

Boeing 2021 Lobbying Proposal

Whereas, we believe in full disclosure of Boeing’s direct and indirect lobbying activities and expenditures to assess whether Boeing’s lobbying is consistent with its expressed goals and in shareholders’ best interests.

Resolved, the shareholders of Boeing request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Boeing used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Boeing’s membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management’s and the Board’s decision-making process and oversight for making payments described above.

For purposes of this proposal, a “grassroots lobbying communication” is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. “Indirect lobbying” is lobbying engaged in by a trade association or other organization of which Boeing is a member. Both “direct and indirect lobbying” and “grassroots lobbying communications” include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Boeing’s website.

Supporting Statement

After the 737 Max jet crashes, Boeing’s lobbying and ties with the Federal Aviation Administration have raised questions of regulatory capture and lapses in oversight.¹ Boeing spent \$166,670,000 from 2010 – 2019 on federal lobbying and ranks as the 9th largest spender since 1998 (opensecrets.org). This does not include state lobbying, where Boeing also lobbies but disclosure is uneven or absent. For example, in the state of Washington, Boeing’s lobbying to preserve \$8.7 billion in tax breaks has drawn scrutiny.²

Boeing belongs to the Business Roundtable, National Association of Manufacturers and US Chamber Commerce, which together spent \$111,845,000 on lobbying for 2019. While Boeing discloses some trade association memberships, it does not disclose its payments to trade

¹ <https://www.pogo.org/analysis/2019/03/how-the-faa-ceded-aviation-safety-oversight-to-boeing/>.

² <https://www.reuters.com/article/us-boeing-incentives/boeing-lobby-group-team-up-to-defend-8-7-billion-in-state-tax-breaks-idUSKBN14U23V>.

associations and amounts used for lobbying. And Boeing's disclosure also leaves out social welfare organizations, which can also lobby.

According to the 2020 Axios Harris Poll 100, Boeing suffered the biggest reputation decline, falling 65 places to 84th.³ We are concerned that Boeing's lack of disclosure presents additional reputational risk when its lobbying contradicts company public positions. For example, Boeing supported COVID-19 recovery and relief efforts, but the Chamber of Commerce directly lobbied against the Administration's use of the Defense Production Act to speed production of life-saving personal protective equipment for workers.⁴ And Boeing believes in addressing climate change, yet the Chamber undermined the Paris climate accord.

We support transparency and accountability in Boeing's spending on lobbying. Thus, we urge Boeing to expand its lobbying disclosure.

³ <https://www.prnewswire.com/news-releases/clorox-hershey-amazon-publix-general-mills-top-axios-harris-poll-100-with-best-reputations-of-most-visible-companies-301103022.html>.

⁴ <https://chamberofcommercewatch.org/2054-2/>.