

# Boeing Union Fails in Strike Vote

By J. LYNN LUNSFORD

Despite a majority rejecting a proposed three-year labor contract, Boeing Co.'s largest union was unable to muster enough votes late Friday night to authorize a strike, enabling the commercial airplanes unit to narrowly avoid shutting down production.

The International Association of Machinists and Aerospace Workers said that 62% of its 25,000 members voted against accepting the company's offer, and 61% of them were willing to take the next step and walk off their jobs. Under union rules, 66% of the voting members must approve a strike. Otherwise, the contract automatically is considered approved and the union must return to work.

The union leadership's failure to persuade enough of its members to walk out was an important victory for Boeing and commercial airplanes chief Alan Mulally and his efforts to make the company more efficient, but it's likely to come at a cost down the road. Many union members who attended the union's announce-

ment of the outcome reacted angrily.

"Boeing has bought themselves years of resentment and deep internal division, and that's no basis for a competitive, high-productivity company," said Dick Schneider, the union's chief negotiator.

Mark Blondin, the union's president for the Seattle area, said that while the "members have spoken," the company must not forget that only 38% of them voted to accept a contract that includes several key union concessions and fails to guarantee jobs. "It's going to be difficult for people," he said.

Throughout the negotiating process, the union and Chicago-based Boeing remained sharply divided over the issues of job security, pensions and health-care costs. Union leaders said their members would walk out if the company didn't agree to tie employment levels to production rates, to boost monthly pension payments by as much as 140% and to hold the line on health care.

But an apparent reluctance on the part of many members to walk away from jobs at a time when the company

has slashed 30,000 positions and has cut its production rates by half played in Boeing's favor. The new contract gives Boeing the ability to bring outside vendors into the factory to deliver parts to the assembly line when they are needed instead of going through as many as three levels of union bureaucracy. It also allows the company to choose work-team leaders instead of relying strictly on union seniority.

Under the new contract, union members will receive a one-time 8% bonus averaging about \$4,700, and pay raises of 2% in 2003 and 2.5% in 2004.

Meanwhile, about 1,400 members of the United Automobile, Aerospace and Agricultural Implement Workers of America walked off their jobs at 12:01 a.m. on Saturday at Boeing's helicopter plant in Ridley Township, Pa. The workers, who build Chinook helicopters and V-22 Osprey tilt-rotor aircraft, said they were deadlocked over proposed work-rule changes and increased health-care costs, union officials said. The company said Saturday that no new talks are scheduled.