



WSLC Legislative Update

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A weekly report from the Washington State Labor Council, AFL-CIO



Threaten to leave. (Repeat, as necessary.)

Boeing threats make some legislators jittery about Worker Privacy Act, more

The last time The Boeing Co. did this, legislators gutted our state Unemployment Insurance system, slashed injured worker benefits and gave away the single biggest tax break in the history of this state -- or any other state.

That was 2003. But they're back in 2009 and now it's, "What have you done for me lately?"

Boeing hasn't even decided yet whether it will add a second assembly line for its 787 Dreamliner. But the company's minions in Olympia are openly dangling the prospect that it might, and that it also might open that line in another "more business-friendly" state unless legislators do what they want.

What do they want this time? Right at the top of their list is to kill the Worker Privacy Act. That's right. The prospect of doing business in a state where you can't force employees to attend meetings where you indoctrinate them on religion, politics, unions and charitable giving is so abhorrent to Boeing, that they are telling legislators its passage could cost the state the company's next production line -- if it happens.

Why? There is only one explanation, unless the company is planning to force employees to attend meetings where they are urged to vote against Democrats, like Wal-Mart did.

Shortly after it purchased McDonnell Douglas in 1997, Boeing established a new business model that aims to minimize the number of production workers it has, and to outsource most aspects of its airplane manufacturing to companies that are nonunion and can pay their workers far less. Converting Boeing from an airplane manufacturer to an airplane final-assembler was not just about "spreading the risk," it was about cutting labor costs to maximize profits.

Since implementing this strategy, Boeing has outsourced tens of thousands of unionized family-wage jobs in Washington -- and they've done it before, during and after their 2003 legislative bonanza over the 787 final-assembly line.

In the three years before 9/11, Boeing shed 24,000 workers here. In the three years following the attacks, 27,000 more Boeing jobs disappeared here. The company added jobs as orders boomed between 2004 and last year. But in 2009, after Boeing finishes making the 4,500 recession-related job cuts it has announced, it will have about 63,000 employees in Washington, down 36% from the nearly 98,000 it had in 1997.

Boeing unions' efforts to stop the bleeding and create contract language that protects what jobs they have left have been a key factor in Machinists strikes in 2005 and 2008.

What does all this have to do with the Worker Privacy Act? Boeing fears that if it passes, its nonunion suppliers in Wash-

ington will lose one of the most common and effective tools for blocking unionization efforts: inherently coercive mandatory meetings where the boss indoctrinates against the union. Boeing's nightmare scenario: workers at its Washington-based suppliers will grow weary of earning far less money and fewer benefits for doing the same thing that unionized Boeing Machinists used to do, and they'll try to form unions.

Under the Worker Privacy Act, Boeing's suppliers could still send anti-union emails, insert anti-union fliers in paycheck envelopes, and communicate anti-union information in a host of ways, including conducting anti-union meetings. But they couldn't FORCE employees to attend those meetings. So Boeing's presumption is, absent the ability to threaten or fire workers who may support unionization and therefore don't want to listen to their boss browbeat them against it, the employees will form a union, negotiate better pay, and Boeing profits will ultimately suffer.

That's it in a nutshell, folks. As usual, it's all about money. All of this highfalutin' talk about employer's free-speech rights (as if they can't still be vocal opponents of unionization under the Worker Privacy Act), all of this speculation that it might be preempted by federal law (national legal experts have vetted it and disagree with this assessment), all of this hand-wringing about whether our state is

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sending a message that's not business friendly, it's all B.S.

It's about paying people less money. Period. While organized labor works to try to rebuild the middle class in this country, Big Business continues the race to the bottom that helped create the current economic crisis.

Now, can we see a show of hands among all of you who think Boeing will be satisfied if legislators block a vote on the Worker Privacy Act and kill it? Anyone? Bueller? Not seeing any, we can all agree that the bidding for the phantom second 787 assembly line is only just beginning.

Gov. Chris Gregoire just announced that in order to attract Boeing's "Dreamliner 2: Electric Boogaloo" she wants an analysis of how Washington stacks up against other states in terms of business competitiveness on the costs of unemployment insurance, workers' compensation, taxes, tax *exemptions*, and even labor, according to a newspaper report today.

The Washington State Labor Council is very confident in how our state would stack up in an objective analysis.

But in 2003, we watched Commerce Secretary nominee but then Gov. Gary Locke hire Deloitte Consulting -- whose clients included Boeing (badump-bump) -- to recommend what the state needed do to keep Boeing and guess what? The company got a \$3.2 billion tax break so big it created its own World Trade Organization dispute over government industrial subsidies that remains unresolved. Boeing also got huge investments in training for its and its contractors' workforce and transportation money that, among other things, helped pay for a new Port of Everett pier to make it easier to ship in outsourced jet parts. The company also got dramatic cost-saving cuts in unemployment and workers' comp benefits.

What did our state get? We got the promise of 36 Dreamliners (not one of which have actually been produced yet thanks to delays among Boeing's many suppliers) and about 800 final-assembly jobs.

We've all watched before as our elected representatives lined up to make ritualistic sacrifices at the Alter of Boeing. Those sacrifices have cost our state precious revenue for critical services, and they have dearly cost our citizens who have had the misfortune of being laid off or injured at work.

What will be sacrificed now?

The Worker Privacy Act **DESERVES A VOTE!**

The Worker Privacy Act (SB 5446 and HB 1528) is ready for a vote in both the House and Senate. The deadline for floor votes in the house of origin is this Thursday, March 12.

The legislation has very strong support among state legislators, with 47 sponsors in the House and 21 sponsors in the Senate, and plenty of votes to pass, according to vote counts by WSLC staff who have discussed the issue with legislators. It has already inspired several thousand emails, thousands

more phone calls and many letters of support to legislators.

All six of the unions that represent workers at Boeing have signed a letter of support for the Worker Privacy Act, and have urged legislators to vote on it. Plenty of legislators share their support and are eager for a vote as well. Reps. Tami Green (D-Tacoma) and Kevin Van De Wege (D-Sequim), among others, have written heartfelt letters to their colleagues urging a vote. Prime sponsors Rep. Mike Sells (D-Everett) and Sen. Margarita Prentice (D-Renton) are working hard to make sure the Worker Privacy Act doesn't die without a vote.

The Worker Privacy Act deserves a vote! If it happens and, for whatever reason, it fails, then so be it. The public deserves to know who supported it and who didn't. All legislators should feel confident in explaining their support or opposition. There is no reason to prevent a vote unless legislative leaders know it will pass and don't want that to happen.

So keep up the emails, phone calls and letters to your Representatives and Senators telling them, "Let's vote on it!" And in next week's edition of the *WSLC Legislative Update*, we'll have an answer on whether it did, or why it didn't.

Restore some balance to U.I. reform

HB 1906, the \$45-a-week temporary boost in unemployment benefits already approved this session, was a balanced bill. Those \$193 million in benefits mean \$193 million that will get spent in businesses in Washington communities hit by this recession. The bill's expansion of eligibility for training benefits will help maintain our employers' skill base. It's shared work program will keep workers working and help maintain employers' workforces.

As we reported last week, SB 5963 is NOT a balanced bill. As approved in committee, the latest estimate is that it will permanently lower employers' 2010-2015 taxes anywhere from \$102 million to \$340 million, plus it overturns a Supreme Court decision granting the state a little needed discretion on good-cause quits for unusual circumstances. To restore some balance to SB 5963, the Washington State Labor Council is asking to restore the benefit multiplier to 4.0 (an \$8- to \$19-a-week benefit increase phased in after the temporary boost expires) and to preserve the Court's *Spain/Batey* decision on discretion for good cause quits. Even then, the business community comes out way ahead with this overhaul of the U.I. tax system.

Energy NW workers seek arbitration rights

By a 33-15 vote on Thursday, the Senate passed SB 5492, which would give the workers at Energy Northwest arbitration rights if they can't conclude a collective bargaining agreement with their employer. Its companion bill, HB 1389, already passed the House 67-29, so it looks like 2009 will be the year that these workers gain this important right.