

Boeing Employees Approve Four-Year Contract Extension

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- IAM-represented employees in Washington, Oregon and Kansas ratify deal

- Company to place 737 MAX production in Renton, Wash.

SEATTLE, Dec. 8, 2011 /PRNewswire/ -- Boeing (NYSE: BA) today applauded the decision by members of the International Association of Machinists & Aerospace Workers (IAM) to approve a four-year contract extension. The agreement covers employees represented by the union in Washington, Oregon and Kansas, and extends the contract to September 2016.

"This contract will help secure a better future for our employees, our customers, our communities and our company," said Jim Albaugh, president and CEO of Boeing Commercial Airplanes. "It reflects an effort on the part of the company and the union to find a better way to work together and achieve common ground. It's a balanced agreement that makes us more competitive and ensures that the 737 - the best single-aisle airplane in the world - continues to be built by the people who know how to do it best."

The vote ratifies an agreement between the company and union that builds on an emerging spirit of cooperation and collaboration, and places production of the 737 MAX in Renton.

Boeing announced last week that the company would produce the 737 MAX in the existing Renton facility if IAM members ratified the tentative agreement.

To date, Boeing has received more than 700 commitments from customers for the 737 MAX. The new airplane is expected to enter service in 2017.

The contract calls for annual wage and pension increases in each of the four years of the agreement along with a one-time ratification bonus of \$5,000, which employees will receive Dec. 15.

It also introduces an incentive pay plan for hourly employees based on performance to metrics tracking safety, quality and productivity.

Health care plan changes include improvements in key benefits for IAM-represented employees, along with modest cost increases reflecting a desire to make benefits more comprehensive while moving toward a market-based payment plan that shares costs between the company and employees.

The agreement also establishes a Joint Council for the company and union to regularly discuss issues including workforce, market, competition and performance.

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