Boeing engineers ratify contract

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Boeing engineers and technical workers voted by a 70 percent margin to approve a March 17 tentative agreement ending the 40-day strike by nearly 20,000 members of the Society of Professional Engineering Employees in Aerospace (SPEEA).

Boeing made a partial retreat to end the walkout that had severely disrupted its delivery of planes. The company delivered only 27 of 42 jets in February (many of which were nearly finished before the beginning of the strike on February 9) and a mere 3 jets through March.

The three-year contract provided technicians with raises of 4 percent in the first year and 3 percent in the remaining two years while engineers received 3 percent for each of the three years. Boeing backed off its demand that workers pay part of their health insurance premiums and agreed to foot the bill. Health care coverage was also extended to domestic partners.

Bonuses were also provided. But unlike the contract for Boeing machinists, who received up-front lump sums that averaged $4,400, SPEEA members will receive only $1,000 after 30 days. The rest of the bonus money is connected to production: $500 following delivery of 225 planes this year and $1,000 after delivery of 491 planes no later than March 1, 2001. According to sources, the production bonuses could be paid if the targets were missed but due to causes other than the workforce.

One striker said, “I would have liked to have seen more money up front. They made us strike, and in my opinion I think they should pay for it. It's definitely a compromise.”

Of SPEEA's 13,440 dues-paying members, 9,660 voted on the contract. The overall bargaining unit comprises 22,352 workers, of which the union claimed 19,000 walked the picket line. Boeing conceded at one point in the strike that as many as 17,000 workers were striking.

In the wake of concessions made to production workers in last fall's contract with the International Association of Machinists (IAM), Boeing sought to avoid guaranteed wages and award only merit pay while slashing life insurance benefits from 2.25 times a worker's salary to a maximum of less than $50,000. Added to this was the demand for employee contributions toward health care premiums.

The company believed that the weakness of SPEEA, combined with the IAM bureaucracy's guarantee to abide by its no-strike clause, would allow management to force through a substandard contract that could then become a basis for attacking the more lucrative contract of the IAM down the road.

But accumulated grievances among the professional workers led to a feeling that only a collective struggle could advance their cause. During the negotiations from last November through January the union increased its dues-paying membership by 50 percent. In fact, the surge within the professional ranks, along with solidarity from other workers, made it difficult for the SPEEA leadership to ignore the ranks and accommodate the company at different points in the struggle.

However the dangers facing engineers and technicians is by no means over. Boeing has made clear that it intends to slash up to an additional 5,000 jobs in the coming period. The SPEEA will also seek to collaborate in the company's attempt to further profits at the expense of workers. The final agreement was worked out with the assistance of AFL-CIO Secretary Treasurer Richard Trumka.

Critical for Boeing's plans to recoup the concessions made to workers is the establishment of a “Leadership Council” comprised of union and company officials and chaired by the president of the International Federation of Professional and Technical Engineers, an AFL-CIO union with which SPEEA recently affiliated.

Through the Leadership Council, Boeing and the labor bureaucracy will seek to chisel away at issues such as health care, quality, work rules and jobs with an eye to boosting company profits.

After the agreement one worker asked aloud, “Will [Boeing's] thinking still be short term, or long term? Will it be ‘what's the stock price today?' Or, will they look out 10 years, keep research and development instead of shutting it down, keep the good people they've got instead of letting them go? Can they really afford to lay off as many people as they have this year?”

Boeing Chairman Phil Condit made it clear who was calling the shots. In a statement issued after the contract settlement, Condit said, “One thing Wall Street does not like is ambiguity. Now that agreement is there, it begins to make the future a little less cloudy.”

During the 40-day strike Boeing's stock plummeted from 44.63 to 32.37. On the day the settlement was announced the stock rose 2.38 points. One financial analysis firm, D.A. Davidson, said that despite a projected loss of 25 cents per share in the first quarter, with a “reasonable settlement ... we expect virtually all of the lost revenue and earnings to be recovered very quickly.”