

Boeing professional and technical workers oppose concessions demands

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As negotiations between Boeing and the union representing its professional and technical workers stalled, rank-and-file members sent out anonymous emails calling for a one-day wildcat strike on December 5.

Talks between Boeing and the Society of Professional Engineering Employees in Aerospace (SPEEA) broke up last week when Boeing negotiators abruptly halted discussions on pension changes, recommending the involvement of the federal mediation services.

“The differences between the parties are still significant, and this was clearly reinforced during today’s conversation,” Boeing stated in a message to its employees. “We hope the expertise of the Federal Mediation and Conciliation Service (FMCS) can help move the two sides toward a resolution.”

Boeing’s latest offer on a four-year contract would give professional engineers annual pay raises of 4.5 percent in the first and third years, and 4 percent in each of the other two years. Technical workers would get a 3.5 percent raise in each of the first and third years and a 3 percent raise in each of the other two years. These below-inflation raises combined with additional health care costs would effectively reduce workers’ income. The average salary of a technician is \$81,000. An engineer makes on average, slightly more—\$110,000.

Boeing also reiterated its proposal to replace its defined-benefit pension with a lower-cost 401(k) plan for new hires that SPEEA says will deliver up to 40 percent less upon retirement.

Meanwhile, Boeing Chief Executive Jim McNerney earned total compensation of almost \$23 million in 2011, up 16 percent from \$19.7 million in 2010, as reported in the company’s annual filing with the Securities and Exchange Commission (SEC). Similar

increases were afforded most of the top management team.

Boeing’s first offer was overwhelmingly rejected in October with over 95 percent of engineers and 97 percent of technicians voting no. The majority of the 23,000 employees are in the Seattle/Everett, Washington area with others in Oregon and Utah.

Boeing’s SPEEA members are now working without a contract since the current agreement expired on October 6. A 60-day extension expired November 25 allowing for a strike by the union. Considering that the first contract offer from Boeing made in early October was rejected by a 9 to 1 margin, and that the second contract offer on November 18 is reportedly only marginally better, there is every reason to believe that members would be willing to strike.

Such a view is reinforced by recent efforts of members to organize a wildcat strike against Boeing. Reflecting the frustration with SPEEA among the rank and file, the call for a wildcat strike poses a rebellion against the union’s accommodation with management, such as substantial outsourcing concessions in recent contracts, which have contributed to Boeing significantly boosting production.

In a November 5 analysis on the web site Seeking Alpha, Adam Levine-Weinberg writes, “The biggest bump in production is for the 787, which will go from roughly 3 per month year to date to 10 per month by the end of 2013. In addition, 737 production will be increased from 35 per month to 42 per month by early 2014, and 777 production is increasing from 7 per month previously to 8.3 per month in 2013.” In 2008, 737 production was 30 per month.

Realizing the widespread dissatisfaction of the membership, SPEEA has responded cautiously, circulating a letter asking members to “ignore the call

for a wildcat strike”. Executive Director Ray Goforth stated, “I’ve been trying to track down who the organizers are and explain that such an action isn’t sanctioned by the union, isn’t protected under federal law, and they absolutely should not engage in this conduct.” However, SPEEA’s Facebook page is rife with calls for strike action from members, sanctioned or unsanctioned.

Boeing management, for its part, has threatened to outsource work, if it is unable to cut salaries and benefits across the board for the engineers and technicians. The union, far from challenging this claim, repeats it in its own publications and communiqués to the engineers, adding a measure of indignation coupled with angry rhetoric. However, the company has 4,000 planes in its backlog, some of which have already been delayed several months to years. These delays cost the company penalties as well as delayed revenue. In the event of a strike, analysts report that Boeing stands to fall further behind in the backlog by two planes per day, losing a quarter of a billion dollars each day of the strike.

SPEEA has already compromised its earlier counterproposal in September that had asked for wage increases of up to 7.5 percent. The counterproposal on November 21 has dropped this demand to a 6 percent increase. In characteristically veiled language, SPEEA admits that it has already compromised its earlier position on negotiation. But why the union officials had to agree to this compromise, when 96 percent of the workers rejected the earlier contract offer from Boeing, they do not say!

Boeing, benefiting from a rising demand for commercial jetliners globally, posted a 21 percent increase in earnings for last year. The revenue increase, however, was only 7 percent, reflecting that cost-cutting, speedups and other measures of labor exploitation had more of an effect on the profit increase than growing sales.

Regarding cuts the company wants to make on medical benefits, SPEEA, taking a page from the Obama administration’s health care “reform,” proposes “targeting cost savings in other ways such as incentives for healthy lifestyle choices and medical bill auditing.” In each of these positions, the union upholds the interest of the employer against that of the worker.

To combat the strategy of the company, the workers

must take the conduct of their struggle out of the hands of SPEEA and organize independent rank-and-file committees to unite aircraft workers in US and internationally. Any strike action, sanctioned or unsanctioned, by Boeing workers will be confronted by a political system determined to defend the interests of the corporations and, given Boeing’s defense production, those of the state. An independent political offensive must complement industrial action.



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