

# Boeing rejects Machinists 10-year 'no strike' offer

By **DON McINTOSH**  
Associate Editor

Boeing told the world Oct. 28 it will build its second 787 Dreamliner assembly line at its nonunion location in North Charleston, South Carolina — not at its unionized plant in Everett, Washington. That seemed to end the ar-

tificial suspense the company had created when it publicly dithered over where to locate the second final assembly site.

Boeing unions called it a bad business decision, and said it had been clear during confidential talks that the company wasn't serious about negotiating a "no-strike" pledge.

But buried in the Boeing announcement was contradictory news: The company will use what it called "transitional surge capability" to make 787s in Everett until the new North Charleston facility is completed in 2013. In other words, the second assembly line for the 787 will be built where the Machinists Union argued it should be built: right next to the first one in an unused bay at Boeing Everett, the world's largest building by volume. It's just that that line may be phased out once the North Carolina facility comes online.

The 787 uses lighter, stronger composite materials than previous Boeing models and has been a big seller with commercial airlines because it will be quieter and more fuel-efficient. Boeing has reported as many as 840 orders for the 787. But the program is two years behind schedule, and not a single plane has been delivered. Boeing chose to outsource production of most components of the plane, and has been plagued by quality problems and supply chain delays. [That includes the North

Charleston facility, which makes 787 aft fuselage sections. Boeing bought it from a subcontractor after experiencing quality problems.] The second assembly line was proposed as a way to deal with the backlog. But the decision to put it in South Carolina didn't make sense to unions familiar with the industry.

"Boeing has decided to double-down on its failed 787 strategy and place an ill-advised, billion-dollar bet on a strategy that's a proven loser," said Machinists District 751 President Tom Wroblewski.

"We are astounded that Boeing has chosen to compound the problems of the 787 program by further fragmenting the supply chain," said Ray Goforth, executive director of the Society of Professional Engineering Employees in Aerospace (SPEEA), Local 2001. "There is no credible business case for this decision."

Business explanations for locating in South Carolina — lower wages, and government incentives — didn't add up, said Machinists District 751 spokesperson Connie Kelliher. Boeing's South Carolina workers, most of whom have less than four years experience, average \$14 an hour, while its Washington workforce, with an average of 19 years experience, make \$28 an hour on

average. But a new line in Everett, Kelliher points out, would be expected to employ mostly new hires, and those come in at \$15 an hour under the Machinists contract.

Then there's the incentive package put together by South Carolina officials, reportedly worth \$170 million. To take

***'This was all a ploy to paint us as the bad guys, and to play their hand as hard as they could (for incentives from) South Carolina.'***

**IAM President Tom Buffenbarger**

advantage of that, Boeing would have to invest \$750 million and commit to long-term employment of 3,800 workers — more than triple the jobs Boeing said it would need for the second line.

Kelliher said it became clear that Boeing intended to expand in North Charleston, and there was nothing the union could offer in behind-the-scenes talks that would change its mind. Boeing had already obtained the land in North Charleston, and had architectural plans, building permits, and contractors lined up. Groundbreaking was to occur just weeks after Boeing's official announcement that they'd be expanding in North Charleston.

Once Boeing announced its deci-

sion, details of its confidential talks with the union and elected leaders came out.

In an interview with the online-only Seattle Post-Intelligencer, Washington Gov. Chris Gregoire said Boeing Commercial Airplanes CEO Jim Albaugh told her the Charleston decision was not about workers' compensation expenses or state taxes. Gregoire said Albaugh told her: "This is about negotiations with labor."

The company said publicly it needed assurance of labor peace — a no-strike pledge — in order to locate the second line in Everett. But the Machinists contract contains a no-strike pledge, for as long as the contract remains in force. The current contract runs through 2012. To extend that would be to extend the no-strike pledge.

Wroblewski said the union offered Boeing a 10-year contract, and even offered to go longer than that.

"And when we did, they seemed stunned, and stopped talking," Wroblewski said. "It was obvious to me that Boeing wasn't really interested in working with us. They didn't take our proposals seriously and they never offered any proposals of their own. Most of the time, they didn't even take notes."

"When I asked them to confirm that the extended contract would secure the second 787 line for Washington state, their reply was only: 'Well, it would be helpful.' But they would not commit to anything."

Why was Boeing taking part in talks if it wasn't serious? Machinists International President Thomas Buffenbarger put it bluntly.

"This was all a ploy to paint us as the bad guys," Buffenbarger said, "and to play their hand as hard as they could (for incentives from) South Carolina."

"For us," Kelliher said, "we have to move forward. They made their decision. We're going to continue to prove every day why we're worth the money and benefits we're paid. Hopefully it'll convince them that the 'transitional surge' line should be a permanent second line, because it's going to be a money maker for Boeing."

## LEGAL PROBLEMS?

**\$16 a month coverage includes:**

- ❖ Unlimited toll-free phone consultation with attorneys.
- ❖ A comprehensive will with yearly updates.
- ❖ Representation for traffic tickets, accidents, criminal, and civil suits.
- ❖ Coverage on IRS tax audits.
- ❖ Divorce, bankruptcy, child custody, and much more.\*

THESE LEGAL SERVICES ARE PROVIDED BY THE VERY BEST LAW FIRMS IN OREGON & WASHINGTON.

\* Some services not 100% covered

For more information, call toll-free  
**(888) 252-7930**

www.prepaidlegal.com/info/randallnix

Carpenters, Electricians, Laborers, Glaziers, Sheetmetal Workers, Floorcoverers, Bricklayers, Cement Masons, Roofers, Asbestos Workers, Millwrights, Painters, Elevators, Plasterers, Family



## IBEW & UNITED WORKERS FCU

PROUDLY SERVING UNION MEMBERS AND THEIR FAMILIES SINCE 1954.

**New and Enhanced Features Include:**

- Improved speech clarity
- Faster response time
- Additional history available
- Ability to identify specific accounts
- Same call sequence

Partnering with our members to make life simpler.

You asked and we listened.

The *NEW* Liberty Line is here!


(503) 253-8348 or (800) 599-2344



**9955 SE Washington Street**  
Portland, OR 97216

**www.ibewuwfcu.com**  
**(503) 253-8193 \* (800) 356-6507**

Carpenters, Electricians, Laborers, Glaziers, Sheetmetal Workers, Floorcoverers, Bricklayers, Cement Masons, Roofers, Asbestos Workers, Millwrights, Painters, Elevators, Plasterers, Family



(International Standard Serial Number 0894-444X)  
Established in 1900 at Portland, Oregon as a voice of the labor movement.

4275 NE Halsey St., P.O. Box 13150,  
Portland, Ore. 97213  
Telephone: (503) 288-3311

Editor: Michael Gutwig  
Staff: Don McIntosh, Cheri Rice


Published on a semi-monthly basis on the first and third Fridays of each month by the Oregon Labor Press Publishing Co. Inc., a non-profit corporation owned by 20 unions and councils including the Oregon AFL-CIO. Serving more than 120 union organizations in Oregon and SW Washington. Subscriptions \$13.75 per year for union members.

Group rates available to trade union organizations.

PERIODICALS POSTAGE PAID  
AT PORTLAND, OREGON.

CHANGE OF ADDRESS NOTICE: Three weeks are required for a change of address. When ordering a change, please give your old and new addresses and the name and number of your local union.

POSTMASTER: Send address changes to  
NORTHWEST LABOR PRESS, P.O. BOX 13150,  
PORTLAND, OR 97213-0150



25