



'ANGUS BARKS'

By Jeff Francis
AEG Executive Board

Labor Base

Every year, it's management's goal to cut costs. For many years in Plants I & II we have been asked to do more work with less people, less tools and less support. We lost drawing numbers and jobs overseas, as the Company's quest for low cost suppliers went global.

All of this kept GE's corporate vaults crammed with profits, of course. For the union membership who fought against outsourcing, and the larger community that cares about the Riverworks' survival, the past 15 years have been frustrating.

Last year management's tune changed ever so slightly in Plants I & II. Alongside the usual cost goals, a concern was expressed that the plants needed increased labor base. This new attitude needs to be understood, and evaluated to see whether it is genuine.

DEFINITIONS

Many types of work are necessary to manufacture a jet engine. It must be designed, engineered and marketed. Processes must be programmed, equipment bought, facilities maintained, material and supplies ordered, quality certified, and product transported. These essential functions are all considered *indirect expenses* by the Company, even though many are performed by highly paid exempt employees.

Expenses are paid out of the value created by *direct labor*. The only employees who perform direct labor in Plants I & II are those who machine, weld, shape, fit, or perform special processes on, metal parts. The vouchered hours spent transforming hunks of metal into aircraft engine components, create enough dollar value to pay off all expenses, and make a not-so-modest deposit in the corporate vault.

DILEMMA

After 15 years of cost cutting, and war of attrition on manpower, the number of direct hourly workers is becoming too small to defray all the ongoing essential expenses. Continued outsourcing only makes the problem worse. Greater productivity helps with costs, but doesn't help the labor base.

Increasing our direct labor base means returning work to the plant, or introducing new work. Management is looking at blocks of work that could be brought in and be cost-competitive. There is a way to do this:

MACHINERY

Where ever new machinery is introduced, costs improve. New MJTs in Bldg 40 and new Toshulins in 1-74 improved productivity 50%. But we lost labor base because the modern machines require only half the operators.

By introducing new machinery and loading it with base labor that is currently outside the plant, the Company can control costs while increasing direct labor hours.

PUDDING

The Union will be watching several key situations where our members will be involved in opportunities to return base labor to the plant. In Bldg 74, on the DMG in TEPM and DMG slated for RPMO, and areas with T700 hardware. In Bldg 40, with turning work on combustor shells. In Bldg 64, with the backfill for Spool work in TC64. The proof will be in the pudding.

