



# 'ANGUS BARKS'

By Jeff Francis  
AEG Executive Board

## *Positives and Negatives*

- +** Orders for GE's aircraft engines continue strong into the foreseeable future. Unlike the plastics and lighting businesses, GE's aircraft engine business dominates the market.
- GE continues to focus its business on overseas investment and development.
- Within the next decade, GE expects to generate over half its profits from overseas production.
- +** Sales of large commercial engines are surging, as both Airbus and Boeing are choosing the GE90, GEnX, GP7200, and CFM56 to power a new generation of commercial aircraft.
- Most of the machinery and equipment in the Lynn plant, outside of Plant IV and Plant II, are sized for small military engines.
- +** Where facilities permit, the Company has been willing to shift overflow production and assembly work to Lynn from its busiest plants in Wilmington and Durham NC.
- The recent acquisition of Smiths gives GE increased capacity to off-load work to at least five plants that have the expertise and equipment to do GE work.
- +** In the past 3 years, work was farmed-in successfully into Plants I & II from North Carolina, Japan, Arizona and Massachusetts.
- In order to farm-in machining work more efficiently, we need more programming help, and newer machinery. Our average machine is 30-50 years old.
- +** The purchase and delivery of a new Inertia Welder, scheduled for Dec 2008, will give Bldg 64 the capacity to be the source for complete production of CFM56 and F110 hardware.
- The RPMO area in 1-74 continues to produce the largest most expensive group of parts in the Riverworks, on the oldest, most unreliable machinery.
- +** New Daewoo lathes, Mori Seiky millers, Toshulin lathes, and Deckel Maho millers were introduced on the shop floor in the past 5 years.
- Due to budget constraints, skimpy maintenance and programming resources, most Plant managers can only introduce about 5 significant machine tools per year. In several areas, machine repair is understaffed and underequipped.
- +** Wherever a new machine tool is introduced, the operators love the improved quality and the managers love the improved productivity.
- Due to shrinking headcount of direct labor (union members), managers have an increasingly difficult time meeting overhead costs.
- +** The renovation of Bldg 74 signifies a commitment by the Company to maintain the Riverworks' biggest production building. New facades on 74, 40 and 63 speak to a future for the Riverworks.
- Plant III will be sold, and not be part of that future. The Gearplant is leaning the same way. It's likely the future footprint of our plant will be bounded by Western Ave and the railroad tracks.
- +** Year-to-date statistics provided by the Company show 49 new union members were hired or re-engaged from the street in the first 3 quarters of 2007. Those same statistics show that 69 union members retired, resigned, died, or left for management during the same time frame. Overall, we lost 20 union jobs to attrition.

In conclusion: Given enough manpower and resources, the Riverworks will play an important role in a growing and prosperous business.

