#### U.S. Senator Maria Cantwell

## Senate Commerce, Science, and Transportation Hearing Titled Safety First: Restoring Boeing's Status as a Great American Manufacturer

### April 2<sup>nd</sup>, 2025

### Sen. Cantwell Opening Remarks

# AUDIO VIDEO

**Sen. Cantwell:** Mr. Chairman, first, before we begin the point of today's hearing, I too want to join you in our request to asking the Department of Defense to give us information regarding the ADS-B issue and the recent near collision, but obviously the tragic accident that happened with a CRJ and a Black Hawk helicopter. The fact that the military asked for an exemption, and in the granting of that exemption with the FAA, made it seem as if that was going to be a rare exemption used only infrequently, [and] to later only find out that it had issued a statement to the congresswoman from the DC area, Eleanor Holmes Norton, that it was basically turning off ADS-B 100% of the time.

And I think that our FAA Acting Administrator shed some light on this, but certainly not enough. And I agree with you, we need to have the answers, information that has been presented to the National Transportation Safety Board. That information has to inform us as to this interaction between transportation corridors that are vital to protect for the public safety, and what the Department of Defense is using the DC airspace for today, and what are those safeguards. So I will work with you to get the answers that we need from the [Army].

Thank you for holding this important hearing. Welcome Mr. Ortberg, thank you for being here. I also want to acknowledge the families that are here, as the Chairman said, you have been playing a critical role in aviation safety. People like Nadia Milleron or Javier de Luis, who was an active member of the expert panel, have channeled their unimaginable grief into very positive, purposeful actions for the flying public.

And I want to also acknowledge the brave whistleblowers who come forward at great personal risk to themselves to speak about the truth on quality and safety that are so important and so instrumental.

I know, Mr. Ortberg, the families are very worried about the company's renegotiation of a plea agreement and the corporate monitoring, and maybe we'll have a chance to talk about that today.

We're here today, though, Mr. Ortberg, to see if Boeing and your new leadership are making the fundamental changes that we would like to see to return the trust and the Boeing Company to that iconic manufacturer.

I think that for many decades, as the Chairman mentioned -- thank you for mentioning all of that history that includes much success in the State of Washington -- the company was the pinnacle of manufacturing success. But we shouldn't forget that that success is also critical to our national security, to our economy. The company employs over 67,000 people in the State of Washington. I

think the whole supply chain is well over 130,000 people, and contributes \$79 billion to the American economy.

Boeing remains the largest exporter, and I can assure you I believe in more exports, and I'd like to see a brighter future for Boeing. And I recently met with the University of Washington and Mr. Ortberg and many parts of our aviation supply chain to understand how a tech hub could take us, in a manufacturing production, to a higher rate of production.

This, I believe, is so important. I think that what we're trying to understand is getting rid of safety inspectors is no trade off when, in reality, aviation innovation can help us with both quality and safety.

However, the company must address these manufacturing quality issues. As the chairman mentioned, the two 737 MAX jet crashes killing 346 people, and the Alaska door plug that happened last year. We know the economic impacts of this, obviously the MAX because of a shortcut in safety cost \$35 billion to the company. The door incident and the financial costs to that are just not even good business. But we owe it to the families today to make sure that we are implementing the changes that are necessary to make sure that we are the leaders in aviation safety.

I believe that starts with a robust Safety Management System. And that is what our expert panel found, a requirement from our safety bill, to listen to NASA and to other industry leaders about what would help us in our safety culture, and they basically said that these were the important elements of a mandatory Safety Management System.

So today, Mr. Ortberg, I'll be asking you about that, and I know that the reputation of the company in the past has been about instituting safety. But in 2020 when we passed the aviation safety bill, the law put the FAA back in charge of approving ODA unit members and restricting the FAA from delegating critical tasks relating to critical design features. And I will want to ask you about that today, and how if the company had a Safety Management System, yet we still saw the problems of the door plug and other issues. So these issues about inspector staffing models, Service Difficulty Reports, whistleblower retaliation, are all issues I hope we address today at this hearing.

This country needs a strong FAA to do its oversight job. The Boeing Organization Designation [Authority] that is expiring soon will need to be [reviewed], will need to be pushed through by the FAA. The last Federal Aviation Administration Boeing Aviation Safety Oversight Office leader, Ian Won, decided to give an extension for three years, hoping that Boeing would make and show progress on that oversight authority before issuing a longer ODA. So, we would love to hear about that today, whether the standards laid out in Ian Won's oversight are being met at the Boeing Company.

The FAA needs to continue to play that strong oversight role, and the FAA needs to keep pace with technology. If the FAA, and I think NASA could be playing a larger role here in helping on technology, but the Department of Transportation Inspector General identified 16 weaknesses in the FAA's oversight of Boeing's quality management, concluding that the FAA was, "not

effective at identifying and resolving production issues." And this was despite conducting over 300 audits at Boeing in a three year period of time, and yet the FAA wasn't able to detect these critical manufacturing deficits.

The issue of the Verification Optimization Program that was to literally basically replace quality inspectors with mechanic self-inspection, I think that was the wrong approach. And [for] the air worthiness standards for both the MAX 7 and MAX 10 instead of the design fixes, there were many issues that the Inspector General found were shortcomings.

So, we as a nation want to be the leader in aviation. We have to be the leader in aviation safety. Mr. Ortberg, you need to channel Bill Boeing. You need to change the safety culture at Boeing, and we're glad you did that by starting your tenure in Seattle. That matters and that oversight matters in helping us resume the leadership position in aviation.

So, I look forward to your testimony this morning, those critical steps that the company is taking to restore the safety culture and the manufacturing excellence, so our country can again be the leader in aviation and aviation safety.

Thank you, Mr. Chairman.

### First Q&A

## [AUDIO] [VIDEO]

**Sen. Cantwell:** Thank you, Mr. Chairman. Mr. Ortberg, thank you for the change in tone from the top at Boeing about the safety culture and the focus that you outlined in your testimony, those four principles.

I wanted to drill down on the Safety Management System. It has been a voluntary compliance, but our law -- well really actually in the implementation of the 2015 settlement agreement, it was required to implement a Safety Management System. And then since, we've passed legislation for a mandatory Safety Management System. You mentioned the expert panel, I think they were very critical of the SMS structure that existed at Boeing under that voluntary structure. So how is it that this is going to change? And will you commit today to a fully functioning Safety Management System that meets the FAA standards?

**Ortberg:** Senator, you're right. We've been operating under a voluntary SMS for approximately the last four years, and I think the Alaska door accident was a cathartic moment for all of us to step back and look at what happened. How could this happen within the Safety Management System?

We had the expert panel. We also brought in outside consultants. The FAA did a comprehensive audit of our systems, and we found significant gaps in many of the processes that we use to implement our Safety Management System. Those gaps are all a part of our safety and quality plan that we're working with the FAA to improve the overall performance.

I'm absolutely committed to a mandatory Safety Management System. I appreciate your leadership there, and we're working to get that done. Actually, I'd like to have that in place by October of this year. We submitted our draft to the FAA, and we're absolutely committed to move into a mandatory SMS.

**Sen. Cantwell:** Thank you. Thank you for that commitment. The expert panel couldn't be have been more specific about this particular recommendation, and I think the industry writ large, also thinks it's the gold standard. So, I certainly appreciate that. Now, when it comes to the ODA FAA oversight and the delegation of authority, this is not -- I think the person in charge of this at Boeing has recently been let go or put on leave, so you can tell me how you plan to bolster this position within the company. But when you look at the issues like the MAX anti-icing system issue and the 737 rudder actuator, and these are issues that have been the subject of much investigation. In one instance, my colleague, who's not here yet, she and I joined a letter asking for this issue to be addressed and not delayed.

So, I think the Committee is getting a big sense that the NTSB makes recommendations, the FAA kind of ignores them, and then it takes a long time for them to be addressed. And what we're trying to understand is, in the ODA process, what structure and oversight before we hear from the FAA on this point, what do you think about these incidents not being addressed in the oversight process? You know, like the anti-icing system and the rudder issue.

**Ortberg:** Senator, we've taken a look at the IG report, which has several recommendations, a series of recommendations [from] the FAA. Many of those recommendations require support from the Boeing company to provide information and data. So I can assure you they'll get full support to ensure that they have access to all the information they need.

Now, on a higher level, the ODA, as you know, is a delegation that the FAA provides to us to do some work that a typical FAA inspector would do. I think the ODA is an important element of the success of the aerospace industry. The people that are ODAs in our organization operate independently. They operate on behalf of the FAA. They have direct line of communication with the FAA, and as a part of the feedback, we've made changes to our ODA organization structure to ensure that they're not feeling pressure from management to do things that are not proper, and I think that's been effective.

We put an ombudsman in place for the ODAs, so they have someone to go to if they see something that they don't like, or they're feeling any kind of pressure, they can go to the ombudsman. I think that's helping. And we also survey them to continue to ask them, [if] they feel undue pressure from management or undue oversight for management to do their jobs.

**Sen. Cantwell:** I see that my time is expiring, and I just want to get in this point, you're committing to fix those flaws that I just mentioned, and we can come back to this maybe in a second round, but what are you doing to fix the design and manufacturing defects so that they're not submitted to begin with, to the FAA?

And so I think as we have to think about our oversight of FAA and the role they play, we're trying to understand what isn't working in this process, that both at the manufacturing level, we have these defects, and then yet they get checked off on a list. Oh yeah, that's in compliance.

I don't know if you have a quick answer to that.

**Ortberg:** Senator, we're working, I mentioned the fuselage improvements, we've got over a thousand applications where we're working with our supply chain to improve the number of defects.

I think a main component of that is we have to get to root cause. We can't just fix the defects, we have to get to root cause and make sure the defects go away. So we've enhanced our focus on root cause analysis and ensuring that we're understanding where these defects are being generated, and that we're stopping the defect generation so that we're not dealing with them. That's the fundamental improvement that I think we'll see.

**Sen. Cantwell:** And then making sure that the attention is focused not by a businessperson who saying, we have to go fast.

**Ortberg:** Yeah, look, I want to be clear. I've not provided financial guidance to Wall Street for the performance of the company. I've not provided guidance on how many aircraft we're going to deliver. I've gone and gotten financial coverage so that we can allow our production system to heal.

I'm not pressuring the team to go fast. I'm pressuring the team to do it right.

Sen. Cantwell: Thank you.

**Ortberg:** That's most important thing we can do at this point.

Sen. Cantwell: I agree. Thank you so much. Mr. Chair. Thank you.

#### Second Q&A

# [AUDIO] [VIDEO]

**Sen. Cantwell:** We want to return to "If it ain't Boeing, we ain't going." That's where we want to go. Questions on ODA and compliance, I just want to point out that in the 2020 Act (Aircraft Certification, Safety, and Accountability Act) that we passed in the aftermath of the MAX crashes, we mandated that you cannot delegate certification tasks related to critical functions.

So we basically have said, "You can't delegate." And so I understand my colleague's question, and it's an important one, but in reality, we decided as a Committee, we're not allowing the delegation of critical functions anymore because the MCAS system was a critical change, and it was something the FAA missed. In addition to the company missing it, the FAA didn't understand.

We believe in redundancy in a lot of different areas, and redundancy in this case of the FAA doing its job and understanding what's being proposed. So, those critical features can't be delegated, and so the FAA has to do its job. And so I think in the next time we get -- well, we have a nominee now for an FAA Administrator, these will be very relevant questions for them on their strategy, but we will be asking them how they're going to have the workforce, the technological expertise and all of that to stay at pace, and then to make an ODA system work.

But we're not allowing them to take critical features, critical *safety* features. We're not allowing them to delegate that. So anyway, that'll be an interesting point.

Now, I do think the question I have on the compliance administrator, you guys have a Boeing Problem Solving Method. I know that the person who was in charge of that has just been recently either laid off or changed. What are you doing to make sure that that position -- why the change? What are you doing to make sure that who you have in this job is standing up for these root cause analysis issues that you mentioned?

**Ortberg:** Senator will go through an elaborate interview process to ensure that we select the best talent to do that job that's critical. A critical component of that job is to be able to provide that overall independence, and we recognize that, and we'll fill it with the appropriate person after we get through the interview process.

**Sen. Cantwell:** And do you think that you're in alignment with SPEEA and Machinists on what the feedback process is in the company? I asked the former FAA Administrator whether he believed that the FAA should have oversight into those issues being brought up. So you've mentioned Speak Up a couple of times, and I'm just not familiar with where you are in your conversations with SPEEA and Machinists, whether they are satisfied -- what we have to do to make sure that they feel that they have a voice without intimidation.

**Ortberg:** Yeah, I think we're making progress, Senator, in that in that area. We do survey to make sure we understand what is the current situation. We've seen three times the number of Speak Ups in the last year over the prior year. So that gives you an indication that people are feeling comfortable to use the system.

We still have culture work to do. I think that there probably are people in the organization who say, I'm not sure I feel comfortable about utilizing the system, and we continue to work on that to make sure that everybody feels comfortable utilizing it. But we are seeing improvements. We also have improved the system so it's easier to use, and I think that's helping as well.

**Sen. Cantwell:** Well, I think, going back to the expert panel report, they were saying that the processes on SMS are not, I'm quoting now, structured in a way that ensure all employees understand their role, and the procedures and training are complex in a constant state of change, creating employee confusion, especially among different work sites and employee groups.

So I think getting this employee input, and then what would you say about the FAA having some insight into that? Listen, this committee is, we're having a very big discussion with both FAA and NTSB on trend reports. The NTSB is identifying a lot of trends, and we're saying, well, why, FAA, aren't you paying attention to the trend reports?

In fact, we also mandated a requirement that they publish a trend report every year, so that we can see what the NTSB thinks are those trend reports.

So, are you committed to the FAA having some insight into that process, whatever it becomes, where the machinists and SPEEA members can speak up and the FAA can have some insight into that?

**Ortberg:** Yes, Senator, we're absolutely committed to that. And I've talked to the FAA, I've talked to Chair Homendy from the NTSB, to make sure they know that will be transparent and provide them the information to allow them to do that.

I think Chair Homendy has publicly said she believes the next accident is lying in the data, and that we need to do a better job of analyzing the data. We've stepped up our in service data collection process for our airplanes in service, so we can do just that, start doing more data analytics on what we're seeing, identify trends before they become incidences.

And I think what she says is absolutely right. And we need to be transparent. The industry needs to be transparent on this data.

Sen. Cantwell: Thank you for that. I see my time has expired to go to the next round.

But that is a change. What you just said is a big change. Is it not? The in service, the in service data analytics?

**Ortberg:** Yeah, Senator, this is a massive change that we've been making in the company. We've talked a lot about manufacturing changes, how we build the airplane, how we design the airplane. But it's also super important that we pay attention to how the airplane is being operated, how it's being maintained, and we have the ability to collect a lot of that information from our customers and look for trends, use artificial intelligence algorithms to help us sort through that data and find trends and then go address those trends.

And those trends could result in changes to the airplane, or changes to the training, or changes to the maintenance processes. Whatever the corrective action, it's important that we do that.

**Sen. Cantwell:** Well, I actually believe that you could do a better job at analyzing that information faster, and getting that to your engineers, that give them data to think about things. And so I think that's a very, very important change.

And I also, just as my colleague was asking about trade, I'm not going to ask you about that, but I would just point out that the world demand for airplanes is 40,000 planes over, I think, the next 10 years. So the race is on, so I really appreciate you getting the safety right. Thank you.

# Third Q&A

# [AUDIO] [VIDEO]

**Sen. Cantwell:** Thank you, Mr. Chairman. I just want to ask a couple of follow ups on the, just broader subjects.

But, one, is the company concerned about a corporate monitor in the DOJ discussions of the settlement with the families of the victims. Are you concerned about that? Do you have a problem with that?

**Ortberg:** No, Senator, as I'm sure you're very aware, we had an agreement with the DOJ. We reached an agreement which did include a corporate monitor. That agreement was not accepted by the courts, and so we're in the process right now of going back with the DOJ and coming up with an alternate agreement.

And, look, I want this resolved as fast as anybody. We're still in those discussions, and hopefully, you know, hopefully, we'll have a new agreement here soon.

Sen. Cantwell: Do you have a problem with the corporate monitor?

**Ortberg:** Senator, I don't want to prejudge what the outcome of those discussions is going to be. I don't personally have a problem, no.

**Sen. Cantwell:** Okay, I mentioned in my statement, thermoplastics. Do you see this thermoplastics as a really game changing manufacturing technology focus? Is it really what people are saying? Is it really something that we as a nation have to get focused on? By that, I mean our skilling of a workforce, test bedding technology, being ready for the next big aviation change?

**Ortberg:** Yes, Senator. First of all, I appreciate your leadership in this particular area, and the hub work that you've done in Washington is very helpful for the Boeing Company.

Sen. Cantwell: Well, the supply chain has done it. We just lifted that up a little bit. Yeah.

**Ortberg:** Yeah, no, I think thermoplastics offer a huge advantage for the future, and probably more to streamline the production of aircraft. And so I think it is an important, one of those major, important technology areas we should be investing in, and I think it's going to find its way into many applications in the future aircraft environment.

**Sen. Cantwell:** But do you see it as something that if we neglect that we could fall behind in as a nation, juxtaposed other countries. And I mentioned earlier the demand for 40,000 planes worldwide. I mean, that's an unbelievable -- if the nation is about 2 million, I think we've come up with this number, 2 million impacted workers in aviation in general, but if you think about what 40,000 planes represents, it's a huge demand increase.

But if getting a big part of that means doing the right investments in innovation, and we've always looked at this and said, "Get the safety right, focus on the innovation. Don't cut the safety person who's just doing this inspection on these critical parts, go, get the innovation right."

So is it really that big of an innovation sea change, I guess, is the question juxtaposed to that demand? Or could we wake up in five years and find ourselves way behind,

**Ortberg:** Senator, I think in general, we are a little behind. I think Europe has invested probably more than we have in general in this particular area. I don't think we're behind in a way that we can't recover. I do think it's an area that we need to continue to have overall focus, not just as the Boeing Company, but in terms of new technology evolution within the country. And I think thermoplastics is an area that can differentiate in a lot of different product applications. So, I support your efforts for sure.

**Sen. Cantwell:** Yeah, well, and I'm just again on the workforce side, this is a big opportunity for a lot of jobs in the United States, is it not? I mean, are you continuing to grow?

**Ortberg:** Yeah, I think so. I think what you'll see is thermoplastics will replace typical metal applications, and as you know the how to do that, it's a totally different manufacturing process. So, we'll have to learn how to do that. We'll have to train a whole different kind of application, different workforce to utilize thermoplastics and so, I think we're on that journey, but we've got a lot of work to do.

Sen. Cantwell: Thank you. Thank you, Mr. Chairman.