




Memorandum

Date: June 29, 2022

Subject: INFORMATION: Audit Announcement—FAA’s Oversight of Boeing 737 and 787 Production | Project No. 22A3005A000
Federal Aviation Administration

From: Nelda Z. Smith 
Assistant Inspector General for Aviation Audits

To: Director, Audit and Evaluation

Air carriers transported more than 330 million passengers worldwide on Boeing aircraft in 2021.¹ With the return to service of its 737 MAX aircraft² and increasing demand for air travel, Boeing delivered more than 160 new aircraft to air carriers in the first half of 2022, with a backlog of nearly 4,200 aircraft on order. The Federal Aviation Administration (FAA) is responsible for overseeing the safety of passenger aircraft in the United States, including ensuring that aviation manufacturers such as Boeing meet safety requirements when producing and delivering new aircraft.

However, since 2019, a number of concerns have been raised regarding production of the Boeing 737 and 787 aircraft—the two production lines with the largest number of aircraft on order. Boeing has not delivered any 787 aircraft in over a year due to production quality issues, and in December 2021, FAA mandated inspections on certain previously delivered 787 aircraft due to reports of missed requirements during assembly. In addition, a number of complaints to Congress, FAA, and our office have alleged ongoing production deficiencies and undue pressure on Boeing staff in the 737 and 787 production lines.

In light of these concerns, the Chairmen and Ranking Members of the House Transportation and Infrastructure Committee and its Subcommittee on Aviation requested that we evaluate FAA’s oversight of Boeing aircraft production. Accordingly, our audit objectives will be to evaluate FAA’s oversight of Boeing

¹ Based on air carrier-reported data to the Bureau of Transportation Statistics for flights originating or terminating in the United States.

² In March 2019, FAA grounded the entire Boeing 737 MAX 8 and 737 MAX 9 following the fatal crash of Ethiopian Airlines Flight 302. Twenty months later, on November 18, 2020, FAA rescinded the grounding order and allowed the 737 MAX to return to commercial service.

737 and 787 production, specifically its processes for (1) identifying and resolving production issues and (2) addressing allegations of undue pressure within the production environment.

We plan to begin the audit in July and will contact your audit liaison to schedule an entrance conference. We plan to conduct our audit at FAA Headquarters and regional offices responsible for overseeing Boeing production, as well as relevant Boeing locations. If you have any questions, please contact me or Tina Nysted, Program Director.

cc: DOT Audit Liaison, M-1
FAA Audit Liaison, AAE-100