Boeing: Professional workers vote to accept contract

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Professional workers at Boeing ratified two new contracts Monday night. Engineers voted by 79 percent to accept a contract, while technicians voted by 69 percent to approve theirs. Out of 19,144 authorized ballots sent out by the Society of Professional Engineering Employees in Aerospace (SPEEA), 14,115 members, or 74 percent, participated in the balloting.

The new contract is a betrayal of the engineers' and technicians' legitimate demands. Coming on the heels of a wretched contract imposed on the machinists by the International Association of Machinists and Aerospace Workers (IAM) after an eight-week strike, the acceptance of this contract is a vote of no-confidence in the SPEAA leadership.

One union member's posting to a readers' comment section of the *HeraldNet* explained his yes vote: "SPEEA's negotiating team has proven to be inadequate. They did not get strike authorization before lifting the contract. They lifted the contract before Boeing stated it was the best and final. Therefore, having no confidence in SPEEA or the negotiation team I have voted yes."

Nearly 21,000 engineers, technicians, scientists and manual writers in Washington, Utah, California and Oregon are represented by SPEEA, Boeing's second largest union.

The new agreement was originally reached with Boeing on November 14, with both negotiating teams (one each for the engineers and technicians) and SPEEA's governing council recommending that the proposal be accepted. Balloting was conducted by mail.

The proposed agreement was—as the *World* *Web Site* reported at the time—a betrayal by SPEEA of the interests of the workers. As with the machinists' contract, approved two weeks earlier, on the central issue of outsourcing Boeing would retain its "management rights," as Boeing's chief executive officer, Jim McNerney, put it, to cut jobs.

The agreement fails to place the slightest restraint on Boeing's use of contractors or outsourcing, only allowing affected employees their "input of concerns and recommendations when considering decisions to outsource bargaining unit work."

In addition to the lack of protection on outsourcing, the new contract guarantees only a 2 percent wage increase for engineers and 2.5 for technicians yearly, far below the rate of inflation and much less than what the machinists obtained from their 57-day strike. This measly increase is in spite of the massive profits Chicago-based Boeing has extracted from its workers over the last five years.

Additional increases of up to 5 percent may be awarded based on merit. This means increased productivity, but additionally, individual engineers and technicians will be placed at the mercy of their supervisor to approve an increase above the guarantee.

Medical premiums will increase by 9 percent; the demand for a cost-of-living adjustment and increase in vacation time was dropped by the union, as was the demand for a day off for the Martin Luther King holiday—a day off that North American Airbus workers have. And there is no signing bonus— which the machinists received.

The contract is extended to four years, in line with the machinists' agreement and Boeing's desire to avoid any labor disputes for the foreseeable future.

The circumstances of the 40-day walkout eight years ago by the engineers and technicians—the largest white-collar strike in American history—show that SPEEA has no desire to engage in a struggle against Boeing. In the lead-up to that strike, workers voted down two contract proposals. Meanwhile, as a February 3 strike deadline neared, SPEEA officials worked closely with the AFL-CIO bureaucracy and the Clinton administration to avert a walkout.

The scheduled strike was called off after SPEEA obtained the intervention of the Federal Mediation and Conciliation Service to initiate emergency talks with Boeing. Workers were incensed at this retreat and denounced union officials. Ultimately, the talks were fruitless and a strike ensued.

SPEEA's present-day role—as in the 40-day strike in 2000—was to seek to finalize an agreement on Boeing's terms. At issue here is that the legitimate demands of the rank-and-file are incompatible with Boeing's globalized production strategy, a clash that will only intensify with the deepening economic crisis.

Boeing has already warned, in a memo to its employees on November 20, that it plans to cut an undetermined number of jobs in 2009 due to a "more challenging business environment." Boeing chairman and chief executive Jeff McNerney wrote, "We must respond more aggressively to these business realities." The previous day, Boeing had announced the layoff of 800 employees—27 percent of the workforce—from its Wichita facility.

In an article in the November 21 *Seattle Times*, aerospace analyst Richard Aboulafia is reported as saying that a more substantial Boeing downturn is clearly on the way. With the impact of the economic downturn, Aboulafia said, "it's a fair bet that within 12 months you begin to run out of people who want and can pay for aircraft."

Boeing has informed its customers that airplane deliveries will be postponed 10 weeks, citing the machinists' strike as the cause of the delay. It has 3,734 jets in its order backlog.

According to news reports, China is planning to have its airlines delay new aircraft deliveries due to a decline in passenger and cargo revenue, and high fuel prices. New purchases may also be suspended. A cutback in airplane purchases by China would hurt both Boeing and Airbus.

Hong Kong-based Cathay Pacific has requested that Boeing delay delivery of some of the 35 airplanes it has on order.

Worldwide employment for Boeing amounted to 163,356 at the end of November. In Washington state, the center of Boeing's manufacturing facilities, nearly 77,000 workers are employed.