

Boeing Engineers Union Rejects Contract Offer

Phuong Le, Associated Press

SEATTLE (AP) — Boeing Co.'s union of engineers and technical workers overwhelmingly rejected the aerospace giant's first contract offer in ballots tallied Monday night.

Union leaders for the Society of Professional Engineering Employees in Aerospace, or SPEEA, had recommended that the union's 23,000 members say no to Boeing's four-year contract offer.

No strike is imminent. A strike can't occur without a separate membership vote.

Both sides said negotiations would resume Tuesday.

Engineers in the professional unit rejected the offer by 9,770 to 454, the union said. Technical workers turned it down 5,327 to 154.

"We hope the vote results clear away the nonsense and allow us to begin substantive negotiations," Ray Goforth, SPEEA executive director, said in a statement. "Until now, meaningful discussions have eluded us because the Boeing negotiating team was convinced they understood the members better than the SPEEA negotiating team."

Goforth said the contract offers — one covering about 15,500 engineers and another covering about 7,500 technical workers — gave the company too much power to change provisions. They also included higher out-of-pocket costs for medical benefits and drastically changing retirement benefits at a time of record company profits.

"In the spirit of good faith, we will continue to listen closely to your negotiations team," Boeing said late Monday night in a website statement to SPEEA-represented employees. "As was true when we made our initial proposal — we are committed to continuing discussions, answering questions and considering any proposals or counterproposals from your negotiations team."

The company said that while the contract expires Oct. 6, it remains in effect until Nov. 25.

Boeing's vice president of engineering for Boeing Commercial Airplanes, Mike Delaney, has said the company will move engineering work out of the Puget Sound region if it is forced to give local employees higher compensation and benefits, The Seattle Times reported last week.

"We'll keep hiring people to build 737s. But slowly over time, if you become uncompetitive, you have to deal with the arbitrage and leverage other resources,"

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Delaney told The Times editorial board last week.

Boeing engineers and technical workers have rallied at various sites in the Puget Sound region in recent weeks. The members largely work in the Seattle area with some in Oregon, Utah and California.

Boeing's offer would have raised overall compensation for engineers by 3.5 percent annually for the next four years. The increase for technical workers would have been 3 percent the first year and 2.5 percent for the next three years. The union said the proposed pay raises would not keep up with inflation.

The company has proposed switching retirement benefits for new hires from a pension plan to a 401k plan. The union said the proposal would provide 40 percent fewer dollars to the retiree.

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