Boeing professional workers overwhelmingly reject proposed contract

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In voting that ended October 1, professional and technical workers overwhelmingly rejected the contract proposal presented by aircraft manufacturing giant Boeing. Members of the Society of Professional Engineering Employees in Aerospace (SPEEA), Local 2001 voted 9,770 to 454, or 95.56 percent, while its technical unit voted 5,374 to 154, or 97.19 percent, against. The contract covers nearly 23,000 SPEEA-represented Boeing workers. Most work in the Seattle area plus about 300 more at smaller plants in Portland and in Utah.

The contract calls for below-inflation rates of pay increases, namely a 3.5 percent yearly wage increase for its engineers for four years and a 3 percent yearly wage increase for the first year followed by a 2.5 percent increase in years two to four for its technicians. A technician earns an average salary of $81,000, whereas an engineer is paid, on average, $110,000. The pay scales for the executives however are of a very different order: According to company filings, Boeing CEO James McNerney received $1.9 million in base salary and a $4.4 million bonus in 2011. He received an additional bonus of $4.3 million for 2009-2011.

The contract further proposes cuts in retirement benefits and increased out-of-pocket medical expenses.

A Boeing worker stated to the *Seattle Times*, “A lot of people are upset.” Said Shannon Qualls, a 23-year technical designer: “The contract is insulting. The compensation package is totally unacceptable. It’s less than the rate of inflation. It’s sad to see, when Boeing is doing so well with orders and the money they are making.”

The most far-reaching component of the proposal is the changes in retirement benefits. Boeing wants to switch new-hires from a pension plan with defined benefits to a 401K plan that SPEEA says will deliver up to 40 percent less upon retirement. However, the growth of a 401K is totally dependent on the financial markets, and as such, the retirement benefits of such a plan cannot be determined a priori. Boeing has reported that its defined-benefits pension plan is underfunded by more than $10 billion. Pushing workers from a pension plan to a 401K is the standard practice of employers who want to offload the market risk onto the worker.

That the SPEEA has no principled opposition to the company offloading the risk of retirement to the workers is seen in this quote by Ray Goforth, executive director of the union: “We were ready to entertain an idea of ending the defined benefit plan if [the 401K proposal] was a true replacement plan.” In other words, all the SPEEA requires from Boeing is some trick formula to “convince” the engineers that their new “enhanced” 401K plan is an exact match to the pension plan.

Due to the SPEEA’s agreement with Boeing, even though the current contract expired on Oct 6, no strike can take place until after November 25. However, a strike is furthest from the minds of the union bureaucracy, who have declared that “We hope the vote results clear away the nonsense and allow us to begin substantive negotiations.”

At the end of 2008, SPEEA betrayed the interests of the workers with an agreement that failed to place the slightest restraint on Boeing’s use of contractors or outsourcing. The contract stated merely that affected employees are allowed their “input of concerns and recommendations when considering decisions to outsource bargaining unit work.”

The contract provided a measly 2 percent wage increase for engineers and 2.5 percent for technicians yearly and agreed with an additional 5 percent merit increase tied to productivity increases. Medical

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premiums were set to increase by 9 percent, demands for cost-of-living allowance and increase in vacation time were dropped, as was the demand for a day off for the Martin Luther King holiday—which North American Airbus workers have.

Professional workers approved that contract following an eight-week strike by Boeing machinists that failed at its central purpose, to restrict outsourcing of jobs. The International Association of Machinists negotiated a contract with the "right" to bid alongside low-wage vendors for work that Boeing proposed to outsource.

In 2000, the Boeing engineers staged a 40-day walkout—one of the largest-ever white collar strikes in American history. The SPEEA betrayed this strike as well, finally agreeing to a merit pay scheme whereby only half the labor pool—selected by management—would get the specified raises on the contract. With the intensification of the capitalist crisis since then, the SPEEA bureaucracy would be even more willing to seek out an accommodation with the company.

Michael Delaney—Boeing VP of engineering—has been candid that Boeing will shift work elsewhere if it is unable to slash salaries and benefits to the workers. Since the settlement of the strike in 2000 and then in the aftermath of 9/11, Boeing radically restructured the assembly line that put together the Boeing Dreamliner—the 787. According to the *Seattle Times*, "The Dreamliner is the first Boeing plane that relies on global partners to build most of the major airframe structures. Partners at four intermediate locations in Asia, Europe and elsewhere in the US complete major sections that are flown to Everett for snap-together final assembly."

The complexity of this highly socialized production resulted in many errors and delays that still did not make Boeing back away from this new approach.

Despite the threats by Boeing management to shift work out of the Puget Sound region, the lopsided vote by professional workers indicates their determination to stop the attacks on jobs and the continuous decline of wages, working conditions and benefits. This is in keeping with the growing resolve of workers across the country, such as teachers in Chicago and sewer workers in Detroit, to defend their rights.

To combat Boeing's international strategy, workers require their own international strategy. It can do this by taking the conduct of this struggle out of the hands of the SPEEA and organizing an independent rank-and-file struggle to unite aircraft workers in the US and internationally against the continuing assault on jobs and living standards.

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