

**ARTICLE 13
LABOR GRADES - IDENTIFICATION
AND APPLICATION OF**

Section 13.1 Labor Grades.

The various labor grades are those identified in Article 6.

Section 13.2 Corporate Job – Definition of.

"Job" as used in this Article 13 shall in each instance refer to, as a composite unit, The Boeing Company title, number, and description of the job.

Section 13.3 Identification of Existing Jobs – Placement in Labor Grade.

The "Corporate Job List - Existing Jobs as of September 24, ~~2005~~2008" contains all the jobs existing as of that date. For the period of this Agreement, thereafter each job in that list respectively shall continue within the same labor grade as the one with which it is identified in such list.

Section 13.4 Procedure for Placement, Within Labor Grades, of New or Changed Jobs.

In the following sections of this Article 13, a procedure is established for the placement, within labor grades, of new jobs or jobs in regard to which, after the date of this Agreement, there has been a substantial change in job function or job description. Such procedure provides agreed upon measurements, standards and considerations to be applied in the placement of any such job within a particular labor grade.

Section 13.5 Establishment of New Jobs.

When work operations involving new or substantially changed requirements are established after the effective date of this Agreement and such requirements are not adequately or specifically described in an existing job, the Company will describe and establish a new job in a labor grade based upon its use of the Classification Guides and Representative Jobs referred to in Section 13.10 by notifying the IAM Overall Coordinator and the Directing Business Representative at each major location of its action. If, forty-five (45) days after receipt of such notification of the establishment of the new job, the Union has not requested negotiation of the labor grade on the ground that pursuant to Section 13.10 the job should be in a different labor grade, the job will become permanent. The parties shall discuss the job description and changes shall be made by the Company in response to negotiation with the Union in the interest of clarity, better understanding or to more properly describe the way the work is organized; however, the organization of the work shall not be affected. If the labor grade is changed, such change will be retroactive to the date of installation by the Company. In the event that the parties are unable to reach agreement on the labor grade such dispute may be submitted to arbitration under Section 13.9. However, neither the organization of work nor the determination of the job duties shall be subject to arbitration and the arbiter shall not have authority to alter a job description.

Section 13.6 Temporary Classifications.

Temporary classifications and code numbers identified with the prefix "T" may be established by the Company for new work functions for which no current job description is applicable and which require a period of time to stabilize job duties. This period shall not exceed ninety (90) days unless extended by mutual agreement. Extensions will be limited to two (2) and be granted in ninety (90) day increments. Employees will be assigned to such new work at their current labor grades. The Union will be notified of the effective date and approximate duration of the temporary classification and code number. If the permanent job title, job description and code numbers are installed at a higher labor grade than the labor grades of the assigned employees, these employees will be paid at the higher labor grade for the time assigned to the job duties of the applicable job title.

Section 13.7 Initial Staffing of New or Temporary Classifications.

When establishing a new or temporary classification (not job combinations) and where such new or temporary classification is comprised of portions of existing jobs in programs currently in production, the Company will identify the job classifications whose current work assignments will form the basis for the Determining Duties of the new or temporary job description. The Company will then initially staff these positions with senior volunteers from the employees currently assigned to those existing job classifications within the organization from the site where the new or temporary job is being installed. When a new job is installed in an existing job family, and is of a higher labor grade, all employees currently populating the lower labor grade in the normal line of promotion in the new job family shall be notified of the opportunity to file a Category B Effective Application in accordance with Section 22.1(b). If the temporary job results in the installation of a new job, the employees assigned to the temporary job will have established rights to the new job. All further openings will be staffed in accordance with Article 22.

Section 13.8 Opportunity for Union to Challenge Placement in Labor Grade.

In the event the Union disagrees with the labor grade in which the new or changed job has been placed, it must, within forty-five (45) calendar days from the date the new or changed job description is forwarded by the Company, challenge the labor grade, detailing in writing the reasons why the Union disagrees and why another Classification Guide (considered with its Representative Jobs) is more appropriate to establish the labor grade; otherwise, the job title, description, and labor grade, as determined by the Company, will continue for the life of this Agreement.

Section 13.9 Procedure in Event of Disagreement.

If the Union challenges the labor grade in regard to a new or changed job, Company and Union representatives shall meet promptly, at a mutually agreed time, for the purpose of attempting to reach agreement as to the appropriate labor grade. If no agreement is reached within thirty (30) calendar days of the Union's challenge as described in Section 13.8, the Union may, within the next ten (10) calendar days, request that the controversy be submitted to arbitration in accordance with Sections 19.6 to 19.10, inclusive, of Article 19.

Section 13.10 Classification Guides and Representative Jobs.

Each labor grade shall be identified with a "Classification Guide" and certain "Representative Jobs." Any disagreements between the Union and the Company shall be resolved (whether by agreement or arbitration) exclusively on the basis of applying the overall composite guideline afforded by each Classification Guide and the Representative Jobs identified with it. The Classification Guide and its Representative Jobs are to be considered together as presenting a composite picture of a particular grade level of work. No Classification Guide is intended to cover any of the specifics of a particular package of work but is intended instead to provide (together with its Representative Jobs) measurements and standards that identify a particular grade level of work. In each instance, the designated Representative Jobs are intended to provide a grade level picture only and will not always relate directly and specifically to each of the new or changed jobs that may be developed in the future. Further guidelines to be followed by the parties and (in the event of arbitration) by the arbiter are as follows:

13.10(a) The Determining Duties and Responsibilities (see the Rules referred to in Section 13.10(e)) in the job description describing the new or revised work shall be the basis for determining the appropriate labor grade.

13.10(b) The requirements to satisfactorily perform the work shall be considered. For example, typical requirements to be considered would be job knowledge, skill, responsibility, working conditions, and problem solving. The abilities and personal qualities of individuals who may already have been assigned to do the work shall not be evaluated.

13.10(c) The Classification Guides and Representative Jobs established for each labor grade shall be carefully studied and the sum of the requirements so represented shall be compared with those of the work to be graded.

13.10(d) The new or changed job shall be placed in the labor grade that is identified with the Classification Guide and Representative Jobs most comparable, in terms of work grade level, to the job to be graded.

13.10(e) The attached "Rules Governing the Application of Job Descriptions" and the glossary entitled "A Glossary of Terms and Phrases" shall remain in effect for the life of this Agreement.

Section 13.11 Retroactive Payment Where Labor Grade Changed.

If the Union challenges the labor grade of any new or changed job classification as to which the Company has submitted a revised job description to the Union, and it is determined that the job is not in the correct labor grade, the Company shall pay each employee involved at the corrected rate for time in which the employee has performed the determining duties specified in the job description subsequent to the date on which the Union notifies the Company in writing of its challenge of the labor grade placement and within forty-five (45) calendar days prior to that date. Section 19.5 of Article 19 shall not apply.

Section 13.12 Existing "Nonrepresentative" Jobs.

The parties recognize that, as of the date of execution of this Agreement, certain jobs now are in labor grades which, measured against the applicable guidelines, do not meet the standards and work level appropriate to the labor grade. Job references and comparisons in connection with placement of new or changed jobs within a labor grade are therefore limited to the Representative Jobs designated for the particular labor grade.

Section 13.13 Applicable Classification Guides and Representative Jobs.

During the life of this Agreement, unless changed by mutual agreement of the parties, the Classification Guides and Representative Jobs identified respectively with each labor grade shall be those to which the parties have mutually agreed bearing date of September ~~24, 2005~~2008, and entitled "Classification Guides and Representative Jobs for Use in Placing New or Changed Jobs Within the Appropriate Labor Grade."

Section 13.14 Misassignment Grievances.

During the life of this Agreement, the Company shall have sole responsibility for making work assignments. The Union, however, may challenge the labor grade of any employee covered by this Agreement based on the contention that the work assigned by the Company differs from the job description to the extent and in such a manner so as to require assigning the employee to an existing or new job that would be in a higher labor grade after applying the guidelines of Section 13.10. Disputes based on such contention may be settled in accordance with Article 19.