

Constructive relationships

Boeing has a long and important history with Europe, and a strong voice in Brussels, home of NATO and the EU **By Bill Seil**

Europe is a major market for The Boeing Company. It is also the home of important partners and suppliers, and a leading source of advanced technology.

The European Union, headquartered in Brussels, is Europe's primary regulatory body. It represents 27 member countries and nearly 500 million people. Decisions made by the European Union—many of which affect aviation, defense and environmental issues—have both regional and global implications.

"It's essential that we get involved in discussions before the EU when they involve issues that affect our industry," said Shep Hill, president, Boeing International, and senior vice president, Business Development and Strategy. "But we need to understand

those issues from a European perspective. That adds to our ability to educate and inform, and to work in concert with those whose decisions impact our business."

The Boeing Brussels office represents the company before the EU as well as the Brussels-based North Atlantic Treaty Organization. Its role is similar to that of the company's office in Washington, D.C. Employees in the U.S. capital are a short distance from Congress, federal executive offices and the Pentagon. The company's Brussels office is less than 15 minutes away from both the EU institutions and NATO headquarters.

Antonio De Palmas, Boeing president of European Union and NATO relations, said it's vital for Boeing to be part of the European community and be a player

in European decision-making. "As a function of our being a global company, it is not sufficient in today's business environment to simply establish a sales presence," he said.

The Boeing Brussels office is unique among the company's European locations. It focuses on governmental issues and is not directly involved in sales. Boeing business operations for the country of Belgium are handled out of the company's Northern Europe office, located in Amsterdam.

Brussels draws many advocates from various European and global interests, so the competition for attention and access within EU institutions is intense, De Palmas noted. Organizations that succeed are often those with an ability to build broad-based coalitions and establish constructive

relationships with policymakers.

"We are here because we are committed to building constructive relationships with EU decision-makers," De Palmas said. "We are an integral part of the European aerospace community, with customers, suppliers and employees throughout the region. In addition to protecting our own interests, we want to work within the EU to advance solutions that strengthen the success, safety and environmental performance of our industry and ultimately make our customers stronger."

The Brussels office works closely with the company's business units and its individual country offices throughout Europe. The Brussels team is focused on gathering information, driving advocacy

and positioning the company within the political environment.

"Our engagement and alignment with the business units and the company's Washington, D.C., office is of the essence," De Palmas said. "Washington and Brussels are important regulatory capitals, and they produce most of the rules and policies that are followed around the globe. They have a number of joint activities and parallel agendas that shape a variety of critical issues like the environment, air safety, air traffic management, defense and security."

Boeing is actively involved in issues

PHOTO: Antonio De Palmas, president of Boeing European Union and North Atlantic Treaty Organization relations, represents the company to EU and NATO decision-makers. ASSOCIATED PRESS

EU at a glance

BY THE NUMBERS

- **Countries:** 27
- **Population:** About 492 million (July 2009 estimate)
- **Area:** About 1.7 million square miles (more than 4.3 million square kilometers)
- **GDP:** \$14.51 trillion (2009 estimate)
- **Official languages:** 23

Source: Europa

EU members

Austria	Latvia
Belgium	Lithuania
Bulgaria	Luxembourg
Cyprus	Malta
Czech Republic	Netherlands
Denmark	Poland
Estonia	Portugal
Finland	Romania
France	Slovakia
Germany	Slovenia
Greece	Spain
Hungary	Sweden
Ireland	United Kingdom
Italy	

such as market liberalization and trade, and the company also contributes to research and development activities promoted by the European Union to support technological innovation.

"I think environmental issues are currently among the most complex and strategic of those we're following," De Palmas said.

High on the list of the company's environmental priorities is reducing airplane emissions, including carbon dioxide and nitrogen oxide, and helping to advance the commercialization of sustainable aviation biofuels.

The other primary responsibility of the Boeing Brussels office is representing the company at NATO headquarters. While NATO has been a cornerstone of international security for more than 60 years, its role has changed significantly since the Cold War. Today, the defense alliance is more involved in peacekeeping operations and includes a number of Central and Eastern European nations. While NATO itself makes few purchases of military hardware, it does set standards for member nations that wish to participate in NATO operations.

NATO's largest commonly funded project is a fleet of 17 Boeing Airborne Warning and Control System E-3A radar aircraft and three training and cargo planes. In 2009, Boeing delivered three C-17 airlifters to the Strategic Airlift Capability consortium, comprising 12 NATO and Partnership for Peace nations.

Like NATO, the European Union has changed over the years. The EU's foundation was formed in the late 1950s when, as a first step, leaders of six countries (Belgium, France, Italy, Luxembourg, the Netherlands and West Germany) founded the European Coal and Steel Community. But its influence grew dramatically with the creation in the late 1980s of the European Single Market, an integrated area with common rules for the free circulation of goods, services, people and capital. Today the EU is Europe's primary regulatory body, deciding a substantial majority of social and economic matters affecting its member countries, which makes Brussels and the EU critical to the business community.

De Palmas said one might have the misconception that Boeing has an adversarial relationship with the EU because



"We are an integral part of the European aerospace community, with customers, suppliers and employees throughout the region."

— Antonio De Palmas, Boeing president of European Union and NATO relations

Europe is the home of the company's competitor, Airbus, and its parent, EADS. But Brussels is a complex ecosystem and diverse views are often needed to deliver effective and meaningful policies. The EU has welcomed Boeing as an industry participant, he said. More often than not, the company has joined forces with its aerospace competitors to push for policies that strengthen commercial aviation and the success of customer airlines, he added.

One area of conflict has been the recently decided case before the World Trade Organization (WTO) regarding European government launch aid to Airbus. In this case, the European Union and the United States government were engaged in a lengthy legal contest. The complaint, filed by the U.S. Trade Representative, charged

that these subsidies are illegal. Boeing strongly supported the U.S. government taking this case to the world's ruling body on trade issues, noting that European governments paid the development costs of early Airbus products. Although the ruling has not yet been made public, people familiar with the details have said the WTO agreed Airbus launch aid is improper.

In response to the U.S. case, European officials filed a counter-complaint that alleges Boeing has also received illegal subsidies over the years, mostly related to government research and development spending. A WTO ruling on that case is still pending.

Despite the intensity of this debate on both sides of the Atlantic, Hill said the working relationship between Boeing and

the EU remains strong and positive.

"There are always going to be areas of disagreement and dispute," Hill said. "But there are also many areas of commonality where Boeing, the EU and Airbus are working together to address matters of mutual concern. We've signed collaborative agreements on air safety, air traffic management and airplane emissions, and that work continues."

Boeing has a long history with Europe, with many established customer relationships and business alliances, Hill noted. As a global company, Boeing also has a strong business presence in the region.

"Having our team in Brussels gives Boeing a voice in a governmental center that affects our company in many ways," Hill said. "That presence sends a clear

message that Boeing is not just a distant corporation. We are part of the fabric of Europe and have been for a long time." ■

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PHOTOS: (Clockwise, from top left) Lab technicians from Honeywell's UOP conduct fuel testing on camelina biofuel. Boeing is working with UOP and others to research, test and commercialize sustainable plant sources that can help government and military customers lessen dependency on fossil fuels. UOP One of NATO's 17 Boeing Airborne Warning and Control System aircraft in flight. BOEING The European Parliament building in Brussels. SHUTTERSTOCK.COM An artist's concept of a Boeing 787 in the livery of LOT Polish Airlines, which will be a 787 operator based in Europe. BOEING A Boeing 777 model graces a conference room table at Boeing's Brussels office. BOEING

EU

10 historic steps

1951 The European Coal and Steel Community is established by the six founding members

1957 The Treaty of Rome establishes the European Economic Community, or EEC

1973 The Community expands to nine member states and develops common policies

1979 The first direct elections to the European Parliament

1981 The first Mediterranean enlargement

1993 Completion of the single market

The Treaty of Maastricht establishes the European Union

1995 The EU expands to 15 members

2002 Euro notes and coins are introduced

2004 Enlargement on an unprecedented scale—10 more countries join the Union

Source: Europa



EU

in practice



The European Union is a unique economic and political partnership between 27 democratic European countries.

How does it work?

Three primary institutions produce the policies and laws that are enforced widely throughout Europe:

- The European Parliament represents the people of Europe.
- The Council of the European Union represents national governments.
- The European Commission represents the common interests of the union and proposes legislation.

Source: *Europa*
Photo: *Shutterstock.com*

Environment for change

Boeing, the EU and the aerospace industry are working together to improve environmental performance

The European Union, Boeing and the aerospace industry share a deep concern for the environment. The challenge comes in developing technologies, standards and regulations that best address a range of complex issues.

Boeing is in contact with European Union officials, as well as European governments, and commercial and military customers, to support finding global solutions to aerospace environmental concerns, according to Mary Armstrong, Boeing vice president for Environment, Health and Safety.

“Our overall environmental strategy fits well with priorities expressed by Europe and other regions throughout the world,” Armstrong said. “We take a life-cycle approach that includes environmental planning from the time our products are designed to the point where they are recycled at the end of their useful life.”

About one-third of the company’s commercial airplane customers are based in Europe, and many others use European airports. In addition, a number of European companies are part of Boeing’s supply chain. Environmental regulations set by the European Union can have a major impact.

“Given the global nature of our industry, our goal is to have commercial airplane emissions policies harmonized around

the world,” said Bill Glover, managing director of Environmental Strategy for Boeing Commercial Airplanes. “We want to avoid having a patchwork of different regulations.”

Glover noted the aerospace industry is working to aggressively improve its environmental performance, with the aim to achieve carbon neutral growth across the industry by 2020. The industry has called for global guidelines setting high fuel efficiency standards for new airplanes, improvements in the global air traffic control system to reduce air-travel-related carbon dioxide emissions and continued efforts to commercialize sustainable biofuels.

Boeing has made significant progress in reducing emissions in its own products. Its newest jetliners, the 787 Dreamliner and the 747-8, are designed for significantly greater fuel efficiency and reduced emissions. The company is also reducing emissions on its existing models.

One long-term approach to reducing airplane emissions is through the development of sustainable biofuels. EU policies, such as the Renewable Energy Directive, can dramatically impact the development and commercialization of aviation biofuels. Boeing is taking an active role in discussions, directly and through industry groups, as these policies are being written.

Brought together by Boeing in 2008, the Sustainable Aviation Fuel Users Group (SAFUG) believes carbon neutrality is achievable. “But we need the support of many parties, including governments,” said Willemijn van der Werf, corporate manager of Environmental Strategy for KLM Royal Dutch Airlines, and KLM representative to SAFUG. “Through the European chapter of SAFUG, members are working together to help educate regulators and influence EU legislation to stimulate the creation of a viable sustainable aviation biofuel market.”

Boeing’s Glover said EU policies are very important to the company and Boeing is addressing their concerns. “But ultimately we all need to take a global perspective to find solutions that serve a worldwide market.”

— Bill Seil

PHOTOS: (Above) A KLM Boeing 747-400 in November flew a sustainable biofuel demonstration flight with one engine fueled by a 50/50 mixture of camelina-based biofuel and traditional kerosene. KLM is a founding member of the Sustainable Aviation Fuel Users Group. **(Right)** Controllers work in the air traffic control tower of Amsterdam Airport Schiphol, where Boeing advanced air traffic management concepts were tested.

AIR TRAFFIC CONTROL-LVNL

One Europe, one sky

Improving Europe’s air traffic management system is a priority

The European Union, with the support of Boeing and the commercial aviation industry, is working intently to address the challenge of fragmentation of its air traffic control network.

While the U.S. Federal Aviation Administration has the advantage of controlling air traffic within the boundaries of one geographically large nation, Europe is divided into many nations that have independent air traffic control systems.

The European Union’s Single European Sky initiative has been working to transform the air traffic control system. Boeing and Airbus are jointly supporting the timely implementation of global interoperability in air traffic management (ATM).

The European Commission created a program called SESAR, short for Single European Sky ATM Research. “SESAR’s goal—like that of our FAA counterpart, NextGen—is to develop air traffic control systems that establish a homogenous air traffic system, with the technology and systems needed to increase safety and efficiency,” said Patrick Ky, executive director of the SESAR Joint Undertaking.

In addition to building a more efficient commercial air system, the network is being designed to allow NATO and other military training exercises to operate more

safely in restricted airspace, away from commercial flight paths.

“It’s really important for our customers that SESAR succeed,” said Neil Planzer, vice president, ATM Transformation, Boeing Commercial Airplanes. “We need an interoperable system between the U.S. and Europe. If we can cover these two regions—roughly 80 percent of the world’s air traffic—we’re on our way to interoperability worldwide.”

Mike Lewis, director of Aviation Infrastructure for Commercial Airplanes, said Boeing has been a strong advocate for bringing continuity to air traffic management systems.

Growth of the airline industry to accommodate greater traffic depends on the implementation of global interoperability. Improvements in air traffic management also represent the best short-term opportunity to reduce carbon dioxide emissions by jetliners.

Paco Escarti, managing director of Boeing Research & Technology, Europe, said the company’s research facility in Madrid is working on aircraft guidance technologies to allow continuous descent landing approaches at highly congested airports.

“This is a project we’re very excited about, because of its possibilities for enhancing airport operations,” Escarti said.

— Bill Seil



NATO

at a glance

FAST FACTS

- **Members:** 28 countries
- **Military personnel engaged in NATO missions:** About 70,000
- **Current operations:** Afghanistan, Kosovo, Iraq, the Mediterranean, off the Horn of Africa and in Somalia

KEY MILESTONES

- **1949:** The North Atlantic Treaty is signed in Washington, D.C.
- **1950:** General Dwight D. Eisenhower is appointed the first supreme allied commander of Europe.
- **1967:** New NATO Headquarters is opened in Brussels.
- **1995:** NATO launches its first military operation, to end violence in Bosnia and Herzegovina.
- **2003:** NATO leads security efforts in Kabul, Afghanistan, in its first mission beyond the Euro-Atlantic area.

Source: NATO

NATO members

Albania	Latvia
Belgium	Lithuania
Bulgaria	Luxembourg
Canada	Netherlands
Croatia	Norway
Czech Republic	Poland
Denmark	Portugal
Estonia	Romania
France	Slovakia
Germany	Slovenia
Greece	Spain
Hungary	Turkey
Iceland	United Kingdom
Italy	United States

A model defense

New approaches to European defense are creating opportunities for Boeing

The NATO alliance was created during the Cold War to provide military defense to Western Europe and enhance international security. Today, it is involved in humanitarian and peace-keeping missions, including a presence in Afghanistan.

Antonio De Palmas, Boeing president of European Union and NATO relations, said NATO, the organization, is important because it sets the standards for individual countries to participate in NATO missions and can influence the defense spending of its member countries. In addition to NATO, the European Defence Agency, he added, is set to play an increasingly important role in helping member states develop their military capabilities.

"To be successful, you really have to understand the political dynamics and build relationships," De Palmas said.

And that's just what Boeing has been doing.

Take the innovative sale to NATO of three Boeing C-17s, which were delivered in 2009 to Pápa Air Base in Hungary. The 12-nation Strategic Airlift Capability (SAC) consortium was formed to jointly purchase the cargo planes on what can be thought of as a "time share" basis. Each of the 10 NATO countries and two Partnership for

Peace nations in the consortium can use the C-17s for national and allied missions.

"The SAC approach to shared use of the strategic airlifter is viewed as a model for future acquisition and management of defense capabilities," said Tommy Duneheew, vice president, Business Development, C-17 Program. "The same model could be applied for other international defense and Boeing programs."

Gunnar Borch, general manager of the NATO Airlift Management Agency, said the SAC purchase of the C-17s succeeded, while similar efforts in the past ran into obstacles.

"Pulling this program off in such a short time was a fantastic achievement for the participating nations," Borch said. "It demonstrates that not all NATO nations need to be involved to start a successful program. It also opens the door to growth as other member nations see its benefits."

Discussions are also taking place to apply the concept to helicopters and other military platforms.

NATO's largest aircraft project is its fleet of 17 Boeing Airborne Warning and Control System (AWACS) aircraft. In 2008, a team led by Boeing completed a major upgrade for the NATO planes. It was

completed on schedule by the European Aeronautic Defense and Space Company, or EADS, as an industry partner and subcontractor to Boeing.

Beyond the AWACS modernization program, there is a potential market for upgrading existing NATO equipment as well as providing logistics and training services, according to Mark Kronenberg, vice president, International Business Development, Boeing Defense, Space & Security.

"I think the European market for military products is evolving from where it was 15 years ago," Kronenberg said. "That market was very platform-centric. While opportunities still exist for the sale of military platforms like CH-47 Chinook helicopters and C-17s and Super Hornet fighters, we're seeing a growing trend toward providing logistic services, training and upgrades to provide future growth."

— Bill Seil

PHOTOS: Multinational crews of the Strategic Airlift Consortium's Heavy Airlift Wing are shown in formation at Pápa Air Base, Hungary. The consortium's 12 participating nations operate three shared Boeing C-17s out of Pápa. JERRY DRELLING/BOEING

One Boeing, in any language

A diverse team with an international assignment

The Boeing Brussels office has evolved in recent years from a regional sales headquarters to a governmental affairs office focused on the European Union and NATO.

Today, the office is staffed by a team of 18 people—about one-third the size it was five years ago when it hosted Boeing Commercial Airplanes' European sales office. The sales operation moved to London in 2005.

Since then, its primary mission has been to serve as the company's voice before the EU and NATO.

Linda Seber, Boeing's director of Human Resources for Europe, the Middle East and Africa, joined the Brussels office in 2001. She said the staff is among the most diverse in the company, with nationalities including Belgian, Italian, British, Turkish, Chinese, Hungarian and citizens of the United States.

"Discussions are always very interesting, because people have so many perspectives," Seber said.

In addition to Boeing International employees, the Brussels team includes representatives from Shared Services Group, Information Technology, Human Resources and International Corporate Communications. It also hosts other

Boeing personnel, including Commercial Airplanes' Field Service and Supplier Quality representatives.

Although the team's working language is English, individual conversations often take place in a variety of languages. Belgium has three official languages: French, Dutch and German.

Along with the EU and NATO, Brussels is home to the regional headquarters of a number of other multinational companies, including FedEx, Toyota and General Electric. "Living and working in such a cosmopolitan, yet small country centrally located at the heart of the EU," Seber said, "fosters an outward-looking state of mind and provides for a diverse professional and social life."

— Bill Seil

PHOTO: Boeing employees in the Brussels office (standing, from left): Eszter Ungar, Sarah Clerens, Yuhang Zheng, Gary Van de Ven, David Packer, Antonio de Palmas, Sabine de Brauwer, Linda Seber and Alison Chapman; (sitting, from left) Nathalie Gille, Peter Van Pellicom, Fabienne Jacob, Annalisa Monaco and Thao Nguyen. Not pictured: Nathalie Van Damme.

PIERRE WATCHOLDER