

Coalition Chronicle

Report to the National Industrial Base Workforce Coalition

Vol. 5, Issue 1

Winter 2001



Members of the *National Industrial Base Workforce Coalition* meet with **John E. Robson**, Chairman and President of the Export-Import Bank.

Workforce Springs Into Action Over Export-Import Bank Funding

In the spring of 2001, leaders of the *National Industrial Base Workforce Coalition* learned that the administration intended to make major cuts in the budget of the Export-Import Bank (Ex-Im). The Ex-Im Bank provides loan guarantees and insurance coverage to U.S. exporters and foreign buyers, which facilitates the export of thousands of American-made products each year. Economists agree that exports generated by the Ex-Im Bank translate into jobs for American workers (*see sidebar on page 4 for a description of how Ex-Im operates*). Because cuts in

the Bank's budget would be detrimental to our country's industrial base, *Coalition* members sprang into action.

In spite of the economic benefits of the Ex-Im Bank, the administration proposed to cut its budget by 25% or about \$228 million, an amount that could generate thousands of jobs and \$4 billion in export sales. On the other hand, if the Congress agreed to the budget cut, it could translate into the loss of thousands of American jobs. Understanding this danger, *Workforce Coalition* members mobilized to

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Export-Import Bank

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support full funding of Ex-Im's budget.

In the past, Ex-Im has always enjoyed some measure of support in the Congress. Continuing that tradition, this year thirty Republican Senators sent a letter to President Bush expressing deep concern over the proposed reduction to Ex-Im funding. They asked the President to reconsider the proposed cuts in light of the economic slowdown that was already affecting American exports. *Workforce Coalition* leaders immediately began to appeal to the Senators who had not signed the letter. In this Phase I of our mobilization, workforce members called and wrote letters to Democratic Senators in *Coalition* states to make them aware that the unions would be fighting for full funding of the Ex-Im Bank and to ask their support.

Coalition leaders also met with **Senator Ted Stevens (R-AK)**, then-Chairman of the Senate Appropriations Committee. They thanked him for leading the way in restoring Ex-Im funding and told him that the *Coalition* would be fighting for Ex-Im Bank funding. Senator Stevens expressed his pleasure that unions



Joe Grabowski, Executive Director ASPEP, expresses union concerns to **U.S. Senator Ted Stevens (R-AK)** about proposed cuts to Ex-Im Bank's funding, as **Rodney Denton**, President IBEW 1805, looks on.

were active on this important issue and urged them to contact other Senators on all of the relevant committees.

By the end of April, Phase II of the mobilization went into to high gear as the House and Senate authorization committees scheduled debate on the Bank's charter. *Coalition* leaders in 4 different industries - aircraft manufacturing, steel, radar and avionics - wrote letters in support of the re-authorization of Ex-Im Bank's charter for an additional four years with no changes. If the charter was not re-authorized,

it would make it easier for opponents to slash vital funding and support the already proposed cuts. The *Coalition* letters were delivered to the chairmen of the relevant subcommittees before they held hearings on *See EX-IM, page 3*



U.S. Senator Ted Stevens (R-AK) discusses finer points of Ex-Im Bank funding with *National Industrial Base Workforce Coalition* members.

Coalition Chronicle

National Industrial Base
Workforce Coalition

Representing American scientists, engineers, technical, professional, service and production workers in maritime, aerospace, defense, electronics, energy, telecommunications, transportation, pharmaceutical, and basic industries in both the public and private sectors.

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Export-Import Bank

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the topic. Receiving letters were Chairman **Chuck Hagel (R-NE)**, Subcommittee on International Trade and Finance, Senate Committee on Banking and Chairman **Doug Bereuter (R-NE)**, Subcommittee on International Monetary Policy and Trade, House Committee on Financial Services. Both chairmen welcomed input from the *Coalition*. Subsequently, the members of these two subcommittees re-authorized the Ex-Im Bank's charter without changes. Another obstacle in our path had been cleared.

Early in June, the appropriations bills were headed to their respective subcommittees for debate and markup. *Coalition* leaders kept close watch on the schedules of the House and Senate Subcommittees on Foreign Operations that have jurisdiction over Ex-Im funding. In preparation, the *Coalition* jumped into high-gear with its mobilization efforts, entering Phase III. The markup of the appropriation bills was one of the last chances *Coalition* members would have to convince lawmakers to restore funding to Ex-Im's budget.

Between the House and Senate Subcommittees on Foreign Operations, there were twenty-five members of Congress who would ultimately decide the fate of Ex-Im's funding. These key decision makers would choose whether to stick with the President's figure or to restore some or all of the 25% cut. Therefore, *Workforce Coalition* members set out ensure that these congressional members knew the importance of the Export-Import Bank to America's industrial base.

Armed with fact sheets that outlined the importance of the Bank, *Coalition* members visited Members of Congress in both Washington, DC and in their district offices. Phone



Coalition members meet with U. S. Senator **Ted Stevens (R-AK)**. (Left to right) **Charles Bofferding**, Executive Director SPEEA, **Johnny DeFrancisco**, President UAW 1069, **Steve Dunham**, President SCPEA, **Steve Covely**, President ASPEP, **Joe Grabowski**, Executive Director ASPEP, Rodney Denton, President IBEW 1805.

banks were organized to ensure that previously approved Ex-Im loans that never went through. This brought the total funds restored to \$210 million. This was a HUGE win for the Ex-Im Bank and the members of the *Workforce Coalition*!

When Congress returned to session after Independence Day, *Coalition* members were ready for last minute efforts to finish the mobilization, focusing on the remaining vote in the Senate Foreign Op-

erations Subcommittee. Many of the Senators on the subcommittee had already assured *Coalition* members of their support for Ex-Im funding. Thus, workforce leaders began another cycle of calls over a two-week period, focusing on four Democratic Senators who previously had not made a clear commitment on their stance. In the workforce message, the Senators were told that *Coalition* members were happy their House counterparts restored to Ex-

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Chairman **John E. Robson** greets **Greg Junemann**, President IFPTE, and **Charles Bofferding**, Executive Director SPEEA.

Export-Import Bank

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Im Bank most of the funds cut and hoped they would follow suit.

The Senate Subcommittee did follow suit and restored much of the money to Ex-Im's budget. The appropriations bill then followed its remaining journey through the legislative process, ending with an amazing success. Congress passed the Foreign Operations Appropriations Bill providing \$727 million in new appropriations to fund Export-Import Bank for 2002. The President's budget request was for about \$627 million because of the administration's 20% cut from the previous year's funding level. In addition to the \$727 million from the House/Senate funding, Ex-Im also gained the \$200 million in carryover funds from its

FY01 budget, much more than the \$90 million originally foreseen by the House Subcommittee. The final result was that Ex-Im Bank funding for FY02 exceeded its FY01 level. The bill was signed into law on January 10, 2002, a great victory for an effort that began looking so bleak!

In November, Ex-Im Chairman and President **John Robson** hosted a meeting to thank *Workforce Coalition* leaders for their hard work in restoring the Bank's funding. The union leaders expressed their support for the Ex-Im Bank, and Chairman Robson expressed his appreciation for their efforts. The *Workforce Coalition* members were impressed with Chairman Robson's openness and easy manner. He made a lasting impression, and we hope to work with him again in the future. ❖

How the Export-Import Bank Works

- Created in 1934, the Export-Import Bank helps American companies export their products to other countries by providing loans, guarantees, and insurance coverage to U.S. exporters and foreign buyers.
- Because defaults on the loan guarantees are rare – 2% or less of the time – the Ex-Im Bank does not cost the federal government any money. All of the money loaned is eventually returned to the United States Treasury.
- The Ex-Im Bank is essential to the American industrial base for many reasons. Most importantly, there is a clear agreement that exports generated by the Ex-Im Bank translate into jobs for American workers.
- Both industry (big and small businesses) and labor (including the AFL-CIO) support the Ex-Im Bank.
- Workers across the country make the exported American products. In essence, the Bank actually makes money for the government by creating jobs that bring in revenue.
- The Commerce Department estimates that US exports represents 11,000 jobs in aerospace alone.
- The Ex-Im Bank also sustains many jobs, directly and indirectly, because it helps level the playing field between U.S. companies and their European competitors. In Europe and other countries like Japan, large companies receive an enormous amount of monetary help from their governments. The Ex-Im Bank is the only tool available to the American companies.

SHIPS

Last year we reported that the *National Industrial Base Workforce Coalition* expanded its membership to include shipbuilders. Their first participation in a *Coalition* effort was in 2000 when they were active in our generic defense effort to raise the top line of the defense budget. This year the shipbuilders continued their activity as *Coalition* members on a number of other mobilizations. Welcome, and thank you shipbuilder *Coalition* members!

Here are a few 2001 updates on the shipbuilding industry:

- Northrop Grumman has now acquired both Litton Industries and Newport News, which positions Northrop as a critical player in the shipbuilding arena.
- In November, the Navy announced that it would issue a revised Request For Proposal (RFP) for the Future Surface Combatant Program. Formerly known as the DD-21, the program will now be called DD-X “to more accurately reflect the program purpose, which is to produce a family of advanced technology surface combatants, not a single ship class.”
- Early in the year, defense analysts thought the administration would likely be critical of aircraft carriers because of the large ships “vulnerability” on the high seas. However, the commitment to the JSF program signified by the contract award for this short-range aircraft in October contradicts this thinking. Over 1,000 planes are planned to be delivered to the Navy and Marine Corps — planes that will need to operate off aircraft carriers. ❖

Chronicle Commentary

Commentary – An Unusual and Extraordinary Year

As you flip through the pages of this year's *Coalition Chronicle*, you may notice that there are not the usual stories of budget battles fought by *Coalition* members for specific defense programs and funding. In 2001, several circumstances impacted the usual legislative procedures. First, the Congress waited for the new President to address his budget priorities, and later in the summer for the Quadrennial Defense Review to be completed. Then the September 11 terrorist attacks took place as well as the delivery of anthrax-laced letters to congressional leaders. The terrorist attacks on the United States and the American people immediately changed the strategies and priorities of the administration, the Department of Defense and the Congress.

Throughout his campaign, President Bush seemed committed to a strong defense, promising that help was on the way. However, the form that "help" would take was unspecified. After taking office, the administration made it clear that they would not make any major decisions on funding current and future defense programs until the QDR and other studies being conducted to evaluate our national security were completed. Members of Congress told *Workforce Coalition* leaders that committees would not even consider the defense authorization and appropriations bills until after the summer, at least 3 months later than usual.

The QDR was scheduled for release September 26, 2001, but the September 11 terrorist attacks changed everything. That day had a devastating effect on thousands of families and businesses and forever changed the way we look at national security. The nation watched the first act of war on mainland America since the British burned the White House

during the War of 1812.

Pentagon officials quickly revamped the long anticipated study to acknowledge new threats that now faced America. When the QDR was released two weeks later, it did not include the program specific recommendations that were expected. Instead, the QDR laid out a new general focus of the Department of Defense in light of the terrorist attacks on our homeland and the impending war in Afghanistan. The QDR discussed a new approach for assessing and managing risk so that the Pentagon would be "better able to meet near-term threats even as it invests in capabilities needed to safeguard the nation's future security." However, the QDR's 74-page document did not allude as to how many fighters, bombers, ships, R&D money, engineers and production workers would be required to implement this new vision.

Then the war on terrorism began in Afghanistan. *Coalition* unions watched with pride as the military aircraft made by their members provided the means that toppled the Taliban government, killed or captured most of the al-Qaeda leadership, and caused its leader Usama bin Laden to become a fugitive. The bombing campaign spanned the spectrum of the U. S. bomber fleet including the B-52s (first flown in 1954), the B-1 (from the early '80s), and the state-of-the-art B-2s. As we went to print, U. S. fighters were participating in the war on terrorism being carried on in Afghanistan as well as flying 24-hour armed missions over New York City, Washington, D.C., and other parts of the country as part of our country's homeland security. They are also on stand-by for large sporting and entertainment events.

Helicopters and ships have also played a large role in the war on ter-

rorism. The aircraft carrier USS Kitty Hawk left most of its Navy strike aircraft behind and instead was loaded with Army Special Operations helicopters. The manhunt for Usama bin Laden and other terrorists was also joined by Navy warships, that searched merchant vessels for fugitives.

Some of the newer defense technology also made its debut in Afghanistan. Unmanned Aerial Vehicles (UAV) such as the Predator and the Global Hawk not only flew reconnaissance missions providing video images of ground targets, but the Predator was strapped with firepower. For the first time, a UAV carried and fired missiles. The decision to use UAVs illustrates a possible future strategy for fighting wars.

Airlift cargo planes, always important assets in military action, were also utilized in Afghanistan. The C-17 Globemaster was used for humanitarian airdrops. Within the first month of the Afghanistan hostilities, almost 1 million food rations were dropped from C-17 aircraft to the people of Afghanistan.

It is clear that the government is committed to a strong defense to avoid other terrorist attacks. Since the attacks we have seen the administration move to award the Joint Strike Fighter contract, approve an additional 60 C-17 cargo planes for the Air Force, and move to increase our country's air refueling tanker fleet. In light of these current trends, *Workforce Coalition* members anticipate a large increase in the FY03 defense budget.

Another indicator of the future for our country's defense industrial base is the President's commitment to a missile defense system. Following September 11, conflicting opinions frequently began appearing in news-

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Rumsfeld Speech

Defense Secretary Rumsfeld's Speech before the War College

On January 31, Secretary of Defense **Donald H. Rumsfeld** addressed the National Defense University at Fort McNair, Washington, D.C., commonly known as the War College.

Secretary Rumsfeld has been at the forefront of America's defense policy debate for some 40 years. He witnessed the beginning and end of the Cold War, the rise of *Glasnost*, and the new, cooperative relationship between the United States and Russia. His views on the current state of U.S. military preparedness and threats to our national security are most important to the members of the *National Industrial Base Workforce Coalition*.

Excerpted below are some key quotes from the speech that provide insight into the Secretary's thoughts. In this speech, he discusses the changing defense environment and the need to transform our thinking about wars and how we fight them.

"Preparing for the future will require us to think differently and develop the kinds of forces and capabilities that can adapt quickly to new challenges and to unexpected circumstances. An ability to adapt will be critical in a world where surprise and uncertainty are the defining characteristics of our new security environment. During the Cold War, we faced a fairly predictable set of threats. We came to know a great deal about our adversary, because it was the same one for a long period. We knew many of the capabilities they possessed, and we fashioned strategies and capabilities that we believed we needed to deter them. And they were successful. It worked.

For almost a half a century, that mix of strategy, forces and capabilities allowed us to keep the peace and

to defend freedom. But the Cold War is over. The Soviet Union is gone, and with it, the familiar security environment to which our nation had grown accustomed.

As we painfully learned on September 11th, the challenges of a new century are not nearly as predictable as they were during the Cold War. Who would have imagined only a few months ago that terrorists would take commercial airliners, turn them into missiles and use them to strike the Pentagon and the World Trade Towers, killing thousands? But it happened.

And let there be no doubt, in the years ahead, it is likely that we will be surprised again by new adversaries who may also strike in unexpected ways. And as they gain access to weapons of increasing power—and let there be no doubt but that they are—these attacks will grow vastly more deadly than those we suffered several months ago.

Our challenge in this new century is a difficult one. It's really to prepare to defend our nation against the unknown, the uncertain and what we have to understand will be the unexpected. That may seem on the face of it an impossible task, but it is not. But to accomplish it, we have to put aside the comfortable ways of thinking and planning, take risks and try



Secretary of Defense **Donald H. Rumsfeld** speaks about transformation of American military

new things so that we can prepare our forces to deter and defeat adversaries that have not yet emerged to challenges.

Well before September 11th, the senior civilian and military leaders of the Department of Defense were in the process of doing just that. With the Quadrennial Defense Review, we took a long, hard look at the emerging security environment and we came to the conclusion that a new defense strategy was appropriate. We decided to move away from the 'two major theater war' construct for sizing our forces, an approach that called for maintaining two massive occupation forces capable of marching on and occupying capitals of two aggressors at the same time and changing their regimes. This approach served us well

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Rumsfeld Speech

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in the immediate post-Cold War period, but it really threatened to leave us reasonably prepared for two specific conflicts and under-prepared for the unexpected contingencies of the 21st century.

To ensure we have the resources to prepare for the future, and to address the emerging challenges to homeland security, we needed a more realistic and balanced assessment of our near-term warfighting needs. Instead of maintaining two occupation forces, we will place greater emphasis on deterrence in four critical theaters, backed by the ability to swiftly defeat two aggressors at the same time, while preserving the option for one massive

fight this or that country, we need to examine our vulnerabilities, asking ourselves, as Frederick the Great did in his great General Principles of War, what design would I be forming if I were the enemy, and then fashioning our forces as necessary to deter and defeat those threats.

For example, we know that because the U.S. has unparalleled land, sea and air power, it makes little sense for potential adversaries to try to build up forces to compete with those strengths. They learned from the Gulf War that challenging our armed forces head-on is foolhardy. So rather than building competing armies, navies and air forces, they will likely seek to challenge us asymmetrically, by looking at

nuclear, chemical and biological weapons. At the same time, we must work to build up our own areas of advantage, such as our ability to project military power over long distances, precision strike weapons, and our space, intelligence and undersea warfare capabilities.

Before the terrorist attacks on New York and Washington we had decided that to keep the peace and defend freedom in the 21st century our defense strategy and force structure must be focused on achieving six transformational goals:

First, to protect the U.S. homeland and our bases overseas.

Second, to project and sustain power in distant theaters.

“We need to prepare for new forms of terrorism, to be sure, but also attacks on U.S. space assets, cyber attacks on our information networks, cruise missiles, ballistic missiles, nuclear, chemical and biological weapons.”

counter-offensive to occupy an aggressor’s capital and replace the regime. Since neither aggressor would know which the president would choose for a regime change, the deterrent is undiminished. But by removing the requirement to maintain a second occupation force, as we did under the old strategy, we can free up resources for the future and the various lesser contingencies which we face, have faced, are facing and will most certainly face in the period ahead.

To prepare for the future, we also decided to move away from the so-called threat-based strategy that had dominated our country’s defense planning for nearly a half-century and adopt what we characterized as a capability-based strategy, one that focuses less on who might threaten us or where we might be threatened, and more on how we might be threatened and what we need to do to deter and defend against such threats. Instead of building our armed forces around plans to

our vulnerabilities and building capabilities with which they can, or at least hope, to exploit them.

They know, for example, that an open society is vulnerable to new forms of terrorism. They suspect that U.S. space assets and information networks, critical to our security and our economy, are somewhat vulnerable. And they are. They see that our ability to project force into the distant corners of the world where they live depends in some cases on vulnerable foreign bases. And they know we have no defense against ballistic missiles on our cities, our people, our forces, or our friends, creating incentives for the development of weapons of mass destruction and the means to deliver them.

Our job is to close off as many of those avenues of potential attack as is possible. We need to prepare for new forms of terrorism, to be sure, but also attacks on U.S. space assets, cyber attacks on our information networks, cruise missiles, ballistic missiles,

Third, to deny our enemies sanctuary, making sure they know that no corner of the world is remote enough, no mountain high enough, no cave or bunker deep enough, no SUV fast enough to protect them from our reach.

Fourth, to protect our information networks from attack.

Fifth, to use information technology to link up different kinds of U.S. forces so that they can in fact fight jointly.

And sixth, to maintain unhindered access to space and protect our space capabilities from enemy attack.”

Transforming America’s military preparedness in the manner Secretary Rumsfeld pointed out in this speech will require new and different weapons systems designed and built by American workers. There will be combinations of those systems used to defend our people. American workers will design and build the next generation of weapons that will continue to keep our country free. ❖

Saving Pharmacies

Unions Mobilize to Save Community Pharmacies

Virtually all of the nation's labor unions have a vested interest in the congressional debate concerning the cost of prescription drugs and the impact on Medicare seniors. This subject is extremely important to current and future union retirees. Hence the *National Industrial Base Workforce Coalition* leadership watched with interest on July 15 as the Department of Health and Human Services (HHS) announced a Prescription Drug Discount Card Program for senior citizens on Medicare.

Because the proposed plan is intended to be a temporary measure until Congress can undertake major Medicare reform, discounts for prescription drugs will not be directly offered by Medicare. Instead, under the administration's plan, HHS selected five private companies called Pharmacy Benefit Managers (PBMs) to administer the proposed plan. These PBMs were originally set up to administer prescription drug claims, track physician prescribing patterns, and provide education to improve efficiency and cost effectiveness of the process.

Under the HHS proposal, the

PBMs would negotiate reduced prices for Medicare patients with pharmaceutical manufacturers. To receive the savings, Medicare patients would have to buy a discount card from one of the 5 PBMs. This is a new function for the PBMs that creates a potential problem for seniors. Historically there have been only two agents that impact seniors obtaining prescription drugs: the drug manufacturers and their local community drug store. In the HHS prescription drug discount card program, the PBMs would act as a middleman, somewhat like an HMO for prescriptions.

Various groups and political leaders immediately attacked the program.



Bill Boetger, Coalition's Regional Coordinator and **Linda Alegria**, President IAM Local Lodge 575 meet with **Lisa Ellman**, District Director for U. S. Representative Henry Waxman (D-CA) in his Los Angeles office.

AFL-CIO President **John Sweeney** came out in opposition to the HHS-sponsored discount program. Congressman **Henry Waxman** (D-CA), who has spent his career focusing on health care issues, argued that the discount card program saved very little if anything after the cost and the drug choices were considered, that is generic vs. brand names. Representative Waxman shared the data with unions in California when his District Director, **Lisa Ellman** met with **Bill Boetger**, the *Coalition's* Regional Coordinator, and **Linda Alegria**, President IAM Local Lodge 575, on August 21 in his California district office.

Congressman Waxman pointed out other problems with the prescription drug card program. Seniors would be required to pay a fee to join one of

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Coalition member, **David Lalich** poses a question to the panel at the Alliance for Health Reform Symposium, November 19, 2001.

Saving Pharmacies



Workforce Coalition members with U. S. Senator Bill Frist (R-TN) after the Symposium. (Left to right) Matt Biggs, Legislative Rep IFPTE, Jennifer Scalzo, Ohio Pharmacist, Senator Frist, Joseph Smarrella, steelworker and Coalition's Regional Coordinator, and David Lalich, retired steelworker and active community leader from Ohio.

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the 5 PBMs, which could offset any discounts they might receive from the card. Pharmacies would also have to pay a fee in order to participate and demonstrate that they have the financial means to help fund the operations of the card program. Union members in Georgia, Tennessee, West Virginia and other rural states feared that their small community pharmacies would not be able to qualify for the program. They contacted their congressional delegations and were assured by Senators Max Cleland (D-GA), Jay Rockefeller (D-WV) and Bill Frist (R-TN) that their small communities would be protected.

Coalition leaders learned that the 5 PBMs also coincidentally represent 90% of the mail-order pharmacy market, which raised still other questions. If local pharmacies do not participate or are not allowed to participate in this program, will seniors in those communities still be able to receive these discounts? Apparently not. Hence, to use the discount card, seniors would be forced to rely on mail-order by using the Internet or an 800 number.

And that raised yet other questions about the HHS program. What about those seniors who are not com-

puter literate or do not own a computer? In fact, many seniors have difficulty even dialing telephone numbers. As one union retiree and active community leader from the small town of Steubenville, Ohio told the city council, "If you put some Vaseline on your glasses and Band-Aids on all of your fingers, you would begin to see what it would be like for seniors who tried to punch in a series of numbers on the phone or computer." Most seniors have difficulty dialing one phone number. Imagine the error rate when dialing an 800 number, followed by a social security number, a prescription number, their telephone number, a membership number, and who knows how many other numbers!

But Coalition members believed the real danger of a mail-order discount program was its impact on the relationship between seniors and their local community pharmacist. The PBMs indicated that a pharmacist would be on duty at all times answering patient questions concerning their prescriptions. But, that policy assumes that the patient would know what questions to ask in the first place. The senior and his/her medical and prescription history would be an unknown to the PBM pharmacist, merely

a membership number. On the contrary, local druggists know their patients and can provide informed advice about the medication being prescribed by their doctors. Moreover, many seniors often rely on family members to interact with the druggist on their behalf. This provides another measure of communication and safety for the senior. In a mail-order program, all of the personal relationships will be gone. You cannot replace a 40-year face-to-face relationship of service and trust with an impersonal voice over the phone or mail-order service.

Yet another consideration of the local pharmacist is the importance of his/her skills and knowledge in this time of an increased threat of biological and chemical terrorist attacks upon the United States. Here, the local pharmacist becomes an important asset to our national security. Senator Joseph Biden (D-DE) said on one of the Sunday talk shows that the local pharmacy will be the front line of our national security because druggists can be trained to report the occurrence of symptoms that might indicate a terrorist biological attack. In a mail-order world, there would be no local pharmacy to sense such an attack.

It is clear to members of the National Industrial Base Workforce Coalition that if HHS is going to aggressively promote a mail-order prescription drug program, local pharmacies will be threatened with a reduction of business, resulting in the possible closure of many community pharmacies. Thus, senior citizens will be affected as will every individual who is a client of the pharmacies threatened with closure.

As union concerns began mounting, Coalition members immediately initiated outreach to all congressional committees with jurisdiction over Medicare. We began a massive letter writing and telephone mobiliza-

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tion to the leadership and important staff members of the House Energy and Commerce Committee and the House Ways and Means Committee. Every single member of the Ways and Means Health Subcommittee received a personal letter of concern from a *Coalition* member. Shifting our focus to the Senate, *Coalition* members then sent letters and made phone calls to members of the Senate Appropriations Committee and the Senate Finance Committee. Through all of the letters and phone calls, the union message was the same: why is HHS attempting such a massive change in the Medicare system without congressional hearings where union members and other affected citizens would be allowed input?

In their home states, *Coalition* members visited U. S. Representatives with whom they have close ties. For example, while meeting with **Representative Bob Ney** (R-OH) over other constituent issues, workforce members from Ohio informed the Congressman of the *Coalition's* opposition to the discount drug card plan. Rep. Ney had not heard this side of the argument and was pleased that the union members had taken the time to discuss this issue with him.

On November 19, *Coalition* members attended a Washington DC symposium on prescription drug discount cards sponsored by *The Alliance for Health Reform*. **Joseph Smarrella**, a steelworker and Regional Coordinator for the *Workforce Coalition* in the Mid-Atlantic and retired steelworker **David Lalich**, both of Steubenville, Ohio presented moderator Senator Frist with more than 50 union letters written to various congressional leaders in opposition to the drug card program. During the symposium, Senator Frist read the impressive pile while both Smarrella and Lalich addressed the forum, voicing their concerns. After the official pro-



Jennifer Scalzo, Ohio Pharmacist and **Joseph Smarrella**, *Coalition's* Regional Coordinator at the Symposium talking with **Senator Bill Frist** after giving him a packet of union letters opposing the administration's drug discount card program.

gram ended, the union delegation spoke with Senator Frist and other panel members. The union delegates also included **Matt Biggs**, Legislative Representative for the International Federation of Professional & Technical Engineers (IFPTE), and **Jennifer Scalzo**, a pharmacist from Ohio whose pharmacy accepts over 300 insurance plans. Senator Frist assured the union members that nothing would be done on the discount card program in 2001. Moreover, he assured the unions that they would be allowed to testify before Congress when it considered the prescription drug issue for Medicare.

Biggs also tried to engage CMS Director **Tom Scully**, panelist and author of the discount card program. Unfortunately, Mr. Scully was not responsive and ignored his questions.

Greg Junemann, a prominent member of the *Workforce Coalition* and President of the IFPTE, wrote the Secretary of HHS, **Tommy Thompson** to request a meeting to discuss the discount program. Mr. Junemann is from Wisconsin and enjoyed a good working relationship with Secretary Thompson when he was Governor of that state. Unfortunately, a meeting has not yet been scheduled but

Coalition members look forward to meeting with Secretary Thompson in 2002.

As we go to print, the program has been indefinitely stalled. A lawsuit by pharmacy associations entangled HHS over whether they had the authority to bypass the Congress in the creation of their discount card. On November 5, Federal Judge **Paul Friedman** ruled against HHS and stopped the implementation of their program stating that they could return to the court with a revised program. *Coalition* members expect the revised program to be issued early next year.

The activity of *Coalition* members over the last 6 months has opened the door for unions to take part in the legislative debate concerning the future of Medicare. *Coalition* members are now preparing to testify before the appropriate congressional committees in Washington and before field hearings that are likely to occur in 2002. The *Workforce Coalition* will keep a close watch on the evolution of this discount card program and will fight for prescription drug coverage for seniors that will not threaten relationships with their trusted pharmacists. ❖

Joint Strike Fighter

Joint Strike Fighter Contract Awarded

On October 26, 2001 the long awaited decision on the winner of the Joint Strike Fighter contract was announced, with the Pentagon selecting Lockheed Martin and team members Northrop Grumman, BAE Systems and Pratt & Whitney as the winners in this next-generation defense program. As discussed in the last issue of the *Chronicle*, the JSF program will have a positive impact on the American aerospace and defense industrial base as the program is expected to:

- Preserve our country's highly specialized fighter development design teams;
- Preserve and possibly increase the number of skilled aerospace production jobs in the United States;
- Provide a stable, sustained aerospace industry revenue stream for a projected thirty years as a result of the planned production run of nearly 3,000 aircraft and the follow-on contractor maintenance and spares business.

By November 1, Lockheed Martin officials opened the door to the prospect of Boeing contributing to the project. Work will most likely be shared though no specifics were set as we went to print.

The two companies and their workforces already cooperate extensively on the production of the F-22 program.

Although the current climate in the country is predisposed to support higher defense spending, this feeling most likely will not last. If unemployment grows and the recession continues, the Joint Strike Fighter program will undoubtedly face upcoming budget battles as will other costly defense programs. For now, plans are on target to commence the plane's production cycle.❖

JSF Facts and Figures

The Joint Strike Fighter, now known as the F-35, is a multi-service warplane, which has had international cooperation in its development. The cornerstone of the program is affordability based on next-generation, multi-role strike capability with a 70 to 90 percent commonality factor for all variants. This commonality significantly reduces manufacturing, support and training costs for this aircraft.

The JSF contract could be the largest program in the Pentagon's history. Lockheed Martin won the \$200 billion effort to design and build nearly 3,000 JSFs. The Initial developmental award is \$19 billion shared with partners Northrop Grumman and BAE Systems. Pratt and Whitney was awarded the contract to develop the propulsion system.

The program includes a 10-year engineering and manufacturing development phase followed by a 30-year production cycle. The first 14 planes are targeted for delivery in 2008.

The JSF is the last manned fighter plane on the Pentagon's drawing board and would replace a number of current aircraft with one that can fly at supersonic speeds, maneuver against other fighter planes, hit ground targets, evade radar and, in one version, hover.

- The Navy will use the JSF as a survivable strike fighter to complement the F/A-18E/F.
- The Air Force will use the JSF as a multi-role aircraft, primary air-to-ground, replacing the F-16 and the A-10 while complementing the F-22.
- The Marine Corps will buy the STOVL variant of the JSF to replace the AV-8B and F/A-18/C/D.
- The British Royal Navy and Air Force will use the JSF as a multi-role aircraft to replace Sea Harrier and GR7.

The JSF is extremely important to America's long-term aerospace export capabilities with potential overseas sales, which could boost the value of the JSF contract to \$300 billion from \$200 billion and extend production.

In August, Lockheed Martin officials conservatively estimated that within just 2 to 3 years of the JSF contract award, 4,500 positions, mostly engineers, would be added to their plant in Forth Worth.

History Revisited

B-17 Airborne Radar Played Major Role in WWII

by 2nd Lt. Robert Scatchard



2nd Lt. Robert E. Scatchard (front left) with his crew in front of their B-17 Fortress.

World War II was underway in Europe when Robert Scatchard was competing his senior year at High School in Dover, New Jersey. He graduated in 1940 at age 17 and worked for two years before enlisting. Dreaming of being a pilot, he enlisted in the U.S. Army Air Force and was sworn in on December

8, 1942. After basic training he was accepted for flight training and earned his wings at 20 years of age.

Scatchard was accepted for B-17 Transition and entered that elite corps of pilots who flew the legendary B-17 Flying Fortress. After his crew was assigned, they completed three months of



First Lt. William P. Saum and (right) 2nd Lt. Robert E. Scatchard at the controls inside a B-17.

Crew Phase Training and were sent overseas and assigned to the 482nd Bomb Group (P), 813th Bomb Squadron stationed in England. Today, Captain Scatchard and his wife, Doris, live in Locust Grove, Virginia where he shared his experiences with the *Chronicle* for this article.

The 482nd Bomb Group (P) Pathfinders and its three Squadrons, stationed at Alconbury, England was the only Group activated in the United Kingdom and were formed to use radar for daylight bombing in weather when the bomb sight was ineffective. The group was formed with experienced pilots who flew B-17s and B-24s equipped with the RAFs airborne radar H2S, which Americans called STINKY. The 812th and 813th flew B-17s and the 814th flew B-24s.

Prior to Scatchard's arrival, the American version H2X radar, called MICKEY, was installed in the B-17Gs. A retractable radome replaced the ball turret and twin 50-caliber machine guns. The 482nd BG (P) had been taken off combat operations to act primarily as a training unit for radar operations and to test new Pathfinder techniques and radar equipment. The objective was to train sufficient crews to provide a Pathfinder nucleus for every Bomb Group. Pilots flew at altitudes of 20-25,000 feet on mock bombing runs while instructors trained Navigators to recognize targets and use radar to bomb accurately. The flight crew would drop chaff (tin foil) that were picked up by ground-based radar to help them identify the plane making the "run". The ground radar could judge the accuracy of the student after he radioed bombs away. Primitive by today's technology, the experimental radar was, at that time, state-of-the-art.

The B-17s had to fly in all kinds of weather. Although they were equipped with the proper instruments, the airfields

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History Revisited



Scatchard displaying World War II propaganda leaflets dropped in Occupied Territories urging German troops to surrender.

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did not have instrument landing systems or any radio equipment aligned with the runways. When asked about landing, Scatchard said that Alconbury had a radio beacon (Splasher 16) close by the field. When the field was closed in, you would home on the beacon with your radio compass, fly over it far enough that you could return and cross it again on a heading, which depended on the runway

you were cleared to land on. Using runway 30 you had to cross the splasher at 1000', maintain a 90 degree heading at 150 mph, let down at 300' per minute for one minute, and then make a 2 needle width turn to 300 degrees and hope that you saw flares fired from a flare gun or magnesium flares burning at the end of the runway. If you didn't see the flares, you either had to try again or go looking for a U.S. or RAF field that was open.



Bob Scatchard (today) pointing to a B-17 Fortress with radar dome extension similar to those he flew in World War II.

Scatchard said, "When flying low, I used roads and railroad tracks for navigation with my bombardier directing me from the nose." He said that he heard of one field that could be used to land planes when the U.K. was socked in. That field had a long runway and ditches on either side, where gasoline could be burned, creating heat and powerful updraft that cleared the runway of fog.

Night missions over Germany and the occupied territories were flown with single B-17s at altitudes of 20,000 and 25,000 feet. These planes were used to make a radar map of the path to a target area and return, providing critical information for the bombers that followed. While over the targets in France and Germany, propaganda leaflets were dropped urging the German troops to surrender. One of the leaflets told German soldiers that Russian allies were within ten kilometers of linking up with U.S. troops and that an allied victory was at hand.

After the war, Scatchard used the G.I. bill to enter college, earning a Bachelor of Architecture degree from Rensselaer Polytechnic Institute. In 1977, he earned a Masters in Science and Special Studies in communications from George Washington University.

Scatchard also served in Korea from 1950-1952, where he was assigned to the 999th Armored Field Artillery Battalion supporting the 1st ROK Division. He served as Battalion Survey Officer and Headquarters Battery Commander. He also volunteered to direct fire as an aerial observer and received The Air Medal with Second Oak Leaf Cluster for over 120 flights at low altitudes behind enemy lines.

Looking at some of the 1943 photos of his crew, one can still see the face of that 20-year-old kid whose life story typifies the heroism and the valor that today includes him in that class of Americans now called "The Greatest Generation." The *Workforce Coalition* is honored to include Captain Scatchard's story in this issue of the *Chronicle*. ❖

New NASA Administrator Selected

After 10 years, NASA Administrator and friend of the *National Industrial Base Workforce Coalition*, **Daniel Goldin**, announced in October that he was stepping down. He began his reign as the agency chief in the spring of 1992 and was the longest serving Administrator in NASA history. Through the past decade, Goldin fought to make NASA and the American space program "faster, better and cheaper." During his tenure, he increased the number of missions to space while at the same time reducing the size and cost of spacecraft. Throughout the past decade, Administrator Goldin kept an open door of communication with *Coalition* members, working with us on many occasions. Last year the *Chronicle* featured workforce leaders presenting Administrator Goldin with an award of gratitude for all he has done for America's aerospace industrial base. Goldin was a true space visionary, and *Coalition* members wish him the best in future endeavors.

Taking over the helm at NASA is **Sean O'Keefe**, former deputy director of the Office of Management and Budget from March 2001 to De-

cember 2001. Prior to joining the Administration, O'Keefe was the Louis A. Bantle Professor of Business and Government Policy at the Syracuse University Maxwell School of Citizenship and Public Affairs. He also served as the Director of National Security Studies, a partnership of Syracuse University and Johns Hopkins University, for delivery of executive education programs for senior military and civilian Department of Defense managers. Appointed to these positions in 1996, he was previously Professor of Business Administration and Assistant to the Senior Vice President for Research and Dean of the Graduate School at the Pennsylvania State University.

Prior to appointment as the Secretary of the Navy in July 1992 by President George Bush, O'Keefe had served as Comptroller and Chief Financial Officer of the Department of Defense since 1989. Before joining Defense Secretary Dick Cheney's Pentagon management team in these capacities, he served on the United States Senate Committee on Appropriations staff for eight years, and was Staff Director of the Defense Appropriations Subcommittee. His



Sean O'Keefe

public service began in 1978 upon selection as a Presidential Management Intern.

The administration's selection of O'Keefe, a management expert and troubleshooter, seems to indicate a clear attempt to address NASA budget problems and cost overruns. Although the International Space Station and other NASA ventures have been enormous successes, the agency does face many fiscal problems. *Coalition* members welcome Mr. O'Keefe and look forward to continuing our longstanding relationship with NASA administrators. ❖

ISS Faces Budgetary Challenges; Astronauts Pay Tribute to September 11 Victims

This past year saw a continuation of 2000's high-volume activity of shuttle missions to the International Space Station (ISS). Yet, during 2001 we also witnessed an increased scrutiny by Congress and the new administration on the space station program's cost overruns. Hence, NASA and Administrator **Sean O'Keefe** are studying ways to reduce costs while increasing crew size so that more scientific experiments can be performed

as well as the necessary maintenance operations to keep the station in orbit.

As for shuttle operations following the attacks of September 11, after an initial delay, the shuttle *Endeavor* took off from Kennedy Space Center on December 5 surrounded by unprecedented security. The shuttle transported a new three-man crew to the ISS as well as thousands of flags to honor victims of September 11. Shuttle Skipper **Dominic Gorie** articulated

America's thoughts best when he radioed a few minutes before *Endeavor*'s liftoff:

"From the entire crew, we're all well aware that for over 200 years, and certainly over the past two months, freedom rings loud and clear across this country. But right here, right now, it's time to let freedom roar. Let's light 'em up!"

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Member Spotlight

Bofferding Exemplifies Best in Engineering Workforce



Charles H. Bofferding III

The *National Industrial Base Workforce Coalition* is proud to honor **Charles H. Bofferding III**, Executive Director of the Society of Professional Engineering Employees in Aerospace. SPEEA represents 25,000 engineers and other technical workers at The Boeing Company. Members are involved in a variety of aerospace programs that span the gamut from fighter and transport planes to missiles and the space station.

“As technical workers, we have a perspective that no one else has – the view from the people who actually create the technology that drives industry in America today,” Charlie said. “Many people speak for companies or end users, we look for avenues that allow the producers of the technology to lend their experience and knowledge to the decision-making process.”

Charlie became active in SPEEA and was elected to serve on the 1986 and 1989 Professional Unit Negotiation Teams, on the SPEEA Executive Board, and on numerous joint labor/management committees. He later served as SPEEA President, and in January 1991, he became Executive Director of SPEEA.

Raised in Michigan, Charlie attended Michigan State University where he received his B.S. Degree in Civil Engineering by the Honors College. In 1980, he earned an M.S.

Degree in Engineering Mechanics (with honors) from MSU. Later that year, he hired on with The Boeing Company where he was employed eleven years. He became licensed by the State of Washington as a “Professional Engineer” in Civil Engineering. At Boeing, Charlie worked in the structural test, structural development, and advanced composite development groups. Among other programs, he worked on Sea Lance, Avenger and AWACS. Charlie was also the principal investigator on a number of R&D projects. While employed at Boeing, he has received two Top Technical Contributor awards, two Outstanding Performance Awards, and Outstanding Teamwork Award and was selected as a High Potential employee.

Charlie has attended the George Meany Labor College. He earned an Executive Master of Business Administration degree from the University of Washington in June 1995, and was inducted into Beta Gamma Sigma, the honor society for business school students. In addition, Charlie serves as a member of the Advisory Board for Cogswell

“As technical workers, we have a perspective that no one else has – the view from the people who actually create the technology that drives industry in America today.”

College North in Kirkland, Washington.

In addition to his position at SPEEA, Charlie is a leader in two other labor organizations. He serves as the Executive Director of the Council of Engineers and Scientists Organization (CESO) and is a leader in the *National Industrial Base Workforce Coalition*. CESO was formed by engineering unions representing professionals in the public and private sector. Representing over 100,000 members, it is the largest organization of its kind. From this position, Charlie has often been invited to represent the technical community before several congressional committees and presidential commissions.

For the past several years, Charlie has been a leader in the *Workforce Coalition*, which like CESO consists of local unions. However, the *Coalition* also represents the non-engineering workforce locals, including

production workers in aerospace and electronics and the trades and crafts, as well as workers in the ferrous and nonferrous industries and metal trades.

Collectively, the unions in CESO and the *Workforce Coalition* comprise a continuous spectrum representing the entire American workforce. It is from this platform that Charlie approaches the public policy process. There have been three central elements in Charlie’s strategy for public policy involvement. First the *Coalitions* will be non-partisan. Second *Coalition* members would lobby in favor of programs of companies that employ *Coalition* member unions despite labor management conflicts, including strikes. Survival of the programs and the jobs of the workers are to be preserved. Third, all the unions in the *Coalition* are given the opportunity to present their case by being included in the congressional meetings and testimony presented to Congress. These three principles have guided *Workforce Coalition* activities for more than a decade.

Over the last ten years Charlie has been involved in more than 20 industrial campaigns to save the programs and the jobs of *Coalition* member companies and the workers they represent. He has led workforce delegations to meet with several Presidents and Vice Presidents of the United States, Secretaries of Defense, NASA Administrators, Agency Directors, and many members of Congress. He has also provided testimony before key House and Senate committees and before platform committees of both political parties articulating the industrial base implications of congressional decisions being made on various programs employing American aerospace and defense workers.

Charlie and his wife Dianne have four children and make their home near Renton, Washington. While leading an extremely busy schedule, Charlie enjoys spending time with his children and helping out at their school as a Computer Dad. The *National Industrial Base Workforce Coalition* salutes Charles H. Bofferding III. ❖

From COMMENTARY, page 5

papers around the country about whether or not national missile defense (NMD) should still be a priority. Some argued that September 11 proved that the real threat to our country was not a missile being fired at the continental United States by a hostile nation. Instead, they argued that the threat was from terrorism as the country had just witnessed and that a missile shield would not have saved any lives on September 11. Critics believe that any money spent on NMD would be a waste. But we cannot ignore the fact that hostile countries are presently developing the capability to launch ICBMs that could kill millions in any American city. We cannot afford to be caught off guard. That is why the *Workforce Coalition* supports the administration's decision to move forward with a missile defense system.

In the year ahead, the defense budget undoubtedly will change, and we will also see a renewed struggle between defense spending and entitlement programs. While it will be difficult for members of either party to shortchange the budget for homeland security and to rebuild the defense inventory, we are

likely to see funding fights over specific programs. At the same time, we must recognize that the view of U. S. global defense strategy will be far different than anyone expected. One thing is clear. U. S. defense strategy must now conform to a new world. To fully appreciate the transformation needed, a review of comments made by Secretary of Defense Donald Rumsfeld before the War College on January 31, 2002 is in order. Because of the importance of these words, we have reprinted the Secretary's comments in this issue of the *Chronicle*. It would behoove all Americans to take heed of these observations on transformation and the inevitable impact on America's defense industrial base. ❖

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The vision and dedication of thousands of workers in America's space industrial base are a symbol of our country's talent, spirit and resolve. Members of the *National Industrial Base Workforce Coalition* will follow the developments on this program closely and will be ready to lobby for the necessary ISS funds and support when needed in 2002. ❖



Deepest Sympathy

The *National Industrial Base Workforce Coalition* extends its deepest sympathies to the victims and families of the September 11 attacks and the subsequent anthrax letters. At the same time, we extend our appreciation and respect to those Americans in uniform: policemen, firefighters, rescue workers, and the thousands of men and women in the armed forces who are protecting America at home and abroad. As members of the *National Industrial Base Workforce Coalition*, we are proud to be part of our country's defense industrial base.

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