

# Boeing rejects engineering union contract extension amidst 787 crisis

Angelo Bosworth  
21 January 2013

In the latest round of negotiations between Boeing and the union representing its professional and technical workers, SPEEA (Society of Professional Engineering Employees in Aerospace) presented its “best and final offer” to Boeing management on January 16. The union had offered to extend the present contract while incorporating concessions made during prior negotiations. But the company, fully aware of the union’s unwillingness to fight seriously on behalf of its members, rejected the offer the very next day and presented its own “best and final contract” offer, which is largely identical to the very first offer made in October 2012.

In the latest offer, the company has not budged on the concessions demanded on the health care benefits of its 23,000 engineers and technicians; it will not offer the defined benefits pension plan for new hires. For engineers, the new proposal includes salary-pool increases of 5 percent during the first two years of the contract and 4 percent in the last two years. Technical workers would see salary-pool increases of 4 percent annually for the duration of the contract, with an additional lump sum equaling 1 percent of their salary in years one and two. These salary increases are still below inflation, especially when the increased health care costs are factored in.

In mid-December, while the negotiations were ongoing, Boeing provocatively announced that it has hiked its quarterly dividend to 10 percent and intends to purchase \$2 billion worth of its stock in 2013. Boeing’s CEO was compensated a total of \$23 million in 2011, an increase of 16 percent over the previous year. Ray Goforth, the executive director of SPEEA, has stated that the proposed contract cuts a total of about \$38 million from the wages and benefits of its workers.

SPEEA has recommended that its members reject the

contract, but has not provided a date for the ballot, which will likely include a strike vote. When members planned a wildcat strike in early December, the union—correctly recognizing it as a rank-and-file rebellion against the union’s accommodation with management—publicly distanced itself from the proposed action.

After a string of recent mishaps on Boeing’s new 787 Dreamliner, including two battery fires, two fuel leaks, three electrical faults, a cracked cockpit windscreen, an engine oil leak and brake problems, the Federal Aviation Administration (FAA) has currently grounded the fleet in the US and has launched a safety review on the production process, which would be significantly delayed in the event of a strike. While the company has stated that it could use replacement engineers and certain managers for the review, under FAA rules the replacement workers that work on certification issues need to be as capable as those they replace. As Reuters reports, these events provide engineers a strong card to play at the negotiating table.

Boeing 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. The introduction of the Dreamliner, as the 787 is called, was delayed by three years. 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 a strike.

The company’s intransigence in the face of such seemingly bleak prospects points to its confidence that SPEEA is incapable of conducting a united struggle to secure the rights of the workers it supposedly represents. Fully aware that SPEEA will not make a call to other airline workers for support, Mike Delaney,

a VP of engineering, announced on a conference call, “We are the Boeing company and I have access to significant resources across the entire corporation.”

The building of the Dreamliner, a highly complex production process spanning several countries, encountered significant delays and errors, culminating in the current action of the FAA against Boeing. Boeing’s difficulties in successfully integrating such an approach speak to its effort to use globalization as a club in order to attack the wages and benefits of its workers.

SPEEA takes the company to task for its “failed outsourcing strategy” and provides essential support to the company by working hand in hand to reduce the wages and benefits of the workers. This strategy directly pits an airline worker in another country against an engineer at a plant in the US. It also attempts to preserve the dues base by keeping much of the work done by Boeing within the union shops in the US.

When the Boeing management works assiduously on a global strategy to further their interests, SPEEA shows that it has no such strategy in the interests of the workers. In 2008, SPEEA agreed to a concessions contract that failed to place any restraint on the company’s use of contractors or outsourcing. In 2000, a 40-day strike by the engineers was betrayed by SPEEA, which agreed to a merit pay scheme whereby only half the engineers—as deemed worthy by the management—would get the raises specified in the contract.

Boeing engineers must take this fight out of the hands of SPEEA and organize independent rank-and-file committees to unite aircraft workers in the 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. Industrial action must be combined with an independent political offensive against the two-party system.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**