

From: Doug Kight

Sent: Monday, August 04, 2008 4:17 PM

Subject: IAM negotiations update – minimum pay rate increases proposed

****This message is being sent by Doug Kight, vice president of Human Resources, to all managers and HR employees in Washington, Oregon and Kansas ****

IAM negotiations update – minimum pay rate increases proposed

During IAM negotiations today, Boeing offered to increase minimum pay rates by \$1.28 per hour. Under the proposal, employees who earn less than the proposed minimum rate—after the application of cost of living adjustments (COLA) and any general wage increases—will automatically move to the new minimum rate.

Boeing and the IAM will discuss general wage increases later in the negotiations process.

The proposed minimum pay rate increases for labor grades 1-11 are listed below. Pay rates for labor grade A (Factory Service Attendant) are being discussed separately. This offer is consistent with the priorities outlined in our [Platform for Discussions](#), which we presented to the union when we opened negotiations.

<u>Labor Grade</u>	<u>Current Minimum</u>	<u>Proposed Minimum</u>
1	\$9.72	\$11.00
2	\$10.72	\$12.00
3	\$11.72	\$13.00
4	\$12.72	\$14.00
5	\$13.72	\$15.00
6	\$14.72	\$16.00
7	\$15.72	\$17.00
8	\$16.72	\$18.00
9	\$17.72	\$19.00
10	\$18.72	\$20.00
11	\$19.72	\$21.00

Steering team meeting this Thursday

This Thursday Boeing and the IAM will conduct our next steering team meeting where members of the main-table negotiations team hear progress reports from our subcommittees. In addition to discussing minimum pay rates, we will continue to discuss other concrete economic issues such as health care, incentive pay, team leader premiums, an enhanced defined-contribution retirement program for future Boeing employees and early retiree medical insurance coverage for future employees. We also will talk about tentative agreements in five other areas, including Joint Programs funding.

We continue to make good progress and remain committed to presenting the IAM with our best and final offer before the Labor Day weekend. This will provide employees with the time they deserve to review the contract with their families before voting on the offer.

Actions for managers

Please share this information with your teams, ask them to follow the progress of negotiations at www.boeing.com/2008negotiations, and encourage them to vote on Sept. 3. If you have any questions, please post them to my blog, [innerViews](#). You are a vital component in our negotiations strategy, and we're counting on your continued leadership and support.

Doug