IAM and Boeing Reach Agreement on Establishing 737 Assembly Line in California While Protecting Jobs in the Puget Sound

The following is a joint news release from Boeing and the International Association of Machinists and Aerospace Workers

The Boeing Company and the International Association of Machinists and Aerospace Workers (IAM/AW) District Lodge 751 have agreed to the establishment of a Next-Generation 737 production line at the company's Long Beach Division in California while protecting jobs in the Puget Sound area. The agreement addresses the union's concern around job security as well as the company's need for increased production capacity. This is the company's fourth Next-Generation 737 assembly line.

"We have an agreement that provides job security for our 39,000 members," said IAM/AW District Lodge 751 President Bill Johnson. "This agreement helps to protect and stabilize union jobs in the Puget Sound and goes even further by guaranteeing that fabrication of wings, fuselages, aircraft systems and interiors will remain at their current locations. We worked hard with Boeing to get an agreement and were successful."

"This agreement is an excellent example of how together Boeing and the IAM can make solid business decisions that take into account our competitive business environment and market forces, the world economic situation, and our ability to produce airplanes efficiently," said Boeing Vice President of Employee and Union Relations Jerry Calhoun. "This agreement assures us the ability to continue to grow the business and more effectively utilize all of our assets."

Specifically, the agreement includes the following:

- No union-represented Puget Sound-, Spokane-, Wichita-, or Portland-based employees will be laid off for the duration of the current collective bargaining agreement as a result of establishing the Long Beach production line.
- Renton will remain the company's primary final assembly site for Next-Generation 737 airplanes.
- The Long Beach production rate is planned for three airplanes per month and will not exceed five airplanes per month.
- Fabrication of wings, fuselages, aircraft systems and interiors will remain at current locations in Puget Sound, Spokane, Portland and Wichita.
- Work on the Long Beach line will focus on final assembly and field operations for the Boeing Business Jet and Combi Freighter models.
- Additional Next-Generation 737 models (e.g. Next-Generation 737-600s, -700s, -800s, and -900s) will be included to reach the three airplane per month rate.

The Long Beach Next-Generation 737 production line will help reduce the number of unique model configurations at Renton, allowing operations on the three Renton 737 lines to become more efficient.

The agreement is an outgrowth of the recently established Boeing/Machinists working group that consists of union leaders and senior company executives. Members of the joint Boeing/Machinists working group are committed to continuing to address issues of mutual interest.

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