



BOEING • IAM
2008
labor negotiations

From: Scott Carson
Sent: Friday, September 12, 2008 12:11 PM
Subject: Mid-September update

****This message is being sent by Scott Carson, president and CEO of Boeing Commercial Airplanes, to all managers and Human Resources employees in Washington, Oregon and Kansas. ****

Mid-September update

Today we are coping with the difficulties and setbacks of the IAM work stoppage. But keep in mind that we have an excellent contingency plan in place, thanks to the dedicated efforts of a knowledgeable and highly professional team. I extend my sincerest gratitude to that team and to all of you who are implementing the plan at your work sites in Washington, Oregon and Kansas.

Your efforts have ensured that we have safe and secure workplaces, that we continue to support our customers' fleets, that we are able to deliver airplanes in the latter stages of ticketing, and that we are maintaining support of critical programs. In other words, you are accomplishing the work statement priorities of the contingency plan, and you are doing so under very difficult circumstances. I have the greatest respect for all you've achieved.

I also appreciate your patience and resilience. Rest assured that we remain open to finding a way to get our whole team working again. We are committed to reaching an agreement that rewards our employees for their hard work while enabling Boeing to remain the industry leader. It is deeply disappointing that the union turned down a truly outstanding offer that balanced the needs of our employees with ensuring our long-term competitiveness, but Chairman Jim McNerney and I, together with all of the company's business-unit leaders, continue to have regular dialog on this matter, and we are in total accord on our approach to negotiations.

On a related matter, just this week we received an opening negotiation proposal from the Society of Professional Engineering Employees in Aerospace, whose current labor contract with Boeing expires late this year. Our engineers and technical employees have done a superb job, and we look forward to meeting with the SPEEA negotiating team to discuss how to share our success as we have done in the past and preserve our ability to compete in the marketplace.

Also this week, we learned that the Defense Department has canceled the KC-X tanker competition, stating that there is insufficient time to reach a decision before the next administration takes office. Boeing welcomes this development because we believe it will provide an opportunity to conduct a thorough and open competition.

At a time when it's important that we all keep our focus, thank you for your support and for all you do for Boeing.

Scott