Aircraft workers reject IAM-backed concessions contract

James Brewer 21 October 2010

Machinists at Hawker Beechcraft in Wichita, Kansas, rejected a concessions contract recommended by their local union last Saturday, with 55 percent of the workers voting against it. The proposal proffered by the International Machinists and Aerospace Workers (IAM) was for a seven-year contract, cutting pay by 10 percent and slashing health care and other benefits.

Hawker currently employs 2,600 machinists, of whom 821 are slated to be laid off by November 1, along with 350 salaried workers. The company, the media and the union have been using the threat of layoffs and forced relocation to pressure workers into accepting the drastic cuts. Only two years ago 5,200 machinists were employed at Hawker's Wichita facility.

A statement by the IAM last Wednesday urged members to accept the agreement: "We have worked hard to get the best possible outcome for our membership in a very bad situation . . . We believe we negotiated the very best deal we could, saved every job that it was possible to save, and secured them for the duration."

Hawker Beechcraft posted operating losses of \$21 million in the second quarter, mainly due to loss of business and the general state of the industry.

Hawker currently employs 6,000 workers at all its Kansas operations combined. It has been considering a much publicized aggressive offer from the state of Louisiana to move its production facility to Baton Rouge.

The Kansas state government made a counteroffer, but tied it to concessions by the workers. Governor Mark Parkinson, who succeeded Democrat Kathleen Sebelius when she joined the Obama cabinet, said in a public statement, "The state's incentive package for Hawker Beechcraft continues to be contingent upon the

company and the union negotiating a new long-term labor agreement . . . The state hopes they will return to the bargaining table and reach an agreement that is acceptable to both parties in order to retain all of the Hawker Beechcraft product lines and the majority of jobs in Wichita."

Hawker announced that it has no plans to return to bargaining. Company CEO Bill Boisture said Monday, after the rejection of the contract, "We were clear some months back that we developed alternatives outside the state of Kansas, and those are alternatives we have to make decisions about, and we were clear we will purposely make some decisions over the next few months."

Just last month, at Cessna, also in Wichita, the IAM was instrumental in pushing through a similar concessions contract. Days later, the company announced the cutting of 700 jobs.



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