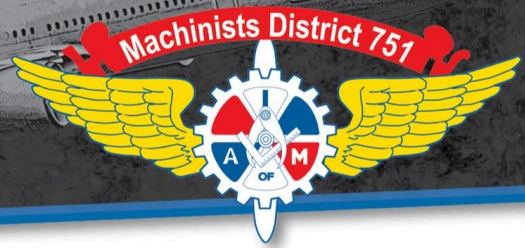


2024 CONTRACT FACTS ISSUES IN FOCUS



Letter of Understanding #37 Protections gained for inventory, tracking, disbursement, and more

Background / Challenge:

The content of Letter of Understanding (LOU) #37 was originally proposed by the company and came into the contract in 2002 and was one of the main reasons the union recommended that the membership vote no and vote to strike on the 2002 contract offer. Members rejected that 2002 contract, but did not vote to strike by the two-thirds strike vote required, so this was accepted by default.

This provision eliminated IAM jurisdiction in job classifications that perform inventory transactions, track the use, disbursement, acquisition, and /or inventory of parts, materials, kits, and other goods or products inside our factories, which impacted over 3,500 members and their jobs.

In the 2008 negotiations and strike, we were able to carve back our jurisdiction over these jobs, with the exception of 787 Final Assembly where the company had already implemented the use of a company called "New Breed" to perform this work, and also for a couple of BDS locations.

This was a big win in the 2008 contract negotiations, but it still had some impact on 787 off-site inventory and distribution of parts.

What we have achieved in latest proposal:

In this 2024 contract proposal, the Union was able to eliminate any future use of third party vendors to perform our jurisdictional work related to performing inventory transactions, tracking use, disbursement, acquisition, and/or inventory of parts, materials, kits, and other goods or products, unless it was already in existence. This is a good win, establishing job security and jurisdiction over bargaining unit work both now and into the future.

"Except where vendors are already performing the work, all receiving, inventory, distribution tracking and acquisition of parts, materials, tools, kits and other goods or products consistent with bargaining unit job descriptions shall be performed by bargaining unit employees. Nothing in this Letter of Understanding will be construed to permit suppliers or vendors are not permitted to install parts or components on the airplane, unless the vendors or suppliers are correcting errors or performing warranty work."

The changes achieved in LOU 37 ensure this statement of work is performed by bargaining unit members.

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