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Boeing's CEO is out. The company announced "leadership changes."

Jack Stewart

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Dennis Muilenburg, then president and CEO of the Boeing Company, testifies before the Senate Commerce Committee October 29, 2019 in Washington, DC.



Win McNamee/Getty Images

**A**fter two deadly crashes of Boeing's 737 Max aircraft, [Boeing's CEO is out](#). The company said Dennis Muilenburg will depart immediately. The board's current chairman David Calhoun will officially take over on Jan. 13.

The Max was grounded worldwide after two crashes, one in October 2018 off the coast of Indonesia and another in March 2019 in Ethiopia. In total 346 people were killed. The company has been enveloped in crisis since, with no clear end in sight.



Family members of those who died aboard Ethiopian Airlines flight 302 hold photographs of their loved ones as Dennis Muilenburg, president and CEO of the Boeing Company, testifies before the Senate Commerce Committee. (Win McNamee/Getty Images)

Marketplace has a few questions and answers.

**Q: What does this mean for Boeing?**

The 737 Max is a critically important aircraft for Boeing. It's the [fastest selling plane](#) in the company's history. Boeing has almost 5,000 orders, but had delivered fewer than 400 planes when the aircraft was grounded. Since then it has continued to produce them at the rate of 42 per month, and parked them in storage areas. Last week [Boeing announced it would halt production](#) of the plane in January, which could have repercussions for its massive chain of suppliers.

Boeing is looking to get the 737 Max back into service as quickly as possible, but it needs to repair its relationships with air safety regulators around the world.

Boeing [said in a statement](#) that "the Board of Directors decided that a change in leadership was necessary to restore confidence in the Company moving forward as it works to repair relationships with regulators, customers, and all other stakeholders."

For families of the victims, it's an appropriate step. "This is something that we have been asking and struggling for quite some time," [said Ababu Amha](#) who lost his wife in the Ethiopian Airlines crash. "The CEO reluctantly and deliberately kept the aircraft in service after the Lion Air crash. The Ethiopian Airlines crash was a preventable accident."

**Q: Will a change in leadership get the plane back into the sky more quickly?**

Almost certainly not. Investigators say that the plane's flight control software, and in particular a system known as MCAS [Maneuvering Characteristics Augmentation System] is implicated in both crashes. Since the crashes, questions have arisen about how the 737 Max

was certified as safe, and about how the U.S. regulator, the FAA, outsourced some certification jobs to Boeing.

Now regulators around the world are aware they are under intense scrutiny, and are taking their time in lifting flight restrictions. Muilenburg's relationship with the FAA was damaged after he was seen as being overly optimistic about the plane's return to service, and even pressuring the FAA to allow it to fly.

"Now I think the Boeing company has to work diligently to work with the regulatory agencies worldwide," said Michel Merluzeau, director of aerospace and defense market analysis for consultants AIR Insight, in Seattle. He said Boeing has to accept it is not in charge of the timeline for return to flight.

"Boeing needs to go from trying to lead this crisis resolution to being an equal partner with everybody else."

Airlines that have taken delivery of 737 Max planes, which in the U.S. are American, United, and Southwest, have already [removed it from their schedules](#) until well into 2020.



One of two sensors that measures the angle of attack is pictured at bottom on a Boeing 737 MAX 8 airplane outside the company's factory on March 22, 2019 in Renton, Washington (Stephen Brashear/Getty Images)

#### **Q: Will airlines and customers trust the Boeing 737 Max is safe?**

This is perhaps the biggest challenge: how to convince a flying public that some software tweaks and pilot training, have now made the plane safe. The investigations into the two fatal crashes have revealed concerns about the safety culture inside Boeing.

The intense scrutiny that the 737 Max is currently receiving should mean that when it is approved for return to service, it should be incredibly safe.

"It's an airplane that has been improved upon, re-certified, and scrutinized, to such a degree that it's almost an entirely new evolution of the original aircraft," said Merluzeau.

Re-branding of the 737 Max is a possibility, something that [President Trump once proposed](#). There are several variants of the Max aircraft, and [some speculation](#) that Boeing and airlines could use those identifiers instead of the Max name, so the planes become the 737-8, 737-9, and 737-10.

Boeing's flagship 787 Dreamliner aircraft was grounded for three months in January 2013 over safety fears about on-board battery fires. Once the plane resumed safe, regular, service, people quickly forgot about those safety fears.

Airlines will be flying the 737 Max in their fleets. They don't have many options. They place orders for new planes years in advance, and Airbus, Boeing's chief rival has its own backlog of orders.

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