

Boeing Statement on IAM Talks

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SEATTLE, Dec. 12, 2013 /[PRNewswire](#)/ -- Boeing (NYSE: BA) and the International Association of Machinists & Aerospace Workers District 751 have completed a third day of meetings following an attempt last month to secure a contract extension.

This afternoon, in response to a proposal presented yesterday by the union to secure 777X work in the Puget Sound region, Boeing presented a best and final counterproposal. That offer was rejected by the union leadership.

Boeing's revised 8-year contract extension would have built on the company's previous offer with substantial economic improvements. On top of the previous \$10,000 signing bonus, employees would have received an additional lump sum bonus of \$5,000. Employees also would have received additional dental benefits.

The proposal would have kept in place the current rate in which employees accelerate to the top of the pay scale – commonly referred to as "ZOOM."

The company would have committed to placing final assembly of the 777X, as well as the fabrication and assembly of the airplane's composite wing, at a Boeing location in the Puget Sound area. In addition, a separate agreement committing final assembly of the 737 MAX at the Renton, Wash. site would have been extended through 2024.

As previously proposed, the long-term contract extension would have included changes to the way members earn future retirement benefits. Employees would keep everything they have accrued under the existing defined benefit plan and earn future benefits under a defined contribution plan with the new Special Company Retirement Contribution, starting November of 2016.

"We entered these discussions to address the concerns we were hearing from our employees," said Ray Conner, president and CEO, Boeing Commercial Airplanes. "We've listened to the union leadership and had an open dialogue in hopes of moving toward each other. Unfortunately the offer, which would have ensured this great airplane for the Puget Sound region, was immediately rejected by the union leadership."

The 777X site selection process has continued in parallel with this week's IAM meetings. In an overwhelmingly strong response from interested participants, Boeing has received proposals from 22 states, many of which submitted multiple sites for consideration. A total of 54 sites are now being evaluated in the next critical stage of the process.

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