

# Boeing's new CEO visits factory that makes the 737 Max, including jet that lost door plug in flight

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The Boeing 777X airplane is shown at the Paris Air Show in Le Bourget, north of Paris, France, on June 19, 2023. Credit: AP Photo/Lewis Joly, File

A new chief executive takes over at Boeing on Thursday, and he plans to

walk the floor of the factory near Seattle that has become the heart of the aerospace giant's troubles.

Robert "Kelly" Ortberg takes over a money-losing company that has agreed to plead guilty to conspiracy to commit fraud, is struggling fix its aircraft-manufacturing process, and can't bring two astronauts home from the International Space Station because of flaws in a spacecraft it built for NASA.

"I'm excited to dig in!" Ortberg told employees on his first day in the job.

Boeing announced Ortberg's selection just over a week ago, on the same day that it posted another huge loss; more than \$1.4 billion in the second quarter, which was marked by a steep drop in deliveries of new airline planes, including the 737 Max.

The National Transportation Safety Board just wrapped up a two-day hearing on the 737 Max that suffered a blowout of a panel in the side of the plane during an Alaska Airlines flight in January. The board's investigators have interviewed workers at the 737 factory in Renton, Washington, who say they are under too much pressure to produce planes quickly, leading to mistakes.

During the hearing, a Federal Aviation Administration manager said the regulator has 16 open enforcement cases against Boeing—three or four times the normal number—and half started since the door-plug blowout.

Ortberg will try to fix Boeing after the last two CEOs failed.

Dennis Muilenburg, a Boeing lifer, was fired in 2020 when the company was trying to convince regulators to let Max jetliners resume flying after crashes in 2018 and 2019 that killed 346 people. David Calhoun, a

longtime Boeing board member and General Electric executive, got the reworked Max back in the air but couldn't stem losses that now exceed \$25 billion since the start of 2019. Calhoun announced in March that he would step down.

In a memo to employees on Thursday, Ortberg said, "While we clearly have a lot of work to do in restoring trust, I'm confident that working together, we will return the company to be the industry leader we all expect."

Boeing is a century-old aviation innovator with roots in Seattle, although the headquarters moved to Chicago and then to the Washington, D.C., area. The new CEO is planting a symbolic flag in the ground back in the Pacific Northwest.

"Because what we do is complex, I firmly believe that we need to get closer to the [production lines](#) and [development programs](#) across the company," Ortberg told employees. "I plan to be based in Seattle so that I can be close to the commercial airplane programs. In fact, I'll be on the factory floor in Renton today, talking with employees and learning about challenges we need to overcome, while also reviewing our safety and quality plans."

The company declined to make Ortberg available for interviews.

Ortberg's name emerged relatively late in the CEO search. Boeing Chairman Steven Mollenkopf, who led the search, said Ortberg has a reputation for running complex engineering and manufacturing companies.

Analysts have generally been favorable too. Richard Aboulafia, a longtime analyst and consultant in the industry, said Ortberg is deeply respected "and brings more hope for a better future than the company

has enjoyed in decades."

One of Ortberg's top assignments will be fixing the manufacturing process and increasing production of Max jets, Boeing's best-selling plane. The FAA has limited Boeing to 38 per month since shortly after the Alaska Airlines blowout, but Boeing's top safety official said this week production isn't even that high—it's in the 20s per month.

Calhoun did finish one job before Ortberg took over: the company reached an agreement with the Justice Department last month to plead guilty to conspiracy to commit fraud in connection with development of the Max. A [federal judge](#) in Texas will decide whether to approve the deal, which includes a fine of at least \$244 million Boeing investing at least \$455 million in quality- and safety-compliance programs.

Boeing's defense and space unit is also struggling. It lost \$913 million in the second quarter because of setbacks on fixed-price government contracts, including a deal to build two new Air Force One presidential jets.

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