MACHINISTS VOTE TO STRIKE AT TRIUMPH PLANT SUPPLYING BOEING, AIRBUS

News / Manufacturer

Machinists at a Triumph Group factory that supplies parts for Boeing, Airbus and other aircraft makers voted on Monday to strike after rejecting the company's latest labor contract, the union said.

Ninety-three percent of members voted to strike and 94 percent rejected the contract, the union said. More than 400 machinists now intend to walk off the job on Wednesday at Triumph Composite Systems in Spokane, Washington.

The factory makes thousands of floor panels, air ducts and other aircraft components a month, giving the strike potential to affect production at major plane makers, experts said.

Triumph said it would close the factory on Tuesday and give employees "the day off with pay" to prepare for the walkout.

The factory will open Wednesday, "and operations will continue for the duration of any work stoppage without any expected disruption," Triumph said in a statement. Earlier, Triumph said it

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had contingency plans in place

"We are disappointed by this decision, which is not in the best interest of the employees, the company or the community."

Members of the International Association of Machinists had sought to regain pension benefits and terminate a two-tier pay scale "that pays some workers thousands of dollars a year less than others who do the same work," Jon Holden, president of the IAM District 751, said in a statement.

Triumph said it engaged in "weeks of intense negotiations," and its offer would extend an "extremely competitive wage and benefit structure," including raises, lump-sum payments, unchanged medical benefits and greater retirement benefits.

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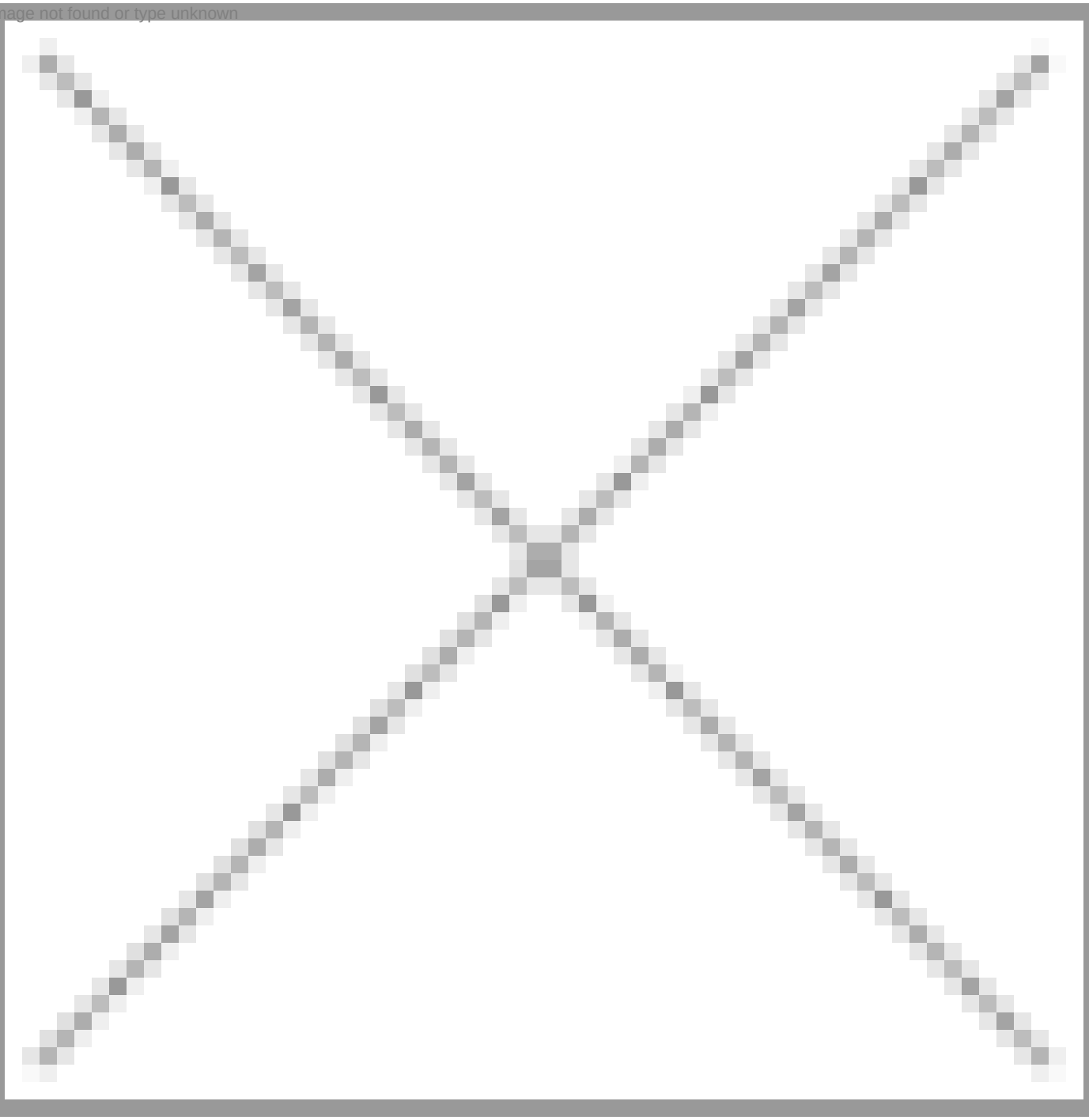

Some industry experts said a strike could disrupt production at Boeing and Airbus, which have

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been trying to ensure that suppliers can keep to delivery schedules as the plane makers' assembly lines are running at record speeds. The rivals have already seen the delayed delivery of seats, which has held up some aircraft deliveries to airlines.

"They will be sensitive to any strike of any long-term nature," said David Stewart, head of the global aerospace practice at consulting firm ICF International.

"There will be some safety in the system," he said, if Boeing and Airbus built up reserve parts in preparation for a walkout, but companies are holding less inventory in general.

Triumph recently took a $400 million charge and is trying to cut expenses by $300 million over three years by reducing factory space and costs from its suppliers. It plans to cut 1,200 jobs this year out of 15,000, according to analysts at Jefferies, which rates the stock a buy.

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