
Interview: Bob Duncan

Los Angeles union head speaks out about pending layoffs, cutbacks

On Nov. 18, the Los Angeles Board of Water and Power Commissioners unanimously approved a plan to slash 2,000 engineering and managerial jobs—more than 20% of the workforce—at the Los Angeles Department of Water and Power (DWP), the nation’s largest municipal utility. The plan is supposed to make the utility “more competitive” in the deregulated energy market, which will go into effect on Jan. 1, 1998 in California. This is the largest municipal layoff in the city’s history, and involves slashing \$400 million per year from an annual budget of \$2.4 billion.

DWP General Manager S. David Freeman is in charge of implementing a huge “restructuring” of the utility, in order to reduce its \$7.5 billion debt burden, \$4 billion of which results from building a state-of-the-art coal-fired plant in Utah in the 1980s, before the era of deregulation and environmentalist-driven energy cutbacks entirely took over public policy-making.

At public hearings on the restructuring and cutback proposal, angry DWP workers confronted Freeman and the commissioners. Pat Sanders, vice president of the Engineers and Architects Association at the DWP, charged that Freeman was leaving “devastation and chaos in his wake . . . killing the department of Water and Power, and killing the city.”

The following is an interview with Bob Duncan, executive director of the Engineers and Architects Association, representing 8,000 engineers, technicians, and administrators at the Los Angeles Department of Water and Power. EAA is an independent union, not affiliated with the AFL-CIO. Eighty percent of EAA’s members have advanced academic degrees. Duncan is also national chairman of the Council of Engineers and Scientists Organization, the umbrella organization for EAA, which includes several AFL-CIO affiliates and independent labor organizations. The interview was conducted on Dec. 1 by Marianna Wertz.

EIR: The union members you represent face the largest lay-off of municipal employees in the history of Los Angeles, as a result of the proposed restructuring of the Department of Water and Power. What is your plan of action in response?

Duncan: Basically, what we’ve been doing is going to the political officials, media, public, and maybe the courts, if we have to. I don’t know if it will go that far, but basically we’re dealing with the elected officials, the media, and the public to

get our message out, that [the layoff of] 2,000 employees—only 1,000 of them are ours (I shouldn’t say “only,” that’s about half our union)—is ill-advised.

What they did is, they worked backwards. They took a number that they needed, to achieve savings over a five-year period of time. For example: the \$150 million we need to generate in order to pay this debt down. That translates into 2,000 employees. No real thought was given to the kind of service that was *not* going to be provided, or the kind of service that was going to be pared back, or the kind of service they were going to continue. There was no real scientific analysis on that.

EIR: So they just picked the 1,000 engineers and architects out of a hat?

Duncan: Well, I wouldn’t say so much picked them out of a hat. Everybody has an intuitive feel of where we need to cut back most, as far as the classifications are concerned. What we don’t have is a detailed analysis on the kind of jobs that are either going to be discontinued, limited, or continued. Without that analysis, to pick 1,000 people, just trying to achieve a salary savings, is, long-term-wise, very flawed. It may work in the short term, but as we found with some other investor-owned utilities, Southern California Edison and PG&E in particular, they wound up hiring some of their people back. They overshot the mark, so to speak.

EIR: I’ve covered downsizings and privatizations in many areas, and that has happened more than a few times.

Duncan: It’s pretty much par for the course. It’s a bumper-car mentality. You just bump into something and then bounce back off it and adjust, as opposed to sitting down and strategically and methodically planning out, as close as you possibly can, what you can do without and what you can pare back, and what you must keep going; and then, associating the folks that are necessary to accomplish that. . . .

EIR: In cutting engineers and architects, you’re cutting the people who do the planning and the high-tech thinking.

Duncan: That’s true.

EIR: What happens to California, or DPW, when it stops having these kinds of capacities?



The control room of the Shasta Powerplant near Redding, in California's Central Valley. In Los Angeles, the Department of Water and Power is now laying off 2,000 engineers, technicians, and managerial workers—slashing the skilled workforce on which the nation's future development depends.

Duncan: Aside from the fact that they provide the water and the power—critical resources to keep the survival of the city going—I don't think that's really the issue. The issue is not from a macro standpoint; it's more of a micro standpoint, here in Los Angeles. If you eliminate the engineers and technicians and administrators—the people we represent at the Department of Water and Power—the impact it's going to have is on the Department of Water and Power and perhaps the citizens they provide service for. That, in itself, will not cause the downfall of Southern California or California.

Now, if you want to look at it from a macro standpoint, look at the aerospace industry: The aerospace industry has substantially reduced itself over a period of years, and has taken high-paying jobs out of the basin to a large extent. I don't know how many were re-employed in other tech areas, but it's had a disastrous effect on the economy. I think it was in the neighborhood of \$9 billion out of the economy, in spending power for the people who no longer have the jobs. Most of the engineering and high-tech people were in the neighborhood of \$60-70,000 a year, a real handsome salary, the top 20% probably in the nation, or better.

EIR: Mr. Freeman claims that he has no alternative to layoffs, if the DWP is to be competitive in the deregulated market which is about to descend on California. Is deregulation a given? Is there no more fight going on? And, if that's true, is there an alternative to the layoffs?

Duncan: There always are alternatives. . . . Laying off 2,000 employees is the typical, knee-jerk reaction that most corporate institutions get involved in to cut costs, because it's easier. If you have to delve into associating the work programs with the employees and what needs to be done, it makes it a little more difficult.

What we're suggesting is, that by the year 2003, the debt should be paid off. We have kind of a white albatross up there in Utah, that's in debt for about \$4 billion: the coal-fired plant.

It's nobody's fault. During the 1980s, everybody was clamoring about having more capacity, and it provides a substantial load to the citizens of Los Angeles. One thing that is good about a monopoly is that it provides safe, reliable, quality service, and makes sure that there's plenty of capacity, even to the point of probably over-designing. As a result, we have some excess capacity up there. But with the oil crisis and everything else that was happening during the '80s, it seemed like the best move to make.

EIR: It probably was.

Duncan: Yes, it was. . . . Nobody knew this Energy Protection Act of 1992 was on the slate, and when it came, it caused deregulation. California, being the targetted state, because our rates were way over the top (a lot of it because of environmental concerns), acted very quickly and passed Assembly Bill 1890. Basically, what that does is provide for open access

and what they call independent system operators, that will do the switching of power from the new power-brokers, if you will, that will be trading energy like a commodity. So, all the utilities will probably be somewhat out of the generation side of it. They may keep some generation around for emergencies and system reliability, but effectively, people will just focus on delivering power, and then we will be basically a wires-and-poles type utility. That means that any kind of generation that we have that's not cost-effective, has to either be sold, or it has to be utilized. If it's not cost-effective, it's going to be difficult to utilize it. We're effectively out of that business, and that takes an awful lot of the workforce away, too, because the design and construction will no longer be there. That will be up to the power-broker pundits who have developed that tier of the system.

EIR: We've editorially warned of the down side of deregulation, because you lose the dependability of a centralized power source. What we've seen going on in whole countries today is the same kind of mentality, of slash and burn to cut debt, with human lives being lost. Do you see the similarity with what's being done to DWP?

Duncan: That would be hard to say. We could say that the probabilities are higher. For instance, if during an earthquake or other emergency crisis, we are unable to provide power simply because we've been cut off from the outside world, or our system is weak under those conditions, because we lack the workforce to properly design and operate and maintain, sure, lives could be lost, there's no question about it. . . .

On the water side, we have a failing infrastructure. We have people who constantly monitor the reservoirs and make sure that the algae is kept to a minimum. If you don't have the workforce to do that, then you're going to have contaminated water, and then you go out with a "boil water alert" to the citizens, which loses their confidence in the kind of water you're delivering, and has serious ramifications from that standpoint. Are the probabilities high that that's going to happen? Probably not. Are they higher than what we have right now? Probably so. . . .

EIR: California once was a world leader in high-technology economic development policies, but today seems to be fighting simply to keep afloat. The same goes for Los Angeles. As a leader of engineers and architects, how do you see reversing this?

Duncan: The three major industries here in California are international trade, entertainment and tourism, and the other one is technology. We're not dead on technology at all. We're one of the leaders in bio-tech. We've also got the X-33 program, the substitute for the new space shuttle. That's being done out in the Antelope Valley area. I don't think California is going to be falling behind technologically. I think there's plenty of technology jobs available. People will have to shift from one industry to the next. The jury is still out as to how

the McDonnell Douglas/Boeing Aircraft merger is going to affect the economy.

EIR: There is a difference, however, between aerospace and Hollywood, in terms of the production of real wealth.

Duncan: There's no question about that. I'm just saying that technology is still considered one of the major industries here in California, even from the newest studies that they have been doing. It's just shifting into different arenas.

EIR: For a society to produce movies is different than for a society to produce airplanes and space vehicles.

Duncan: That's one of the things that our national organization, called the Council of Engineers and Scientists Organization, of which I'm chairman, advocates. We meet periodically back in Washington, D.C., and we're basically a loose federation of 12 labor unions, consisting of Lockheed Martin, McDonnell and Boeing, and the Tennessee Valley Authority. We come together and basically advocate for infrastructure funding, i.e., things like deregulation, transportation, the Clean Water Act. On the high-tech side, we've been advocating the space station program and the Moon-Mars mission. . . .

The environment is not the issue. The issue is research, technology, and science, and you won't have environmental problems, because you intermingle that with the industry. Then your environmental problems will be taken care of.

EIR: Yes, environmental problems are caused by lack of science and technology. It's like saying that Africa is overpopulated. It's vastly underpopulated. They just don't have enough money and technology to develop their cities. So, they're all crammed into a few population centers. But the continent has almost nobody on it.

Duncan: That's true, but this is where you and I might part ways in our views. I think the world is way overcrowded, to be honest with you. I think the only way we're going to be able to survive is to colonize other planets.

EIR: Did you ever see LaRouche's 1988 television program calling for Mars colonization? It's called "A Woman on Mars." He called for a colonization project for Mars.

Duncan: We've been thinking about it for at least that long, the Council of Engineers and Scientists Organization has. It doesn't stop with just high-tech jobs and keeping our people busy. If you roll history back into the 1700s and 1800s, when we went from the East Coast to the West Coast, there was a lot of reasons for that. It wasn't just adventurism. It was colonizing the West Coast. People wanted more freedom, more space. We're going to have the same problem here in this cruel world if we don't get ourselves together and colonize some other planet.

EIR: That's fundamental to an optimistic future, isn't it?

Duncan: Yes, it is.