suspended. This includes teams in the Puget Sound region and in Heath, Ohio. Colleagues returning to work will see a wide range of safety measures in place, including operating practices to enable physical distancing such as staggered shift times, spread-out work areas and visual controls, voluntary body temperature screenings, and of course constant visible reminders to wash hands and monitor our personal well-being.

The people of Boeing also continue to give back to the community. Recently, members of our team connected companies in our supply chain to help facilitate the production of critical N95 face masks. In addition, we've 3D printed and delivered an initial 2,300 face shields to the Federal Emergency Management Agency for distribution to health care professionals in need of personal protective equipment, and we're planning to deliver 4,000 more by the end of this week.

And even while we adapt to a new and unusual work environment, teams continue to deliver for our customers. Just this month, we received a U.S. Navy contract modification for three additional MQ-25 aircraft. We delivered the first CH-47F Chinook to the Royal Netherlands Air Force. We achieved two testing milestones for the Loyal Wingman program. We completed the successful first flight of the F-15QA fighter. We had service representatives continuing to provide support in the field. And we continue to make good progress on returning the 737 MAX safely to service.

As you've heard me say before, we're in uncharted waters. The impact of this global virus will change our business for years to come. But we're doing what it takes to emerge from it strong and competitive.

I want to thank everyone for what you do to meet the needs of our customers and stakeholders. It's work that keeps our business operating, honors our brand and ensures we will recover and continue to lead the industry once the pandemic subsides.

Dave