



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

January 9, 2018

Grant M. Dixon  
The Boeing Company  
cso@boeing.com

Re: The Boeing Company  
Incoming letter dated December 20, 2017

Dear Mr. Dixon:

This letter is in response to your correspondence dated December 20, 2017 concerning the shareholder proposal (the "Proposal") submitted to The Boeing Company (the "Company") by John and Patricia Jorgensen for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair  
Senior Special Counsel

Enclosure

cc: John and Patricia Jorgensen

\*\*\*

January 9, 2018

**Response of the Office of Chief Counsel**  
**Division of Corporation Finance**

Re: The Boeing Company  
Incoming letter dated December 20, 2017

The Proposal requests that the board “include certain criteria in the Company’s process for selecting new or expanding existing sites for the Company’s new models of aircraft production locations.”

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(7), as relating to the Company’s ordinary business operations. In this regard, we note that the Proposal relates to decisions relating to the location of the Company’s aircraft-production facilities. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Evan S. Jacobson  
Special Counsel

**DIVISION OF CORPORATION FINANCE**  
**INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS**

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.



December 20, 2017

**BY EMAIL**

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549  
shareholderproposals@sec.gov

**Re: Shareholder Proposal Relating to Selection of Manufacturing Sites**

Dear Sir or Madam:

The Boeing Company ("Boeing") received a shareholder proposal (the "Proposal") from John and Patricia Jorgensen (the "Proponents") seeking to require Boeing to follow certain criteria in selecting its manufacturing sites for new aircraft models.<sup>1</sup> Because manufacturing site selection falls squarely within Boeing's ordinary business operations, Boeing intends to omit the Proposal from its 2018 annual meeting proxy materials (the "Proxy Materials") in reliance on Rule 14a-8(i)(7) of the Securities Exchange Act of 1934, as amended (the "Act"), and this letter seeks confirmation that the staff of the Division of Corporation Finance (the "Staff") will not recommend enforcement action to the Securities and Exchange Commission (the "Commission") in connection with such omission.

**THE PROPOSAL**

The Proposal states, in relevant part:

*Resolved: Shareowners request the board of directors to include certain criteria in the Company's process for selecting new or expanding existing sites for the Company's new models of aircraft production locations.*

**BASIS FOR EXCLUSION**

**BOEING MAY EXCLUDE THE PROPOSAL FROM THE PROXY MATERIALS PURSUANT TO RULE 14a-8(i)(7) BECAUSE IT ADDRESSES MATTERS RELATING TO BOEING'S ORDINARY BUSINESS OPERATIONS**

***I. Background***

Rule 14a-8(i)(7) permits a company to omit shareholder proposals from its proxy materials when such proposals relate to the company's "ordinary business" operations. According to the Commission, the term "ordinary business" "refers to matters that are not

<sup>1</sup> Copies of the Proposal and all related correspondence are attached as Exhibit A.





necessarily 'ordinary' in the common meaning of the word," but "is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release").

In the 1998 Release, the Commission described the underlying policy of what would become Rule 14a-8(i)(7) as "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting," and identified two central considerations that underlie this policy. The first consideration relates to a proposal's subject matter. The Commission explained in the 1998 Release that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The second consideration relates to proposals that, if implemented, would restrict or regulate certain complex company matters. The Commission noted that such proposals seek to "micro-manage" the company by "probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." 1998 Release (citing Exchange Act Release No. 2999 (Nov. 22, 1976)). The 1998 Release notes that a shareholder proposal that relates to ordinary business operations may not be excludable if it would transcend day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.

## ***II. Analysis***

The Proposal implicates both of the considerations in the 1998 Release and is precisely the type of proposal that Rule 14a-8(i)(7) was designed to exclude. First, decisions relating to the location of manufacturing facilities are an integral part of running Boeing's ordinary business operations, and it would be utterly impractical to subject such decisions to shareholder oversight. Second, the Proposal asks shareholders to vote on an issue on which they cannot reasonably be expected to make an informed judgment—namely, which factors should be used—and, ultimately, how those factors are prioritized—when making complex decisions about the location of Boeing's manufacturing sites, including whether to expand existing sites or develop new sites. Finally, the Proposal does not address any significant policy issue that would preclude exclusion of the Proposal under Rule 14a-8(i)(7).

### ***1. The Proposal involves ordinary business matters because it relates to fundamental business decisions regarding the location of Boeing facilities***

The Staff has consistently concurred with the exclusion of shareholder proposals under Rule 14a-8(i)(7) to the extent that they attempt to micro-manage decisions relating to the location of company facilities. For example, in *Minnesota Corn Processors, LLC* (Apr. 3, 2002), the proposal recommended that the company build a new corn processing plant based on nine factors. The Staff concurred that the proposal could be excluded because it implicated ordinary business operations by involving "decisions relating to the location of its corn processing plants." Similarly, in *Hershey Co.* (Feb. 2, 2009), the Staff permitted the exclusion under Rule 14a-8(i)(7) of a proposal that would have required the company to manufacture in the United States or Canada all products to be sold in such markets, because the proposal





addressed “decisions relating to the location of its manufacturing operations.” Likewise, in *McDonald’s Corp.* (Mar. 3, 1997), the Staff permitted the exclusion of a proposal “to assure that the site selection process for all McDonald’s facilities protects the integrity of, and prevents the loss of, any public park land” because it related to the ordinary business of “plant location.” Similar cases abound. *See, e.g., Sempra Energy* (Jan. 12, 2012, recon. denied Jan. 23, 2012) (concurring in the exclusion of a proposal requesting the company’s board to review and report on the company’s management of certain risks posed by company operations in any country that may pose an elevated risk of corrupt practices); *Tim Horton’s Inc.* (Jan. 4, 2008) (concurring in the exclusion of a proposal involving “decisions relating to the location of restaurants”); *The Allstate Corp.* (Feb. 19, 2002) (concurring in the exclusion of a proposal recommending that the company cease operating in Mississippi); *MCI Worldcom, Inc.* (Apr. 20, 2000) (concurring in the exclusion of a proposal seeking analysis of future plans to relocate or expand office or operating facilities); *Tenneco Inc.* (Dec. 28, 1995) (concurring in the exclusion of a proposal requesting a report on the relocation of the company’s corporate headquarters); *Pacific Gas & Electric Co.* (Jan. 3, 1986) (concurring in the exclusion of a proposal requesting a feasibility study to relocate the company’s headquarters); *Sears, Roebuck & Co.* (Mar. 6, 1980) (concurring in the exclusion of a proposal requesting that the board adopt a policy to favor store development in central business districts over replacement of stores in suburban malls because it related to the “location of new Company facilities”).

Like the proposals cited above, the Proposal directly relates to the location of Boeing facilities and would intrude on management’s ability to make decisions relating to the location of its operations. Boeing is the world’s largest aerospace company and leading manufacturer of commercial jetliners, defense, space and security systems, and service provider of aftermarket support. Boeing employs more than 140,000 people in all 50 states and in more than 65 countries and, as of December 1, 2017, occupied more than 85 million square feet of floor space for manufacturing, warehousing, engineering, administration, and other productive uses. The process of selecting sites for Boeing’s manufacturing plants is highly complex and depends on numerous factors that must be analyzed and balanced by those with intimate knowledge about Boeing, its supply chain, and its customer base. Although many of the factors set forth in the Proposal are among those management considers today when making such decisions, the Proposal would dictate the terms of such decisions and would prevent management from determining the relevant factors to be carefully considered and weighed in connection with a particular location decision. The ability to determine the locations for manufacturing facilities is so fundamental to management’s ability to run Boeing on a day-to-day basis, it could not, as a practical matter, be subject to direct shareholder oversight. By prescribing the factors to use in Boeing’s site selection analysis, the Proposal also seeks to micro-manage Boeing’s decision making process for a complex matter upon which shareholders, as a group, are not in the best position to make an informed judgment. Accordingly, the Proposal may be excluded under Rule 14a-8(i)(7).

In addition, many of the individual factors that the Proposal’s supporting statement (the “Supporting Statement”) states “should be included in Boeing’s decision-making for new aircraft production sites” involve matters themselves repeatedly recognized by the Staff as implicating ordinary business, such as employment decisions, relationships with suppliers, investment decisions, evaluation of risks, and levels of tax expense. *See, e.g., The Boeing Company* (Feb. 25, 2005) (concurring in the exclusion of a proposal requiring information





relating to the elimination of jobs or the relocation of jobs overseas because it related to "management of the workforce"); *PepsiCo* (Feb. 21, 1991) (concurring in the exclusion of a proposal involving prohibiting terminating employees except for cause because it related to "employment and personnel decisions"); *Spectra Energy Corp.* (Oct. 7, 2010) (concurring in the exclusion of a proposal requiring the company to purchase products made in America because it involved "decisions relating to supplier relationships"); *The Western Union Co.* (Mar. 6, 2009, *recon. denied* Mar. 23, 2009) (concurring in the exclusion of a proposal requesting a report on company policies for investing in local communities in ways that address community needs because it related to "investment decisions"); *General Elec. Co.* (Jan. 9, 2008) (concurring in the exclusion of a proposal seeking a report on the potential for reputational harm due to sourcing products from China because it related to "evaluation of risk"); *The Boeing Company* (Feb. 8, 2012) (concurring in the exclusion of a proposal requesting a report on the risks relating to changing in tax laws because it related to "tax expenses and sources of financing").

## ***2. The Proposal does not raise any significant policy issues***

The Commission has concluded that certain proposals focus on significant policy issues that would "transcend the day-to-day business matters" so as to not be excludable under Rule 14a-8(i)(7), even if they otherwise relate to the company's ordinary business operations. For example, in *Apple Inc.* (Dec. 14, 2015), the Staff did not permit the exclusion of a proposal seeking a report identifying the criteria for investing in regions with poor human rights records because the proposal "focuses on the significant policy issue of human rights." Unlike the proposal in *Apple*, however, the Proposal does not address any significant policy issue, let alone one that would transcend Boeing's day-to-day business operations. Instead, the Proposal is concerned solely with ordinary business concerns. The Supporting Statement suggests that the purpose of the Proposal is to ensure that the selection or expansion of aircraft production sites effectively support the core operations of Boeing's business. The Supporting Statement notes that Boeing incurred high costs associated with the 787 program, "adversely impacting shareholder value." The list of factors set forth in the Proposal, including the availability of experienced workers, an appropriate level of vertical integration, the supporting infrastructure of the locality, a network of suppliers, the potential for severe weather, the development of a skilled labor pool, the quality of life for workers, tax structures and economic incentives offered by the region, and the relative risks of a location, are all factors that could impact the success of a production site and, ultimately, Boeing's profitability. The Proposal is plainly driven by ordinary business concerns, and the Proposal does not touch upon, and there is no suggestion in the Supporting Statement that the Proposal is intended to address, any policy concerns. Even if the Proposal were to touch upon a significant policy issue, the Staff has repeatedly concurred with the exclusion of proposals where the policy issue was not so significant as to transcend the company's day-to-day business. To highlight just one example, the proposal in *McDonald's Corp.* would have required the company to prevent the loss of public park lands in its site selection process. The Staff concurred in the exclusion of the proposal as relating to ordinary business decisions of "plant location" despite the proponent's argument that issues of environmental and community conservation raised significant policy implications. Although recent Staff guidance in Staff Legal Bulletin No. 141 indicates that the applicability of the significant policy exception "depends, in part, on the connection between the significant policy issue and the company's business operations," in



this case, no significant policy issue was raised by the Proponents and therefore there is no policy issue to analyze for any potential nexus with Boeing's business operations. Because the Proposal relates solely to Boeing's ordinary business operations and does not raise any significant policy issue, the Proposal may be excluded under Rule 14a-8(i)(7).

\* \* \*

Based on the foregoing analysis, we respectfully request that the Staff concur that it will take no action if Boeing excludes the Proposal from its Proxy Materials.

In accordance with Rule 14a-8(j) of the Act and Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D"), we are concurrently sending a copy of this letter and its attachments both to the Proponents as notice of Boeing's intent to omit the Proposal from the Proxy Materials and to the Staff at [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov). If the Proponents submit correspondence to the Commission or the Staff in connection with the Proposal, we request that copies of such correspondence be sent concurrently to the undersigned, as required pursuant to Rule 14a-8(k) and Section E of SLB 14D.

Boeing intends to file the definitive Proxy Materials with the Commission on or about March 16, 2018. Meanwhile, should you have any questions with respect to any aspect of this matter, or require any additional information, please do not hesitate to contact me at (312) 544-2387 or [CSO@boeing.com](mailto:CSO@boeing.com).

Very truly yours,

A handwritten signature in black ink, appearing to read "Grant M. Dixon".

Grant M. Dixon  
Corporate Secretary

Enclosures

cc: John and Patricia Jorgensen





**Exhibit A**

The Proposal and All Related Correspondence

# The UPS Store

The UPS Store #2899  
136 E BTH ST  
PORT ANGELES, WA 98362  
360.452.6602

## Fax

To Office of the Corporate Secretary From John & Patricia Jensen  
 Company Boeing Phone number: \*\*\*  
 Fax number 312-544-2925  
 Date Nov 15 2017 Total Pages 4  
 (Includes Cover Sheet)



November 15, 2017

BY OVERNIGHT DELIVERY

Office of the Corporate Secretary  
The Boeing Company  
101 North Riverside Plaza  
MC 5003-1001  
Chicago, IL 60606-1596

Re: Shareholder Proposal for 2018 Annual Meeting

I, John Dewey and Patricia Caryl Jorgensen, submit the enclosed shareowner proposal for inclusion in the proxy statement that the Boeing Company plans to circulate to shareowners in anticipation of the 2018 annual meeting. The proposal is being submitted under SEC Rule 141-B and relates to the Company's production site selection.

I am located at the following address:

\*\*\*

I have beneficially owned more than \$2,000 worth of Boeing common stock for longer than a year. A letter from the record holder, confirming that ownership is being sent by separate cover. I intend to continue ownership of at least \$2,000 worth of Boeing common stock, through the date of the 2018 annual meeting, which a representative is prepared to attend.

I would be pleased to discuss the issues presented by this proposal with you. If you require any additional information, please let me know. You can reach me on \*\*\*

Sincerely,

John Dewey Jorgensen

Patricia Caryl Jorgensen

*John Dewey Jorgensen* *Patricia Caryl Jorgensen*

### Shareholder Proposal Regarding Production Site Selection Analysis

Resolved: Shareowners request the board of directors to include certain criteria in the Company's process for selecting new or expanding existing sites for the Company's new models of aircraft production locations.

#### Supporting Statement:

As shareowners, we want to ensure that lessons learned at the Company regarding the substantially high costs associated with the 787 program are not repeated with other new airplane programs. Those high costs negatively impacted the profitability of the 787 to the tune of more than \$30 billion in deferred costs, making the overall profit on this jet questionable and thus adversely impacting shareholder value.

We believe that Boeing should select locations that have the ability to support the core operations of the business effectively.

The following are important factors that we believe Boeing must consider in the Company's decision-making process for new aircraft production sites:

- The availability of experienced workers that have the specific technical skills required in aerospace manufacturing – a pool of workers possessing the skills and certifications that match the demands of aircraft manufacturing and aerospace technology needs;
- A level of vertical integration appropriate for complex heavily-engineered performance-driven products with steep learning curves;
- Supporting infrastructure of the locality – the necessary space, buildings, transportation options via roads, rail, and sea, and power supplies to support the production;
- A network of suppliers for parts/components/logistics/new innovations;
- The potential for severe weather in the area that could impact the facility and lead to costly shutdowns and disruptions;
- Regional attributes that support the development of a skilled labor pool – educational/vocational institutions, workforce investment board, university or nearby institutions of higher education with aerospace research capability;
- The qualities of life for the region – people who do the work are Boeing's greatest resource. Locating in an environment that provides a safe, healthy, and wide array of diverse social, sporting, recreational, and cultural activities where workers are healthy and can prosper;
- Tax structures and economic incentives offered in a specific region are considered. These types of incentives come from the state and local level – tax abatements, exemptions, and rebates for property, utility, sales, and usage taxes, and business privilege status. Also includes performance-based cash grants.
- If the Company determines a location involves a riskier business proposition, other sites must have preference.



We are asking Boeing to incorporate the above criteria to the Company's manufacturing site selection for aircraft production.

We ask shareholders to vote FOR and support this resolution.

# Fax Cover Sheet



*Own your tomorrow*

Date: 11/15/2017 Pages (including cover sheet): 2  
 To: The Boeing Co Fax: 312-544-2925  
 From: DARON ESTRADA  
 Fax: 425-640-7169 Phone: 425-672-3886

(Schwab One 800-421-4488 or Schwab Bank 888-403-9000)

**Comments:**

Shareholder proposal 2018 meeting.  
 From John & Patricia Jorgensen.

**ACCOUNT APPLICATIONS or FORMS**

If we have faxed you an application for a new account, or other account form, please note, we cannot accept forms on thermal fax paper. Please be sure that your form is sent to us on plain paper in order to process your form as quickly as possible. You can return the form by mail to the closest address below:

Charles Schwab & Co., Inc. Attn: Document Control

Regular mail:  
 P.O. Box 882600  
 El Paso, TX 79998-2600

Regular mail:  
 P.O. Box 628291  
 Orlando, FL 32862-8291

Overnight address:  
 1945 Northwestern Dr.  
 El Paso, TX 79912

Overnight address:  
 1958 Sunniss Park Dr.  
 Orlando, FL 32810

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*(Handwritten initials)*  
 8/9/16  
 11/15-17







December 20, 2017

**BY EMAIL**

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549  
shareholderproposals@sec.gov

**Re: Shareholder Proposal Relating to Selection of Manufacturing Sites**

Dear Sir or Madam:

The Boeing Company ("Boeing") received a shareholder proposal (the "Proposal") from John and Patricia Jorgensen (the "Proponents") seeking to require Boeing to follow certain criteria in selecting its manufacturing sites for new aircraft models.<sup>1</sup> Because manufacturing site selection falls squarely within Boeing's ordinary business operations, Boeing intends to omit the Proposal from its 2018 annual meeting proxy materials (the "Proxy Materials") in reliance on Rule 14a-8(i)(7) of the Securities Exchange Act of 1934, as amended (the "Act"), and this letter seeks confirmation that the staff of the Division of Corporation Finance (the "Staff") will not recommend enforcement action to the Securities and Exchange Commission (the "Commission") in connection with such omission.

**THE PROPOSAL**

The Proposal states, in relevant part:

*Resolved: Shareowners request the board of directors to include certain criteria in the Company's process for selecting new or expanding existing sites for the Company's new models of aircraft production locations.*

**BASIS FOR EXCLUSION**

**BOEING MAY EXCLUDE THE PROPOSAL FROM THE PROXY MATERIALS PURSUANT TO RULE 14a-8(i)(7) BECAUSE IT ADDRESSES MATTERS RELATING TO BOEING'S ORDINARY BUSINESS OPERATIONS**

***I. Background***

Rule 14a-8(i)(7) permits a company to omit shareholder proposals from its proxy materials when such proposals relate to the company's "ordinary business" operations. According to the Commission, the term "ordinary business" "refers to matters that are not

<sup>1</sup> Copies of the Proposal and all related correspondence are attached as Exhibit A.





necessarily 'ordinary' in the common meaning of the word," but "is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release").

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## ***II. Analysis***

The Proposal implicates both of the considerations in the 1998 Release and is precisely the type of proposal that Rule 14a-8(i)(7) was designed to exclude. First, decisions relating to the location of manufacturing facilities are an integral part of running Boeing's ordinary business operations, and it would be utterly impractical to subject such decisions to shareholder oversight. Second, the Proposal asks shareholders to vote on an issue on which they cannot reasonably be expected to make an informed judgment—namely, which factors should be used—and, ultimately, how those factors are prioritized—when making complex decisions about the location of Boeing's manufacturing sites, including whether to expand existing sites or develop new sites. Finally, the Proposal does not address any significant policy issue that would preclude exclusion of the Proposal under Rule 14a-8(i)(7).

### ***1. The Proposal involves ordinary business matters because it relates to fundamental business decisions regarding the location of Boeing facilities***

The Staff has consistently concurred with the exclusion of shareholder proposals under Rule 14a-8(i)(7) to the extent that they attempt to micro-manage decisions relating to the location of company facilities. For example, in *Minnesota Corn Processors, LLC* (Apr. 3, 2002), the proposal recommended that the company build a new corn processing plant based on nine factors. The Staff concurred that the proposal could be excluded because it implicated ordinary business operations by involving "decisions relating to the location of its corn processing plants." Similarly, in *Hershey Co.* (Feb. 2, 2009), the Staff permitted the exclusion under Rule 14a-8(i)(7) of a proposal that would have required the company to manufacture in the United States or Canada all products to be sold in such markets, because the proposal





addressed “decisions relating to the location of its manufacturing operations.” Likewise, in *McDonald’s Corp.* (Mar. 3, 1997), the Staff permitted the exclusion of a proposal “to assure that the site selection process for all McDonald’s facilities protects the integrity of, and prevents the loss of, any public park land” because it related to the ordinary business of “plant location.” Similar cases abound. *See, e.g., Sempra Energy* (Jan. 12, 2012, recon. denied Jan. 23, 2012) (concurring in the exclusion of a proposal requesting the company’s board to review and report on the company’s management of certain risks posed by company operations in any country that may pose an elevated risk of corrupt practices); *Tim Horton’s Inc.* (Jan. 4, 2008) (concurring in the exclusion of a proposal involving “decisions relating to the location of restaurants”); *The Allstate Corp.* (Feb. 19, 2002) (concurring in the exclusion of a proposal recommending that the company cease operating in Mississippi); *MCI Worldcom, Inc.* (Apr. 20, 2000) (concurring in the exclusion of a proposal seeking analysis of future plans to relocate or expand office or operating facilities); *Tenneco Inc.* (Dec. 28, 1995) (concurring in the exclusion of a proposal requesting a report on the relocation of the company’s corporate headquarters); *Pacific Gas & Electric Co.* (Jan. 3, 1986) (concurring in the exclusion of a proposal requesting a feasibility study to relocate the company’s headquarters); *Sears, Roebuck & Co.* (Mar. 6, 1980) (concurring in the exclusion of a proposal requesting that the board adopt a policy to favor store development in central business districts over replacement of stores in suburban malls because it related to the “location of new Company facilities”).

Like the proposals cited above, the Proposal directly relates to the location of Boeing facilities and would intrude on management’s ability to make decisions relating to the location of its operations. Boeing is the world’s largest aerospace company and leading manufacturer of commercial jetliners, defense, space and security systems, and service provider of aftermarket support. Boeing employs more than 140,000 people in all 50 states and in more than 65 countries and, as of December 1, 2017, occupied more than 85 million square feet of floor space for manufacturing, warehousing, engineering, administration, and other productive uses. The process of selecting sites for Boeing’s manufacturing plants is highly complex and depends on numerous factors that must be analyzed and balanced by those with intimate knowledge about Boeing, its supply chain, and its customer base. Although many of the factors set forth in the Proposal are among those management considers today when making such decisions, the Proposal would dictate the terms of such decisions and would prevent management from determining the relevant factors to be carefully considered and weighed in connection with a particular location decision. The ability to determine the locations for manufacturing facilities is so fundamental to management’s ability to run Boeing on a day-to-day basis, it could not, as a practical matter, be subject to direct shareholder oversight. By prescribing the factors to use in Boeing’s site selection analysis, the Proposal also seeks to micro-manage Boeing’s decision making process for a complex matter upon which shareholders, as a group, are not in the best position to make an informed judgment. Accordingly, the Proposal may be excluded under Rule 14a-8(i)(7).

In addition, many of the individual factors that the Proposal’s supporting statement (the “Supporting Statement”) states “should be included in Boeing’s decision-making for new aircraft production sites” involve matters themselves repeatedly recognized by the Staff as implicating ordinary business, such as employment decisions, relationships with suppliers, investment decisions, evaluation of risks, and levels of tax expense. *See, e.g., The Boeing Company* (Feb. 25, 2005) (concurring in the exclusion of a proposal requiring information





relating to the elimination of jobs or the relocation of jobs overseas because it related to "management of the workforce"); *PepsiCo* (Feb. 21, 1991) (concurring in the exclusion of a proposal involving prohibiting terminating employees except for cause because it related to "employment and personnel decisions"); *Spectra Energy Corp.* (Oct. 7, 2010) (concurring in the exclusion of a proposal requiring the company to purchase products made in America because it involved "decisions relating to supplier relationships"); *The Western Union Co.* (Mar. 6, 2009, *recon. denied* Mar. 23, 2009) (concurring in the exclusion of a proposal requesting a report on company policies for investing in local communities in ways that address community needs because it related to "investment decisions"); *General Elec. Co.* (Jan. 9, 2008) (concurring in the exclusion of a proposal seeking a report on the potential for reputational harm due to sourcing products from China because it related to "evaluation of risk"); *The Boeing Company* (Feb. 8, 2012) (concurring in the exclusion of a proposal requesting a report on the risks relating to changing in tax laws because it related to "tax expenses and sources of financing").

## ***2. The Proposal does not raise any significant policy issues***

The Commission has concluded that certain proposals focus on significant policy issues that would "transcend the day-to-day business matters" so as to not be excludable under Rule 14a-8(i)(7), even if they otherwise relate to the company's ordinary business operations. For example, in *Apple Inc.* (Dec. 14, 2015), the Staff did not permit the exclusion of a proposal seeking a report identifying the criteria for investing in regions with poor human rights records because the proposal "focuses on the significant policy issue of human rights." Unlike the proposal in *Apple*, however, the Proposal does not address any significant policy issue, let alone one that would transcend Boeing's day-to-day business operations. Instead, the Proposal is concerned solely with ordinary business concerns. The Supporting Statement suggests that the purpose of the Proposal is to ensure that the selection or expansion of aircraft production sites effectively support the core operations of Boeing's business. The Supporting Statement notes that Boeing incurred high costs associated with the 787 program, "adversely impacting shareholder value." The list of factors set forth in the Proposal, including the availability of experienced workers, an appropriate level of vertical integration, the supporting infrastructure of the locality, a network of suppliers, the potential for severe weather, the development of a skilled labor pool, the quality of life for workers, tax structures and economic incentives offered by the region, and the relative risks of a location, are all factors that could impact the success of a production site and, ultimately, Boeing's profitability. The Proposal is plainly driven by ordinary business concerns, and the Proposal does not touch upon, and there is no suggestion in the Supporting Statement that the Proposal is intended to address, any policy concerns. Even if the Proposal were to touch upon a significant policy issue, the Staff has repeatedly concurred with the exclusion of proposals where the policy issue was not so significant as to transcend the company's day-to-day business. To highlight just one example, the proposal in *McDonald's Corp.* would have required the company to prevent the loss of public park lands in its site selection process. The Staff concurred in the exclusion of the proposal as relating to ordinary business decisions of "plant location" despite the proponent's argument that issues of environmental and community conservation raised significant policy implications. Although recent Staff guidance in Staff Legal Bulletin No. 141 indicates that the applicability of the significant policy exception "depends, in part, on the connection between the significant policy issue and the company's business operations," in



this case, no significant policy issue was raised by the Proponents and therefore there is no policy issue to analyze for any potential nexus with Boeing's business operations. Because the Proposal relates solely to Boeing's ordinary business operations and does not raise any significant policy issue, the Proposal may be excluded under Rule 14a-8(i)(7).

\* \* \*

Based on the foregoing analysis, we respectfully request that the Staff concur that it will take no action if Boeing excludes the Proposal from its Proxy Materials.

In accordance with Rule 14a-8(j) of the Act and Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D"), we are concurrently sending a copy of this letter and its attachments both to the Proponents as notice of Boeing's intent to omit the Proposal from the Proxy Materials and to the Staff at [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov). If the Proponents submit correspondence to the Commission or the Staff in connection with the Proposal, we request that copies of such correspondence be sent concurrently to the undersigned, as required pursuant to Rule 14a-8(k) and Section E of SLB 14D.

Boeing intends to file the definitive Proxy Materials with the Commission on or about March 16, 2018. Meanwhile, should you have any questions with respect to any aspect of this matter, or require any additional information, please do not hesitate to contact me at (312) 544-2387 or [CSO@boeing.com](mailto:CSO@boeing.com).

Very truly yours,

A handwritten signature in black ink, appearing to read "Grant M. Dixon".

Grant M. Dixon  
Corporate Secretary

Enclosures

cc: John and Patricia Jorgensen





**Exhibit A**

The Proposal and All Related Correspondence

# The UPS Store

The UPS Store #2899  
136 E BTH ST  
PORT ANGELES, WA 98362  
360.452.6602

## Fax

To Office of the Corporate Secretary From John & Patricia Jensen  
\*\*\*

Company Boeing Phone number: \_\_\_\_\_

Fax number 312-544-2925

Date Nov 15 2017

Total Pages 4  
(Includes Cover Sheet)

November 15, 2017

BY OVERNIGHT DELIVERY

Office of the Corporate Secretary  
The Boeing Company  
101 North Riverside Plaza  
MC 5003-1001  
Chicago, IL 60606-1596

Re: Shareholder Proposal for 2018 Annual Meeting

I, John Dewey and Patricia Caryl Jorgensen, submit the enclosed shareowner proposal for inclusion in the proxy statement that the Boeing Company plans to circulate to shareowners in anticipation of the 2018 annual meeting. The proposal is being submitted under SEC Rule 141-B and relates to the Company's production site selection.

I am located at the following address:

\*\*\*

I have beneficially owned more than \$2,000 worth of Boeing common stock for longer than a year. A letter from the record holder, confirming that ownership is being sent by separate cover. I intend to continue ownership of at least \$2,000 worth of Boeing common stock, through the date of the 2018 annual meeting, which a representative is prepared to attend.

I would be pleased to discuss the issues presented by this proposal with you. If you require any additional information, please let me know. You can reach me on \*\*\*

Sincerely,

John Dewey Jorgensen

Patricia Caryl Jorgensen

*John Dewey Jorgensen* *Patricia Caryl Jorgensen*



### Shareholder Proposal Regarding Production Site Selection Analysis

Resolved: Shareowners request the board of directors to include certain criteria in the Company's process for selecting new or expanding existing sites for the Company's new models of aircraft production locations.

#### Supporting Statement:

As shareowners, we want to ensure that lessons learned at the Company regarding the substantially high costs associated with the 787 program are not repeated with other new airplane programs. Those high costs negatively impacted the profitability of the 787 to the tune of more than \$30 billion in deferred costs, making the overall profit on this jet questionable and thus adversely impacting shareholder value.

We believe that Boeing should select locations that have the ability to support the core operations of the business effectively.

The following are important factors that we believe Boeing must consider in the Company's decision-making process for new aircraft production sites:

- The availability of experienced workers that have the specific technical skills required in aerospace manufacturing – a pool of workers possessing the skills and certifications that match the demands of aircraft manufacturing and aerospace technology needs;
- A level of vertical integration appropriate for complex heavily-engineered performance-driven products with steep learning curves;
- Supporting infrastructure of the locality – the necessary space, buildings, transportation options via roads, rail, and sea, and power supplies to support the production;
- A network of suppliers for parts/components/logistics/new innovations;
- The potential for severe weather in the area that could impact the facility and lead to costly shutdowns and disruptions;
- Regional attributes that support the development of a skilled labor pool – educational/vocational institutions, workforce investment board, university or nearby institutions of higher education with aerospace research capability;
- The qualities of life for the region – people who do the work are Boeing's greatest resource. Locating in an environment that provides a safe, healthy, and wide array of diverse social, sporting, recreational, and cultural activities where workers are healthy and can prosper;
- Tax structures and economic incentives offered in a specific region are considered. These types of incentives come from the state and local level – tax abatements, exemptions, and rebates for property, utility, sales, and usage taxes, and business privilege status. Also includes performance-based cash grants.
- If the Company determines a location involves a riskier business proposition, other sites must have preference.

We are asking Boeing to incorporate the above criteria to the Company's manufacturing site selection for aircraft production.

We ask shareholders to vote FOR and support this resolution.

# Fax Cover Sheet



*Own your tomorrow*

Date: 11/15/2017 Pages (including cover sheet): 2  
 To: The Boeing Co Fax: 312-544-2925  
 From: DARON ESTRADA  
 Fax: 425-640-7169 Phone: 425-672-3886

(Schwab One 800-421-4488 or Schwab Bank 888-403-9000)

**Comments:**

Shareholder proposal 2018 meeting.  
 From John & Patricia Jorgensen.

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If we have faxed you an application for a new account, or other account form, please note, we cannot accept forms on thermal fax paper. Please be sure that your form is sent to us on plain paper in order to process your form as quickly as possible. You can return the form by mail to the closest address below:

Charles Schwab & Co., Inc. Attn: Document Control

Regular mail:  
 P.O. Box 882600  
 El Paso, TX 79998-2600

Regular mail:  
 P.O. Box 628291  
 Orlando, FL 32862-8291

Overnight address:  
 1945 Northwestern Dr.  
 El Paso, TX 79912

Overnight address:  
 1958 Sunniss Park Dr.  
 Orlando, FL 32810

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*(Handwritten initials)*  
 8/9/16  
 11/15-17

