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Panel Remarks
"Demonstrating Commitment with Action"
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Good morning. I'm honored to be here today. Before I begin my remarks, I would like to commend ATAG for its leadership in bringing us together to share ideas; foster an open and candid dialog; and take action to address one of the most significant challenges facing each and every one of us – our industry's environmental impact.

In aviation, we are accustomed to overcoming challenges – one may say that problem solving is in our genetic code. Everyday in aviation we overcome challenges in exploring new technologies bringing innovation to the market and managing our businesses in dynamic market conditions. Together we can address these real issues with real solutions. If I may, I'd like to share my perspective on how we're doing as an industry and highlight several of the opportunities, as well as some of the challenges we face.

We all recognize that air transportation plays a vital and important role in continued global economic growth. Eight percent of the world's GDP growth can be directly attributed to air travel…making it essential to the global economy. In Europe alone, aviation is responsible for more than 1.5 million jobs. Just as important, world air travel and global economic development are mutually dependent. Each stimulates the other. Commercial aviation generates millions and millions of jobs and contributes a significant percentage of GDP to the global economy.

Air travel plays a key role in connecting the people, countries and economies of the world, every day and everywhere. And bringing people together has never been more important.

The most immediate challenge is to continue to allow the global economy to prosper, and to grow our industry responsibly, while minimizing impacts on the global ecosystem. We've come a long way, but this is a never-ending responsibility. And there are regions of the world where air transportation efficiencies have yet to be realized, global growth and prosperity are being challenged, and additional restrictions and taxation are being proposed based on misperceptions.

For example, here in Europe, the EU continues to refine legislative proposals that would include aviation in an emissions trading scheme, make the industry more accountable for its environmental performance. But our industry has always achieved robust improvement and progress throughout the history jet age. The challenge is how can we continue to do better?

As manufacturers, Boeing and Airbus compete vigorously to bring newer more efficient products to our customers and to ensure that they are as innovative, safe and as environmentally progressive as possible.

But our industry's environmental responsibility goes well beyond competitive issues. Like our industry's approach to safety, this is a global issue that beckons for global solutions, not regional ones, and our belief is that ICAO should guide the development of a global emissions framework – which includes all 190 ICAO member states.

The challenge is to develop a framework that everyone can join – a framework that moves the industry forward.

As we actively work these issues, we must balance our need for reduced environmental impact without disrupting the flow of people and commerce. We also must seek solutions that provide incentives for technological innovation, not ones that penalize or cripple creativity.

We firmly believe that market demand and competition between the aircraft manufacturers (and between airlines) will continue to drive new product innovation and improved fuel efficiency, and that solutions based on technology and operational efficiency are the best path forward.

For example, our 787 Dreamliner will bring new efficiencies to the marketplace, and we are committed to pioneering new technologies that will improve upon these technologies and make all subsequent airplanes more efficient.

Effective demonstrations and implementation of new technologies allow us to identify and implement the most feasible solutions, while recognizing the need to use our limited resources wisely. And, similar to safety and security improvements, the environmental challenge demands strong working partnerships between industry and governments.

At Boeing, our commitment includes ensuring that our own strategy has a clear focus, and that we are applying our Research and Development investments toward environmental improvements for

future aircraft generations with an emphasis on CO_2, noise, and alternative fuels that will make us less reliant on fossil fuels.

For example, together with Virgin Atlantic and GE, we recently conducted the first biofuel demonstration on a commercial airplane using sustainable fuel sources. This is part of our work to unlock the market potential of alternative fuel sources for the industry. We're also partnering with Air New Zealand and Continental Airlines on future demonstration flights which will focus on sustainable, next-generation fuel sources.

At our Madrid research and technology center, we recently conducted the first aircraft flight powered entirely by clean, quiet hydrogen fuel cell technology. And while the applications for larger commercial planes are still many years away, the seeds for the enabling technology are being nurtured today.

But these are not demonstrations for demonstration sake; they are defined steps on the path to improved environmental performance and shining examples of how we are working with the best and brightest engineers and scientists in Europe and the world. Together we are exploring new and innovative solutions the flying public and the industry want and expect from us.

Another area where we are using technology-based demonstrations to guide the way is our air traffic management system. Implementing tangible changes in how we operate our airplanes in the air and on the ground will provide measurable and near-term efficiency improvements that can help us address our environmental performance challenges.

As our skies and runways become more crowded, demands on the air transportation system continue to increase dramatically. Congestion has already reached crisis levels in some regions of Europe and abroad, pointing to the antiquated processes and systems in our existing air traffic management system.

The current air transportation system cannot be scaled to meet forecasted demands nor can it simply be upgraded – we need to push for innovative new thought and a global transformation of the way the system operates.

Global interoperability is a critical component of that transformation. We need our governments to work together to ensure seamless operations. Together with industry, our joint operational trials are putting the emphasis on outcomes, not just discussions.

To that end, Boeing successfully partnered with KLM-Air France, LNVL and the aviation community at Schiphol International Airport in Amsterdam to demonstrate the value that advanced arrivals can provide in helping reduce fuel consumption, greenhouse gas emissions and noise. Today forms of these advanced arrivals have been implemented or are being considered for implementation in a number of locations across Europe. Related operational pilot demonstrations in Australia, Germany, the UK and the US are following the same defined path to implementation.

Even the most fuel-efficient airplane can't achieve its highest efficiency levels if it is forced to fly indirect routes and to circle overhead waiting

to land. Therefore, it is crucial that we do everything in our power to make improvements to the global air transportation system a priority and a reality.

The challenges before us are just that…they are challenges. At the same time, we know our industry's heritage is built upon finding opportunity in our challenges. Today we have the very real opportunity to demonstrate our technical prowess as an industry and help define the legacy of flying for generations to come. We at Boeing are up for the challenge, and I am convinced that together, we can succeed at this. We can find ways to be quieter and cleaner.

It is so very important to be sharing the stage with my colleagues from around the industry, because it is a great way to illustrate that we need everyone's help. As an industry, we are good global citizens. But we've done a terrible job of telling our story. We must continue to work collaboratively to identify innovative new solutions and help guide them to fruition. Then we must do a better job of telling our story, again and again.

Working together we can identify solutions and approaches that can help our industry address environmental challenges regardless of geographical markets – and in the process result in a healthier, more environmentally progressive aviation industry that delivers value to all of us and everyone that depends on the global air transportation system. Later today I'll join several of you in signing a joint declaration that further confirms our commitment as an industry to take up this challenge, and calls upon governments to do their part by supporting an appropriate regulatory framework, and ensuring sufficient R&D

funding is available consistent with WTO and other international obligations.

In the end it is personal – solving these challenges together is in everyone's personal interest, as well as for the aviation industry and the global community as well. It is up to us to continue our heritage of overcoming challenges with determination, innovation and teamwork.

It is truly an honor to be here today. Thank you for listening.