Production Workers in Philadelphia Strike at Boeing

Boeing [NYSE:BA] employees represented by the United Automobile, Aerospace and Agricultural Implement Workers of America, United Aerospace Workers or UAW, Local 1069 began a strike against The Boeing Company, located in Ridley Township, Pa., a suburb of Philadelphia, at 12:01 a.m. today.

Workers voted Sept. 8 to reject the company's offer. The Union then notified the company that they would strike if an agreement was not reached by a midnight Friday deadline.

"We are very disappointed that we were unable to reach an agreement," said Pat Shanahan, vice president/general manager, U.S. Army Programs, at the site. "We presented a fair and competitive contract that recognized the realities of our business environment. We believe it meets the needs of the Union, their families and Boeing. The compensation, health and welfare and retirement benefits are the best in the region and among the highest in the aerospace industry."

The site is responsible for the design and manufacture of military rotorcraft, including the CH-47 Chinook, RAH-66 Comanche and the V-22 Osprey. Present employment is about 4,900, 1,400 of which are members of the UAW.

No further negotiations have been scheduled at this time.

CONTRACT OFFER HIGHLIGHTS

WAGES

- There will be a lump sum payment of $2,000 in the first and second years and a 2 percent general wage increase in the third year.
- Cost of Living Allowance (COLA) will continue with the existing formula.
- Pension benefits increase from $50 a month to $58 per year of service.
- LeAll B classified employees will be promoted to As, which represents a $1.68/hr. wage increase for approximately 300 employees.
- Crew Chiefs will receive additional compensation for flight time designated as "risk" flights.
- Shift differentials will gradually be reduced over the life of the contract from 10 percent for second shift and 8 percent for third shift, today, to 8 percent (not to exceed $2.00 per hour) for second shift and 6 percent (not to exceed $1.50 per hour) for third shift by the third contract year.

SAVINGS PLAN

- Employee savings plan contribution increases from 15 percent to 20 percent and increase company match from $.25 for the first four percent to $.50 on the dollar of the first 4 percent.

LAYOFF RULE CHANGE

- Senior employees may volunteer for layoff up to the number of declared surplus in their job classification and will receive a lump sum layoff benefit payment equal to one week for every year of continuous service up to a maximum of 13 weeks.

JOB FLEXIBLITY

- A joint jobs committee will work job combinations, job revisions and new job development for the life of the contract.
- The contract enhances the company's capability to be more flexible in employee work assignments.

HEALTH AND WELFARE

Traditional Medical Plan -- Employees will begin to pay 10 percent of cost of medical services, with a $15 office deductible and a slight increase in prescription co-pay. Yearly deductibles will increase from $125 for an individual to $175, and from $375 for a family to $525. Employee's monthly contributions to cost of care also would rise slightly.

Coordinated Care Plan -- Employees will begin to pay $8 for individual, $15 for two people and $25 for a family per month. Office visits remain at $5. Generic prescriptions remain at $5, name brands would increase to $10 and special prescriptions would be $25. Mail order prescriptions would increase from $5 to $10 for generic, $20 for name brand and $50 for special types.

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