



For Immediate Release

February 5, 2016

SPEEA and IAM 751

## **Committee bows to Boeing and votes against bill to tie \$8.7 billion tax breaks to keeping jobs in state**

OLYMPIA – A majority of the Washington State House Finance Committee bowed to The Boeing Company today by voting “no” on HB 2638, which would have tied Washington’s \$8.7 billion aerospace tax incentives to jobs. The action denies the state’s House of Representatives a vote on the issue and leaves the aerospace giant free to continue taking tax breaks from Washington, even if it keeps moving jobs out of the state.

“The vote today demonstrates the power of corporate influence to overcome what is clearly the will of the people and the intent of the legislation,” said Machinists District 751 President **Jon Holden**.

The Machinists worked hand in hand with the other large union at Boeing, the Society of Professional Engineering Employees in Aerospace (SPEEA), IFPTE Local 2001, to push for legislation that stopped Boeing from receiving the full tax break and then actively moving jobs out of the state. The legislation was approved during a Special Session in November 2013 to “maintain and grow” the state’s aerospace workforce. Since then, Boeing has shed 4,057 jobs in Washington.

“It is vastly disappointing to see some legislators ignore their colleagues and their constituents so blatantly,” said SPEEA President **Ryan Rule**. “With more than 4,000 jobs lost – including nearly 3,000 good engineering and technical jobs already moved from Washington since aerospace incentives were extended; how many more jobs must be lost before something is done?”

The union presidents thanked the Committee members who supported and recognized the call from taxpayers to hold Boeing and the aerospace industry accountable for the financial support provided by the state.

“We thank those who had the courage to stand up for the interests of the citizens of our state and give a special thanks to Finance Committee member Rep. **June Robinson** (D-38) who sponsored the legislation and Committee Chair Rep. **Kristine Lytton** (D-40) for bringing the bill to a vote,” said Holden.

- more -

In addition to Lytton and Robinson, committee members voting to support the bill for accountability were Noel Frame (D-36), Gerry Pollet (D-46), Chris Reykdal (D- 22), Cindy Ryu (D-32) and Sharon Wylie (D-49).

Voting against the legislation were Terry Nealey (R-16), Ed Orcutt (R-20), Cary Condotta (R-12), Matt Manweller (R-13), Drew Stokesbary (R-31), J.T. Wilcox (R-2), Larry Springer (D-45) and Brandon Vick (R-18).

As proposed, HB 2638 would have tied the largest tax break in U.S. history to the 83,295 jobs Boeing had in Washington when the breaks were approved by the legislature in November 2013. Today's vote flies in the face of three different state-wide public polls that showed 73 to 84 percent of respondents supported tying aerospace tax breaks to specific job requirements in Washington.

Union leaders said the issue comes down to what Washington expected when the legislature extended tax breaks for the aerospace industry. People of the state, including IAM 751 and SPEEA which supported the tax incentive extension, expected aerospace jobs to grow in Washington. Instead, Boeing shed jobs from its Washington workforce, sending work, innovation and future capacity across the country. The unions said Boeing is double dipping by collecting our tax incentives and securing additional tax incentives from other states while creating capability there that will be used to compete against Washington state workers in the future.

Other states, like South Carolina, Missouri and Oklahoma, required a specific number of jobs for Boeing to receive tax breaks. Washington did not.

“Other states were responsible and had the foresight to require job guarantees and capital investments for their tax incentives,” said Holden. “It is damaging as our state needs to stand up and be responsible as well – especially since we’re talking about the biggest tax break in U.S. history that has resulted in job loss for Washington.”

###

Contacts:

Bill Dugovich, SPEEA communications, 206-674-7368 or 206-683-9857 (cell)

Connie Kelliher, IAM communications, 206-764-0343 or 206-755-8575 (cell)