

Deal Could Yield Years Of Labor Peace For Boeing

Gene Johnson, Associated Press

SEATTLE (AP) — Some unionized workers at Boeing say they hope their vote Wednesday on a four-year contract extension augurs a new, peaceful era in their relations with the company.

The Machinists union announced last week that it reached a tentative deal following secret talks initiated by the company. If workers ratify the pact, as expected, the Machinists say they'll drop their National Labor Relations Board complaint over Boeing's decision to open a nonunion plant in South Carolina, and it would guarantee a long stretch of elusive labor peace.

The relationship between Boeing Co. and the union's 28,000 workers in Washington, Oregon and Kansas has been contentious, to say the least. The Machinists have gone on strike in 1987, 1995, 2005 and 2008, the last being a 58-day bruiser that helped delay delivery of the new 787 and cost the company dearly.

"It's been a rough ride the last 25 years," said Robley Evans, a forklift driver and union official. "To think about having five years of labor peace and not the standard stuff we go through, it's good. We're hopeful this is the new way of negotiating."

The deal 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.

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.

Industry analyst Wayne Plucker, of the San Antonio, Texas, research firm Frost and Sullivan, said the agreement is good for both sides. Considering the looming Defense Department budget cuts that threaten defense contracts across the industry, Boeing is going to need solid performance from its commercial airplanes division, Plucker said.

"Boeing needs a peaceful time," he said. "Their competition with Airbus and their challenges to come on the defense side made it kind of a pivotal thing to have a quiet, peaceful time, labor relations-wise."

"It's also a big deal for the Machinists union. They got the agreement that the 737 will be done in Seattle — that's a huge deal. There are far more of them built than there ever will be of the 787. So it's a win for the union, and for the Seattle area."

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Aside from reiterating that it plans to build the new 737 Max in Renton, Wash., Boeing has said little about the deal publicly, choosing to defer to the union until its members had a chance to vote.

Several of the workers called the agreement a good deal Tuesday. But, they said, the company would need to do more work to regain their trust after the acrimonious contract talks of 2008 and the decision to open a nonunion assembly line for the 787 in Charleston.

The NLRB complaint arose because it said Boeing opened the second plant to avoid legal union strikes in Washington.

Terri Myette, a shop steward and factory-customer coordinator in Renton, said the agreement was "OK for the economy we have."

"But out on the floor, they don't trust the management," she said. "Boeing has said things before and then not followed through. They have to earn our trust."

John Carter, a maintenance lead and 25-year Boeing veteran, echoed that, saying the Chicago-based company intimated it would build the 787 in Washington state before opening the \$750 million South Carolina plant.

But he remained hopeful that the deal would mark the start of a new era in relations with the company.

"It's almost too good to be true. It's peaceful. It's almost like you wonder, what are they up to?" he said. "But you want to trust them. Hopefully it goes well."

Voting ends at 6 p.m. PST Wednesday.

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