

## **Boeing Responds to Machinists Union Criticism of Boeing - China Aircraft Maintenance Deal**

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The Boeing Company expressed disappointment with a statement issued today by the International Association of Machinists and Aerospace Workers (IAM/AW) that criticized an aircraft maintenance and modification venture with China-based Taikoo (Xiamen) Aircraft Engineering Co. Ltd., or TAECO, announced yesterday.

"We are obviously quite disappointed with the union statement because, in fact, we did discuss this with union leadership at local and national levels and provided advance notice of our TAECO venture plans," said Larry Clarkson, president of Boeing Enterprises, the organization responsible for finalizing the agreement. "We obviously don't agree with the rhetoric of this statement either; we think quite strongly that we are creating jobs for our Boeing employees here in the United States, particularly in Wichita. Additionally, we believe the growing market for new airplanes in China will create even more U.S. jobs, as it has for the last several years."

In its release, the IAM/AW stated Boeing failed to provide the union with advance notice of its intentions to enter into an agreement with TAECO as required by the labor agreement negotiated in 1995. The union furthermore accused the company of acting in contradiction to the cooperative relationship Boeing is seeking to strengthen with the unions representing Boeing employees.

In fact, Boeing did inform local and national union leaders on Aug. 8 about the announcement issued yesterday afternoon.

Language in the labor contract with the IAM/AW states Boeing is required to give the union 90-day advance notice if subcontracting of work would eliminate 50 or more bargaining-unit jobs. In this case, however, the venture with TAECO involves additional work to Boeing and no existing bargaining-unit positions in Wichita would be eliminated.

For each modification performed at the Asian operation, Wichita employees will design and build the conversion kit, supervise the installation and ensure it meets the stringent criteria required of all airplane mod work.

In the past 19 months Boeing has hired more than 32,000 employees above and beyond those added through recent acquisitions and mergers.

"We would encourage anyone to visit TAECO because the impression given in the union statement about working conditions there is quite contrary to the fact," Clarkson said. "TAECO is a fine, fully certified facility, with world-class airline partners, including Cathay Pacific Airways, Japan Airlines and Singapore Airlines. TAECO is a good example of how companies working in China today are helping to raise the standard of living for workers in China."

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