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Machinists Union IAM Cancels Organizing Vote at Boeing's South Carolina Plant

Union criticizes company for tactics aimed at weakening support in North Charleston



Employees at Boeing work on a 787 Dreamliner for Air India at the plant in North Charleston. *PHOTO: REUTERS*

By **JON OSTROWER**

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Boeing fended off the first real organizing challenge at its nonunion manufacturing stronghold, as its largest union canceled a vote aimed at unionizing some 3,175 employees of the aerospace giant in South Carolina.

The IAM, Boeing's largest union, on Friday claimed Boeing used underhanded tactics to suppress support for the vote, which was scheduled for next Wednesday, prompting organizers to call it off. Boeing dismissed those claims. The union vowed to press ahead

with another attempt.

The organizing effort was the latest round in a decadeslong fight between Boeing and its unions. It threatened to undo Boeing's efforts to develop the South Carolina operation as an alternative to its unionized facilities in Washington state that also assemble commercial jets.

Boeing in January appointed Beverly Wyse, a veteran executive who has had a solid relationship with Boeing's organized workforce, to run the South Carolina operation. But its battle against the union effort also included such tactics as public informational videos featuring a beady-eyed mustachioed cartoon man wearing a tie, a snarling smile and a "union boss" button reaching into a woman's purse to collect union dues.

The union said its organizers encountered a "toxic environment" in South Carolina. Two organizers were threatened at gunpoint during home visits to gauge support and urge votes for unionization, and others reported "near-violent confrontations," it said.

"An atmosphere of threats, harassment and unprecedented political interference has intimidated workers to the point we don't believe a free and fair election is possible," lead IAM organizer Mike Evans said in a statement.

A Boeing spokesman called the allegations frivolous and said "our team is continuing to focus on building the highest quality airplanes in the world." Responding to union claims that Boeing spread misinformation, the spokesman said, "During this entire process, Boeing provided our employees with only the facts."

Ms. Wyse, in a statement, thanked South Carolina employees for "their patience and professionalism," and said they have "the opportunity to make Boeing South Carolina and our local community an even better place to work and live. And that's what we're going to do—together."

State and local officials have been vocal in their opposition to the organizing effort, including South Carolina Governor Nikki Haley. A spokesman for Gov. Haley didn't immediately respond to a request for comment.

The union, which filed its petition for the vote with the National Labor Relations Board in March, began signaling earlier this month that local support had softened and that it might cancel the vote. The withdrawal is the second major blow to the IAM this month, which had to curtail an effort to organize Delta Air Lines Inc. flight attendants after it was found to have submitted questionable documentation.

The union can immediately begin to again collect signatures for a new petition but has to wait at least six months before filing with the labor board. Such campaigns can take two or three attempts before a collective bargaining unit is formed, but the South Carolina effort likely faces long odds in a state where unionization rates are among the lowest in the country.

Boeing Chief Executive Jim McNerney spearheaded the launch of the South Carolina operation, which assembles Boeing's flagship 787 Dreamliner jets, in part to counterbalance the company's turbulent relations with workers in the Pacific Northwest. When Boeing announced plans to start manufacturing jetliners in South Carolina in October 2009, the IAM claimed it was retaliation for a 2008 work stoppage.

The North Charleston, S.C., plant delivered just 34 of the 723 jetliners Boeing delivered last year. But the site is slated to be producing seven 787s a month by later in this decade—half of that jet's planned total output—from three a month today.

Reflecting broader challenges on the 787 program, South Carolina required significant overtime to catch up. Ray Conner, who heads Boeing's Commercial Airplanes unit, said in a February interview “this was a brand new airplane, brand new production system, brand new facility, brand new people, all those kinds of things maybe all compounded” staff grievances, fueling the organizing effort.

“We got behind schedule,” he said. “We needed to work some overtime and the quality of life is very important and we're very aware of that now, we just had to get caught up.”

But Mr. Conner said he expected union challenges either way. “I think if things were going really well, I don't think that would keep people from wanting to organize South Carolina,” said Mr. Conner. “I think that's going to be a fact of life as we go forward.”

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