NLRB COMPLAINT LEGAL FACT SHEET

Boeing's decisions

- The complaint alleges that Boeing "decided to transfer its second 787 Dreamliner production line" from Puget Sound to South Carolina. (¶ 7(a).) This is incorrect. The second final assembly line is new work that was never located in Puget Sound and was never planned or scheduled to be in Puget Sound. No IAM represented employees have lost, or will lose, their jobs as a result of Boeing's decision In fact, Boeing has added over 2,000 union jobs in Puget Sound since the decision.

- The complaint also alleges that Boeing "decided to transfer a sourcing supply program" for the 787 from Puget Sound to South Carolina, or to subcontractors. (¶ 8(a).) That is incorrect. The sourcing supply program, like the assembly line itself, is new work. There is no transfer of work out of Puget Sound.

- The complaint alleges that Boeing selected South Carolina for its new assembly line and dual sourcing "because" employees represented by the IAM had gone on strike in the past "and to discourage" employees from going on strike in the future. (¶¶ 7(b), 8(b).) That is incorrect. Among other factors, Boeing's decision was properly based on its need to ensure continuous production capability for the 787 and to mitigate the risk of financial impacts on Boeing's customers and shareholders caused by possible *future* strikes. This is, of course, a permissible consideration under settled law which makes plain that an employer's interest in avoiding or mitigating the economic harm caused by anticipated strikes is a legitimate business objective. *American Ship Building Co. v. NLRB*, 380 U.S. 300 (1965); *NLRB v. Brown*, 380 U.S. 286 (1965)

Boeing's statements

- The complaint alleges that Boeing told its employees that it "would remove or had removed work" from Puget Sound. (¶ 6.) That is incorrect. No work has been "removed" from Puget Sound. The second final assembly line and its sourcing supply program are new work. Nothing is being taken from Puget Sound, and Boeing has never said otherwise.

- The complaint alleges that Boeing threatened or impliedly threatened that IAM members in Puget Sound would lose "additional work" if they went on strike in the future. (¶ 6.) That is incorrect. Boeing never threatened to take any work away from Puget Sound (much less "additional work") and has in fact added over 2,000 IAM jobs there since its Puget Sound decision.

- The complaint alleges that Jim McNerney, in a quarterly earnings statement, said that Boeing was "moving the 787 Dreamliner work to South Carolina." (¶ 6(a).) That is incorrect. First, no work has been moved from Puget Sound to Charleston or anywhere else. There is no reduction in production at Puget Sound, and no jobs will be lost. The South Carolina assembly line is new work only. Second, Mr. McNerney never used the

term “moving,” as the complaint makes clear by excluding that word from quotation marks.

- The complaint alleges that Jim Albaugh, in a videotaped interview, “threatened the loss of future work opportunities [for IAM members in Puget Sound] because of [past] strikes.” That is incorrect, as a review of the videotape makes clear. Mr. Albaugh never threatened the loss of any jobs in Puget Sound, and none are planned. To the contrary, Mr. Albaugh simply said that among the factors we considered in making the decision were the economic impact of possible future IAM strikes, the delivery delays that future strikes would cause, and the potential erosion of customer confidence. The law expressly permits an employer to consider the economic impact of strikes in making work placement decisions. Avoiding or mitigating the impact of strikes is a legitimate business objective, and discussing that objective is not illegal. *American Ship Building Co. v. NLRB*, 380 U.S. 300 (1965); *NLRB v. Brown*, 380 U.S. 286 (1965)

Legal arguments

- The complaint alleges that Boeing has discriminated in the “hire or tenure or terms or conditions of employment of its employees” in order to discourage employees from joining unions (¶ 10.) That is incorrect. There will be no loss of work or other effects in Puget Sound as a result of Boeing’s decisions. Boeing is not laying anyone off, refusing to hire anyone, paying anyone differently, or changing anyone’s job responsibilities or working conditions as a result of its decisions. Boeing has not, and will not, discriminate against any employee or applicant because of their membership in, or support of, a labor union.

- The complaint argues that Boeing’s decisions were “inherently destructive” of employees’ union rights. (¶¶ 7(c), 8(c).) That is incorrect. For over 35 years, both the Board and Supreme Court have agreed that an employer’s actions designed to blunt the effects of anticipated future strikes are not inherently destructive of union rights. *See NLRB v. Brown*, 380 U.S. 278, 283 (1965). Further, no IAM member has lost their job nor had their working conditions adversely affected by Boeing’s decisions. Finally, it is hard to understand how Boeing’s exercise of a right it had expressly under its contract with the IAM could possibly be “inherently destructive” of the union’s right.

- The complaint argues that Boeing’s statements about its decision-making process interfered with, restrained, and coerced employees in the exercise of their rights under federal law. (¶ 9.) That is incorrect. In making the statements identified in the Complaint, Boeing leaders were explaining the lawful reasons behind the business decision to construct a new production line in South Carolina. The NLRA (the federal labor law governing employees’ rights to act collectively in a union) permits employers to explain their “views, argument[s], or opinion[s]” as long as there is no “threat of reprisal or force or promise of benefit.” § 8(c), 29 U.S.C. § 158(c). When Boeing explained the reasons for its decisions, no employee was ever threatened with job loss or other harm, and no such harm has materialized.

- The complaint asserts that the Board can order Boeing to "operate" the second line—which is a new, multi-million dollar factory in South Carolina—in Puget Sound. (¶ 13(a).) The law does not support such an order. The Board has never ordered an employer to construct a new factory where one never existed and where no existing employees have been harmed. That is beyond the Board's authority.

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IAM Statement

- The IAM issued a statement claiming that Boeing made the decision to construct a second 787 line in Charleston after threatening the workers there that they would get no future work unless they were not represented by a union. That is incorrect. The production workers at the North Charleston facility exercised their rights under federal law and voted to end their representation by the IAM in September 2009. Until its press release yesterday, the IAM has never claimed that Boeing's conduct was improper in any way. In fact, after the employees' vote, the IAM had the opportunity to file objections to Boeing's pre-election conduct, but did not. The reason is simple: Boeing has never threatened any employee with the loss of work, whether current or future work, because of union membership.