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## The Death of Right to Work

*After 17 months and \$2 billion, the NLRB sandbags Boeing.*

We knew that Big Labor had political pull at the Obama-era National Labor Relations Board, but yesterday's complaint against Boeing is one for the (dark) ages. By challenging Boeing's right to build aircraft in South Carolina, labor's bureaucratic allies in Washington are threatening the ability of states to compete for new jobs and investment—and risking the economic recovery to boot.

In 2009 Boeing announced plans to build a new plant to meet demand for its new 787 Dreamliner. Though its union contract didn't require it, Boeing executives negotiated with the International Association of Machinists and Aerospace Workers to build the plane at its existing plant in Washington state. The talks broke down because the union wanted, among other things, a seat on Boeing's board and a promise that Boeing would build all future airplanes in Puget Sound.

So Boeing management did what it judged to be best for its shareholders and customers and looked elsewhere. In October 2009, the company settled on South Carolina, which, like the 21 other right-to-work states, has friendlier labor laws than Washington. As Boeing chief Jim McNerney noted on a conference call at the time, the company couldn't have "strikes happening every three to four years." The union has shut down Boeing's commercial aircraft production line four times since 1989, and a 58-day strike in 2008 cost the company \$1.8 billion.

This reasonable business decision created more than 1,000 jobs and has brought around \$2 billion of investment to South Carolina. The aerospace workers in Puget Sound remain among the best paid in America, but the union nonetheless asked the NLRB to stop Boeing's plans before the company starts to assemble planes in North Charleston this July.



Associated Press

A worker walks past one of Boeing's 787 Dreamliners at the production facility in Everett, Wash.

The NLRB obliged with its complaint yesterday asking an administrative law judge to stop Boeing's South Carolina production because its executives had cited the risk of strikes as a reason for the move. Boeing acted out of "anti-union animus," says the complaint by acting general counsel Lafe Solomon, and its decision to move had the effect of "discouraging membership in a labor organization" and thus violates federal law.

It's hard to know which law he's referring to. There are plentiful legal precedents that give business the right to locate operations in right-to-work states. That right has created healthy competition among states and kept tens of millions of jobs in America rather than heading overseas.

Boeing has also expanded its operations in Puget Sound while building its South Carolina presence. Ultimately, the NLRB seems to be resting its complaint on the belief that Boeing spent nearly \$2 billion out of spite, which sounds less like a matter of law than of campaign 2012 politics.

Boeing says it will challenge the complaint in an NLRB hearing in June, but Big Labor also has sway at the five-

member board. Recall that President Obama gave a recess appointment last year to Craig Becker, a former lawyer for the Service Employees International Union who once wrote that the NLRB could impose "card check" rules for union organizing even without an act of Congress. Even a Democratic Senate refused to confirm him.

Beyond labor politics, the NLRB's ruling would set a terrible precedent for the flow of jobs and investment within the U.S. It would essentially give labor a veto over management decisions about where to build future plants. And it would undercut the right-to-work statutes in 22 American states—which is no doubt the main union goal here.

With a Republican House, Mr. Obama's union agenda is dead in Congress. But it looks like his appointees are determined to impose it by regulatory fiat—no matter the damage to investment and job creation.

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