

The strike has also shut down Boeing's civil- and military-related flight test activities at Seattle's downtown airport.

SPEEA's Webpage sports the banner, "One Day Longer than Management." If the United States is going to return to a capital-intensive, high-technology, production-based economy, which is vital for the future of all Americans, a victory by these workers will be an important step in that process.

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## Interview: Allan Rathbun

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# Boeing: 'management plan du jour'

*Allan Rathbun, who retired from the Boeing Company in 1995, after 22 years as a software and design engineer, is a member of the Society of Professional Engineering Employees in Aerospace (SPEEA), which has been on strike against Boeing. In this Feb. 27 interview with Marianna Wertz, he provides valuable insight into the problems at Boeing, particularly following its 1998-99 merger with McDonnell Douglas, which caused the strike.*

**EIR:** What is your view of what's going on in the SPEEA strike?

**Rathbun:** When the merger of McDonnell Douglas and Boeing initially occurred, the story was that the people in Kansas City [McDonnell Douglas headquarters] were very happy. They said, "We're going to get all the goodies that the Boeing people get, now that we're part of Boeing." Well, it went the other way.

You have to consider who the president of the company is, Mr. Stonecipher, who came from McDonnell Douglas. I understand that a large percentage of the people that he brought with him are in the finance and comptroller part of the company. They have a different attitude in general toward engineering. I have some direct experience with them, because I worked with them on a project even before I went to Boeing.

McDonnell Douglas typically did not retain a large engineering staff, from project to project. If they had a new project come along, they'd go out and hire 5,000 contractors, give them 18 months, and pay them big salaries, and then, after that, they're gone, they're history. So, they had a different philosophy.

Boeing traditionally has always maintained a fairly high level of engineering talent. They do have surges. I was on the 777 project, when I retired. We had over 7,000 engineers

working on that one project. Toward the end, of course, a lot of those people were surplus. Many of them found employment in other areas of the company.

Altogether, across the company, about 6,000 of us took an accelerated retirement process, which cut their payroll a lot, because they had a lot of people at the upper end of it, the ones who were making \$70,000-plus.

So, a lot of talent went out. In fact, it was estimated, in the Everett [Washington] division alone, something like 70,000 man-years of experience went out the gate in 1995. In fact, in whole divisions, whole talent pools, in particular disciplines, there was no one left.

One of the other factors going on is they have a demographic problem there now. The middle management has disappeared. The class of engineers and managers in the 40-50 years of age, with 15 years experience, is very thin. They have a lot of old-timers, and they have new people with less than ten years.

This is a good time, if you think about it, to cut your costs. You don't have the people in the middle that are going to know where things are, and what a good contract looks like. They'll be able to intimidate the younger people. The older people are saying, "To heck with it, if they push me too much, I'm going to retire."

**EIR:** Do you think they forced the strike for this reason?

**Rathbun:** I think so. I think it's strictly on the basis of the fact that they just figured that they can destroy the union and impose a contract that they want. I think they misjudged it, because there's a lot of support for it, over 64%. Plus, once the contracts were voted down, SPEEA, which had a bare majority of the workforce, has increased their rolls dramatically, to 75% of the work unit, because people could see where it was headed.

In fact, Boeing is being unreasonable, because the way in which the contract was presented — they basically said, "Here it is, take it or leave it." Well, they left it. So, they came back and diddled with it a little bit and said, "Here's your second shot." Well, that went down to defeat, too.

**EIR:** The press is saying now that this strike could become very lengthy.

**Rathbun:** They had negotiations yesterday [Feb. 26] and basically, they didn't go anywhere. They cut them off. Where it's going to hurt the company is that airplanes require a lot of inspections. The FAA [Federal Aviation Administration] doesn't have anywhere near the staff to do the work. So, they have to have Designated Engineering Representatives (called DERs). These are people who work for the Boeing Company and are actually approved by the FAA. What I was doing before I retired was nominating these candidates and presenting them to the FAA.

The problem they have, is that it's a two-year process. No matter who you are, it's a two-year process before the FAA

will confer upon you the title of Designated Engineering Representative, because they have to monitor your work and be sure you understand the issues, etc. Any work in the design that affects the flight-worthiness of the aircraft has to be approved by DERs.

Out on the flight line, when the aircraft go out, they have to have Designated Manufacturing Representatives. These are guys that basically sign off that the aircraft was built according to the design.

What happens, is that those people are in demand, and they're all on strike.

**EIR:** So Boeing can't produce planes now.

**Rathbun:** They can't *deliver* them. You go on the Internet and look for these contract labor companies. If you're a Designated Engineering Representative with current status, minimum salary is \$85,000 a year. Sure, you may have to go to Florida or Ohio, but there are signing bonuses, there are relocation bonuses, and a salary of \$85K a year. How many of those can they afford to siphon off? They're not going to come back. You don't just go down the row of cubicles and pick a guy and say, "You're the new guy, now." It's a two-year process. That's the one skill that they have that's going to give them problems.

What's going to happen, is they'll get an air-worthiness directive from the FAA, similar to this thing over the jack-screw on the airplanes [referring to the part failure that caused the Air Alaska crash], where Boeing has to provide engineering studies as to what they're going to do about it. Well, if the people aren't there, the FAA is likely to say, "Well, we're going to ground all of the airplanes that have that potential problem now."

Another thing, is that Boeing also has a very good reputation, and one of the reasons they sell so many aircraft, is support for the customer after the sale. . . .

A lot of this requires engineering approval. There are an awful lot of parts in an airplane, and the parts list of the airplane says, these are the parts that you can authorize to put on this airplane. However, a lot of those parts are common to other things. But, unless it's on the list, you can't use it, unless an engineer approves it. Then he has to get the DER to sign off on it. Without that support, your aircraft on ground (AOG) operation is going to grind to a halt.

In fact, one of the aircraft was on the ground in Asia somewhere, where it was being repaired, and the engineers packed up and came home. The airplane is still sitting there.

It's a staring match right now. I think the company figures that these people are going to be hurt economically faster than they are.

**EIR:** I guess they're out trying to find part-time jobs right now.

**Rathbun:** A lot of them are going to find other jobs, and if the strike goes on another month, you're going to find a serious

erosion in the workforce. These are not hamburger-flippers. I can almost guarantee that there are recruiters in Seattle today from other companies, talking to these guys.

It's not just the economic issues, but because of the shift in the way they do work, it's gotten to the point where they keep changing the way they do business. The new management plan—it's given rise to the phrase, "Management Plan du Jour."

The other dissatisfaction, is the fact that the company wants the salary package to be entirely merit-based, in other words, no general wage increase. The problem with that, is that you cannot administer that fairly. Some years ago, the engineering disciplines were ordered along the lines of the disciplines: aerodynamics engineers in one group, and landing gear people in one group, and electrical engineers in another group. They sort of had little fiefdoms, in the sense that they each did their unit of work.

Now, when it came time for your merit performance review, you were reviewed by a manager who was your peer. If you were in the landing gear group, he was a landing gear expert. Now, in the interest of the new way of doing business, they've organized all the workforce along the lines of teams—teams of people to do a particular aircraft.

So, here's now an engineering manager, who has in his team a guy who's a landing gear guy. He's got electrical, he's got mechanical, he's got a mix of people. The manager may be a finance guy! So, he's going to evaluate the performance of a hydraulics engineer? He doesn't even know who the hydraulics guy is! They still have a "functional manager." They still have the factotum within the discipline. There's some person who's the functional manager of the hydraulics group: He probably doesn't know 5% of the people that are in his group.

In all the years I worked under that system, I never met my functional manager. He was just a name on a chart somewhere.

All these performance reviews are negotiated by committee managers. They all get together and each of them promotes their candidate. It becomes a political thing.

I guess what I'd like to convey to you, is that it goes beyond the economic issues. There are a lot of underlying issues, where people have chafed under the whole system. Especially when the Boeing Company said, no general wage increase, all you're going to get is a merit pool. Everybody knows that that's unfairly administered.

**EIR:** The fact that they're striking is remarkable.

**Rathbun:** It's unprecedented.

**EIR:** It's a very important strike and it goes to the heart of what's going wrong in this country.

**Rathbun:** I think it generally reflects the whole idea of the economic value of intellectual property, and how much these people contribute.