

Testimony of John Hamilton
Committee on Transportation and Infrastructure
Subcommittee on Aviation
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Chairman LoBiondo, Ranking Member Larsen, and members of the Committee, thank you for this opportunity to provide Boeing's perspective on the state of the commercial aerospace manufacturing sector and the policy challenges facing our business.

I am John Hamilton, Vice President of Engineering for Boeing Commercial Airplanes, and I am proud to be here today to represent the 148,000 Boeing employees design, build and certify the best aerospace products in the world.

My remarks this morning will focus on how industry, the Federal Aviation Administration, and Congress must continue to work together to meet the regulatory and international challenges facing the domestic U.S. aerospace manufacturing sector.

Before I address these important topics, I want to commend the Committee for the bipartisan reforms included in the last FAA Reauthorization proposal. The reforms included provisions to maximize the delegation of routine certification tasks, to transform the FAA workforce to meet the challenges of the 21st century, and to increase the FAA's international engagement. Together these actions would give the FAA the tools needed to provide the type of oversight required for safe and efficient certification of our products and services in an increasingly global regulatory framework. Today I would like to give additional context to why these reforms are needed, and why more must be done to ensure U.S. global competitiveness and leadership in aerospace manufacturing.

But first I would like to briefly highlight Boeing's place in the U.S. and world economy. Boeing remains the nation's largest exporter, exporting \$56.8 billion of products and services in 2015. Last year we delivered 748 commercial aircraft, with 80% of those sold overseas. We assemble all of our aircraft in the United States, and we are proud that 80% of our company's suppliers are here in the United States. We spend roughly \$50 billion in the United States every year, far more than any other company that produces large commercial aircraft. We are proud to sell our American manufactured, American supplied products to all corners of the globe – which is why we have long supported trade policies and trade agreements that open markets, facilitate the movement of goods across borders, and level the international playing field.

If Congress and the new Administration want to support high tech, good-paying manufacturing jobs, then look no further than Boeing. More than 90% of the 148,000 people we employ directly are here in the United States. In addition, we support another 1.5 million U.S. jobs throughout our supply chain. It is critical to understand that the biggest markets for our products over the next 20 years are in Asia and the Middle East, and the competition we face is fierce. We very much need Congress and the new

Administration, including the FAA, to support our efforts to win in these markets. Tens of thousands U.S. jobs in our industry are literally at stake.

The FAA's role in this global competition is critical. Every new Boeing airplane type that is certified by the FAA must be validated by its foreign regulatory counterpart in every country to which we export a product. This process is not meant to be a re-certification. A validation should be just that – validating that the FAA conducted the type certificate work to the standards of the foreign regulatory authority in question. This process should be quick and efficient, but in some cases it can take upwards of 14 months.

To use our newest product offering as an example, the 737 MAX, we have orders from 83 different customers from 43 different countries. The FAA and Boeing must work with each of those foreign regulatory authorities to get approval to deliver our aircraft. This is a time consuming task and requires FAA resources and, more importantly, a strong working relationship between the FAA and foreign regulators.

The Aircraft Certification Service at the FAA cannot efficiently complete these critical validation activities without support from Congress and a commitment by FAA senior leadership to make this work a priority. Type certificate validation by other governments cannot be viewed as a secondary or lower priority function of the FAA. It is a critical priority for Boeing and for all US exporters in aerospace, and Congress must continue to support and prioritize these efforts too.

With respect to our day-to-day interactions with the FAA on certification activities, we have seen progress in efforts to streamline the process and hope that with continued partnership we will see continued progress. Dorenda Baker, the Director of the Aircraft Certification Service at the FAA, has embarked on an effort known as "Air Transformation" to reorganize and better align the Agency's activities with the strategic imperatives for certification in the coming years. This is a step in the right direction and is worthy of Congressional support and prioritization. This process, as it continues to unfold, must enable the FAA to shift resources to areas of greatest safety impact, including engagement with Europe and other regulatory authorities around the world. Doing so will help the FAA retain its global leadership status, and enable the United States to compete on a level playing field.

I want to stress that last point. The FAA must be a global leader in aircraft certification, and:

- adhere to risk-based oversight principles that focus the agency's resources on areas of highest risk,
- provide timely and consistent requirements to applicants,
- and fully support and promote U.S. exports of aerospace products and services.

This Committee has strongly supported these goals in the past, and I am privileged to be here today to discuss further ways in which we can advance these important issues. Thank you for the invitation, and I look forward to answering any questions you may have.