



## COMPANY HISTORY AND PRODUCTS

Boeing is the world's biggest commercial jet producer, NASA's largest contractor, one of the Pentagon's top contractors, and the U.S.'s largest exporter. Boeing receives on average about \$15 million a year in DoE contracts. Since 1997, when Boeing acquired defense giant McDonnell Douglas, Boeing has ranked as the Pentagon's No. 2 contractor, second only to Lockheed Martin.

Boeing and its subsidiaries employ almost 200,000 people in 60 countries and 26 states, with customers in 145 countries, and manufacturing operations throughout the U.S., Canada, and Australia.

### POST 9-1-1

In the aftermath of the September 11th attacks Boeing's stock plummeted 16.8%. Sales to commercial airlines constitute 60% of Boeing's business. With orders for commercial aircraft down, Boeing expects to lose production of more than 1,000 airplanes. As a result, Boeing anticipates laying off as many as 30,000 employees by the end of 2002.



### BOEING DOD CONTRACTS

Year	Rank	Awards (in Billions)
2000	2	\$12.0
1999	2	\$11.6
1998	2	\$10.9
1997	2	\$9.6
1996*	8	\$1.7

\*Boeing acquired McDonnell Douglas in 1997, making Boeing a major defense contractor.



### WHAT THEY MAKE

While not specifically involved in the development of nuclear weapons, Boeing's lead role in the National Missile Defense system will have an impact on the future role of nuclear weapons in the U.S. and in the world. Boeing's Space and Communications Group division is involved in everything from operating the Space Shuttle, to creating new satellite-based information and communications services, and overseeing many of the missile defense programs. Specifically, Boeing is the Prime Contractor for the contentious and dubious National Missile Defense (NMD) system, and working on the Navy's Theater-

Wide Missile Defense system and the Airborne Laser program. Boeing also provides guidance systems for the Minuteman and Peacekeeper missiles.



### A DEEPER LOOK AT NMD

Boeing was awarded an initial \$1.5 billion contract for the NMD program in 1998, and a follow on contract with the potential value of \$6 billion in December 2000. As the Lead System Integrator (or Prime Contractor) for the NMD program, Boeing is responsible for the development and integration of all NMD elements including the ground-based interceptor, ground-based radar, and the battle management command, control, and communications system. The contract has a full potential value of \$13 billion.

During the July 2000 intercept test, which failed, a Washington Post article elaborated on the preparations Boeing took on Kwajalein Island saying, "Boeing hosted a beach-side party with free-flowing margaritas and a view of fireworks shot from a barge." One former Boeing engineer pointed out, "Obviously, the party had nothing to do with test preparations. It had to do with Boeing polishing its' image - at taxpayer's expense no doubt." The former employee went on to note, "the test failed due to a lack of careful preparations... National security would have been better served by canceling the party in favor of double-checking systems that were supposed to work, but didn't."



### AIRCRAFT AND MISSILES

Boeing's Military Aircraft and Missile System division produces some of the most advanced military aircraft in the world, and a wide variety of "precision" munitions including cruise missiles, air-to-ground missiles, and Harpoon missiles.

Working with Bell Helicopter Textron, Boeing is developing the troubled V-22 Osprey aircraft for the Marine Corps. The two companies began initial deliveries of the 360 V-22's, at an estimated cost of \$30 billion, to the U.S. Marine Corps in 1999. The tilt-rotor Osprey takes off and lands like a helicopter and cruises like an airplane. Still under development, the aircraft has had four crashes in nine years, including one in 1992 that killed seven Marines and two last year that killed 23. A private General Accounting Office briefing to the Pentagon concluded that the V-22 has severe mechanical problems and hasn't been



adequately tested. A decision on full-rate production of the V-22 is on hold pending the recommendations of an independent review panel.

Boeing also has a role in the development of each of the three next generation fighter aircraft, all of which were conceived during the Cold War. These include the \$62 billion F-22 being built with Lockheed Martin for the Air Force, the \$46 billion F/A 18 E-F Super Hornet being built by Boeing for the Navy, and potentially the \$200 billion Joint Strike Fighter to be used by the Marines, Navy and the Air Force. Both Boeing and Lockheed Martin had been competing for the JSF contract. In late October 2001, the Pentagon awarded the JSF contract to Lockheed, but there has been discussion of sharing some of the work with Boeing.



### BOEING: TAKING CARE OF BUSINESS

During the 2000 elections, Boeing handed out generous campaign contributions. Soft Money and PAC contributions from the company totaled more than \$1.5 million, with 58% going to Republican candidates. Boeing kicked in \$100,000 for the Bush Inauguration, and \$100,000 for the Democratic National Convention. Clearly, these donations are paying off. The Korean Herald reported that Senator Christopher "Kit" Bond (R-MO), who received \$46,000 in PAC contributions from Boeing in his 1998 election campaign, met with South Korea's defense minister this past January to "pitch" the sale of F-15 fighter planes. The Boeing F-15 production line based in St. Louis, Missouri is in danger of closing due to the lack of orders, but could be saved with South Korea's \$4 billion plan to upgrade its aging fleet. While Senator Bond certainly has his constituents to think about, it seems actively lobbying on behalf of Boeing for a foreign military sale represents a conflict of interest.

In addition to cultivating ties to members of Congress and the Pentagon through campaign contributions and hi-paid lobbyists, Boeing also provides financial support to such organizations as Frank Gaffney's right-leaning Center for Security Policy. Former Senior Vice President of Washington Operations for Boeing, Stanley Ebner, and Andrew Ellis, Vice President for Government Relations at Boeing, are on the Center's Board of Directors. And providing Boeing with another inside connection as of January 2001, is the former U.S. Under Secretary of State for Political Affairs, Thomas Pickering. Pickering's new

position as Boeing's Senior Vice President for International Relations, based in Washington DC, should prove especially beneficial to the company given Pickering's long diplomatic career as U.S. Ambassador to Russia, India, Israel, El Salvador, Nigeria, and Jordan.

### ❗ SOURCES:

- ◆ Company website, [www.boeing.com](http://www.boeing.com)
- ◆ St. Louis Economic Conversion Project, Christian Stolz, [slecp@yahoo.com](mailto:slecp@yahoo.com), (314) 726-6406
- ◆ "The Boeing Boondoggle," Russell Mokhiber and Robert Weissman, Common Dreams, January 6, 2002. [www.commondreams.org/views02/0106-07.htm](http://www.commondreams.org/views02/0106-07.htm)

**Partners in Mass Destruction**

**TRW**  
Responsible for National Missile Defense Battle Management Command, Control and Communications system.

**Lockheed Martin**  
The world's largest weapons contractor, providing nuclear weapons and ballistic missile defenses. They are the prime contractor for the Trident II Submarine-Launched Ballistic Missile (SLBM), the only long-range U.S. warhead missile currently in production.

**Raytheon**  
2000 sales of more than \$1.2 billion. Their electronic systems include: Missile Systems, Air Control and Strike Systems, Tactical Systems and Air/Naval Defense Systems.

**Boeing**  
Prime Contractor for National Missile Defense (NMD) system, and produces missile guidance systems. At the Seattle WFO meeting in November 1998, Boeing's \$1.2 billion in donations got them privileged access to the proceedings.