Press Release – FAA Proposes $5.4 Million Civil Penalty Against The Boeing Co.

For Immediate Release

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WASHINGTON — The Federal Aviation Administration (FAA) proposes a $5.4 million civil penalty against The Boeing Co. for allegedly installing nonconforming slat tracks on approximately 178 Boeing 737 MAX aircraft, which Boeing subsequently presented as ready for airworthiness certification.

This proposed civil penalty is in addition to a previously proposed civil penalty of more than $3.9 million against Boeing for allegedly installing the same nonconforming components on approximately 133 Boeing 737 NG aircraft. The FAA sent that letter to Boeing in early December.

Slat tracks are located on the leading edge of a Boeing 737’s wings and are used to guide the movement of panels known as slats. These panels provide additional lift during takeoff and landing.

The FAA alleges that Boeing failed to adequately oversee its suppliers to ensure they complied with the company’s quality assurance system. The agency contends that this failure resulted in the installation of slat tracks that were weakened by a condition known as hydrogen embrittlement that occurred during cadmium-titanium plating.

The FAA further alleges that Boeing knowingly submitted aircraft for final FAA airworthiness certification after determining that the parts could not be used due to a failed strength test.

The agency alleges that the affected slat tracks were processed by Southwest United Industries (SUI), a third-tier supplier to Boeing. Between June 29, 2018, and July 1, 2018, SUI subsequently shipped the parts to Spirit AeroSystems, Inc.
(Spirit), which then delivered the parts to Boeing.

The FAA also alleges that SUI notified Kencoa Aerospace, LLC, on July 6, 2018, that a batch of slat tracks had failed a quality test indicating the presence of hydrogen embrittlement. Kencoa passed that information to Spirit on or about Aug. 3, 2018.

The FAA alleges that Spirit informed Boeing of the situation on or about Sept. 11, 2018, and subsequently proposed that Boeing accept the parts as delivered. On Oct. 9, 2018, Boeing rejected that proposal and instructed Spirit to submit a Notice of Escapement. Spirit filed that notice on Feb. 14, 2019, according to documents.

The FAA further alleges that from Aug. 16, 2018, through Oct. 9, 2018, Boeing certified as airworthy approximately 13 Boeing 737 MAX aircraft potentially equipped with those slat tracks. Between Oct. 10, 2018, and Mar. 10, 2019, Boeing certified an additional 165 potentially affected 737 MAX aircraft as airworthy.

The FAA issued an Airworthiness Directive (AD) on Aug. 15, 2019, mandating inspections of the affected aircraft that were proposed in a June 24, 2019 Boeing service bulletin. The AD specified various actions based on the ability to identify the slat tracks.

The FAA alleges that Boeing failed in this instance to maintain its quality system to ensure suppliers adhered to Federal Aviation Regulations.

Boeing has 30 days after receiving the FAA’s enforcement letter to respond to the agency.

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