



# Legislative UPDATE

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



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## Stop subsidizing union-busters

In 2003, we bought and swallowed a Big Gulp. And now, working families are getting a little indigestion.

To ensure that our state was chosen by Boeing for its 787 Dreamliner assembly work, then-Gov. Gary Locke warned legislators he would propose tax incentives big enough to make them "gulp." That he did, and the Legislature -- read: taxpayers -- swallowed all \$3.2-billion-over-20-years of them.

It was an unprecedented public subsidy, not just for Washington state, but for any state -- so big that it became part of an international trade dispute with Airbus and a case study in an Ernst & Young corporate-consulting presentation, "How to Turn Your Government Relations Department from a Money Pit to a Cash Cow." (We're not making that up.) That enormous package of tax breaks was touted as an opportunity to create not just 800 to 1,200 jobs assembling the 787, but to attract and retain other family-wage aerospace jobs among Boeing suppliers.

It's impossible to know just how big a factor the Big Gulp played in the company's decision, but Washington won the 787. Plus, Boeing has rebounded spectacularly from the industry's post-9/11 slump and now has a record backlog of jet orders, not just for 787s, but for its other commercial airplanes.

But now comes some indigestion. The International Association of Machinists District 751, which represents Boeing's hourly workers and was instrumental in supporting the passage of the 787 incentives back in 2003, has watched as its members' jobs have been outsourced to nonunion Boeing contractors, companies that benefit from the Big Gulp aerospace tax breaks. This was not the Legislature's intent, to subsidize Boeing suppliers that pay lower wages and offer fewer benefits so that the company could replace its good family-wage jobs.

Adding salt to that wound is the fact that some of these companies have aggressively fought to stop their employees from choosing for themselves whether they want to organize a union. For example, metal distributor and cutter TMX Aerospace in Auburn had 20 federal unfair labor practice charges

brought against it for its conduct in opposing its employees' campaign to join the Machinists union.

So this year, with strong support from the Washington State Labor Council, the Machinists and the Society of Professional Engineering Employees in Aerospace/IFPTE 2001 are supporting SB 5700 and HB 1828, the Aerospace Incentives Accountability bills. They would require recipients of the aerospace tax breaks to remain neutral and allow their employees to choose for themselves whether they want to organize a union. Any

company that actively discourages or encourages unionization would be disqualified from receiving the state subsidy.

Ultimately, federal labor law reform is necessary to restore the freedom to choose unionization; our state is not allowed

to pass better laws to protect union rights. But our state can decide not to grant special subsidies to companies that choose to interfere with worker rights. We can implement a policy that tells these aerospace firms that when they choose not to be neutral, they are also choosing to sacrifice the special incentives that taxpayers have bestowed on them.

The WSLC applauds and thanks SB 5700 sponsor Sen. Margarita Prentice and co-sponsoring Sens. Kohl-Welles, Franklin, Keiser, Murray, Hatfield, Weinstein, Rasmussen, Hargrove, Tom and Kline; plus HB 1828 sponsor Rep. Mike Sells and co-sponsoring Reps. Campbell, Conway, Cody, Green, Seaquist, McCoy, Chase, Dunshee, Wood, Moeller, Kenney, P. Sullivan, B. Sullivan, Kirby, Roberts, Appleton, Blake, Hasegawa, Hunt, Miloscia, Lovick, Morrell, Williams, Rolfes, Hurst, Simpson and Ormsby. A hearing on HB 1828 is scheduled for Tuesday, Feb. 20 at 1:30 p.m. in the House Commerce and Labor Committee.

The unprecedented aerospace tax incentives the Legislature approved in 2003 are a good investment only if they produce family-wage jobs where workers' rights are respected. If this investment is succeeding in producing the good jobs as intended, then employers—with their happy workers—have nothing to fear from union neutrality.

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This is an excerpt from the Feb. 2 edition of the *WSLC Legislative Update* newsletter. All editions of the newsletter are posted at [www.wslc.org](http://www.wslc.org).