Boeing Union Contract Ratified In Close Vote by Washington State Machinists

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Thirty-one thousand members of District 751 of the International Association of Machinist and Aerospace Workers voted narrowly on January 3 to accept a **collective bargaining agreement (CBA)** negotiated by their Union and Boeing Co. after having voted against the Company's proposal two months earlier by a 2 to 1 margin. At stake in the second vote, as reported by the <u>Washington Post on January 4</u>, was whether construction on the Company's 777X airliner would stay in the State of Washington.

Boeing had vowed to remove construction of the aircraft to another state if the Union members voted down the Company's proposal a second time. Although Boeing made some minor changes to its proposal prior to the second vote, the most contentious proposed CBA term, eliminating an expensive defined benefit pension plan and implementing a 401K plan in its place, remained in the proposal.

After the initial rejection by members of District 751, Boeing began soliciting bids to build the 777X airliner from other states. Twenty-two states responded, some offering billion-dollar tax breaks. Boeing officials advised Washington State officials that despite that state's agreement to provide Boeing with \$8.7 billion in tax breaks through 2040, the Company would move construction of the airliner elsewhere if the Union again rejected the contract.

According to the Washington Post report, the Company's second proposal was narrowly accepted, by a 51% to 49% vote, a difference of about 600 votes. Opponents of the proposal criticized both the International Union and state officials for forcing another vote on what they claimed essentially was the same proposal that had been rejected. Many Union members also complained that the vote was taken during the holiday period when members were on vacation, despite the availability of absentee ballots.

It remains to be seen whether acceptance of the new CBA will provide Boeing with the labor peace it is seeking. Many employees, including some who voted in favor of the proposal, expressed

unhappiness with the Company for forcing them to choose between their pensions and their jobs. Some disgruntled employees also called for the ouster of the present union. Only a short time ago, Boeing wrestled with the Washington unions when it sought to set up assembly lines in South Carolina, a case that also embroiled the NLRB with members of Congress.

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