

From: Scott Carson

Sent: Wednesday, March 26, 2008 10:45 AM

Subject: Relationships with unions

*\*\*\*This message is being sent by Scott Carson, president and CEO of Commercial Airplanes, to all Boeing Commercial Airplanes managers and Human Resources employees\*\*\**

Last week, I received an e-mail message from a lead engineer on the 787 program. He expressed concern about recent newspaper articles characterizing a meeting involving me and the new executive director of the Society of Professional Engineering Employees in Aerospace (SPEEA).

After reading my response, this engineer suggested that I share my answer more broadly. He pointed out that many employees have read these articles, and they hope that relationships can be established and maintained in such a manner that union leadership plays a positive rather than a negative role from the perspective of both Boeing management and Boeing employees. He stressed that none of us should ever lose sight of the goal of finding win-win solutions to our mutual issues and concerns.

His thoughtful and insightful note spoke to the real issues that we must solve together. In that spirit, I've decided to share my original email with all Commercial Airplanes managers. The e-mail is below:

"Thanks for the thoughtful note. There have been a number of news articles about the recent meeting with SPEEA leadership. Thanks for asking for my opinion rather than taking what you read in the media at face value. I really appreciate the opportunity to respond.

"Since I took this job, I've sought to work with unions in a much more open and transparent way. At least once per quarter, Doug Kight and I meet with the leaders of the IAM and SPEEA. We share BCA's long-range business plan and the type of financial information that we review with the Boeing Executive Council and the Board of Directors.

"We hope to build long-term relationships based on understanding each other's positions, mutual trust and respect. While we don't always agree, we're upfront about issues and intend to keep the dialog flowing. We also intend to avoid a situation where Boeing and the unions don't share vital information until days before the contract expires. We have an opportunity for Boeing to develop a different type of relationship with the unions, and we're committed to this approach.

"We prefer to keep what transpires in these meetings confidential to encourage open and frank discussions. Unfortunately, that did not happen. What I can share is that I said—as I've said many times at Excellence Hour meetings with employees—that I wish Boeing didn't have to work through a third party to have discussions with employees about pay, benefits and other working conditions. I believe that it's a fundamental obligation of leaders to conduct these types of discussions with employees. But to say these comments indicate that Boeing is anti-union is, in my opinion, a mischaracterization.

"Boeing has worked with unions for 72 years, going back to when the first IAM local was organized in Seattle in 1936. Currently, Boeing has approximately 50 collective bargaining agreements in place with unions throughout the enterprise. More than one-third of Boeing employees companywide—and nearly two-thirds of Boeing employees in Puget Sound—are members of unions. Unions are a key stakeholder in our company. Our goal is to work with the unions so we can all share in Boeing's recent success and sustain our success for generations to come.

"You've probably also read comments from SPEEA that Boeing intends to 'dismantle' our benefit programs. That's untrue. To attract and retain talented people to design, build, support and improve our products, we must offer outstanding compensation, health care and retirement plans. We constantly review these plans to ensure that they're competitive and provide value for employees. To keep up with demographic changes in the workplace and to address growing financial challenges, we occasionally change these plans. If we do, I can assure you that they'll continue providing outstanding levels of pay and benefits.

"I hope this helps clear the air and addresses the concerns that you raised."

If you find this to be helpful, please feel free to share my message with your teams.

We're focusing more than ever on open and transparent negotiations this year with both the International Association of Machinists and Aerospace Workers (IAM) and with SPEEA. We're counting on managers to facilitate open dialog so that everyone—employees, the company and the unions—focuses on finding win-win solutions.

Thanks for all that you do for Boeing.

Scott