

NEWS FROM



DISTRICT 776 PRESIDENT PAUL BLACK

The Company notified the Union yesterday (**Wednesday 02/04/2015**) of their intent to seek an alternate business model for the warehouse. I am trying to get a meeting set up for the 17th or 18th of this month for the company to give us the specifics of their plan. I have asked Aerospace Coordinator T.L. Smith to join us for this meeting. I can assure the membership we will not give up IAM Bargaining unit work without a fight!!! We will do everything within our contractual and legal rights to protect our jobs!!!

Paul Black, T. L. Smith, Tim Smith and John Pierce attended a meeting today (**02-18-2015**) with Lockheed Martin to receive information regarding a study which had been done by the company, regarding Warehouse Operations.

The meeting began with a presentation by the company on the customer demand to bring the per unit cost of an F-35 down by 10 Million Dollars per unit by the year 2019. The company stated they were looking at the stocking, kitting and delivery areas of the Warehouse business along with Chemical storage from the Barrel House to delivery to the line.

The Company study indicates that a 3rd Party Provider performing some of these tasks would result in a reduction of 15 MHA's and 5 Crater Packers on the Chemical side of the business and 51 MHA's on the Material side of the business. The work would not include any government sensitive work.

The Company stated they have not signed any contract with any 3rd Party Providers. This meeting was for informational purposes only, and as they move forward with their plan, they will continue to keep the Union informed and negotiate where there needs to be negotiations.

The Company stated they intend to work through this with the Union and made statements that the people are very important and they would like to work together on finding ways to minimize the impact to those 71 folks. Cross training for open positions within the Bargaining unit was mentioned as a possible solution, and also the possibility of offering the VSIP to those that are close to retirement.

The Company has asked the Union for dates on which a future meeting could be scheduled to give the Union more information regarding the specifics of their plan.

I have briefed our General Vice Presidents office and I have updated District 776's Attorney, Rod Tanner, on the contents of this meeting.

The Union met with Company Representatives today **3/06/2015** regarding Warehouse operations.

This study was initiated 2 years ago.

The Company reiterated the only classifications which would be affected are MHA's and Crater Packers. They don't see support being affected.

The Company defined "warehouse" for use in these discussions as..... the Freezer warehouse, RCO, Chemical warehouse, and kit town.

Transportation, Tool services, and the Fuel Pod are out of scope for these discussions.

The Company stated at this time they have not determined if the 3PL work would be off site or on-site.

In either case our members would not be required to train any 3PL providers.

3PL providers would have their own management team. LM Aero would have oversight.

The Company stated LM Aero would continue to;

Manage the inventory

Manage oversight of all SAP systems

Manage KPL of vendors

Manage all changes to the SAP

Perform all 3PL assessments

Perform interface with supply chain management

The Company stated they deal with 2500 vendors which manufacture 135,000 parts for F-35 production.

The Company has asked the Union to think about ways of closing the gap in cost between a 3PL provider and the current business model.

The Company has asked the Union to provide some dates for the next meeting.

on 4/01/2015 @9:00am

The Union met with the Company today to get more information regarding the 3rd Party Labor issue. The Company started the meeting with a clarification regarding whether it was their intent to send the work off site, or they intended to bring contractors into the facility to perform the work. **The Company stated it intends to bring a contractor into the facility** to perform work which is currently performed by the MHA and Crater Packer classifications. The scope of the work will be tools, shop supplies and chemicals.

Tasks would include:

- Loading and unloading trucks
- Stocking parts
- Issuing Parts
- Picking Kits
- Verify parts
- Pickup and delivery of materials and parts to production areas and labs
- Movement of material

- Inventory Cyclic Counts
- Locate and deliver shortage parts
- Operation of Service Center
- Operation of receiving dock
- Use of SAP System

Tasks not included in this scope are:

- Government Service
- Tool Service
- Flight line Fuel Services
- Transportation MHA
- Program MHA

The Company stated there are currently other studies being conducted however this is the only study that has matured at this time.

The Company said they have not signed a contract with any 3rd Party Labor vendor at this time.

The Company says there is currently no time frame set for implementation.

It was very hypocritical of this Company, to once again talk about what an Exceptional job our members have done and continue to do in the Warehouse, and at the same time be talking about pushing them out the door!

Your Union will provide more information as it becomes available.

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comments on District 776
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Thank You
Paul Black