

Lockheed workers in Georgia walk out over health benefits

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At 12:01 a.m. Tuesday, over 3,000 workers at giant defense contractor Lockheed Martin's Marietta, Georgia plant went on strike. The workers walked out after rejecting the company's "final offer" on a three-year contract and their union's recommendation that they accept the agreement, which would have significantly increased health-care costs.

Rejecting an appeal by the International Association of Machinists (IAM) to come back to the bargaining table, the company is taking a hard line on its demands and has encouraged workers to cross picket lines. The company's determination to cut costs is apparently in part a response to the possibility that the Pentagon will phase out the F/A-22 Raptor fighter jet and the C-130J Hercules cargo plane currently manufactured at the company's Georgia facility.

The striking machinists, represented by IAM local 709, comprise a little more than one-third of the workforce of 8,000 at the Marietta plant.

Lockheed Martin has offered to increase wages 10 percent over three years and pay a \$1,500 bonus when the contract is ratified. However, workers point out that rising health-care premiums will result in a de facto wage cut if they accept the proposed contract. Under the pact, Lockheed would raise health insurance rates on the existing workforce and cut pensions for new hires.

Striking worker Earl Thacker told the *Atlanta Journal-Constitution* he pays \$17 a week for health insurance. "The few dollars they've given us, they end up taking away in insurance costs."

Lockheed workers at various locations voted on the contract February 27; only the Marietta facility rejected it. Voting took place at Palmdale, Sunnyvale, and Vandenberg AFB in California; Clarksburg, West Virginia; Meridian, Mississippi; Cape Canaveral,

Florida and Marietta. The Marietta workers voted to reject the contract by a 2-1 margin, and the vote to strike was over 3 to 1.

By voting to strike, the Marietta workers are taking on both the company and the union. The IAM Coordinated Bargaining Committee, representing workers from the different plants, unanimously recommended the contract.

Jack Perry, a 21-year employee, told a reporter that he had wanted to retire two years earlier, but could not afford to with his benefits. Upon retirement he would have received \$918 a month in benefits, however his health insurance payments would have been \$587 a month.

"I couldn't figure out how I was going to live on \$300 a month," stated Perry in an *Associated Press* story on the strike.

Lockheed is claiming that 300 members of IAM local 709 have crossed the picket line, five times more the number who did so during a 49-day strike in 2002.

"I don't know if I believe those numbers," said Cornell Stevens, president of Local 709. "I don't have any way of verifying them."

Local 709 struck in 2002 over job security after the plant had lost thousands of jobs and Lockheed-Martin threatened to outsource work. Job security is still an issue. While the Air Force is an ardent supporter of the F/A-22 Raptor and C-130J Hercules, the Pentagon is looking for areas in which to make cuts.

Loren Thompson, a defense analyst at the Lexington Institute, told the *Journal-Constitution* that the strike creates the impression in the Pentagon that Lockheed's workforce is "not as reliable" as the workforces at other facilities.

In addition, Thompson said after the experience of 9/11 the Pentagon is more interested in electronic and

information systems than aircraft. “Demand for the products built in Marietta is shrinking,” stated Thompson.

To counter the proposal for cuts in military spending on aircraft, the IAM has urged its members to write to members of congress for support.

Lockheed, an integral part of the US military-industrial complex, is the government’s largest contractor with 80 percent of its business coming from the Department of Defense.

In 2004 the company reported sales of \$35.5 billion.



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