

Pratt & Whitney, Machinists Gear Up For The 'Big Fight'

by Stephen Singer, AP Business Writer

HARTFORD, Connecticut (AP) — A continuing battle between jet engine maker Pratt & Whitney and the machinists union over jobs now moves to the bargaining table.

The subsidiary of United Technologies Corp. and the union begin negotiations Tuesday for a contract to replace a three-year agreement that expires Dec. 5. To workers, holding on to vanishing, good-paying manufacturing jobs will be their No. 1 issue.

"We expect, without a doubt, this will be the big fight," said James Parent, chief negotiator for the local International Association of Machinists.

Pratt & Whitney would not comment specifically on issues it expects will be negotiated.

"Ensuring the long-term health and competitiveness of Pratt & Whitney is the best way to maintain good, high-paying jobs and also a bright future for our employees, their families and the state of Connecticut," the company said.

The union and Pratt & Whitney began its most recent fight in September 2009 when the company announced it would eliminate 1,000 jobs in Connecticut by shutting two engine repair plants and shipping work to Columbus, Georgia, Singapore and Japan. The union successfully sued to halt the cuts.

The battle over employment started long before the most recent round. The machinists head into negotiations with thinner ranks — 3,700 workers, down from about 5,700 in 2000.

At the center of the jobs fight are developments beyond the union's reach: rising Asian markets, lower labor and other production costs in the southern U.S. states and overseas and the decline in Connecticut's manufacturing industries.

Pratt & Whitney has been hurt by the steep downturn in commercial aviation but is rebounding. United Technologies reported third-quarter earnings Wednesday that included operating profit of \$547 million for Pratt & Whitney, up 23 percent from the same quarter in 2009. The company is benefiting from improving airline business, particularly orders for spare parts for large jet engines.

Wayne McCarthy, president of the machinists local at Cheshire, one of the two endangered engine repair plants, said workers, who are paid an average of \$30 an

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hour, are being offered overtime and work weekends to keep up with demand.

"We're optimistic that with the increase in demand ... we'll weather the storm and Cheshire will be around for years to come," he said.

In addition to bargaining to keep the jobs at the two operations, the union expects it will have tough negotiations over health care as costs continue to rise, Parent said.

United Technologies has come through the worst recession in decades by cutting jobs and shipping work to less expensive job sites in the U.S. South, Eastern Europe and Asia. Pratt & Whitney still faces some troubles, said analyst Nick Heymann of Sterne Agee.

Its military business is under pressure to keep costs down because of greater Pentagon scrutiny of overruns and the Defense Department is looking to end some programs, he said. And there are some questions about how many fighter jets the Defense Department will order, Heymann said. Pratt & Whitney builds engines for the jets.

Earlier this year, the machinists successfully sued to stop Pratt & Whitney from shutting its East Hartford and Cheshire operations. A federal judge ruled in February that the company failed to make every reasonable effort — a violation of its union contract — to avoid shutting the plants. In August, a federal appeals court upheld the judge's decision.

Parent said he expects Pratt & Whitney to demand authority in the contract to shut the two plants. To do so, the company will have to persuade the union to agree to major changes in job security provisions that have been in labor agreements since 1993, he said.

"That's where the battle will be. It will be the elephant in the room," he said.

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