Boeing's Broken Safety Culture: CEO Dave Calhoun Testifies June 18, 2024 Opening Statement Chair Richard Blumenthal

This hearing of the Permanent Subcommittee on Investigations will come to order. We welcome our witnesses and my colleagues.

I would like to welcome in particular some of the members of the audience who are here today. Michael Stumo, Nadia Milleron, Adnaan Stumo, they are the parents and brother of Samya Rose Stumo.. Also here are Chris Moore, Clariss Moore, and David Moore, the parents and brother of Danielle Moore. Zipporah Kuria is here today, she is the daughter of Joseph Kuria. Catherine Berthet is the mother of Camille Berthet. Ababu Ameha is also here. His wife, Sara GebreMichel was the cabin supervisor on Ethiopia flight 302. We remember them, and the other 341 victims of the unspeakable tragedies that occurred when two airlines crashed in 2018, 2019.

I also want to recognize the family of John Barnett—his mother, Vicky Stokes and brother Rodney Barnett—the Boeing whistleblower who committed suicide under the immense pressure the company put on him for raising safety claims—are with us today. To all of you, thank you for having the strength and courage to be with us. And we are deeply sorry for your losses.

I wanted to begin by introducing you because the issues before us have real human consequences. Life and death results. Not just abstract numbers and hypotheticals. They are a matter of life and death for people who travel by air or work for Boeing.

This hearing is a moment of reckoning. It is about a company, once an iconic company, known for engineering excellence and product prowess that somehow lost its way.

Five years ago, 346 innocent people lost their lives in not one, but two preventable tragedies. We learned those tragedies were caused by intentional decisions to put production speed over safety and profits, stock price over people. In the wake of those tragedies, Boeing promised to turn itself around. Planes were grounded. Executives were dismissed. Promises were made. What we have seen since is that, in fact, the manufacturing issues, the retaliation against whistleblowers, nonconforming parts, quality inspections skipped, and issues concealed from the FAA, evidence hidden, all have continued. And there is mounting evidence that the deferred prosecution agreement concluded in 2021 with the United States Department of Justice has been violated. In fact, there is near overwhelming evidence, in my view as a former prosecutor, that prosecution should be pursued.

When you were named as Boeing's Chief Executive, Mr. Calhoun, we were told that you were the right person to correct course, and you committed to, "strengthen Boeing's safety culture and rebuild trust with our customers, regulators, suppliers, and the flying public."

For a while, some started to believe that Boeing might have changed. But then this past January, the façade literally blew off the hollow shell that had been Boeing's promises to the world. Once that chasm was exposed, we learned that there was virtually no bottom to the void that lay below.

PSI started this investigation after current Boeing Quality Engineer Sam Salehpour came forward to disclose alleged shortcuts in the production of 787 and 777 aircraft that could pose catastrophic safety risks over time. Mr. Salehpour courageously recounted how he was isolated and transferred for refusing to stay silent about his concerns.

Our investigation has proceeded since we first heard from him, and we have heard from many others. We have more than a dozen whistleblowers by this point, and we encourage more to come forward. We have collected that evidence. We have learned that Boeing's problems go deeper than one whistleblower or one incident or one line of aircraft. A mechanic in South Carolina told us about how, when he and his colleagues raised concerns about directives to not follow policies and procedures, "We were ordered to just do it and told there were hundreds of others waiting in line outside the gate wanting our jobs."

Another whistleblower from Washington state has brought us new evidence very recently. A Boeing employee, Sam Mohawk, a quality assurance inspector in Renton, Washington, informed us that Boeing is improperly documenting nonconforming parts, possibly using them, and installing them in airplanes. They are parts that are damaged or defective, out of specification. He said that he's been told by his superiors to conceal this evidence from the FAA and that he is being retaliated against. In fact, he has been threatened with termination.

These are chilling allegations. They echo concerns raised by others, like John Barnett, who made similar claims about practices at the Boeing 787 manufacturing plant in South Carolina, and by Merle Myers, who came forward last month with additional related claims about a different plant in Washington. This new evidence is detailed in a memorandum that I shared with my colleagues, PSI members, earlier today. Without objection, I would like to enter this memorandum into the record.

Mr. Calhoun, you were brought into the company as CEO to turn this company around. You and your Board of Directors have a duty to your shareholders, but they will be deeply ill-served if you fail to correct course to confront the root cause of this broken safety culture. You have a duty to demand the highest safety standards and

insist every installation is properly documented, and ensure that speak up means, in fact, "speak up," not "shut up," as it is meant all too often. Boeing needs to stop thinking about the next earning call and start thinking about the next generation.

We are here because we want Boeing to succeed. Boeing needs to succeed, for the sake of the jobs it provides, for the sake of the local economies it supports, for the sake of the American traveling public, for the sake of our military. It is not enough for Boeing to shrug its shoulders and say, "Well, mistakes happen."

This is not an industry where it is okay to cut corners, to reduce inspections, to take shortcuts, and rely on broken parts that happen to be sitting around. This is not an industry where it is okay to rush planes out the door because you need to meet a quarterly sales target. You know all of what I am saying, but it is not enough to say it. Boeing has to do it. Boeing has to live it.

In the country where air travel literally was invented, with the ingenuity and exceptional American engineers of Boeing, where still the best workforce in the aviation industry continues to come to work every day and do its best, there is absolutely no reason where we should not be the home of the preeminent airplane manufacturer in the world.

Boeing is making some leadership changes, but they look more like management musical chairs, moving the same people to different roles within the company—people who may have been responsible and should be held accountable.

The Department of Justice will conclude its investigation and make its independent decision about whether to prosecute. But for Boeing, regardless of that decision, it is a moment of reckoning and an opportunity to change a broken safety culture.

With that, I turn to the Ranking Member.