

Corporate Responsibility

*A Message from
General
President
Jim Hoffa*



When Kroger walked away from its long-term relationship with its unionized workforce in Columbus, Ohio, it demonstrated behavior that is all too familiar with workers in every industry and in every region.

There once was a time, not so long ago, when employers felt a commitment to their communities and the workers that created their wealth. Sadly, that ethic has been replaced by the principle that higher profits trump every other concern.

Kroger failed in its responsibility to Ruan workers, many of whom were once direct Kroger

employees. The blame lies not so much with the non-union carrier the company brought in but with the primary employer that is responsible for what occurs in third-party negotiations.

Third-party arrangements can work, but only if they are entered into carefully, with all possible contingencies anticipated and addressed. Our efforts to protect Teamster work must be aimed directly at the Krogers of the world, who dictate the terms that their subcontractors follow.

Remember, UNITED WE WIN.

Fraternally,



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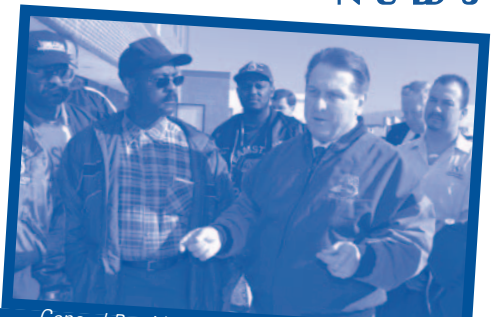
Third-Party Check *Caution Needed with Subcontractors*

Increasingly, major grocery chains are turning to third-party operators to handle their distribution.

Under ideal conditions, existing union workers—and existing union contracts—are retained. But too often, third parties—frequently called logistics operators—have been used as a tool for destabilizing collective bargaining. This in turn often leaves workers in the lurch, and not covered by union protections.

And even good relationships can go sour. Kroger, a long-time Teamster employer shifted its Columbus, Ohio, distribution work from Ruan Transportation Management

Systems, a Teamster contractor, to a Texas-based non-union carrier relying on owner-operators. The non-union carrier will work for low pay and no benefits—at the cost of approximately 118 union jobs.



General President Hoffa discusses third-party challenges with members of Local 639 at a Safeway warehouse operated by C&S in Upper Marlboro, Maryland.

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Safety First

Ammonia Refrigeration Fact Sheet Available

The Teamsters Safety and Health Department has developed a new fact sheet, "Ammonia Refrigeration in Warehouses." It addresses the risks, preventive measures and OSHA regulations associated with ammonia use and exposure in industrial refrigerated warehouses and food processing facilities.

Typically, ammonia remains contained within the pipes and components of a refrigeration system. These systems are designed and built to strict standards and codes developed to

prevent accidental releases, which can cause injuries and fatalities.

However, such a release is the exception, not the rule. Generally, only those individuals in the immediate area are exposed to hazardous concentrations, unless it is a large release.

Exposure to ammonia vapor can cause short- and long-term health effects. Inhalation of ammonia can also aggravate symptoms of chronic lung diseases, such as asthma and emphysema.

Implementing effective control

measures and work practices can significantly reduce occupational exposure to ammonia. These measures should include worker training on proper handling procedures, a leak-detection system, adequate ventilation and compliance with all applicable state and federal regulations.

The fact sheet may be found online at: www.teamster.org/sh/factsheets.htm. If you need a hard copy or if you have any questions, please contact the department at (202) 624-6960.

Third-Party Check

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Get It in Writing

When Fry's, a division of Kroger, contracted out to CSI for its facilities in Arizona, only 80 Teamsters out of 350 stood to retain their jobs—without a union contract. After a 22-week strike, Local 104 retained the jobs and got a contract. Language in the agreement ensured that employees could follow the work should it shift to another contractor—which it did last summer, to Atlas Cold Storage.

"We learned that without the protection-of-work clause, you're kind of out on a limb," said George Scoville, a Local 104 business agent and Statewide Grocery Coordinator. "So now we make sure we have it in all of our major contracts."

Third parties sometimes change the basic terms of employment. When Elite Logistics was contracted to operate an AWG warehouse in Springfield, Missouri, it



The labor agreements achieved by Locals 639 and 730 at C&S-operated facilities are positive proof that third-party contracts can achieve area standards for wages and Teamster benefits. Local 639 officers John Steger, Jim Woodward and Mike Mattia accompanied General President Hoffa to the Maryland facility.

implemented an activity-based compensation scheme that requires significant union oversight.

"You need to be concerned that workers aren't forced to put in too many hours, and make sure the elemental times are calculated accurately," said Jim Kabell, Secretary-Treasurer of Local 245. "In addition, there can't be changes down the road unilaterally imposed by the company."

Keeping the Work Union

Third-party arrangements can lead to a domino effect of subcontracting, even to fourth- and fifth-party contracting. But when Teamsters stick together and press employers in an industry still vulnerable on the consumer end, they have the ability to keep third parties from becoming runaway situations.

Keeping the work union has ramifications well beyond the immediate facility. For example, Wal-Mart is a huge anti-union company competing in all of the retail sectors, and in the past five years has become the single largest grocery company. Success at organizing Wal-Mart will be achieved by getting solid terms in Teamster contracts, supported by the economic benefits of a Teamster workforce: higher productivity and lower turnover.

"Union companies must realize that we will fight them if they join the race to the bottom," said John Williams, Director of the Teamsters Warehouse Division. "We want to work together with management to face the Wal-Mart threat. But if companies intend to use third parties to subvert collective bargaining, we will take them on."

Conflict Prevention

Seeking to identify areas of mutual concern and to explore avenues for possible resolution, Teamsters Warehouse Director John Williams and Western Region Warehouse Director Steve Vairma recently attended a National Joint Labor-Management Blue Ribbon Committee meeting.

Much of the discussion focused on the current health and welfare crisis, as well as the impact that non-union competition in the industry is having on the unionized segment of the industry.

"This meeting gave us the forum and opportunity to state our case that our interest is to have Teamsters operating under good collective bargaining agreements and protecting those members' jobs," said Williams. "The challenges presented before us demand innovative thinking and a willingness to tear down traditional barriers. Attending this meeting was a first step in that direction."

Establishing better lines of communication between the Warehouse Division, some of the nation's top companies and the United Food and Commercial Workers International Union is key to avoiding unnecessary battles at the bargaining table.