

The National Labor Relations Board's Attack on Boeing

During a speech in January, President Obama declared that "Our challenge is to do everything we can to make it easier for folks to bring products to market and to start and expand new businesses and to grow and hire new workers."¹ However, the latest action by the President's National Labor Relations Board (NLRB) is a direct contradiction to those earlier words. On April 20, 2011, the NLRB announced that it would pursue a complaint against Boeing for constructing a new production plant in South Carolina, risking the creation of more than 1,000 new high-paying jobs.²

Boeing's History With Unions

Since 1989, the International Association of Machinists and Aerospace Workers (IAM) has spent more than 200 days striking against Boeing in Washington state, costing the company more than \$3 billion.³

As Boeing prepared to construct the new 787 Dreamliner, it voluntarily entered into good faith negotiations with the IAM in an attempt to keep the entire production line in Washington. Boeing asked the union to forgo striking for 10 years, but talks broke down after IAM would only agree if their demands were met. These far-reaching requirements included a commitment by Boeing to have make no layoffs, a seat for the IAM on Boeing's board, and a promise that all planes would forever be built at the Washington plant.⁴

Instead, Boeing decided to invest billions of dollars in a new, non-unionized facility in South Carolina.

NLRB's Action Against Boeing

In retaliation for creating a second production line in South Carolina, the IAM filed an unfair labor practice complaint with the NLRB. The complaint not only alleged that Boeing moved production of the airplanes to the right-to-work state in retaliation for previous IAM strikes, but also proposed that the only resolution would be for Boeing to suspend production at the new plant, lay off more than 1,000 newly hired workers, and move the second production line to Washington state.

By legitimizing the IAM's claim and issuing a complaint against Boeing, the NLRB has called into question the ability of a private company to make business decisions that are in the best interest of that company, as well as put thousands of jobs and the region's economy at risk. A hearing before an NLRB administrative law judge is scheduled for June 14th. The administrative law judge's decision can be appealed to the full NLRB, where three out of the four members are Democrats.

An American Company Under Attack For Creating Jobs

Boeing's new plant, which is one of the largest industrial investments in South Carolina history, is expected to open in July.⁵ Boeing has already created more than 1,000 new jobs in South Carolina, with additional hiring expected over the next year, and stimulated economic activity throughout North and South Carolina, as 90 percent of the hired contractors are from the region.⁶

The creation of the thousands of jobs in South Carolina, however, has not led to layoffs in Washington State. In fact, Boeing has *increased* its workforce there by hiring approximately 2,000 new, unionized employees.⁷

As the New York Times noted, “It is highly unusual for the federal government to seek to reverse a corporate decision as important as the location of [a] plant.”⁸ But that is clearly what the NLRB is doing in this case.

The NLRB’s pursuit of Boeing is yet another example of Big Labor’s power grab. It contradicts the President’s claim that he would make investment in new jobs a priority, as this latest action by the NLRB is a direct attack on America’s job creators.⁹ It is not only a chilling precedent for federal involvement in private business decisions, but also a troubling illustration of the President’s seeming belief that it would be better to have no new Boeing jobs in South Carolina than to create non-union jobs.

¹ “Remarks by the President on the Economy in Schenectady, New York;” White House, January 21, 2011, <http://goo.gl/OGO8I>.

² “National Labor Relations Board issues complaint against Boeing Company for unlawfully transferring work to a non-union facility,” press release, NLRB, April 20, 2011, <http://goo.gl/UEWXO>

³ “In Shot Heard Around Business World, Obama’s Labor Board Issues Complaint Against Boeing,” BigGovernment.com, April 21, 2011, <http://goo.gl/rO2bn>

⁴ “Boeing’s South Carolina 787 assembly line disappointing but not ‘unfair,’” editorial, Seattle Times, April 22, 2011, <http://goo.gl/wEDaD>

⁵ “Boeing and the NLRB,” editorial, New York Times, April 25, 2011, <http://goo.gl/cNq62>; “Boeing South Carolina Plant Goes 100% Renewable,” SustainableBusiness.com, April 21, 2011, <http://goo.gl/AroNP>.

⁶ “Boeing to Fight NLRB Complaint Backed by Union,” press release, Boeing, April 20, 2011, <http://goo.gl/Mnguj>; “Boeing 787 Final Assembly and Delivery, Charleston Facility Taking Shape,” press release, Boeing, April 5, 2011, <http://goo.gl/AH2tN>; “In Anti-Boeing Move, NLRB Rejects S.C. Jobs, Solar Energy, National Association of Manufacturer’s Blog: Shopfloor, April 27, 2011, <http://goo.gl/uLM9e>.

⁷ “Boeing to Fight NLRB Complaint Backed by Union,” press release, Boeing, April 20, 2011, <http://goo.gl/Mnguj>.

⁸ “Labor Board Tells Boeing New Factory Breaks Law,” by Steven Greenhouse, New York Times, April 20, 2011, <http://goo.gl/nr64a>

⁹ “Remarks by the President to the Chamber of Commerce,” February 7, 2011, <http://goo.gl/YHPaY>