

While securing \$8.7 billion in tax breaks, Boeing worked 16 efforts sending jobs out of state



SEATTLE – As The Boeing Company pressed and secured from Washington state lawmakers the largest corporate tax break in U.S. history in November, 2013, corporate leaders had 16 different efforts at work moving thousands of jobs out of the state.

The company's deliberate efforts to move more than 3,910 engineering and technical worker jobs out of the Evergreen State are outlined in Boeing's formal, legal response to an unfair labor practice charge that sought information about the transfer and relocation of work. The charge was filed May 15, 2014 by the Society of Professional Engineering Employees in Aerospace (SPEEA), IFPTE Local 2001.

"These are the work movements already announced," said Ray Goforth, executive director of SPEEA. "Unless something is done to add accountability to the tax incentives, more and more work will be moved."

Since the aerospace tax incentive was extended during a special legislative session, Boeing's employment in Washington has fallen from 83,295 employees on Oct. 31, 2013 to 80,241 employees on Feb. 26, 2015, for a loss of 3,054 jobs.

Submitted March 3 by Boeing attorneys to the National Labor Relations Board (NLRB), the 35-page legal response to the unfair labor practice charge states the union's request for information "was impossible to answer because BCA (Boeing Commercial Aircraft) alone has 15,000 engineers and 1,000 managers in the Puget Sound area who were moving or evaluating whether to move unit work back-and-forth every day."

The 16 work moves out of the Puget Sound region outlined on page 4 and 5 of the document include:

- Commercial Aviation Services, affecting 300 to 400 employees.
- Out-of-Production Airplane Support, affecting 300 employees.
- Product Development advanced concepts work, affecting 60 employees.
- Research and Technology work, affecting 1,000 employees.
- Commercial Aviation Services Customer Support, affecting 1,000 employees.
- Global Services and Support, affecting 1,000 employees.
- Aircraft interior design and manufacture work to South Carolina – no estimate given.

The Boeing document lists nine other work movements with each impacting from five to 60 employees.

Legislation is now before the Washington State House of Representatives to amend the tax incentive and do what other states have already done – tie the incentives to Boeing maintaining state employment. Proposed by Rep. June Robinson, (D-Everett), HB 2147 would cut the size of Boeing’s tax break as employment falls below the Oct. 31, 2013 baseline of 83,295 employees. If it falls by more than 5,000, the tax break is eliminated. A second bill, HB 1786, would establish wage standards for companies taking the aerospace tax incentive.

“If Boeing took the tax break and turned around and created the promised jobs, those jobs would have more than repaid the people of Washington for their generosity,” Robinson wrote in the Everett Herald this week. “Instead, Boeing cut an estimated 7,000 jobs and sent them out of state while still collecting on all those tax breaks. This isn’t fair to employees and it isn’t fair to you and me, the taxpayers of Washington.”

A recent statewide poll showed more than two-thirds of likely voters in Washington state support amending the tax incentives and tying them to requirements that Boeing be required to maintain employment in Washington at a certain level.

The Boeing document is available on the SPEEA website – www.speea.org.

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