By JEFF JOHNSON  
President, Washington State  
Labor Council

In 2011, just two years ago, Machinists District 751 members at The Boeing Co. voted to ratify a long-term five-year contract that was an extension of their existing contract. They did so at the company’s request and with the company’s promise of securing long-term Boeing production work. That 2011 contract extension benefited both the company and the Machinists, secured the 737 MAX work in Washington state, and gave the company what they said they were looking for: labor stability and peace.

Now the company has returned and asked to extend the contract again. The company is insisting that, in order to secure 777X manufacturing and assembly work in Washington state, Machinists must again re-open their contract that doesn’t expire until 2016. But this time, it’s clear this is not about labor stability. It’s about cutting compensation. Boeing is demanding unprecedented takeaways from their employees at a time when the company is enjoying record profits, sales, and executive bonus packages.

The elected membership representatives of Machinists District 751 strongly believe that these takeaways are excessive and unnecessary. This is not a case of making sacrifices to see a company through tough times. This is a case of a company that is flush with cash, orders and profits not only refusing to maintain its workforce’s existing wages and benefits, but also demanding that they give up their pensions under the threat of moving work elsewhere. There is nothing fair or right about what Boeing executives are demanding. In fact, it is a slap in the face of the Washington workforce that builds the best commercial jets in the world, delivers them at unprecedented production rates, and is absolutely driving Boeing profits into uncharted territory. This workforce is the backbone of this company. Its heart

International orders vote on proposal after Boeing removes its preconditions

District 751 members will vote Jan. 3 on a Boeing proposal that is largely un- changed from one Machinists rejected by a 2-to-1 margin on Nov. 13. The Union’s International President, R. Thomas Buffenbarger, has ordered the vote and chose Jan. 3 as the vote date. Union members in Puget Sound and Portland will vote on the counterproposals Boeing made on Dec. 12.

District 751 emphatically recommends members reject the offer, Wroblewski said.

Boeing is demanding an eight-year contract with drastic concessions in retirement and health care benefits and tiny guaranteed wage increases – 1 percent every other year – in return for vague promises of making Washington state the home for Boeing’s 777X jet, which is the latest derivative model of Boeing’s best-selling widebody jet.

Wroblewski called Boeing’s 777X proposal a “weak promise of job security, because Boeing is proposing contract language that would allow it to outsource, ‘certain 777X wing fabrication assembly work packages in whole or part, in order to create capacity for other 777X work packages in the Puget Sound facilities.’”

With that kind of contract language, “We have no real guarantee that our members will actually do most of the 777X work,” Wroblewski said. “The only guarantees this contract makes are that future Machinists won’t have a defined benefit pension, current Machinists will pay more for health care, and everyone will have sharp limits on their future earnings.”

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Proposal: A Look at the Pros and Cons

No one denies the economic package in this proposal is less than the wage and benefit package in the current contract. Why do you deserve less? Will your rent or house payment be less in 2017 or 2022? Your take home pay will be less with the additional medical costs, if this proposal is approved. Taking less in every area of the contract for the next 10 long years doesn’t seem wise when you consider Boeing is experiencing record profits and backlogs and The Boeing Board approved a $10 billion stock buy back in early December.

CONS

• No clear statement of work. Language would allow Boeing to subcontract or outsource 777X packages for a number of reasons. Also, Boeing said they have no intention of utilizing current wing structure mechanics working on aluminum wings to work on a composite wing.

• Wage increases awarded from 2016 are 75 percent less than increases in current contract. In the past when we had no wage increase, we used that money to improve pension and health care. You are asked to go 4 years without a raise AND pay dramatically more for health care AND give up your pension.

• Pension plan frozen for all members in Oct. 2016 [at risk to be sold as anarchy or merged to finance executive supplemental pension].

• New retirement savings plan delivers 2/3 less for your retirement than current plan. If you are in progression, the losses will be magnanimous. You will have to work longer, retire with less and carefully plan how long you may live.

• Monthly health care premium payments TRIPLE over life of extension, co-pays DOUBLE. Overall coverage for Selections and Group Health reduced from 100% to 90%. You will have less take home pay with these added costs.

• New savings plan is at mercy of stock market - it can gain or lose. Nothing guaranteed. You bear the risk.

• Health care benefits can be reduced by Boeing without negotiating with Union to avoid potential excise taxes required in the Affordable Care Act [Obamacare].

Boeing may make the decision to locate the 777X outside of Washington, but doing that has nothing to do with our level of pay and benefits. We are faced with a choice to destroy everything we have built over 78 years in order to save Boeing from making a decision that puts the future of the compa- ny, all its employees (Union and non-union alike) and the stockholders at risk. If the company chooses this path of destruction, then they are responsible for it. We, as union members, do not have control over it and have a contract in place through 2016. The customers, the analysts and all of us know this is the best place to build the 777X and stand ready to do that, whether or not this proposal is rejected or ratified.

PROS

• Placement of 777X wing manufacturing facility in Puget Sound.

• Placement of final assembly of 777X in Everett.

• $10,000 signing bonus.

• $5,000 lump sum in Jan. 2020.

• AMPP potential increased to 6% in 2017 (can still be zero).

• In Oct. 2016 [when plan is frozen] multiplier increased to 95% but no future benefits accrue; no early retirement penalty at 58 starting in Oct. 2016.

• VIP Company match increased to 75 percent of first 8 percent of Nov. 2016 (same as SPEEA and other payrolls currently receive).

• Dental annual maximum coverage increases $500 in 2020 and another $500 in 2024.
It's still a bad offer and you should still vote NO

Instead of rewarding you for the success you've made possible, that same senior management team is punishing you with a contract that includes:

- No clear statement of work on 777X, and language that clearly gives Boeing the ability to outsource 777X work packages in "whole or in part" for any number of reasons;
- Destruction of your retirement security, with proposals that would decrease Boeing contributions to your retirement plans by two-thirds if you're at maximum pay in your labor grade — and more if you're still in progression;
- Sharp increases in health care costs, including 10 percent annual increases in your monthly insurance premiums (triple during contract), deductibles and co-pays that double;
- Guaranteed wage increases that average 0.5 percent over the life of the proposal — which works out to less than 15 cents an hour for the average District 751 member;
- On and on of all that, Boeing executives tell us they don’t plan to use any of your current wing line mechanics to build 777X wings, plus they want flexibility to cut our health care benefits in the future — without negotiations;
- All of these provisions in the latest proposal are exactly the same as the contract you rejected, by a 2-to-1 margin, on Nov. 13.

And behind all of this, District 751 leadership recommends that you ratify the contract (although I was not able to see what he was mailing to you). He believes doing so is the only way to win 777X jobs for Washington state.

While International President Buffenbarger certainly has the right to his position and the right to share it with you, our elected District 751 representatives here in Seattle disagree with his analysis. We don't feel that the proposals Boeing has made to its offer since November are significant and they don't address the major issues that you found objectionable in the first vote. We also believe that the promises Boeing is making about the 777X are too sketchy, with too many big loopholes, to be counted on.

I’m sure that it is confusing to receive two separate mailings from the same union, one encouraging you to vote yes on the proposal and the other urging you to vote no. It is confusing and unfortunate.

It is also confusing that I made no formal recommendation on the Nov. 13 proposal. I apologize for that. While many of the 751 Business Reps recommended you vote no on Nov. 13, I remained neutral except when pressed by hundreds of members at a Local A meeting on Nov. 7 to give you a recommendation. That is when I tore up the proposal to show how I personally felt.

The truth isn’t that 751 wanted the first offer to pass, just that I wanted you to vote on it and did my best to stay neutral so you would have that chance to vote. Had 751 made a strong recommendation with the Nov. vote, we might not be faced with this minimally revised (Boeing withdraw drought passage takeaway proposal, new bonus, added $550 dental in 2020 and 2024, LOU 42 extended) concessionary offer to vote on Jan. 3. I strongly believe it is in the best interests of us, as a union, to make that decision individually, to reject this Boeing proposal.

Washington clearly Boeing’s best bet for 777X

Washington state remains Boeing’s best chance for success with its upcoming 777X aircraft program, District 751 President Tom Wrobleski said.

"Our state has the best tax structure and business climate and -- above all -- workforce.

Continued on Page 7

Washington state and our industry. Given that, we’ve decided to vote this entire edition of the newspaper on the proposal, and the facts behind Boeing’s 777X site selection process.

Your District 751 leadership is united in recommending you reject the latest contract offer from Boeing.

There has been a lot of reporting in the news media about how this vote came to be. I’m not interested in rehashing any of that. For our purposes, all that matters is what our union’s International President has ordered the vote on Boeing’s Dec. 12 proposal from Boeing to be held on Jan. 3, so that’s what we’re going to vote on. Everyone must do everything possible to ensure we have a free, fair and transparent vote, and that as many Machinists as possible have the opportunity to cast a ballot.

Boeing’s top management decided to vote shareholders for our recent success, near-record backlogs. Earlier this month, Boeing’s best-selling wide-body jet.

Boeing says it will need to spend up to $10 billion to build as much as 4.2 million square feet of manufacturing space, significantly more than the 2.9 million square feet at its current site, to one place. In Washington, however, the company says it would need to build only 1.4 million additional square feet, which would save the company billions.
Check Boeing’s math: It doesn’t add up to a bright future

Pension vs. 401k: Apples vs. Oranges

While pensions and 401k savings plans are both ways to fund your retirement, just as apples and oranges are both fruit, they are not the same. The chart is to the right showing a comparison of the value between your current pension and the proposed 401k. It is important to note that your pension is a guaranteed retirement income and the 401k is an investment that is not protected from market volatility and used to fund your retirement. As with most investments, there are no guarantees with the 401k. Your investment may grow, or you can lose principle (the money contributed by the company could be lost). For example, while the stock market has grown overall in the last 30 years, there have been 7 years when the stock market has gone backwards.

The example chart (top right) has not been adjusted for reductions. No assumption has been made on the rate of growth on the 401k investments. The company’s examples have shown a very optimistic 7 percent rate each year. While a constant 7 percent return is possible it is not realistic. We only show the accumulation of the company’s contribution and note “– interest – if the pension is monthly income for the rest of your life, the 401k income depends on the return on investment and the rate of your disbursement. Your 401k may or may not last the rest of your life like your current pension. Why?

Boeing’s sales team is misleading and shows only the best case scenario when it comes to the wages chart. This is not realistic unless you are trying to sell a bad deal. Our job is to point out the real story. Keep in mind the money generated from COLA and progression are from your current contract. AMPP potential will be frozen if we ratify this proposal. Once a pension is purchased, it is never reduced. No assumption has been made on the rate of growth.

Boeing’s Unrealistic Assumptions

There is no investment that can turn your 401k money into the value of the pension under any circumstances.

Boeing’s flyer on your projected benefits under its proposed retirement savings scheme is misleading.

By giving you figures that are adjusted for inflation – 30 years into the future – Boeing is trying to make you think you’ll have more money to live on in retirement. But like everything else in this world, if it sounds to good to be true, it probably is. Let’s take a look.

For starters, when Boeing says someone who is 32 today will have retirement benefits of $155,330 a year, that’s only $155,330 in today’s dollars. To get a better idea of what $155,330 would be worth 30 years from now, we ran it through a U.S. Department of Labor inflation calculator. The result: Boeing’s promise of $155,330 a year in retirement benefits is only $66,379 in today’s dollars, based upon historical rates of inflation.

Could you live on that in retirement? Absolutely. But to come up with that $66,000 figure, Boeing’s relying on a set of real optimistic – but not real world assumptions:

- You’re going to put 8 percent of your paycheck into the VIP each and every year, and will never have to touch it or reduce the amount you put in to pay for emergencies. It also assume you will get paid 37 years of service at Boeing and never get laid-off.
- The stock market will never crash, but will boom like it did in the ’90s every year from now on until you retire, so your VIP investment will grow by 7 percent each year;
- You’ll get raises of at least 3 percent every year until you retire – which is six times what Boeing proposes in its latest offer – and we’ll max out on AMPP payments every year
- Social Security benefits always will be what they are today – even though Boeing CEO Jim McNerney himself is one of those urging Congress to raise the retirement age and cut future Social Security benefits;
- Boeing itself won’t try to cut or eliminate its 401(k) matches or its “special retirement contribution” plan in future negotiations.

The only thing the 32-year-old Machinist in Boeing’s example can count on is the Boeing pension, which would pay $8,248 a year (assuming 10 years of service). Yet even that would be at risk, because the pension would be frozen if we ratify this proposal. Once a pension is frozen, companies like Boeing have the option under law to make dramatic changes to the plan like converting it to an “annuity,” which would pay you far less than the return expected under today’s rules. The fact is, our own International headquarters estimates that your retirement income would be cut by at least two-thirds if we replace pensions with 401(k)s, and if you’re still in progression, the loss would be even bigger.

And there’s this: when you retire with a 401(k) or similar savings plan, you’re going out the door with one pot of money that has to last you for the rest of your life. If you’re lucky enough to live longer, you’ll have to stretch your 401(k) money farther, and you very well might outlive your savings.

But if you have a pension, you’ll receive a check every month, whether you live to age 69 or 96. That level of retirement security has always been priceless to Machinists.

Boeing itself warns you that you shouldn’t rely on its savings. “Your 401k savings may not last the rest of your life like your current pension. Why?”

The above calculations are for illustration only. The actual comparison benefit value will depend on many factors, including retirement age, VIP deferrals, inflation, actual pay and investment returns and future interest rates.

On the other hand, the Boeing pensions we have now rely only on just two factors: How long you work for the company, and how successful we are at standing together to negotiate pension benefit increases.

Boeing’s retirement plan promises sound real good, but they’re not really life.
The threats from the Company are real. They could make the decision to locate the 777X outside of Washington state, but that decision is on them because everything says the best business case is to build it here. Boeing can still get rid of our jobs and outsource, says the best business case is to build it here.

**NEW JOBS -UNKNOWN QUESTIONS** - No one can quantify how many jobs it will bring, Is this a reason to consider all the other takeaways?

Current wingline mechanics in the 31005 job number are in danger. Boeing said "they have no intention of utilizing those wing structure mechanics working on aluminum wings to work on a composite wing."

**RETIREFORT** - If you are at maximum pay today, the new retirement savings plan will provide two-thirds less than the current pension (assuming the new plan gets 7% return). If you are in progression, the losses will be more dramatic. YOU WILL HAVE TO WORK LONGER, RETIRE WITH LESS AND CAREFULLY PLAN HOW LONG YOU MAY LIVE.

With the new plan, the money runs out, its gone and you might still be living.

**REVISION** - Boeing extended 737 MAX LOU 42 through 2024

- Dental annual maximum coverage per person increases $500 in 2020, and another $500 in 2024.
- Boeing extended 737 MAX LOU 42 through 2024

**ALL OTHER PROVISIONS OF NOV. 13 OFFER REMAIN THE SAME!**

Below are a few of the reasons why you rejected this proposal on 11/13/13. They are the same concessionary proposals, you will vote on January 3rd.

- There's no clear statement of work, and the language in the proposal would allow Boeing to subcontract or outsource 777X work packages for any number of reasons.
- Current wingline mechanics in the 31005 are in danger. Boeing said "they have no intention of utilizing those wing structure mechanics working on aluminum wings to work on a composite wing."
- Retirement - no change from current contract - remains with current zoom at 6 years. Boeing withdrew takeaway proposal.
- Monthly premium payments for health care will TRIPLE, insurance coverage for those on Selections and Group Health will drop 10% to 90%, co-pays will DOUBLE. In 2014, a family will pay $1,782 annually for Selections and at the end of the contract in 2024 will pay $4,910 annually. That’s $3,128 more without ever seeing a doctor. YOU WILL HAVE LESS TAKE HOME PAY.

**NEW JOBS - UNKNOWN QUESTIONS** - No one can quantify how many jobs it will bring. Is this a reason to consider all the other takeaways?

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**NEW JOBS - UNKNOWN QUESTIONS** - No one can quantify how many jobs it will bring. Is this a reason to consider all the other takeaways?

- The average annual wage increase from 2016 to 2024 would be 0.5 percent. For a Machinist making $30 an hour, that would mean an annual average increase of only 15 cents an hour, or a measly $300 a year.

- Entry level pay would be frozen until 2024, meaning for the first time in our history more than 2,000 Aerospace Machinists Union jobs would have starting pay sadly at minimum wage by the end of the contract.

- 9 out of the last 30 years, we did not receive a general wage increase and that was a choice to purchase health care and pension benefits. The same benefits you are now asked to give up.

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### Analysis/Comparison of Boeing Proposal

**THE ONLY CHANGES FOR CURRENT EMPLOYEES FROM THE PREVIOUS OFFER ARE:**

- $5,000 lump sum bonus in January, 2020
- Dental annual maximum coverage per person increases $500 in 2020, and another $500 in 2024.
- Boeing extended 737 MAX LOU 42 through 2024

### Change for New Hires

- Progression - no change from current contract - remains with current zoom at 6 years. Boeing withdrew takeaway proposal.

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### Boeing 12/12/13 Proposal

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<th>Contract Area</th>
<th>Reality</th>
<th>Opinion &amp; Questions</th>
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<td><strong>WAGES/ECONOMICS</strong></td>
<td><strong>REALITY</strong></td>
<td><strong>OPINION &amp; QUESTIONS</strong></td>
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<tr>
<td>On progression, Boeing agreed to maintain ZOOM per current contract (REVISED)</td>
<td>Progression remains same as current contract for future hires. Boeing agreed to withdraw takeaway proposal for endless progression.</td>
<td>MODIFIED FROM 11/13/13 PROPOSAL</td>
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<tr>
<td>$5,000 lump sum bonus in January 2020 (NEW ADDITION)</td>
<td>This is the only additional money added for current employees from previous offer, but you have to wait 6 years to collect it. By then, you will have spent more than that to cover increased health care costs.</td>
<td>REVISED FROM 11/13/13 PROPOSAL</td>
</tr>
<tr>
<td>1% General Wage Increase in 2016, 2018, 2020, and 2023 (NO CHANGE)</td>
<td>Current contract gives General Wage Increases of 2% each year (if it continued that would be an additional 16% over 8 years, but they are offering only 4% over 8 years. This proposal would provide 75% less.</td>
<td>SAME AS 11/13/13 PROPOSAL. CONCESSION FROM CURRENT CONTRACT - Slowed wage growth</td>
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<td>COLA formula remains same (NO CHANGE)</td>
<td>Maintain current language</td>
<td>SAME AS 11/13/13 PROPOSAL &amp; same as current contract</td>
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<tr>
<td>$10,000 ratification bonus in 2013 (NO CHANGE)</td>
<td>Bonus does not begin to cover cost shift in health care expenses or the loss felt from losing a defined benefit pension plan and slowed wage growth.</td>
<td>SAME AS 11/13/13 PROPOSAL. Just another way Boeing was trying to divide and conquer us by hoping up front money would distract you from the losses in coming years.</td>
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<td>Incentive plan maximum rate increased to 6% starting in 2017</td>
<td>Again, incentive plan payout is dependent on reaching targets proposed by Boeing with numbers controlled by Boeing. The plan can pay anywhere from zero to 6% in a year.</td>
<td>SAME AS 11/13/13 OFFER - IMPROVEMENT FROM CURRENT CONTRACT. All of Boeing’s examples showed a maximum 6 percent payout each year, yet it can pay zero if targets are not met. Why can’t Boeing allow us to defer AMPP to VIP now?</td>
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Table: BOEING 12/12/13 PROPOSAL

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<th>REALITY</th>
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<tr>
<td><strong>WAGES/ECONOMICS (continued)</strong></td>
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<tr>
<td>Hire in rates - (NO CHANGE)</td>
<td>If approved, hire in rates will change only one time in 32 years. By the end of the proposed agreement, the bottom three labor grades’ hire in rates would be at the state minimum wage (since it has a COLA escalator and increases each year).</td>
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<tr>
<td><strong>PENSION</strong></td>
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<td>Current retirement plan frozen in 2016. Eff. 10/1/16 monthly multiplier raised to $95 per month (however, no additional accumulation after 2016) (NO CHANGE)</td>
<td>Boeing’s proposal would freeze our pension, which translates into lost retirement income in the future. Once the plan is terminated, it can be sold as an annuity at a later date. Who knows what benefit you would actually collect. ALSO ONCE THE PENSION IS FROZEN, IT CAN BE MERGED WITH OTHER PLANS, SINCE BCERP (OUR PENSION PLAN) IS OVERFUNDED AND THE EXECUTIVE SUPPLEMENTAL PLAN IS UNUNDERFUNDED, ONCE MERGED BOEING COULD USE OUR PENSION FUND TO FINANCE THE EXECUTIVE SUPPLEMENT PLAN</td>
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<tr>
<td><strong>NEW RETIREMENT SAVINGS PLAN</strong></td>
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<tr>
<td>Starting in 2016 Boeing will contribute a percentage of your gross earnings:</td>
<td>Retirement savings plan does not equal the current pension multiplier. Boeing’s new retirement savings plans would provide 2.5% less (if you are making a good income) than the current plan. For employees in the lower labor grades or new hires, the percentage of loss is even more dramatic since current pension is a fixed amount and not based on income. The only fact we know is that the new plan can go up or down depending on market investments, so nothing is guaranteed. No details of the new plan itself. It is not a set amount per month for the rest of your life. When the money runs out, it is gone. Current pension gives set amount for life with a spousal option should the member pass away.</td>
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<tr>
<td><strong>VIP PROGRAM</strong></td>
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<td>Eff. Nov 2016, Company match increased to 75% of first 8% (currently matched at 50%). (NO CHANGE)</td>
<td>The increase in company contributions in Nov. 2016 is what other payrolls currently receive as a match. Other proposed language provided an automatic escalation effective 4/1/17, if an employee was giving 4%, their contribution would automatically escalate to 5% (at the same time you are only getting a wage increase of 1% every other year - meaning less take home pay unless you fill out required paperwork to stop the automatic escalation).</td>
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<tr>
<td><strong>HEALTH CARE/DENTAL</strong></td>
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<tr>
<td>Boeing added $500 to annual dental maximum in 2020 and another $500 in 2024. (REvised)</td>
<td>Increasing annual dental benefits by $500 in 2020 and another $500 in 2024 is an improvement. Many members hit the maximum now so by 2024 it is certainly needed. However, medical cost shift remains a bigger concern.</td>
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<td>No changes in 2014 and 2015 from current contract language on monthly premium (NO CHANGE)</td>
<td>Current language has employee cost of monthly premiums increasing by 10% each year (so it is not frozen). *See chart on following page and note employee costs for monthly health insurance premiums more than triple over life of proposed agreement.</td>
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<tr>
<td>Employee cost sharing increased to 16% for 2016 through 2024 (Boeing’s proposal says 16% but 15% of what?) (NO CHANGE)</td>
<td>It is unclear what 16% is based on. We believe it is much greater. Again, employee cost of monthly premiums continues to escalate 10% each year after another major increase in 2017. LOOK AT 2014 NUMBERS AND 2024 NUMBERS, WHICH MORE THAN TRIPLE DURING THAT TIME (see chart on following page)</td>
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<td>Office visit co-pays increase twice in new proposal (NO CHANGE)</td>
<td>Office visit copay increases from $15 per visit to $20 &amp; $25 in 2017 then to $30 &amp; $40 in 2020.</td>
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<tr>
<td>Decreased overall medical coverage from 100% to 90% for those in Selections and Group Health (NO CHANGE)</td>
<td>In 2017, both Group Health and Selections Plan reduce from current 100% coverage to 90%, which would mean thousands each year if you or any of your dependents have a hospital stay or surgery. Members would also begin paying 10% of every office visit and medical coverage, in addition to the increased office visit copays.</td>
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EMPLOYEE COSTS MORE THAN TRIPLE FROM 2014 TO 2024 (HOW IS THAT A 3% COST SHIFT AS BOEING SAYS?)

If we accept this, it will be 10 long years before we have a chance to replace benefits you are now asked to give up.

PROPOSITIONS TO CONSIDER

WHO CAN FORESEE WHAT THE ECONOMY WILL DO BETWEEN NOW AND 2024? While only 4% in General Wage Increases over 8 years, the GWIs will not cover increased health care costs so you will have less take home pay. Is that the future you want?

9 out of the last 30 years, we did not receive a general wage increase and that was a choice to purchase health care and pension benefits. The same benefits you are now asked to give up. IF WE ACCEPT THIS, IT WILL BE 10 LONG YEARS BEFORE WE HAVE AN OPPORTUNITY TO ADDRESS CURRENT ISSUES THAT HAVE SERIOUS IMPACT ON YOU EVERY DAY. ISSUES LIKE:

- Progression rules when accepting promotions that reclock you to zero.
- Boseing's current push to degrade job grade levels (getting lower graded jobs to do higher graded work)

WE HAVE A LEGAL, BINDING CONTRACT UNTIL SEPT. 2016

We have a legal contract in place until Sept. 2016. Doesn't it mean something when you sign a legal document? Boeing only wants to negotiate when the one weapon we have (the ability to call a strike) isn't available. Approving things when you sign a legal document? Boeing only wants to negotiate when

WE HAVE A LEGAL, BINDING CONTRACT UNTIL SEPT. 2016

• Boeing'...
Not a tale of two unions - just different recommendations

You have probably by now received two very different messages from the International Association of Machinists & Aerospace Workers. Among you from District 751 leadership in Seattle recommending you reject the latest Boeing offer and one from your International Association of Machinists & Aerospace Workers Joint Apprenticeship Committee, which in 2012 was honored by the International Association of Machinists & Aerospace Workers for establishing an apprenticeship program. So what gives? Why the conflicting messages? It is an unusual situation, but there is an explanation.

District 751 is Seattle is our union’s regional organization, elected by you to represent you. It is the largest District Lodge within the greater IAM. It is the District that negotiates your contracts and administers it between negotiations. Your representatives are elected from the shop floor and work closely with the officers, stewards and members. We are your neighbors and friends. It is this District 751 leadership team that unanimously recommended you, but reject the latest Boeing proposal on Jan. 3.

The International or the “Grand Lodge” is the parent organization headquartered in Maryland, and it represents some 350,000 workers across the United States and Canada. District Lodge 751 (and all others locally and districts) report to the International.

The leadership at our International approached Boeing early in 2013 to open talks about a long-term contract extension to secure the 777X for Washington state. For several months, our International worked with Boeing to craft the contract offer you rejected in a 2-to-1 margin on Nov. 13. The offer you’ll vote on Jan. 3 is largely unchanged from that first deal.

District 751 President Tom Wrobleski committed to keep neutral on the first offer so it could be brought to a vote of the membership. Members at a packed union hall on Nov. 7, urged him to express his opinion, and eventually he tore up the proposal to show his displeasure. Throughout that voting process, your local business reps vehemently urged rejection pointing out the concessions of the offer in shop floor meetings.

To bring this second proposal to a vote, Boeing initially required the union had to recommend acceptance and sell it to the shop floor. Your local leaders rejected that condition. Once that stipulation was removed, our International then ordered the company to make the offer. The company complied.

Labor Force

Washington is home to the largest, most-productive aerospace labor force in North America, with the aerospace machinists of District 751 at the heart of it.

At a time when Boeing’s other final assembly site has failed to meet delivery targets, the union’s company workforce in Puget Sound is delivering record numbers of 737s and 777s, which is driving Boeing’s profitability.

“Everyone knows that we’ve had our disagreements with the Boeing Co.” Wrobleski said. “However, everyone needs to remember that our members have helped Boeing achieve record profits, record profit margins and record stock prices in the past year.

“Boeing in December was able to increase its stock dividend, and announce a $10 billion stock buyback, primarily because our members are producing record numbers of 737s and 777s here in Puget Sound, and doing it more efficiently than anyone else ever has,” he continued.

“A business analyst would call us the low risk, high-productivity solution to Boeing’s manufacturing needs,” Wrobleski said. “I just call us the best aerospace workers in the world.”

Wrobleski isn’t the only one weighed, he’s confident that Boeing’s evaluation will show that Washington is the best state to be the home for the 777X.

“If our members were to once again reject the 20-year legacy of 777 success by building the 777X here,” he said. “At the same time, Boeing’s customers and shareholders need to know that the company can deliver on the promises it has made. Given those two facts, I believe that Boeing will end up reaching the same conclusion that I have, that the 777X program must take flight here in Puget Sound.”

Boeing’s proposal is below market standards

Boeing claims its latest offer includes “market-leading pay, health care and retirement benefits.”

But in December, union aerospace workers at two companies – both of them less profitable than Boeing – approved contracts that guarantee bigger raises than what Boeing’s offer. And in both cases, the companies agreed to improve defined benefit pensions for its workers – unlike Boeing, which is trying to take defined benefit pensions away from its own members.

On Dec. 15, roughly 4,500 union workers at Sikorsky Aircraft in Connecticut and Florida ratified a new four-year agreement that gives annual 2.5 percent wage increases, increases pension benefits while imposing no additional health care costs.

Also Machinists Union members who work at Pratt & Whitney – building engines for Boeing jets – narrowly ratified a new two-year contract on Dec. 8 that provided annual 2.5 percent wage increases, increased pension benefits and 401(k) contributions and limited future health care increases.

Machinists march to the Everett Union Hall on Nov. 13 to cast their votes on Boeing’s initial contract offer, which was rejected by a 2-to-1 margin.

Machinists to vote on Boeing offer Jan. 3

Continued from Page 1

Buffenbarger’s order to hold the vote came after Boeing Commercial Airplanes CEO Ray Conner agreed to lift preconditions he had previously imposed on District 751 leadership. Conner had told Wrobleski and 751 Business Reps that they must give the company unambiguous consent and agree to “go out in the shop and sell this . . . or there is no hope,” according to notes union reps took at the meeting.

When the union reps replied they could not comply with this condition, Boeing withdrew the offer.

Today, Wrobleski and Conner have withdrawn the preconditions doesn’t change the fact that Boeing’s offer is a bad one that would impose drastic concessions on you, like union-boss demands to limit future wage growth, Wrobleski said.

In addition to being unfair, Boeing’s offer also is below current labor market standards, he added.

For example, union workers who build helicopters for Sikorsky in Connecticut ratified a four-year contract that grants 2.5 percent wage increases and increases pension benefits, while imposing no additional health care costs.

Likewise, Machinists Union members at engine maker Pratt & Whitney ratified a three-year contract that granted them 2.5 percent wage increases, increased their contributions to the company’s defined benefit pensions while limiting future health care increases.

Washington clearly Boeing’s best bet for 777X

Continued from Page 2

aerospace workers, including community colleges, apprenticeships and the various branches of the Washington Aerospace Training and Research Center. This list includes the Aerospace Joint Apprenticeship Committee, which in 2012 was honored by the U.S. Department of Labor as a trailblazer in workforce training.

TAXES, BUSINESS CLIMATE

The conservative Tax Foundation’s annual survey of state business tax burdens ranked Washington the sixth-best state for business taxes in 2013. In addition, the U.S. Chamber of Commerce ranked Washington No. 6 for its overall business climate.

All this was before the state Legislature approved a Boeing 777X incentive package that included an $8.7 billion tax break for Washington and a series of moves designed to streamline permitting for aerospace industry projects.

Me and all our district leadership worked with Boeing to craft the contract that our International presented to you in health care cost shifts and minimizing your wage growth.

Your District leadership knows Boeing may make the decision to locate the 777X outside of Washington, but that condition doesn’t change the fact that Boeing’s offer is a bad one that has nothing to do with our level of pay and benefits or the legal contract Boeing signed through 2016. Therefore, we are faced again with a choice to destroy everything we have built over 78 years in order to save Boeing from making a decision that puts the future of the company, all its employees (Union and non-union alike) and the stockholders at risk. If the company chooses this path of destruction, then they are responsible for it. We, as union members, do not have control over it and have a contract in place through 2016.

Boeing build it where the largest number skilled aerospace workers live, the state that has provided $8.7 billion in tax incentives, where the analysts say makes the best business case and where the customers want it built? Again, that is the company’s choice to make.

We know and will continue to point out the best place to build the 777X is right here in Puget Sound with workers who have a legal, binding contract in place through 2016.

Your District leadership believes the only choice you have to make is how you vote on this Jan. 3 offer. Your District Officers recommend you vote in favor of the contract that recommend you VOTE NO to this concessionary contract and protect your retirement, health care and pay.

District 751 Machinists are the best aerospace workers in the world.

If you ratify it (although we are not certain of the outcome) you will take the 777X out of state unless you agree to contract concessions that will destroy your retirement security in the long run, while taking thousands from you in health care cost shifts and minimizing your wage growth.

For example, union workers who work at Pratt & Whitney – building engines for Boeing jets – narrowly ratified a new two-year contract on Dec. 8 that provided 2.5 percent wage increases, increased pension benefits while also en-
It is said that freedom isn’t free. Others sacrificed their lives so we could be free today. The cost of being part of the middle class isn’t free either. Nor is it free to stay in the middle class.

Machinists members at 751 cannot take our hard won middle class standards for granted either. As with our freedoms, people sacrificed for what we have today. Many of you reading this article are among those who gave up so much so that we all would benefit. In the long arc of labor history, people even died so working folks would have the right to fight for themselves and fight for the dignity that comes from a middle class life.

Now, we are again thrust into the battle to defend the blessings that came from decades of struggle. That which our parents, grandparents and we have fought for, the Boeing Company is seeking to take away from us and our children. Are we to allow what we inherited and helped build for ourselves and for the next generation to be taken by threat and intimidation? Can we allow a company flush with profits and literally over a decade worth of business on the books to steal our future? Should we succumb to the temptation of the carrot or be intimidated by the stick and give up all that we have fought for in the past?

WE SAY NO!!!

Let’s look at what you are being asked to give up.

**PENSIONS**

In the Company’s proposal you are asked to eliminate your defined benefit pension, which gives you a guaranteed level of retirement income. That income is protected by federal law and cannot be taken from you. We fought for this pension and have given up pay and other benefits to keep it. For example, our health care monthly contributions will increase at least 30% of your existing pension benefit. Should we exchange a guaranteed retirement benefit for an uncertain retirement future?

WE SAY NO!!!

**HEALTHCARE**

Our hard won medical benefits are also under attack. Examples of the takeaways include a nearly doubling of the TMP annual deductible from $675 to $1200 for a family; employee health care monthly contributions will increase from $66 a month to $233 by the end of the offer. In addition, copays double for office visits and prescription drug copays increase. For Selections and Group Health Plans the insurance coverage is dropped from 100% down to 90%, and monthly contributions for a family will go from $499 to $665.

Perhaps the most outrageous health care takeaway is starting in 2018, Boeing could, without negotiations, reduce your retiree health care benefits at any time so they can avoid any Obamacare excise taxes. Should we accept these huge takeaways from your family healthcare benefits? WE SAY NO!!!

What are we being promised for giving up our pensions and accepting these huge healthcare takeaways? The Company promises the 777X -8,-9 and Freighter derivatives final assembly for Everett and that the wing fabrication and assembly for the Puget Sound. However the Company may subcontract or outsource certain 777 wing fabrication and assembly work packages, in whole or part, in order to create capacity for either 777X work packages in the Puget Sound facilities, and/or to efficiently utilize those facilities to accomplish the production and assembly of the 777X (787 work placement language).

It is important to note that in the 2011 contract extension, a mere two years ago, the Company promised in Letter of Understanding 42 to build the 777MAX, the P8 and the Tanker here in Washington. They even stated they intended to continue production of wide-body airplanes in Everett facilities. But that promised lasted only 2 YEARS of the 5 year contract.

Last month in the November 13th proposal, the Company reneged itself from that promise, allowing it to move all of this work elsewhere. Fortunately our membership rejected that proposal. So let’s have to ask, how long will the Company keep its promises on the 777X being built in Washington? Can we trust them to keep their word? WE SAY NO!!!

The company is now using the worst form of bullying. Under threat of job loss and leaving the state the Company insists you vote to eliminate your own pension, degrade your health care and destroy all of the hard work and sacrifice you and your fellow Machinists, past and present, have fought and sacrificed for.

This being done by a company making record revenue, record profits, and with its stock at record highs.

Should we turn our backs on the history and heritage of our union? Should we throw away all the days we spent on the picket line to avoid a diminished future to our children and those that follow us working to build these great airplanes we have devoted our careers to, to give away our middleclass status? All of that in exchange for promises we know the Company may not keep? WE SAY NO!!!

**Electronic absentee ballot request procedure for Jan. 3 contract vote**

Because so many members are on approved vacations and will be out of the area on Jan. 3, District 751 (with approval from the International President) has arranged for absentee ballot voting. Absentee ballot requests will be mailed via email by no later than noon on January 2nd.

To request an absentee ballot for the upcoming vote on January 3rd 2014, members in good standing must state one of the following reasons in their email request:

1. Members who are on vacation more than 25 miles from the designatedballoting site.
2. Members who are either confined because of verified illness or on leave qualifying under U.S. law.
3. Members who are on official IAM business by local, district or Grand Lodge.
4. Members who are on employer travel assignment.
5. Members who are on reserve military leave.

Email request MUST contain the following:

- BEMSID (unique identifier your signature is on the secure Longform) and to the news media.
- Members who are interested in helping on the email ballot can send an e-mail to voluntwe@iam751.org to sign up. Be sure to include your name, BEMSID, the location and time of day you’d like to volunteer. You will be emailed a phone number and an e-mail address you can reach at during the holidays.
- These are extraordinary times, but the goal of your District 751 leadership is to ensure that every member gets an opportunity to vote.

**Voting procedures for proposal on Jan. 3**

Voter eligibility cards are being mailed to more than 30,000 District 751 members who work at Boeing in Puget Sound.

You will need to bring those blue cards with you to the polls on Jan. 3. At the polling place, you will exchange your card for a ballot. You will need to show photo ID – your Boeing badge is fine. If you lose or forget your card, or if it gets lost in the mail, you can stand in line at your local union hall to get a Good Standing card, which you can then exchange for a ballot.

Voting will take place between 5 a.m. and 6 p.m. at all Puget Sound union halls, including:
Auburn Union Hall – 201 A St. SW
Everett Union Hall – 8729 Airport Road;
Renton Union Hall – 233 Burrtle Ave. N.
Seattle Union Hall – 9125 15th Place S.
Fredrickson - Pierce County Skills Center 16117 Canyon Rd. E.
County Skills Center, 16117 Canyon Rd. E.

Because many of our members are on approved vacation and will be out of the area on Jan. 3, District 751 also is arranging for absentee voting (see box below).

All ballots will be counted and the results tabulated by District 751 volunteers at the Seattle Union Hall. Once the results are known, it will be announced on the District 751 website and to the news media.

**Electronic absentee ballot request procedure for Jan. 3 contract vote**

- Take picture with camera or cell phone along with your signature in the picture (if using passport, place your signature on a sheet of paper next to your passport).
- If picture of Drivers License is used your signature is on the license.
- Include in the email your BEMSID as well.
- Include a phone number where you can reach us should you have a problem.
- Send the above information to absentee@iam751.org from an email address where you want the voting instructions to be emailed back to.
- 5A) If you are a member in Portland you must indicate such in the email request.

Once validated, you will receive voting instructions and a unique pin number on January 2nd for the January 3rd vote.

If we have a problem with your request, we will notify you prior to the Janurary 3rd deadline for requests.

NOTE: We will be utilizing an outside voting service to handle the actual absentee voting on January 3rd. The only information we will receive from us is your BEMSID and unique pin number. They will also receive your email in order to send you to the voting portal.

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