Boeing Proposes Industry-leading Contract with IAM

The Boeing Company announced that it has concluded contract negotiations with the International Association of Machinists and Aerospace Workers covering 44,300 represented employees in the Seattle area, Spokane, Portland, Ore., and Wichita, Kan. The three-year contract proposal will be submitted to the union membership for ratification. A vote is scheduled for Wed., Sept. 1. The IAM's current 44-month contract expires at midnight on Wednesday, Sept. 1.

"These labor negotiations have been a long and thoughtful process," said Boeing Chairman and CEO Phil Condit. "Both sides bargained hard. Although we approached many issues from different perspectives, our team was committed to producing a contract proposal that was right for the company and fair to our employees."

"We were determined to stay competitive in the difficult business environment in which we compete. We listened to the issues that troubled our employees and their union leadership," he said. "We responded to those concerns."

Boeing chief negotiator Jerry Calhoun said, "The proposal contains many improvements and a number of significant -- if not groundbreaking -- achievements." Calhoun said these include:

Job security: The proposal offers excellent job protection, including no layoffs due to subcontracting or offloading.

Wages: The improvements in this offer make the IAM members among the best paid in the nation. The contract offer includes general wage increases of four percent in the first and second years and three percent in the third year. It also includes a 10 percent contract ratification bonus for an approval on Sept. 1. (An average of $4,400 per employee.)

Benefits: The proposal provides the best and most comprehensive package in the industry, including a 25 percent increase in the retirement benefit.

"In the course of negotiations we withdrew consideration of alternative work schedules and monthly medical contributions," Calhoun added.

"Even before entering this round of bargaining with the IAM, we began this process with the best contract in the aerospace industry already in force. The proposal offered tonight makes it even better," he said.

Calhoun concluded that, "Once our employees fully evaluate the offer, I have to believe they will make the right choice. With ratification, we can go forward together to build a far more secure future for every employee, their families and our company."

Calhoun expressed his sincere appreciation for the dedication and commitment of every member of his negotiating team. Senior negotiators included: Dan Becker, director of Operations, Wichita Division; Nancy Cannon, director of Benefits Company Offices; Tom Easley, director of Union Relations, Company Offices; Doug Kight, legal counsel, Company Offices; Steve Kundinger, director of Union Relations, Company Offices; Fred Mitchell, executive vice president of Airplane Components, Procurement and Operations, Commercial Airplanes; and Michael Valliere, vice president of Compensation, Company Offices.

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