

EMBARGOED

**DISSENTING VIEWS
OF
COMMISSIONER R. T. BUFFENBARGER
(Commission on the Future of the U.S. Aerospace Industry)**

This Commission was formed to address a variety of issues facing the future of the United States aerospace industry. Among them, the Commission was directed to “study the issues associated with the future of the U.S. aerospace industry in the global economy...; and assess the future importance of the domestic aerospace industry for the economic and national security of the United States.”¹ The Commission was also required to make “recommendations for actions by federal departments and agencies to support the maintenance of a robust aerospace industry in the United States in the 21st Century....”²

Despite the Commission's mandate, its final report fails to adequately address the current crisis facing U.S. aerospace workers. While the Report acknowledges that several hundred thousand jobs have been lost in this industry over the past decade, this statistic captures only part of the problem. In states like Washington, Texas and California, that contain high concentration levels of the aerospace industry, the loss of aerospace jobs has been devastating. In Washington, more than 30% of jobs in the aircraft and parts sectors, almost 36,000, were lost between July 1992 and July 2002. In California, more than half the jobs, over 67,000, have been lost in this sector; and in Texas, over 30%, almost 20,000, jobs have been lost in the same sector.³ The failure to address these job losses in a meaningful way signals an ominous future for U.S. aerospace workers. It is estimated that nearly 180,000 additional aerospace workers could lose their jobs by 2010.⁴

The Report does not contain comprehensive and “immediate solutions” to the job crisis in the U.S. aerospace industry. Its failure to sufficiently recognize and provide meaningful solutions for the aerospace employment crisis is a serious and glaring omission. Without well-thought out, practical recommendations for increasing the number of jobs in this industry in the short, medium, and long term, the future of the U.S. aerospace industry is in doubt. If U.S. aerospace workers have no future, the U.S. aerospace industry has no future.

¹ Public Law 106-398.

² *Id.*

³ U.S. Department of Labor, Bureau of Labor Statistics, data extracted on October 17, 2002, Series ID: SAU5300003372031 (not seasonally adjusted).

⁴ Testimony of Jeff Faux, Commission on the Future of the United States Aerospace Industry, Public Meeting, May 14, 2002; hereinafter, referred to as “Public Meeting May 14, 2002.”

I am particularly troubled by the number of proposals contained in the Report that, if implemented, would lead to further erosion of U.S. aerospace jobs and increase the economic pain currently being experienced by a generation of U.S. aerospace workers. While this dissent does not provide a comprehensive list of my objections, I would like to note some particular concerns.

- The Commission's Report encourages privatization, competitive sourcing, and public- private partnerships with respect to "Business: A New Model for the Aerospace Sector". However, it fails to recognize that private sector business goals do not always coincide with the public interest or governmental program goals. As a result, proposals in this area would result in layoffs and the erosion of basic wage and benefit standards for workers and a concomitant loss of service to the public.
- If not closely restricted, provisions regarding the "shared savings" initiative have a great potential to further damage the employment situation in the U.S. by using the government to encourage private sector contractors to layoff workers or hold down wages and benefits. Some contractors could receive great windfalls, at a great cost to their workers, with U.S. taxpayers paying the bill. This is not the way to improve cost-effectiveness.
- Provisions that encourage the U.S. aerospace industry to transfer work and/or technology to other countries and to utilize foreign sourcing through a variety of means (e.g., procurement, international collaboration, mergers and teaming, global partnerships, joint ventures, and other proposals contained throughout the Report) are shortsighted. The U.S. aerospace industry should be encouraged to maintain production at home and to use U.S. suppliers (and products made and assembled in the U.S.) whenever possible. While the "globalization" of the aerospace industry is a reality, the impact of globalization on U.S. jobs and our security must be taken seriously.
- Other proposals and comments which I take issue with include, but are not limited to, export control reform, "open skies", and references to labor relations issues concerning the air traffic system.

I am also deeply troubled that three of my recommendations were "tabled" by the Commission without a full discussion on the substance of the recommendations.⁵ These recommendations involved common sense proposals that would assist our Nation's policymakers in formulating meaningful solutions to the current and future

⁵ See, Public Meetings of May 14, 2002 and September 17, 2002.

crisis facing the industry and its workforce. I am particularly disappointed that they were not substantively considered by the Commission. As a result, the Commission missed a valuable opportunity to discuss, exchange ideas, and deliberate on three important workforce related proposals.

My first recommendation concerned the issue of offsets and outsourcing – both of which are significant in the U.S. aerospace industry. These activities threaten the U.S. workforce and our nation’s economy and national security by, among other things, transferring production and technology to other countries. To facilitate a constructive dialogue on these points, I recommended that the Commission support the “establishment of a permanent, high-level Commission consisting of representatives of industry, government, labor, and academia to develop a comprehensive policy to address the numerous issues related to offsets and outsourcing.” The purpose of such a Commission would be to “advance a policy that will mitigate the negative impact that offsets pose for U.S. aerospace workers now and in the future.” The Commission tabled my proposal and rejected my efforts to “remove” the recommendation from being tabled.

The second recommendation I offered regarded the use of economic impact statements. It is my firm belief that various agencies of the U.S. Government must be accountable to the taxpayers. This means that taxpayers should know whether their hard-earned dollars are going to support good jobs at home or are going to create jobs in other countries. Unfortunately, as I explained to the Commission, information gathered by the U.S. Government with respect to the number of aerospace and aerospace-related jobs that are created (or lost) by Government programs is often imprecise. Accordingly, I urged the Commission to recommend the adoption and implementation of more effective methods of gathering data to evaluate the impact of Government programs on jobs in the U.S. The Commission also tabled this proposal and rejected my efforts to “remove” the recommendation from the table – thus barring substantive discussion of this important matter.

Finally, I proposed that the Commission recommend that internationally recognized labor standards be honored and enforced. The need to recognize and enforce international labor standards implicates significant social and economic issues. It also raises the related trade issue of “fairness”. U.S. aerospace workers should not have to compete with workers in other countries where basic human rights are neither recognized nor respected. The fundamental rights to freedom of association and collective bargaining do not exist in many foreign countries. Moreover, it should be no surprise, decent wages and rules to ensure even moderately safe and healthy working conditions are nonexistent in these countries. Even basic prohibitions on child labor, discrimination, and the use of forced or prison labor often fail to be recognized or effectively enforced.

I fear that if these internationally recognized labor standards are not uniformly respected, there will be a rapid race to the bottom as labor standards in the United States are dragged down towards the labor standards in far off lands. The aerospace industry should be a model for lifting the standard of living up for workers everywhere. It was my hope that this Commission in devising its proposals for the future of the U.S. aerospace industry, would at least discuss these very important standards. Sadly, a majority of the Commission tabled the recommendation and left it to die on the table, along with my other two recommendations.

I am heartened by the words of people like Denny Lee-Si Reyes, a high school student who testified before the Commission that “[U]ltimately my dream is to not only become part of the team that designs the travel of the future, but to become part of the dream that redefines it.”⁶ I am pleased that the future of the U.S. aerospace industry rests with Mr. Lee-Si Reyes and others like him but fear that unless work is done to ensure that the aerospace workforce remains strong and healthy here in the U.S., they will see their dreams disappear along with the aerospace jobs in the U.S.

This is not acceptable. The U.S. aerospace industry is about more than corporate profits. It is about the workers and their communities that have made this industry so successful. It is the workers and their communities, after all, that are key to our nation’s economic security and our nation’s national security. Today, aerospace workers are in a deep, deep crisis. We urgently need effective solutions for resolving this state of affairs and preventing future crises in this industry. This Commission wasted a valuable opportunity to meet this great need.

⁶ Testimony of Denny Lee-Si Reyes, Public Meeting, May 14, 2002