



Grant M. Dierker
Vice President
Deputy General Counsel
and Public Secretary

11000 Boeing Circle
Chicago, Illinois 60618
Chicago, IL 60618-1000

December 19, 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 Submitted to The Boeing Company ("Boeing")

Dear Sir or Madam:

Boeing received a shareholder proposal (the "Proposal") from John Chevedden on behalf of David Watt that refers to Boeing's Lead Director as a "lap dog."¹ Boeing does not object to including the Proposal in its proxy materials in connection with its 2018 annual meeting of shareholders (the "Proxy Materials"). However, it has long been clear under Rules 14a-8(i)(3) and 14a-9 of the Securities Exchange Act of 1934, as amended (the "Act"), that baseless character attacks have no place in a company's proxy materials. As a result, Boeing intends to exclude the following highlighted portion of the Proposal's supporting statement from the Proxy Materials:

Boeing shareholders need the enhanced oversight of an independent board chairman because our Lead Director, Kenneth Duberstein, had 20-years of long-tenure which can make him a lap dog Lead Director.

This letter seeks confirmation that the staff of the Division of Corporation Finance (the "Staff") will not recommend an enforcement action for the exclusion of this baseless character attack.

Rule 14a-8(i)(3) permits the exclusion of proposals or portions of supporting statements that violate any proxy rule of the Securities and Exchange Commission (the "Commission"), including Rule 14a-9, which prohibits materially false or misleading statements in proxy materials. Among the types of statements that Rule 14a-9 identifies as potentially false or misleading are those that "directly or indirectly impugn[] character, integrity or personal reputation . . . without factual foundation." Relying on this rule, the Staff has consistently permitted the exclusion of statements suggesting or implying that directors or members of management were not faithfully exercising their fiduciary obligations or were otherwise disregarding the interests of shareholders. For example, in *Piper Jaffray Companies* (Feb. 24, 2006), the Staff concurred in the exclusion of an accusation that members of management had "disregard for shareholders' interests." See also *Phoenix Gold Int'l, Inc.* (Nov. 11, 2000) (excluding statement that implied that directors are not independent); *CCBT Bancorp, Inc.* (Apr. 20, 1999) (excluding statement that board violated their fiduciary duty); *Broadway Fin. Corp.* (Mar. 6, 1991) (excluding statement that suggested that "legitimate questions [had arisen as to] . . . possible breach of fiduciary obligations" by

¹ Copies of the Proposal and all related correspondence are attached as Exhibit A.



management); *Swiss Helvetia Fund, Inc.* (Mar. 6, 2001) (excluding entire proposal that asked shareholders to “recommend that the directors not try to violate their fiduciary duties,” on the basis that such a phrase “implies that the directors have violated, or may choose to violate, their fiduciary duty”).

Like the proposals cited above, the “lap dog” accusation in the Proposal’s supporting statement impugns the character, integrity, and/or personal reputation of a director or member of management without factual foundation. By suggesting that Mr. Duberstein is a “lap dog” Lead Director, it implies, *with no factual basis whatsoever*, that he lacks independence and reflexively follows the dictates of others.² Those are precisely the types of baseless accusations—*i.e.*, impugning director independence and implying that directors violated their fiduciary duties—permitted to be excluded from the proposals cited above. Mr. Duberstein has a distinguished record of performance as a Boeing director, the chairman of a preeminent strategic consulting firm, and former White House Chief of Staff. Furthermore, the duties ably discharged by Mr. Duberstein in his capacity as Lead Director, which duties are set forth in our prior proxy statements, require judgment, integrity, and—perhaps above all—*independence*. Mr. Chevedden does not even attempt to provide a basis for his unfounded attack. For these reasons, the use of the phrase “lap dog” here is particularly misleading and, furthermore, the relevant phrase is impermissible under Rule 14a-9 and excludable under Rule 14a-8(i)(3).

Based on the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company omits the phrase “which can make him a lap dog Lead Director” from the Proposal’s supporting statement. 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 Mr. Chevedden as notice of Boeing’s intent to omit the Proposal from the Proxy Materials and to the Staff at shareholderproposals@sec.gov. If Mr. Chevedden submits 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. The Company 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.

Very truly yours,

Grant M. Dixon
Vice President, Deputy General Counsel,
and Corporate Secretary

Enclosures

cc: John Chevedden

² Merriam-Webster’s Dictionary defines “lap dog” as “servile dependent or follower.” See <https://www.merriamwebster.com/dictionary/lapdog>.

Exhibit A

The Proposal and Related Correspondence

David Watt

Mr. Gregory Vogelsperger
Corporate Secretary
The Boeing Company (BA)
100 N. Riverside
Chicago IL 60606
PH: 312 544-2000
FX: 312-544-2829

REVISED 17 NOV 2017

Dear Mr. Vogelsperger,

I continue to own stock in our company because I believe our company has greater potential. I submit my attached Rule 14a-8 proposal in support of the long-term performance of our company. My proposal is for the next annual shareholder meeting. I will meet Rule 14a-8 requirements including the continuous ownership of the required stock value until after the date of the respective shareholder meeting. My submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication. This is my proxy for John Chevedden and/or his designee to forward this Rule 14a-8 proposal to the company and to act on my behalf regarding this Rule 14a-8 proposal, and/or modification of it, for the forthcoming shareholder meeting before, during and after the forthcoming shareholder meeting. Please direct all future communications regarding my rule 14a-8 proposal to John Chevedden

to facilitate prompt and verifiable communications. Please identify this proposal as my proposal exclusively.

This letter does not cover proposals that are not rule 14a-8 proposals. This letter does not grant the power to vote.

Your consideration and the consideration of the Board of Directors is appreciated in support of the long-term performance of our company. Please acknowledge receipt of my proposal promptly by email to

Sincerely,

David Watt
David Watt

10-30-2017
Date

cc: Stephanie Hernandez <stephanie.l.hernandez@boeing.com>
Michael F. Lohr <Michael.F.Lohr@boeing.com>
Dana Krueger <Dana.Krueger2@boeing.com>
Michael F. Lohr <CSO@boeing.com>

[This line and any line above it – *Not* for publication.]

Proposal [4] – Independent Board Chairman

Shareholders request our Board of Directors to adopt as policy, and amend our governing documents as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. The Board would have the discretion to phase in this policy for the next CEO transition, implemented so it does not violate any existing agreement.

If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chairman. This proposal requests that all the necessary steps be taken to accomplish the above.

Caterpillar is an example of a company recently changing course and naming an independent board chairman. Caterpillar had strongly opposed a shareholder proposal for an independent board chairman as recently as its 2016 annual meeting. Wells Fargo also changed course and named an independent board chairman in 2016.

Boeing shareholders need the enhanced oversight of an independent board chairman because our Lead Director, Kenneth Duberstein, had 20-years of long-tenure which can make him a lap dog Lead Director. Long-tenure can detract from the independence of a director no matter how well qualified. Some shareholders may think that the job description of long-time lobbyist on Mr. Duberstein's resume is not an asset even in a director with no additional duties.

And at the other end of the director tenure spectrum – Randall Stephenson, with one-year tenure, managed to get our highest negative vote – as much as 5-times higher than other Boeing directors. Mr. Stephenson and another recent addition to the Boeing board, Robert Bradway, are CEOs. CEOs tend to give professional courtesy to fellow CEOs which is not good for the interest of shareholders.

Meanwhile our board grew to a potential unwieldy size of 14 directors. Plus we had no right to vote on increasing the size of our board. And an unwieldy board can lead to CEO domination.

In its response to this proposal our management could name one step it took in 2017 to increase management accountability to shareholders

Please vote to enhance oversight of our CEO:
Independent Board Chairman – Proposal [4]
[The line above – *Is* for publication.]

David Watt,

sponsored this proposal.

Notes:

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(1)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email

From: ***
To: [Vogelsperger, Gerard C](#)
Cc: [Hernandez, Stephanie L](#); [Laur, Michael F](#); [Kumar, Dana](#); [GRP,CSO](#)
Subject: Rule 14a-8 Proposal (BA)
Date: Friday, November 17, 2017 3:40:32 PM
Attachments: [GCE17112017_14.pdf](#)

Mr. Vogelsperger,

Please see the attached rule 14a-8 proposal to improve corporate governance and enhance long-term shareholder value at de minimis up-front cost - especially considering the large market capitalization of the company.

Sincerely,

John Chevedden



The Boeing Company
100 N. Riverside
Chicago, IL 60605-1090

November 20, 2017

VIA EMAIL AND OVERNIGHT COURIER

Mr. David Watt

Re: Notice of Defects - Shareholder Proposal

Dear Mr. Watt:

We received your shareholder proposal (the "Proposal") submitted by your representative, John Chevedden (the "Representative"), for inclusion in The Boeing Company's proxy materials for the 2018 Annual Meeting of Shareholders (the "Annual Meeting"). Under the proxy rules of the Securities and Exchange Commission (the "SEC"), to be eligible to submit a proposal for the Annual Meeting, a proponent must have continuously held at least \$2,000 in market value of Boeing's common stock for at least one year as of the date the proposal is submitted and must continue to hold at least this amount of stock through the date of the Annual Meeting. In addition, pursuant to the SEC's Staff Legal Bulletin No. 14I ("SLB 14I"), it is generally expected that shareholders wishing to submit proposals through a representative provide documentation delegating power to such representative that, among other things, identifies "the specific proposal to be submitted" pursuant to such delegation. The purpose of this letter is to notify you that we have not received (1) sufficient proof of your ownership, as required by Proxy Rule 14a-8(b) and (2) the identity of the specific proposal you intended for the Representative to submit pursuant to your delegation of authority, as required by "Section D. Proposals submitted on behalf of shareholders" of SLB 14I.

Our search of the database of our registered shareholders shows that you are not a registered shareholder. Proxy Rule 14a-8(b)(2) requires that as a non-registered shareholder or "beneficial holder" you must demonstrate your eligibility to submit a shareholder proposal by submitting to us a written statement from the "record" holder (usually a bank or broker) verifying that you have continuously held the requisite number of securities for the one-year period preceding and including November 12, 2017, the date on which the Proposal was submitted. The SEC's Staff Legal Bulletin Nos. 14F and 14G (the "Bulletins") provide additional guidance with respect to the standard for proof of ownership. According to the Bulletins, for purposes of Proxy Rule 14a-8(b)(2)(i), only Depository Trust Company ("DTC") participants and their affiliates, as described in the Bulletins, should be viewed as "record" holders of securities that are deposited with the DTC. If your broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through your account statements, because the clearing broker identified on your account statements will generally be the DTC participant. If the DTC participant knows your broker's holdings, but does not know your holdings, you can satisfy paragraph Proxy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, as of the date the Proposal was submitted, the required amount of securities was continuously held for at least one year—one from your broker confirming your ownership and the other from the DTC participant confirming your broker's ownership.

Please respond with the appropriate ownership verification and the identity of the specific proposal you intended for the Representative to submit pursuant to your delegation of authority, as per Proxy Rule 14a-8 and the guidance set forth in the Bulletins and SLB 14I. We have enclosed copies of the Bulletins, SLB 14I and Proxy Rule 14a-8. Your response must be postmarked or transmitted electronically with the appropriate documentation within 14 calendar days of receipt of this letter, the response timeline imposed



Mr. David Watt
November 20, 2017
Page 2

by Proxy Rule 14a-8(f). Please address your response to me at the address on this letter. Alternatively, you may transmit your response to esp@boeing.com or by facsimile at (312) 544-2829. Once we receive this documentation, we will be in a position to determine whether the Proposal is eligible for inclusion in the proxy materials for the Annual Meeting. The Boeing Company reserves the right to seek relief from the SEC as appropriate.

Regards,

A handwritten signature in blue ink, appearing to read "Dana Kumar".

Dana Kumar

Enclosures

cc Mr. John Chevedden

From: GPF CSO
To: ***
Subject: Rule 14a-8 Notices of Defects
Date: Monday, November 20, 2017 5:02:17 PM
Attachments: [SLB14a.pdf](#)
[SLB14g.pdf](#)
[Rule 14a-8.pdf](#)
[SLB14f.pdf](#)
[2017.11.20 - Notice of Defect - Watt.pdf](#)
[2017.11.20 - Notice of Defect - McRitchie-Young.pdf](#)

Attached please find copies of the notices of defects relating to the shareholder proposals submitted by Mr. James McRitchie and Ms. Myra Young and Mr. David Watt. Also attached, for your reference, are copies of Proxy Rule 14a-8 and the SEC's Staff Legal Bulletin Nos. 14F, 14G and 14I. Copies of all of these materials were also sent via Federal Express.

Thank you,
The Corporate Secretary's Office

The Boeing Company
Attention: The Corporate Secretary's Office
100 N. Riverside, MC 5003-1001
Chicago, IL 60606-1596
Fax: 312-544-2829
Email: csd@boeing.com

NOTICE: This communication may contain privileged or other confidential information. If you are not the intended recipient, or believe that you have received this communication in error, please do not print, copy, retransmit, disseminate, or otherwise use the information. Also, please indicate to the sender that you have received this email in error, and delete the copy you received. Thank you.



November 22, 2017

David Watt

Account #

Questions: +1 (800) 438-0050

x35274

Here is the information you requested.

Dear David Watt,

I'm writing to confirm that you have maintained continuous ownership of at least 285 shares of Boeing Company (SYMBOL: BA) from January 1, 2016 to the date of this letter within your Schwab IRA ***

This letter is for informational purposes only and is not an official record of your account. Please refer to your statements and trade confirmations as they are the official record of your transactions.

Thank you for choosing Schwab. We appreciate your business and look forward to serving you in the future. If you have any questions, please call me or my Client Service Specialist at +1 (800) 438-0050 x35274

Sincerely,

Pat Johnson

Pat Johnson

Partner Support

2425 E Lincoln Dr

Phoenix, AZ 85016-1215

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From: ***
To: [Vogelsperger, Gregory C](#)
Cc: [Hernandez, Stephanie L](#); [Lohr, Michael](#); [Kumar, Dana](#); [GRB, CSJ](#)
Subject: Rule 14a-8 Proposal (BA) b1b
Date: Tuesday, November 28, 2017 9:14:34 AM
Attachments: [CCE28112017.pdf](#)

Mr. Vogelsperger,
Please see the attached broker letter.
Sincerely,
John Chevedden

David Watt

Mr. Gregory Vogelsperger
Corporate Secretary
The Boeing Company (BA)
100 N. Riverside
Chicago IL 60606
FF: 312 544-2000
FX: 312-544-2829

REVISED 17 NOV 2017

Dear Mr. Vogelsperger,

I continue to own stock in our company because I believe our company has greater potential. I submit my attached Rule 14a-8 proposal in support of the long-term performance of our company. My proposal is for the next annual shareholder meeting. I will meet Rule 14a-8 requirements including the continuous ownership of the required stock value until after the date of the respective shareholder meeting. My submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication. This is my proxy for John Chevedden and/or his designee to forward this Rule 14a-8 proposal to the company and to act on my behalf regarding this Rule 14a-8 proposal, and/or modification of it, for the forthcoming shareholder meeting before, during and after the forthcoming shareholder meeting. Please direct all future communications regarding my rule 14a-8 removal to John Chevedden

at:

to facilitate prompt and verifiable communications. Please identify this proposal as my proposal exclusively.

This letter does not cover proposals that are not rule 14a-8 proposals. This letter does not grant the power to vote.

Your consideration and the consideration of the Board of Directors is appreciated in support of the long-term performance of our company. Please acknowledge receipt of my proposal promptly by email to

Sincerely,

David Watt
David Watt

10-30-2017
Date

cc: Stephanie Hernandez <stephanie.l.hernandez@boeing.com>
Michael F. Lohr <Michael.F.Lohr@boeing.com>
Dana Krueger <Dana.Krueger2@boeing.com>
Michael F. Lohr <CSO@boeing.com>

Independent Board Chairman - Proposal [4]

David Watt 11-22-2017

From: ***
To: [Vonnegroder, Gregory C](#)
Cc: [Hernandez, Stephanie L](#); [Lohr, Michael E](#); [Kumer, Dana](#); [SRP CSC](#)
Subject: SLB 14(T) (BA)
Date: Monday, November 27, 2017 8:58:57 AM
Attachments: [CCE27112017_3.pdf](#)

SLB 14(t) (BA)