

Boeing Removes Chairman Weeks Before Congressional Hearing

By Grace Tepley, J.D. Candidate 2022 | October 24, 2019

After markets closed on Friday October 11th, Boeing [announced the removal](#) of Dennis Muilenburg as Chairman. While Muilenburg will retain his titles of CEO, President, and Director, Boeing has designated David L. Calhoun to take over the Elected Non-Executive Chairman role.

This change comes seven months after the Federal Aviation Administration (FAA) grounded the entire 737 Max 8 fleet in response to two deadly crashes that [killed 346 passengers](#). Since then, Boeing has lost an estimated [30 billion](#) dollars in market capital, in addition to the nearly [5 billion](#) dollars it has had to dole out to compensate airlines for lost profits resulting from the grounding. The high capacity, fuel efficient 737 Max 8 plane was Boeing's [best seller](#) prior to the crashes.

However, Boeing asserts that the separation is [not punitive](#) but rather will enable Muilenburg to direct his focus to returning the 737 Max 8 fleet to service. In an official statement released by Boeing, Calhoun reiterated the board's confidence in Muilenburg's continued leadership.

While Boeing insists the 737 Max 8 fleet will be ready to return to service by the fourth quarter, many hurdles remain. The company has [yet to send](#) the necessary software fixes to the FAA for safety review. Once those fixes are regulator-approved, Boeing will need to ensure pilots are properly trained to handle the updates. Even then, the company must convince elected officials and the general public that these planes are truly safe.

An initial test of public confidence will take place on October 30th when Muilenburg [testifies](#) before Congress about the system failures that caused the fatal crashes. There, Boeing will likely face harsh criticism of its governance for [failing to provide the oversight necessary](#) to prevent the accidents. As such, the recent shift of leadership may indicate Boeing's attempt to [exhibit responsiveness](#) to these concerns.

Despite the change in official title, Muilenburg remains tasked with the key role of quickly and safely returning the 737 Max 8 fleet to the skies.

