

1                                   **LETTER OF UNDERSTANDING NO. 18**

2                                   **SUBJECT: EXPENDITURE OF FUNDS UNDER**  
3                                   **ARTICLE 16 AND ARTICLE 20**

4       The parties agree that the Company will provide the necessary funding in  
5       support of IAM/Boeing Joint Programs (Joint Programs) activities which  
6       include the IAM/Boeing Health & Safety Institute (HSI), the IAM/Boeing  
7       Quality Through Training Program (QTTP), the IAM/Boeing Joint  
8       Apprenticeship Programs and other activities approved by the IAM/Boeing  
9       Joint Programs National Governing Board (Governing Board). The  
10      following sets forth the practices which will be followed:

- 11           1.   The Company will provide in each year fourteen (14) cents for each  
12               bargaining unit compensated hour, but not less than ~~fourteen (14)~~  
13               sixteen point six (16.6) million dollars per year, funds not spent in  
14               one calendar year will carry over to the next year and will continue  
15               to carry over for the life of the Agreement. In addition, the  
16               Company will provide funding for the QTTP Education Assistance  
17               (EA) Program up to four (4) million dollars per year. EA funds not  
18               spent in one calendar year will ~~not~~ carry over to the next year, and  
19               will continue to carry over for the life of the Agreement. The  
20               Company and the Union agree to maintain the existing Joint  
21               Programs headcount for the life of this Agreement, unless modified  
22               by the National Governing Board.
- 23           2.   The annual funding amounts for Joint Programs shall be  
24               determined each September 2 and shall be based on the number of  
25               bargaining unit compensated hours in the preceding period of  
26               September 2 to September 1. Amounts not spent in one annual  
27               period shall carry over to the next year, but not beyond the  
28               expiration of the Agreement. Additionally, the Company will  
29               provide other funds, as approved by the Governing Board, to  
30               support the Joint Programs' statement of work.
- 31           3.   All labor and non-labor will be treated according to current Boeing  
32               accounting practices.
- 33           4.   To the extent permitted by law, one or more trust funds will be  
34               established pursuant to the Taft-Hartley Act, 29 U.S.C. §186, to  
35               contract with the Union for the services of any individual employed  
36               by the Union who is named to the administrative staffs established  
37               by Section 16.2(b) and Section 20.2(c). The trust(s) shall be  
38               established pursuant to a written agreement between the parties

1 which complies with clause (B) of the proviso to 29 U.S.C.  
2 §186(c)(5). In addition, the terms of any contract between the trust  
3 and the Union shall provide that the Union will be reimbursed for  
4 the services of these individuals on the basis of their base rate plus  
5 actual expenses for payroll taxes and the following employee fringe  
6 benefits: employee per diem; IAM pension plan; package H & W  
7 insurance; Western Metal Trades pension; and automobile  
8 insurance. The Company shall provide funds to the trust in a  
9 sufficient amount and in a timely manner to enable the trust to meet  
10 its contractual obligations to the Union.

- 11 5. Individuals employed by the Union who are named to an  
12 administrative staff established by Section 16.2(b) or Section  
13 20.2(c) shall be full-time, dedicated to the Joint Programs.
- 14 6. The Union will be reimbursed in accordance with paragraph 5 for  
15 the services of the individual employed by the Union who is  
16 identified as Executive Director - IAM/Boeing Joint Programs only  
17 to the extent such services are actually rendered on behalf of the  
18 respective Joint Programs.
- 19 7. The Company will give consideration to the IAM Corporation for  
20 Re-Employment and Safety Training, Inc. (CREST) as a service  
21 provider in support of vocational rehabilitation counseling services.  
22 Such services may include, but are not limited to, job analysis,  
23 master job analysis, completion of reasonable accommodation  
24 review forms, attending doctor appointments, ergonomic  
25 evaluations, light duty meetings, interactive meetings, and  
26 coordination with career advisors for potential job placement.  
27 The Company and the Union shall work together to establish the  
28 appropriate point when a vocational rehabilitation counselor will  
29 engage with IAM represented employee pursuant to those services  
30 outlined above. Any such service may be contracted for pursuant  
31 to paragraph 4 above. The Company shall provide funding for  
32 vocational rehabilitation counseling services in support of  
33 disability management through Vocational Solutions. The funding  
34 shall not exceed three (3) million dollars annually. Such funding  
35 will not extend beyond the expiration of the Agreement. Funds not  
36 spent in one calendar year will not carry over to the next year.
- 37 8. The Company agrees to continue funding through December 31,  
38 2008-2024 at the levels previously approved by the National  
39 Governing Board for the 2008 2024 Joint Programs budget.

1      Dated: ~~November 2, 2008~~September 13, 2024