Boeing professional workers split on contract

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Professional workers at aircraft manufacturing giant Boeing voted on two contracts Tuesday, with the engineers accepting a four year contract by 56 percent, while the technicians voted to reject their contract by 52 percent. Despite repeated statements by SPEEA (Society of Professional Engineering Employees in Aerospace), which made clear that they were not interested in a strike, both units had previously voted in favor of one—engineers by 56 percent and the technicians by 64 percent. In the final analysis, this split decision by the membership is a vote of no-confidence in the SPEEA leadership.

SPEEA has stated on its web site that negotiations on the technical contract will resume as soon as Boeing agrees to meet. However, it has not addressed the role of the engineering unit in case of a strike by the technicians other than to say that they will “play a supporting role for the Technical Unit negotiations.”

In an attempt to mask the cuts spelled out in the final contract, Ray Goforth, Executive Director of SPEEA, thanked the membership in a video posted on the SPEEA web site, for “helping move the company from the truly dreadful contract offer voted down on Oct 1, to the much improved offer we voted on last night.”

The initial offer by Boeing was rejected in October by 95.5 percent of engineers and 97 percent of technicians. Rather than utilizing this strong sentiment for decisive industrial action, the union proceeded to hold a series of meetings with the company, where it successively backed away from its initial demands. While Boeing, under a host of problems resulting in the grounding of its entire fleet of 787 “Dreamliners,” felt confident enough to declare its barely-changed offer made Jan 16 as its “best and final offer,” the workers, frustrated and disappointed by the temporizing actions of their leadership, clearly felt that the union leadership was not prepared to wage a battle on their behalf.

The initial offer of October 1 called for a 3.5 percent yearly wage increase to engineers and a 3 percent increase for the first year, followed by a 2.5 percent increase in the next three years to the technicians. The final offer from Boeing increased this to still-below inflationary figures of 5 percent for the first two years and a 4 percent rise in the next two, for its engineers. Technicians were offered a 4 percent yearly increase with an additional lump sum equaling 1 percent of their salary in years one and two. Boeing also backed away from asking employees to contribute more for health care; however, SPEEA has not revealed the details of the initial cut the company was demanding. Workers will not receive retiree medical benefits from age 65 to 70, if the Medicare eligibility age is increased—an effort led by the Business Roundtable, chaired by Boeing's CEO, James McNerney.

As the WSWS has explained, the most significant threat to the workers rose from the management’s decision to transfer the responsibility of funding retirement from the company to its employees. From early on, the union showed that it was not, in principle, opposed to this, and proceeded to mislead the workers that the elimination of pensions and the transfer to a 401(k) for new hires would result in only a 40 percent decrease in their retirement income. While the current pension provides a guaranteed benefit, regardless of the gyrations of the stock market, the income from a 401(k) cannot be determined a priori. As Boeing has repeatedly stated, their decision to implement a 401(k) stems from their interest in restraining costs at predictable levels by transferring market risk completely to the employees.

While the negotiations were underway, a series of mishaps with Boeing's newest jet, the 787, forced the Federal Aviation Administration (FAA) to order the January 16 grounding of the entire fleet of fifty Dreamliners. Analysts estimate Boeing is losing about $200 million in delivery payments every month that the 787 remains grounded, while it spends as much as $1 billion a month to keep its 787 production line running. Airline operators are demanding compensation from Boeing for delays in delivery. The CEO of Australia's Quantas Airlines said it received $125 million in compensation from Boeing. Air India, which currently has six Dreamliners and has ordered 21 more, said that it will proceed to seek compensation once the aircraft are flying again. Boeing incurs significant costs for parking and insuring the planes that it can’t deliver and, at the planned rates of production increasing to 7 per month by mid-year and 10 per month by the end of 2013, it runs a real risk of running out of parking space for the aircraft.

Under these circumstances, a strike, by removing key personnel from the urgent work needed to be done to resolve these issues, is a significant threat. But Boeing was clearly aware that the union would not mobilize the workers and as such remained intransigent in its concessions demands. When a section of workers mobilized to call a wildcat strike on December 5, the union was quick to denounce it and vowed 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.”

Investigators have not yet determined why the lithium-ion batteries of the 787 caught fire, and it is the conclusion of analysts that even under the most favorable conditions it could take months for Boeing to provide just a short-term solution. Under FAA rules, any change to the battery system needs approval by certified engineers, who are represented by SPEEA. The fixes so far proposed by Boeing would not prevent a fire from starting, but instead attempt to contain a fire by a supposedly more solidly constructed containment box for the batteries. Significantly, the FAA approved lithium-ion batteries in 2007, under the special condition that adequate containment and venting procedures were to be put in place.

Engineers and technicians have on multiple occasions, under threat of retaliation by the companies they worked for, revealed the inadequate measures that jeopardized the lives of Dreamliner passengers. Michael Leon, an engineer of Securaplane that subcontracted components of the battery system developed by France’s Thales SA, was fired six years ago after pointing out issues with the battery charging unit. Significantly, he complained of short circuits in the charging unit. National Transportation Safety Board (NTSB) investigators found that the Boston fire started with multiple short circuits in one of the battery's eight cells. In 2006, Vince Weldon, a Boeing engineer at its Phantom Works research unit was fired after raising questions about the crashworthiness of the Dreamliner as its composite plastic materials could shatter and burn easily in a crash. Two auditors that worked for Boeing were fired in 2007 after they leaked information to news reporters about the lax security controls in the company's computer systems, and the United States Court of Appeals for the Ninth Circuit ruled in May 2011 that they received no protection under the whistleblower provision of the Sarbanes-Oxley Act.

Boeing has, over the years, cultivated a cozy relationship with the union bureaucracy and is well aware of its role in the sellout agreements in 2000 and 2008. In 2000, a 40-day strike broke out despite SPEEA’s determined efforts to forestall it by appealing to federal mediation as well as Democratic politicians. Even then, SPEEA insisted that Boeing had made significant improvements in the proposed contract, but then were forced to backpedal as news of the settlement leaked to the rank-and-file. The agreement reached did not place any limit on management's ability to slash jobs. The following year, in the wake of 9/11, Boeing reduced its workforce by 31,000, which earned it recognition by Wall Street as the seventh largest layoff in U.S history. In 2003, Boeing announced the elimination of 5,000 positions. By 2004, the company had eliminated about 40,000 positions since 2001. Again, in 2012, Boeing slashed 2,160—1.3 percent—of its workforce.

Ultimately, to combat Boeing’s international strategy, workers require their own international strategy. It can do this only 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 on a socialist program against the continuing assault on jobs and living standards.