

Boeing Workers Approve 4-Year Contract Extension

Gene Johnson, Associated Press

SEATTLE (AP) — Applause and cheers rang out after Unionized Boeing Machinists voted overwhelmingly to approve a four-year contract extension — a deal that grants the company labor peace and likely ends a federal complaint that had become a hot topic for Republican presidential candidates.

Boeing promised that if workers approved the pact, the company would build the new version of the popular 737 in the Puget Sound region, while the Machinists said they'd drop their allegations that Boeing opened a nonunion assembly plant in South Carolina in retaliation for previous strike.

"This contract signifies jobs throughout the Northwest, throughout the region," said the union's aerospace coordinator, Mark Blondin. "The message of this contract is ... Boeing is acknowledging we have the deepest pool of skilled aerospace workers in the country."

Dozens union members sounded their approval with cheers Wednesday night as Tom Wroblewski, president of Machinists District Lodge 751, announced that 74 percent of voting members chose to approve the deal.

The union represents 28,000 workers in Washington, Oregon and Kansas.

Machinists went on strike in 2005 and 2008. The latter strike helped delay delivery of Boeing's first 787, costing the company dearly.

"This contract will help secure a better future for our employees, our customers, our communities and our company," said Jim Albaugh, president and CEO of Boeing Commercial Airplanes. "It reflects an effort on the part of the company and the union to find a better way to work together and achieve common ground."

The deal guarantees Chicago-based Boeing a stretch of labor peace at a time when it badly needs it. Competition with European rival Airbus is tight, and looming budget cuts at the Defense Department are likely to cut into the company's defense business.

In a lawsuit filed this year, the National Labor Relations Board claimed Boeing violated labor laws by opening the South Carolina line. The case became a political issue, with Republican presidential candidates using it to bash the Obama administration. South Carolina Gov. Nikki Haley and the state's congressional delegation said the NLRB lawsuit threatened thousands of jobs and millions of dollars invested in the new Boeing facility in Charleston.

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The labor board is an independent agency dominated by the president's appointees. As part of the deal, the Machinists said they'd drop the matter. If the NLRB follows suit, it would remove a potentially damaging element for Obama in the 2012 campaign.

The deal extends the Machinists' contract to September 2016. It calls for annual wage increases of 2 percent, cost-of-living adjustments, an incentive program intended to pay bonuses between 2 percent and 4 percent, a ratification bonus of \$5,000 for each member, and improvements in the pension program. But it also would raise workers' share of health costs.

Blondin said Boeing's pension is the most generous in the country, and he hoped the fact that Boeing is retaining it for new hires would prompt other companies to do likewise: "As we all know pension plans have gone away," he said. "We can get pensions back. They are affordable."

Crucially for the union, it would ensure that jobs for Boeing's updated 737 line — the 737 Max — stay in the Puget Sound region. Boeing said in July it was studying other locations for the new 737.

"It's jobs for the people and not having to worry about a strike — it's beautiful," said Gabrielle Rogano, a third-generation Boeing employee who works at a shipping and receiving center in SeaTac.

Wilson Ferguson, a delivery mechanic, wore a Santa suit as he helped count votes Wednesday night — having come straight from volunteering to pose for photos with children of union members. The 24-year Boeing veteran has participated in the last four strikes, and said it's a huge relief not to face another.

"Nobody wins, you never recover," he said. "With this economy, it's not the time to go on strike."

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