

DISTRICT 751

# AERO MECHANIC

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★ SPECIAL CONTRACT VOTE EDITION ★

# Machinists to vote Jan. 3

## International orders vote on proposal after Boeing removes its preconditions

District 751 members will vote Jan. 3 on a Boeing proposal that is largely unchanged 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 counterproposal 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-



Everett Machinists attend a Nov. 11 rally against Boeing's first 777X contract offer. The company's latest offer is largely unchanged from the one District 751 members rejected by a 2-to-1 margin on Nov. 13.

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

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**To view all Boeing proposed contract language changes, visit [www.iam751.org](http://www.iam751.org)**

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 going forward 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 annuity 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 more dramatic. 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 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. 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 eff. Nov. 2016 (same as SPEEA and other payrolls currently receive).
- Dental annual maximum coverage increases \$500 in 2020 and another \$500 in 2024.

## 'Nothing fair or right' about Boeing demands

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

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## REPORT FROM THE PRESIDENT

# It's still a bad offer and you should still vote NO

By **TOM WROBLEWSKI**  
District 751 President

I'm sure all of you understand how significant the upcoming vote on Boeing's proposal is to our union, our state and our industry. Given that, we've decided to devote this entire edition of the newspaper to discussing 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 that 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 do. I've directed my staff to 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.

But the facts that prompted your elected business representatives and I to say "no" to the Boeing proposal haven't changed. What Boeing demands of you are major concessions that would guarantee you would keep less of your take-home pay and retire with less security, while receiving wage increases that are less than those being earned by other aerospace workers.

And the fact is that Boeing is proposing this destructive contract at a time when the company is enjoying record profit margins, record stock prices and near-record backlogs. Earlier this month, Boeing's top management decided to reward shareholders for our recent successes with a \$10 billion stock buy-back, plus a 50-percent dividend increase.



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.

And on top of all that, Boeing executives tell us they don't plan to use any of our 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.

Because of all of this, your District 751 leadership recommends that you once again say "No" to Boeing.

Notice I said that your District 751 leadership is recommending a no vote.

By now, all of you should have received a letter from our International President, R. Thomas Buffenbarger, recommending 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 opinion and the right to share it with you, our elected District 751 representatives here in Seattle disagree with his analysis.

We don't feel the changes 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 my opinion. 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 withdrew progression takeaway proposal, new bonus, added \$500 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 and as individuals, to reject this Boeing proposal.

Which ever way you end up voting on Jan. 3, Washington state will remain the best place for Boeing to build the 777X. Every objective analysis of the business case shows that to be true.

If Boeing's leadership chooses to reject that reality, and do something that hurts its own customers and shareholders by taking the 777X away from us, then that's on them. We can't prevent Boeing from making a bad business decision.

We can, however, prevent Boeing from ripping away benefits and pay that we have earned with our performance, today and over the past 78 years, and we do that by rejecting the Boeing offer on Jan. 3.

### District Lodge 751, International Assn. of Machinists and Aerospace Workers

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## Washington clearly Boeing's best bet for 777X

**State has best tax structure, business climate and -- above all -- workforce**

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

"Our state has the best tax structure and business climate, and all the facilities and infrastructure that Boeing needs," said Tom Wroblewski, the president of Machinists Union District 751. "Most of all, Washington is home to the largest and deepest pool of aerospace workers in the world, workers who time and again have proven their value to Boeing."

Media reports have detailed all the items that Boeing wants states to provide in order to be considered as the new site for the 777X, which is the latest derivative of Boeing's best-selling wide-body jet.

The list includes zero-cost, or "very low cost," land and facilities next to a 9,000-foot runway; infrastructure improvements including highways, utilities and rail lines; worker training programs; low taxes and a streamlined regulatory system; and a highly skilled labor force.

A seaport is on the wish list as well.

Washington already has all of those things.

#### LAND AND FACILITIES

Boeing already owns ample land



The clear business case for Boeing is to build the 777X in Washington. (Graphic courtesy Washington State Labor Council.)

adjacent to Paine Field in Everett, and also could have access to land owned by Snohomish County on the other side of the airfield, which easily meets Boeing's 9,000-foot requirement.

The site includes a rail spur that is connected to a pier that allows Boeing to barge in parts that Japanese suppliers make for the current generation of 777 planes.

Boeing says it will need to spend up to \$10 billion to build as much as 4.2 million square feet of manufacturing space, should it move the 777X to another state. In Washington, however, the company says it would need to build only 1.4 million additional square feet, which would save the company billions.

#### INFRASTRUCTURE

All the infrastructure Boeing needs

for the 777X already is in place – including established delivery systems for the suppliers that will provide key components for the 777X.

In addition, Washington's Legislature is expected in January to take up a \$12.3 billion transportation bill that would include projects to help Boeing move parts and people between its plants in Auburn, Frederickson, Renton and Everett.

#### WORKER TRAINING

A report for the Washington Aerospace Partnership this year found that Washington state has five times more people training for aerospace jobs than competing states.

Washington has a wide range of publicly funded training programs for

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# 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 to the right shows 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 where the stock market has gone backwards.

The example chart (top right) has not been adjusted for inflation, nor spousal 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 growth 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." While the pension guarantees a 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.

## Wages

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 increase to 6 percent; however, it could also pay nothing in any year. In Dec. 2013, Boeing proposed to the Union to more than double the percentage of improvement required to reach the maximum AMPP payout at the current 4 percent. Boeing has told us repeatedly their philosophy is "they never intend

Employee Age	Annual Income	Years of Service	Monthly Pension Income	Company 401K Contribution	Pension Payout for 10 & 20 years of life vs 401K total value
Age 32	\$60,000	10 years	\$910	\$32,400 + interest	Pension = \$109,200/\$218,400 401K = \$32,400 + interest
Age 42	\$60,000	20 years	\$1820	\$56,400 + interest	Pension = \$218,400/\$436,800 401K = \$56,400 + interest
Age 52	\$60,000	30 years	\$2700	\$80,400 + interest	Pension = \$324,000/\$648,000 401K = \$80,000 + interest

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

Member Labor Grade Assumption	COLA (Already in current contract - No gain)	GWI (NOTE per year money since it spans 8 yrs)	PROGRESSION (Already in current contract. No gain)	AMPP Incentive (Can be zero but Boeing assumes 6% max. Nothing guaranteed)	Total Additional Wages Over 8 Year Extension (Boeing's unlikely assumptions)	Guaranteed NEW money in contract beyond the bonuses
Grade 4 hired in 2012 (with progress to max upon the 12th step)	\$4,659	\$2,919 OR \$364 a year	\$33,023	\$18,832 (can be 0)	\$59,433	\$2,919 OR \$364 a year
Grade 4 hired in 2014 (with progress to max upon the 12th step)	\$4,659	\$2,491 OR \$311 a year	\$40,373	\$18,832 (can be 0)	\$66,355	\$2,491 OR \$311 a year
Grade 4 at Max in 2014	\$4,659	\$3,246 OR \$405 a year	N/A	\$22,425 (can be 0)	\$30,300	\$3,246 OR \$405 a year

NOTE: \$10,000 lump sum signing bonus and \$5,000 lump sum bonus for January 2020 not in chart

for any work group to reach maximum payout of any incentive plan." Their goal is only to have any group earn the mid-point so the maximum is always out of reach.

## Boeing retirement projections use best case scenario

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 too 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 not \$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 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 until you retire, so your VIP investments 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; and

- 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 fund 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 what you're due under today's rules.

The fact is, our own International headquarters estimates that your retirement incomes 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.

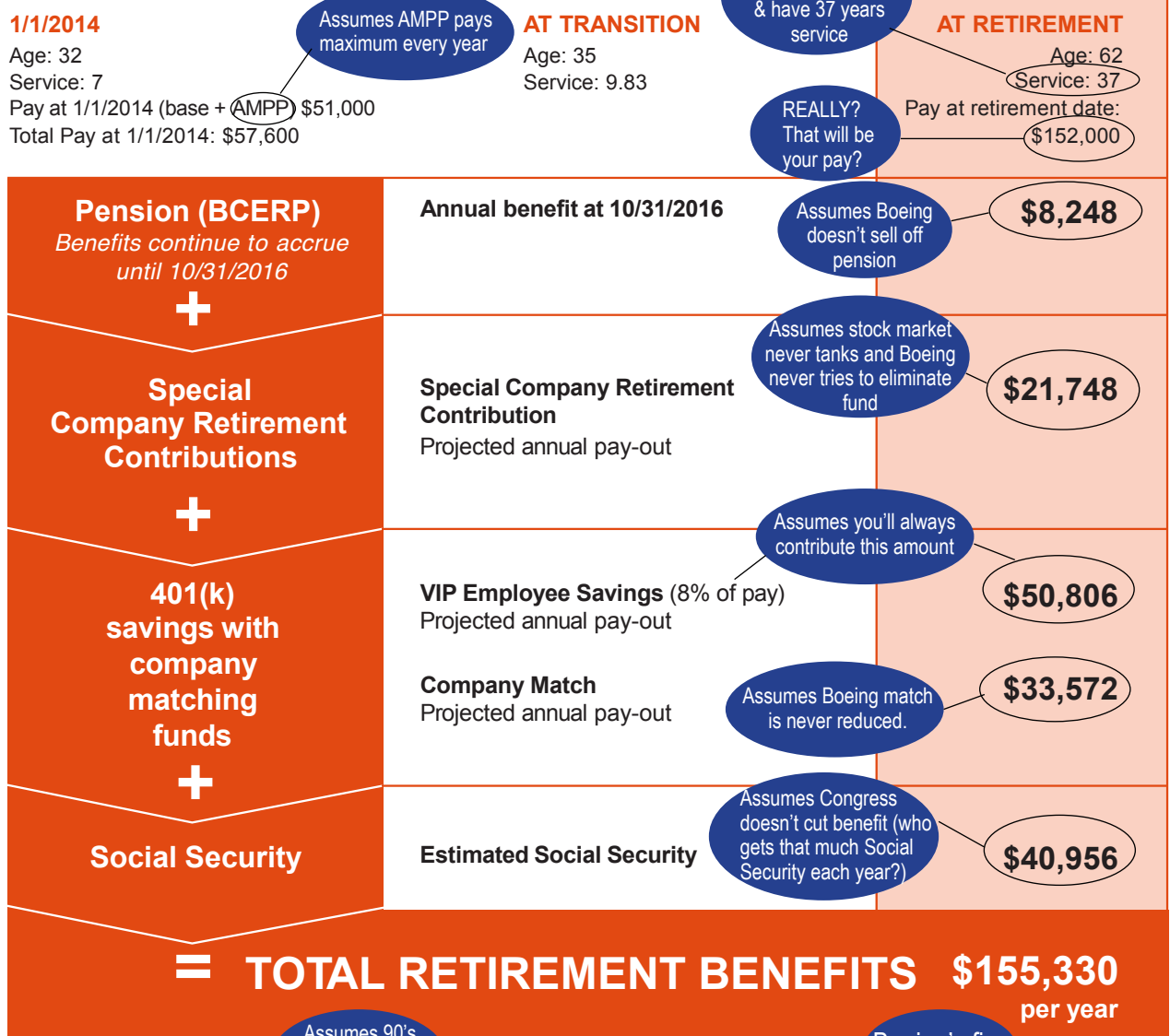
But if you have a pension, you'll receive a check every month, whether you live to age 69 or 96. That level of retirement security has always been priceless to Machinists.

Boeing itself warns you that you shouldn't rely on its numbers being an accurate gauge of what you'll have at



## PROJECTED ANNUAL RETIREMENT INCOME\* EXAMPLE: 32-YEAR-OLD AT 1/1/2014

### EMPLOYEE DATA



\* Annual income adjusted for inflation  
• 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.

# Analysis/Comparison of Boeing Proposal 12/12/13 VS Proposal Voted on 11/13/13

**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.

## 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: 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, when the money runs out, its gone and you might still be living.

- 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.**
- 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.

BOEING 12/12/13 PROPOSAL	REALITY	OPINION & QUESTIONS
<b>LANDING 777X (the whole reason why there were talks)</b>		
Company agrees to locate the 777X wing fabrication and assembly, and final assembly and major components (fabrication, interiors, wires) of the 777X in Puget Sound.  <b>MINIMAL REVISION CHANGES: Added wording to 777X LOU to include "major components (fabrication, interiors and wires)". Boeing agreed to extend LOU 42 (on 737MAX and other airplane programs) through 2024.</b>	<b>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.</b>  <b>Boeing can still get rid of our jobs and outsource, subcontract or strategically place work elsewhere (why trade away your wages and benefits for a meaningless guarantee - read the language that was proposed).</b>  <b>Language says "Boeing may subcontract or outsource certain 777X wing fabrication and assembly work packages in whole or part"</b>  <b>What's the capacity threshold the company would use to offload or outsource work especially when Boeing committed to building a new 1 million sq ft wings facility and 400,000 sq ft facility for final assembly?</b>	<b>MODIFIED FROM 11/13/13 PROPOSAL</b>  <b>NEW JOBS - UNKNOWN &amp; QUESTIONS</b> - 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."  If you don't get to build the 777X wing, then why take concessions everywhere else?  Boeing has already said publicly that the 777X will have less jobs than current production lines due to robotics and automation.
<b>WAGES/ECONOMICS</b>		
On progression, Boeing agreed to maintain ZOOM per current contract <b>(REVISED)</b>	<b>Progression remains same as current contract for future hires. Boeing agreed to withdraw takeaway proposal for endless progression.</b>	<b>REVISED FROM 11/13/13 PROPOSAL - COMPANY WITHDREW TAKEAWAY PROPOSAL ON PROGRESSION. Same language as current contract.</b>
\$5,000 lump sum bonus in January 2020 <b>(NEW ADDITION)</b>	<b>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.</b>	<b>REVISED FROM 11/13/13 PROPOSAL</b>
1% General Wage Increase in 2016, 2018, 2020, and 2023 <b>(NO CHANGE)</b>	<b>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.</b>	<b>SAME AS 11/13/13 PROPOSAL. CONCESSION from current contract - Slowed wage growth</b> Keep in mind that McNerney got a 20 percent raise in his wages last year, yet we would only get 4% over 8 years.
COLA formula remains same <b>(NO CHANGE)</b>	<b>Maintain current language</b>	<b>SAME AS 11/13/13 PROPOSAL &amp; same as current contract</b>
\$10,000 ratification bonus in 2013 <b>(NO CHANGE)</b>	<b>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.</b>	<b>SAME AS 11/13/13 PROPOSAL</b> 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.
Incentive plan maximum rate increased to 6% starting in 2017 with option to put in 401K. Option to defer AMPP into savings plan. <b>(NO CHANGE)</b>	<b>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.</b>	<b>SAME AS 11/13/13 OFFER - IMPROVEMENT from current contract.</b> 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?



BOEING 12/12/13 PROPOSAL	REALITY	OPINION & QUESTIONS
<b>WAGES/ECONOMICS (continued)</b>		
Hire in rates - <b>(NO CHANGE)</b>	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).	<b>SAME AS 11/13/13 PROPOSAL</b>
<b>PENSION</b>		
Current retirement plan frozen in 2016. Eff. 10/1/16 monthly multiplier raised to \$95 per month (however, no additional accumulation after 2016) <b>(NO CHANGE)</b>	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.  <b>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 UNDERFUNDED, ONCE MERGED BOEING COULD USE OUR PENSION FUND TO FINANCE THE EXECUTIVE SUPPLEMENT PLAN</b>	<b>SAME AS 11/13/13 PROPOSAL - CONCESSION from current contract</b> Analysts agree there isn't anything that can compare to a defined benefit pension plan. It is the best retirement security you can have.  McNerney, if he retires now, will get <b>\$265,575 a month</b> . While trying to eliminate our pensions, McNerney, as head of the Business Roundtable (a lobbying group of top U.S. Corporations) is pushing to raise eligibility age for Social Security to 70 years old.  If we give up pensions without a fight, will any workers' pension be safe?
No penalty for early retirement at 58 years old eff. 10/1/16 <b>(NO CHANGE)</b>	Again, to get the penalty reduced from age 60 to 58, you must give up any future pension accumulation.	<b>SAME AS 11/13/13 PROPOSAL - IMPROVEMENT from current contract</b>
<b>NEW RETIREMENT SAVINGS PLAN</b>		
Starting in 2016 Boeing will contribute a percentage of your gross earnings: • 10% in Nov. 2016 • 10% in Nov. 2017 • 6% in Nov. 2018 • 4% per pay period thereafter  New hires only receive 4% each year  <b>(NO CHANGE)</b>	Retirement savings plan does not equal the current pension multiplier. Boeing's new retirement savings plans would provide 2/3 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.	<b>SAME AS 11/13/13 PROPOSAL - CONCESSION from current contract. New plan delivers at least 2/3rds LESS for retirement going forward and there are many unanswered questions.</b> How is new retirement savings invested? What are the rules for moving savings between investments? What are the fees associated with holding or moving investments? What are the rules to access or withdraw money?  Boeing examples assume a 7% rate of return every year with no loss (what happened to your VIP in crash of 2008?)  If ratified, new hires get no pension, nor the 10%, 10%, 6% in savings plan; they only get 4%. More divide and conquer tactics by Boeing.
<b>VIP PROGRAM</b>		
Eff. Nov 2016, Company match increased to 75% of first 8% (currently matched at 50%). <b>(NO CHANGE)</b>	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).	<b>SAME AS 11/13/13 PROPOSAL - IMPROVEMENT from current contract. This is what other Boeing payrolls currently receive.</b> Boeing also noted that employees, beginning 1/1/15, could contribute up to 30% of their income to VIP on a pre-tax and after-tax basis in 1% increments. Who, besides McNerney, can afford to put 30% of their income away for retirement?
<b>HEALTH CARE/DENTAL</b>		
Boeing added \$500 to annual dental maximum in 2020 and another \$500 in 2024. <b>(REVISED)</b>	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.	<b>REVISED FROM 11/13/13 PROPOSAL - IMPROVEMENT</b>
No changes in 2014 and 2015 from current contract language on monthly premium <b>(NO CHANGE)</b>	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.	<b>SAME AS 11/13/13 PROPOSAL - CONCESSION from current contract. If Boeing's offer was accepted, it would triple or quadruple total health care costs to you over the life of the contract from where they are today.</b> Boeing has not even been able to quantify the health care savings from our last negotiations when we accepted concessions they figured to be a 10 percent cost shift from previous percentages. Those only went into effect January, 2013 so not even for a full benefit year.
Employee cost sharing increased to 16% for 2016 through 2024 (Boeing's proposal says 16% but 16% of what?) <b>(NO CHANGE)</b>	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)	<b>SAME AS 11/13/13 PROPOSAL - CONCESSION from current contract-</b> Since monthly premiums continue to escalate, what percent would we really be paying in 2024? Boeing says it is a 3 percent cost shift, but your cost each month more than triples during the life of the proposed contract & that is before you visit the doctor. Seems to be much more of a dramatic shift than they lead you to believe.
Office visit co-pays increase twice in new proposal <b>(NO CHANGE)</b>	Office visit copay increases from \$15 per visit to \$20 & \$25 in 2017 then to \$30 and \$40 in 2020.	<b>SAME AS 11/13/13 PROPOSAL - CONCESSION from current contract</b>
Decreased overall medical coverage from 100% to 90% for those in Selections and Group Health <b>(NO CHANGE)</b>	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.	<b>SAME AS 11/13/13 PROPOSAL - CONCESSION from current contract -</b> Decreasing overall medical from 100% to 90% means that every hospital stay will cost a member hundreds of dollars (possibly thousands up to annual out-of-pocket maximum). Members would also pay 10% of every office visit.

BOEING'S 12/12/13 PROPOSAL	REALITY	OPINION & QUESTIONS
<b>HEALTH CARE/DENTAL (continued)</b>		
Prescription drugs <b>(NO CHANGE)</b>	<b>Increases in 2017 for all plans (and we continue to have members pay the difference if you use anything other than generic)</b>	<b>SAME AS 11/13/13 PROPOSAL - CONCESSION from current contract</b> - Members agreed to cost shift in 2011 extension on prescription drug coverage.
Yearly deductible for TMP would have two increases during additional extension <b>(NO CHANGE)</b>	<b>TMP deductible increases to \$300 individual/\$900 family in 2017 and again increases in 2020 to \$400 individual/\$1,200 family.</b>	<b>SAME AS 11/13/13 PROPOSAL - CONCESSION from current contract</b> - Members agreed to increase deductible in 2011 extension.
Hearing Aids <b>(NO CHANGE)</b>	<b>Hearings aids for those in Selections and Group Health increase to \$800 in 1/1/14. Benefit increases to \$1,000 for all plans in 2020.</b>	<b>SAME AS 11/13/13 PROPOSAL - CONCESSION from current contract</b> - Union believed we had secured \$800 benefit in 2011 extension, but Boeing only honored them for those in TMP.
Language to allow Boeing to make necessary plan changes to avoid Affordable Care Act (Obamacare) excise tax. <b>(NO CHANGE)</b>	<b>Proposal gives Boeing the ability to reduce health care benefit levels without negotiations to avoid potential excise taxes required in the Affordable Care Act (Obamacare). Boeing is self insured and Boeing alone determines what the costs are so they could manipulate the numbers and change our benefits at will.</b>	<b>SAME AS 11/13/13 PROPOSAL - CONCESSION from current contract</b> - Gives Boeing unlimited ability to change your benefits without negotiations and you nor your union have any say in the matter.

**Employee Monthly Contribution for Health Care Premiums**

**EMPLOYEE COSTS MORE THAN TRIPLE FROM 2014 TO 2024 (HOW IS THAT A 3% COST SHIFT AS BOEING SAYS?)**  
 (all assume that employee and spouse took the health assessment each year; if not, add \$20 or \$40 a month to each figure)  
 These are costs you pay monthly whether or not you ever go to a doctor.

Plan Name & Type	Locations	Level of Coverage	CURRENT CONTRACT			PROPOSED MONTHLY PREMIUM (assuming health assessment completed each year)							
			1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
Traditional Medical Medical Plan (PPO)	Seattle WA	1 - Employee	\$22.00	\$24.20	\$26.62	\$40.00	\$44.00	\$48.40	\$53.24	\$58.56	\$64.42	\$70.86	\$77.95
		2 -Emp + Spouse	\$44.00	\$48.40	\$53.24	\$80.00	\$88.00	\$96.80	\$106.48	\$117.13	\$128.84	\$141.72	\$155.90
	Portland, OR California	3 - Emp + Child(ren)	\$44.00	\$48.40	\$53.24	\$80.00	\$88.00	\$96.80	\$106.48	\$117.13	\$128.84	\$141.72	\$155.90
		4 -Family	\$66.00	\$72.60	\$79.86	\$120.00	\$132.00	\$145.20	\$159.72	\$175.69	\$193.26	\$212.59	\$233.85
Selections (CCP) Group Health HMO Selections Plus (CCP)	Seattle WA	1 - Employee	\$49.50	\$54.45	\$59.90	\$70.00	\$77.00	\$84.70	\$93.17	\$102.49	\$112.74	\$124.01	\$136.41
		2 -Emp + Spouse	\$99.00	\$108.90	\$119.79	\$140.00	\$154.00	\$169.40	\$186.34	\$204.97	\$225.47	\$248.02	\$272.82
	Portland, OR	3 - Emp + Child(ren)	\$99.00	\$108.90	\$119.79	\$140.00	\$154.00	\$169.40	\$186.34	\$204.97	\$225.47	\$248.02	\$272.82
		4 -Family	\$148.50	\$163.35	\$179.69	\$210.00	\$231.00	\$254.10	\$279.51	\$307.46	\$338.21	\$372.03	\$409.23
Kaiser Permanente (CCP)	Portland OR	1 - Employee	\$22.00	\$24.20	\$26.62	\$40.00	\$44.00	\$48.40	\$53.24	\$58.56	\$64.42	\$70.86	\$77.95
		2 -Emp + Spouse	\$44.00	\$48.40	\$53.24	\$80.00	\$88.00	\$96.80	\$106.48	\$117.13	\$128.84	\$141.72	\$155.90
	California	3 - Emp + Child(ren)	\$44.00	\$48.40	\$53.24	\$80.00	\$88.00	\$96.80	\$106.48	\$117.13	\$128.84	\$141.72	\$155.90
		4 -Family	\$66.00	\$72.60	\$79.86	\$120.00	\$132.00	\$145.20	\$159.72	\$175.69	\$193.26	\$212.59	\$233.85

BOEING'S PROPOSAL	REALITY	OPINIONS & QUESTIONS
<b>RETIREE MEDICAL</b>		
Retiree health care remains protected for 10 years <b>(NO CHANGE)</b>	Retiree medical plan contributions continue under current contract provisions. However, the same changes that apply (increased co-pays, deductibles, etc) will apply to retiree medical.	<b>SAME AS 11/13/13 PROPOSAL - CONCESSION from current contract</b>

## ADDITIONAL THINGS TO CONSIDER

**WHO CAN FORESEE WHAT THE ECONOMY WILL DO BETWEEN NOW AND 2024?** With 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 A SERIOUS IMPACT ON YOU EVERY DAY. ISSUES LIKE:**

- Progression rules when accepting promotions that relock you to zero.
- Transfers based on seniority
- Sick leave to match other payrolls
- Designated overtime limits
- Offloading and subcontracting in 21.7
- Facilities/maintenance subcontracting
- Tool control policies that are out of control
- Indefinite suspensions with no apparent justification
- Using alleged safety violations as a discipline hammer
- Boeing'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 this tells Boeing we will vote on any demand they make - even if there is a contract in place.

**DIMINISHED BARGAINING POWER IN THE FUTURE**

In the last 10 years, name examples when a group or union makes concessions and is able to get it back in future negotiations. If approved, we would have no ability to negotiate anything for over 10 long years. By the time we sit down again, most members will not have gone through a traditional bargaining cycle and understand the importance of solidarity; thereby diminishing our ability to rally the troops.

**BOEING'S FINANCIAL POSITION**

Boeing is still asking for huge concessions while experiencing record profits, record backlogs and record stock prices. In the last quarter, Boeing Commercial had revenue of \$14 billion and an 11.6 percent profit margin, which is up from 9.5 percent last year. Boeing once said it would be thrilled to ever realize a 10 percent profit margin. In early December, Boeing Board of Directors also approved a \$10 billion stock buy back to bolster shareholder revenue and executive compensation.

Our wages and benefits are less than 5 percent of the cost of the airplane. Boeing would be much better off to harness our skills and knowledge on increasing productivity. They landed the tanker because our expertise helped shave 20-25 percent off the cost of that plane. Even working for free with no benefits, we could only shave off 5 percent.

Should Boeing face less profitable times, what will they ask for then?

Also once our pension is frozen, it can be merged with other plans. This means since BCERP (our pension plan) is overfunded and the executive supplemental plan is underfunded, so Boeing could use our pensions to fund the executive supplement plan. That is especially insulting when you consider that McNerney if he retires now, will get \$265,575 a month. While trying to eliminate our pensions, McNerney as head of the Business Roundtable (a lobbying group of top U.S. Corporations), is also pushing to raise eligibility age for Social Security to 70 years old.



# 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: one from your District 751 leadership in Seattle recommending you reject the latest Boeing offer and one from your International President recommending you ratify it (although we are not certain since we were not allowed to see what the International mailed).

So what gives? Why the conflicting messages? It is an unusual situation, but there is an explanation.

District 751 in 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 recommends you vote to 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 other locals 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 by 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 Wroblewski 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 a vote. 751 contended the vote should move to Jan. 6 at the least because so many members were on scheduled vacation. The International insisted the vote must be on Jan. 3.

District 751 succeeded in getting a one-time absentee ballot process to try to ensure a maximum number of members get to vote and worked hard to get that set up in short order.

To sum up the reasons for the different recommendations, based on the fact that the International and your District leadership draw different conclusions from the situation.

Our International believes that Boeing 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.

Your District leadership knows Boeing may make the decision to locate the 777X outside of Washington, but 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.

Will 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 unanimously and strongly recommend you VOTE NO to this concessionary contract and protect your retirement, health care and pay.

## 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 favorable 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 aerospace companies and a series of moves designed to streamline permitting for aerospace industry projects.

### 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 company's union 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.," Wroblewski said. "However, everyone needs to remember that our members have helped Boeing achieve record production levels, 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," Wroblewski said. "I just call us the best aerospace workers in the world."

Wroblewski said when all objective data is weighed, he's confident that Boeing's evaluation will show that Washington is the best state to be the home for the 777X.

"Our members would dearly love to continue our 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."



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

## Machinists to vote on Boeing offer Jan. 3

*Continued from Page 1*

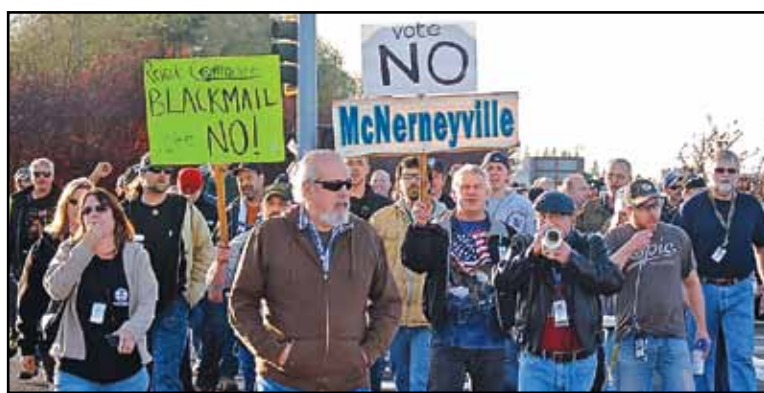
Buffenbarger's order to hold the vote came after Boeing Commercial Airplanes CEO Ray Conner agreed to lift preconditions he had previously imposed on District 751 leadership. Conner had told Wroblewski and 751 Business Reps that they must give the offer their unanimous endorsement and agree to "go out in the shop and sell this ... or there is no offer," according to notes union reps took at the meeting.

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

The fact that Conner has withdrawn the preconditions doesn't change the fact that Boeing's offer is a bad one that would impose drastic concessions on retirement and healthcare benefits and limit future wage growth, Wroblewski 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 December ratified a four-year contract that grants 2.5 percent wage increases and increases pension benefits, while imposing no additional health care costs.



*Machinists march to the Everett Union Hall on Nov. 13 to cast their votes on Boeing's first 777X contract offer, which was rejected by a 2-to-1 margin.*

Likewise, Machinists Union members at engine maker Pratt & Whitney ratified a three-year contract that granted them 2.5 percent wage increases, increased pension benefits and 401(k) payments and limits future health care increases.

Both are clearly superior to the offer Boeing has made.

"Me and all our district leadership team are united in urging our members to once again reject Boeing's offer," Wroblewski said. "This offer would rip away retirement security and take thousands of dollars each year away from our members and their families, in re-

turn for vague promises of job security."

"Our members want to build the 777X," he said. "And Boeing needs to have us build it. That's what all the Wall Street and industry analysts say, and that's what the customers have told Boeing too."

"Since both sides want to build it here," he said, "it shouldn't be hard for us to come to an agreement that rewards our members for their contributions to the company's record profit margins and stock prices while also ensuring Boeing's best-selling widebody jet continues its legacy of excellence."

## 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 offering you. 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 new Machinists.

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 three-year contract on Dec. 8 that provided annual 2.5 percent wage increases, increased pension benefits and 401(k) payments and limits future health care increases.



# What we have today came at a price

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 status 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 arch of labor history, people even died so working folks would have the right to stand up 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, we gave up general wage increases in 1983-1988 and once again



*Wages and benefits we have today are due to sacrifices past generations made. 9 out of the past 30 years, we did not take raises to buy the health care and pension benefit we enjoy today. This proposal asks you to destroy those benefits.*

in 2005-2007; nine total years without a GWI in the past 30 years just to pay for our pensions. We spent weeks on strike to first get a pension, and then we struggled for several decades to build that pension.

Instead of this solid retirement income from your pension, you are expected to exchange it for a sketchy 401k defined contribution plan. This defined contribution plan carries with it no assurance of an adequate retirement income. According to some retirement experts, your 401k funded at 4 percent of gross wages will be equal to about 30 percent of your existing pension. 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 employee contributions for a family will go from \$148.50 in 2014 to \$409 in 2024.

Perhaps the most outrageous health care takeaway is starting in 2018, Boeing could, without negotiations, reduce your health care benefits at any time so they can avoid the 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 777X wing fabrication and assembly work packages, in whole or part, in order to create capacity for other 777X work packages in the Puget Sound facilities, and/or to efficiently utilize those facilities to accomplish the production and assembly of the 777X (777X 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 737MAX, the P8 and the Tanker here in Washington. They even stated they intended to continue production of wide-body airplanes in its Everett facilities. But that promised lasted

ONLY 2 YEARS of the 5 year contract.

Last month in the November 13th proposal, the Company released itself from that promise, allowing it to move all of this work elsewhere. Fortunately our membership rejected that proposal. So now we have to ask, for 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 union members, past and present, have fought and sacrificed for.

This is being done by a company making record revenue, record profits, and with its stock at record prices. 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 lines. Are we willing to hand over 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!!!**



*Time on the line is often about building a brighter future for our children.*

## 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 the card for a ballot. You will need to show photo ID – your Boeing badge is fine.

If you forget or lose 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 Burnett Ave. N.;

Seattle Union Hall –  
9125 15<sup>th</sup> Place S.

Frederickson - Pierce  
County Skills Center,  
16117 Canyon Rd. E,  
Puyallup.

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 result is known, it will be announced on the District 751 website



and to the news media.

Members who are interested in helping on the day of the vote can send an e-mail to [volunteers@IAM751.org](mailto:volunteers@IAM751.org) to sign up. Be sure to include your name, BEMSID, the location and time of day you'd like to volunteer, your

phone number and an e-mail address you can be reached 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.

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

Because so many members are on approved vacation 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 must be made 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 designated balloting 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:

1) The subject line must be your BEMSID only.

2) Attach a picture of either your \*drivers license or passport (drivers

license preferred) (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.

3) Include in the email your BEMSID as well.

4) Include a phone number where we can reach you should we have a problem.

5) Send the above information to [absentee@iam751.org](mailto:absentee@iam751.org) from an email 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 January 2nd deadline for requests.

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

## 'Nothing fair or right' about Boeing demands

*Continued from Page 1*

and soul. And they haven't asked for anything except to maintain what they have and continue doing the work in which they take so much pride.

It doesn't have to be this way. The Machinists and Boeing each have what each other needs. The Machinists can ensure the quality, on-time delivery and long-term profitability of Boeing by building the 777X right here in Everett. Boeing can maintain its profit margin and the retirement security of Machinists by retaining the existing pension plan that is clearly so precious to their employees

We can do this. We can share in the company's prosperity and make everyone a winner, including customers, shareholders and the communities where we work and live. We owe this much to each other.