International Association of Machinists and Aerospace Workers



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OFFICE OF THE INTERNATIONAL PRESIDENT

December 26, 2013

To All IAM Members Employed by the Boeing Company in Seattle, Portland and Wichita.

Dear Sisters and Brothers,

I begin this letter by thanking all members who took time to call, email or write about the ongoing negotiations with the Boeing Company and the pending proposal concerning the new 777X project. Your comments and input are fully appreciated and taken seriously by the undersigned, regardless of your position on the issue. Your interest in this matter is important and your participation is critical.

You all know a vote on the Boeing Company's proposed contract was held on November 13, 2013. The proposal was defeated and any further negotiations with Boeing ceased. On December 9, 2013, the Company requested a meeting with the Union. The Union and the Company met on December 10 and 12, 2013. The meeting resulted in a new proposal with amended terms and additional money. No doubt many of you are already familiar with the new proposal since it was circulated in print and by the news media. A copy of the revised proposal and updated economic analysis with the changes from the original proposal is attached to this letter for your review.

Notable changes in the Company proposal of December 12, 2013:

- 1. An additional \$5,000 bonus payable January, 2020. (Added value: \$164.4 million)
- 2. ZOOM maintained in current form. (Added value: \$744.1 million)
- 3. Recommitment to 737 MAX by extending Letter of Understanding 42 through 2024. This will keep work in Renton and Auburn.
- 4. Improved dental coverage. (Added value: \$98.6 million)

This offer also assures that all 777X production, wings, sub-assemblies and wiring will be performed in the Puget Sound area.

The total value of the new improvements to the contract offer adds more than \$1 billion to the previous offer. I believe this represents a "significant" improvement worthy of the membership's consideration. The total value of the Company's current proposal is nearly \$5 billion as of today's calculations.

As I stated earlier, my office has heard from a large number of members employed by Boeing. I have spoken directly to many members. I appreciate the comments from all perspectives on this proposed contract extension between the IAM and the Boeing Company. I have heard from an informed and concerned membership. All have expressed themselves as deeply interested participants in what is surely a historic moment for the IAM, Boeing and the greater Puget Sound community. Overwhelmingly, members have asked for a new vote on the

revised offer. Additionally, some members have come to the conclusion it was necessary to seek a new vote by approaching the National Labor Relations Board (NLRB) and the federal court system. IAM members should never have to seek democracy from any outside agency.

Given all that has transpired, on Friday, December 20, 2013 in a telephone call to District Lodge 751 President and Directing Business Representative Tom Wroblewski, I directed a new vote be taken on the revised offer from the Company. District Lodge 751 has been requested to assist and cooperate with the process of conducting a new vote scheduled for Friday, January 3, 2014.

I have requested the voting process be conducted in a manner that enables the fullest participation of the membership. Voting is to be free from any coercive or disruptive circumstances. A secret ballot process must be provided. No local lodge officers other than those specifically authorized by the IAM Constitution or District Lodge business representatives are to handle any ballots other than their own. I am also directing that, upon conclusion of voting and the closing of polls, the ballot count be conducted at each voting location by the election tellers and in such manner that members may observe in a respectful environment. Upon conclusion of the ballot count at each polling site, the ballot results will be communicated to DBR Wroblewski, who will announce the combined final tally.

I am duty-bound to inform the membership this vote will be the final vote on this proposed contract. Since the previous vote taken on November 13, 2013, the Boeing Company sought Requests for Proposals (RFPs) from several other potential sites to locate the 777X program. Some may believe this is a "fake" play by the Company. Your union, based upon information that indicates otherwise, must take the threat seriously. Given the legalities of the RFP process and the fact that several states have tendered serious offers and incentive packages to the Company, the timeline for the Puget Sound area is expiring.

As I end this letter, I have followed the media accounts covering the events unfolding over this contract proposal for the Puget Sound Boeing locations. There is much misinformation being passed on to the membership and the community. It is a shame the process of collective bargaining is reduced to tabloid sensationalism. The IAM membership is far more intelligent and sophisticated than that. I cannot conceive of a rationale for determining the membership doesn't deserve a right to vote on a contract proposal.

In the IAM, the membership deserves the final say and it is incumbent upon IAM leadership at all levels, from Shop Stewards to District Officers, to assist and assure that it is the members who will make the critical decisions in their Union. I ask each member receiving this letter to help assure the proposal that is now before you for your vote on January 3 is given your fullest consideration and that each member is given the fullest measure of respect for their opinion regardless of the result. That is how IAM Brothers and Sisters act as union members.

In solidarity,

R. Thomas Buffenbarger

International President

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Additional informaton is available at www.iamcontract.org