The Dirty Dozen
Boeing

CEO: W. James McNerney, Jr.
Defense Contracts 2005: $18.3 billion
Campaign Contributions, 1990-2006: $4,661,907 (Democrat), $5,977,472 (Republican)
Headquarters: Chicago, IL
Website: http://www.boeing.com

Overview

Boeing is the world's biggest commercial jet producer, NASA's largest contractor, one of the Pentagon's top contractors, and the US's largest exporter. Boeing receives on average about $15 million a year in DOE contracts. 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 US, Canada, and Australia. Major operations are in Seattle, Washington; Southern California; Wichita, Kansas; and St. Louis, Missouri. In the past year, Boeing has expanded or opened offices in Brussels, Tokyo, Beijing, Hong Kong, London, Paris, Moscow, Ghana and South Africa. Since 1997, when Boeing acquired defense giant McDonnell Douglas, Boeing has ranked as the Pentagon's No. 2 contractor, second only to Lockheed Martin.

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.

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. Among the aircraft are: the F-15 Eagle - the world's most sophisticated fighter plane and the "backbone" of the U.S. Air Force; the C-17 Globemaster - the Air
Force's "premier" airlifter; and the AH-64D Apache Longbow - the most "lethal, survivable, deployable and maintainable multimission combat helicopter in the world." Working with Bell Helicopter Textron, Boeing is developing the troubled V-22 Osprey aircraft for the Marine Corps, while Sikorsky and Boeing have joined together to build the RAH-66 Comanche combat helicopter for the Army. Buying nations include the United Kingdom, Turkey, Israel, Egypt, Saudi Arabia, Greece, South Korea, Taiwan, and Brazil.

Boeing and Bell Helicopter Textron began initial deliveries of the 360 V-22's, at an estimated cost of $30 billion, to the US Marine Corps began 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. The most recent crash, which killed four Marines, took place on December 11, 2000 and was the result of a hydraulic system failure and computer software anomaly. While a private General Accounting Office briefing to the Pentagon concluded that the V-22 has severe mechanical problems and hasn't been adequately tested, the Marines and a handful of congressional supporters feel the aircraft is essential for the 21st century. A decision on full-rate production of the V-22 is on hold pending the recommendations of an independent review panel. In 1998, then Secretary of Defense Dick Cheney tried to kill the program but failed. This time around, however, he may prove successful.

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.

Commercial Applications/Products
Connexion by Boeing provides high-speed, two-way Internet and live television services to aircraft in flight. The service is currently available to the private business jet market, with system installations on commercial airlines expected to begin in late 2001 and into 2002. *This project is in jeopardy because the three largest US airlines have pulled out as partners following the Sep. 11th attacks.

In November 2000, Boeing and an industry team unveiled its "fiber- and satellite-based system designed to revolutionize motion picture film distribution." The satellite system allowed Boeing to deliver the premier of the major motion picture "BOUNCE" to the AMC Empire Theater in New York.

Boeing: Taking Care of Business

In regards to the 2000 elections, Boeing, like most corporations, was handing out generous campaign contributions. Soft Money and PAC contributions 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 US 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 US Ambassador to Russia, India, Israel, El Salvador, Nigeria, and Jordan.

**Boeing: From National to International**

While Boeing works hard to shape the opinions and policies of officials in Washington, DC, they’re also proving to be a major player on the international scene. If there are any questions about who reaps the greatest benefits from the WTO, a look at who sponsored the Seattle meeting in November 1999 is instructive. In return for their $9.2 million in donations, major multinational corporations were given privileged access to the WTO proceedings. Weapons contractors Boeing and Allied Signal/Honeywell both ponied up $250,000 or more to be "Emerald" sponsors, entitling them to five seats at the Host Organization’s opening and closing receptions and to an exclusive ministerial dinner. Boeing CEO Phil Condit was a co-chair of the Host Committee for the WTO, and as an Emerald sponsor Boeing received four seats at the private sector conferences arranged by the Host Organization, along with a number of other ‘insider’ perks.

What’s in it for Boeing and other defense corporations? A lot. Arms makers are interested in the WTO agenda because they too are in the process of becoming truly multinational companies, dependent on exports to boost their profit margins and willing to enter into joint ventures, partnerships, and even mergers with companies in other countries. It’s no surprise that Boeing, which makes $13 billion per year selling missiles, combat aircraft, and other weapons systems ($3 billion in arms exports), would be a prime sponsor of the WTO meeting. Boeing has been a strong advocate of WTO membership for China, which provides a huge market for the company’s airliners. And the Aerospace Industries Association (AIA), of which Boeing is a member, has been pressing for "normal" trade relations with China. The AIA has also taken a stand against "unilateral" trade sanctions, a position that would undermine efforts to limit weapons sales to repressive regimes like those in Indonesia or the current government in Turkey.

Under the WTO system arms corporations derive a double benefit. Not only do they profit from the elimination of environmental, health, and labor standards generated by the WTO process, but their own activities in the military sphere - including massive research and export subsidies from their home governments -- are EXEMPT from challenge under the WTO's "security exception." This "security exception" gives governments a perverse incentive to invest in the military sector at the expense of civilian projects. Mike Sears, president of Boeing’s Military Aircraft and Missiles division summed up the military sector’s support for the WTO best when he said, "No restrictions should be imposed on our ability to find the best solution for our customers."
NATO Expansion

In April 1999, while NATO ‘smart’ bombs were raining down on Kosovo, a glittery gala party was taking place in Washington DC to celebrate NATO’s 50th anniversary. An A-list of weapons manufacturers, including Boeing, each shelled out $250,000 for the events, including banquets, cocktail receptions, luncheons, and invitation-only events at the embassies of the new NATO allies - Poland, the Czech Republic, and Hungary. Analysts have estimated that NATO expansion will be worth $10 billion in fighter aircraft sales alone.

This fact sheet was prepared by Michelle Ciarrocca for the Arms Trade Resource Center of the World Policy Institute.