

The Teamster

Leader
UNITY • PRIDE • STRENGTH

February 2003 James P. Hoffa, General President • C. Thomas Keegel, General Secretary-Treasurer

Freight With Meaning

Stewards Play Critical Role at Talks

Teamster stewards are playing a crucial role at the National Master Freight Agreement (NMFA) talks, offering insight and taking knowledge back to their co-workers.

“The contract talks are a real learning process,” said Chuck Barrett, a 25-year employee of Yellow Freight who has been a steward for 14 years. Barrett and Lannis Shepherd, another member of Local 745 in Dallas, spent a week at the talks.

“I’m learning many things here that I can take back to my coworkers,” Barrett said. “By explaining the intricacies of negotiating, I think my coworkers will better appreciate that the benefits spelled out in the contract are hard-fought, and take lots of time to negotiate at the bargaining table.”

Barrett expects his colleagues to ask him many questions upon his return. “I now have the knowledge to answer their questions. It really takes being here and participating to gain that knowledge. The experience will trickle down to my fellow workers in Dallas,” Barrett said.

Shepherd, a 16-year employee at Roadway in



Teamster freight stewards Chuck Barrett (left) and Lannis Shepherd review contract proposals.

Irving, Texas, with four years experience as a steward, agreed with Barrett’s assessment. “There’s nothing like hands-on experience and seeing it all take place,” he said.

Important Issues

Like Barrett, Shepherd has also been able to tell the National Negotiating Committee about the issues that are important to the members back home. These include:

- Maintaining strong health, welfare and pension benefits;
- A solid pay raise; and
- Limits to subcontracting, which are costing Teamster jobs.

“We have the experience of being on the front lines every day, and we constantly hear about what’s important to our co-workers,” Shepherd said. “The committee members have been great at listening to us and letting us participate.”

Phil Young, Co-Chairman of the Teamsters National Negotiating Committee, praised the stewards’ help. “They make the process more effective because they know what issues are important—they have direct knowledge,” Young said. “They see the benefits of a Teamster contract every day.”

Each week, a different group of rank-and-file members participate in contract talks. The first week, three stewards from Local 41 in Kansas City, who work at Yellow and ABE, took part.

[Recorded video messages from Bob Smith, Dan Battles and Phil Young Jr., can be accessed at the Teamsters freight website, www.freightunity.org.]

Contract Status

On January 20th, the National Negotiating Committee broke off talks with the employers. Management had proposed forcing some Teamsters to pay part of their health insurance coverage, something Teamsters have never done under the NMFA. Management also proposed wage increases lower than those negotiated in the 1998 contract—increases that won’t keep up with inflation.

“The employers’ health care and wage proposals are totally unacceptable,” said Jim Hoffa, Teamsters General President.

At press time, no further talks were

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FREIGHT UNITY



‘03



Carhaul Unity

Pact's Challenges are Union-Wide



With the current National Automobile Transporters Agreement expiring on May 31, 2003, the Teamsters Union faces unprecedented challenges as it seeks to achieve a strong contract. The current economic downturn and a restructuring in the industry

have resulted in defections by automakers to nonunion operators and independent contractors.

With the economy in recession, consumers everywhere are holding onto their old cars longer, in turn

depressing the demand for new vehicles. Meanwhile, management's negotiating team is reeling from Allied's decision to leave the National Automobile Transporters Association and negotiate separately.

Talks kick-off on March 3, 2003 in Washington, following a two-man review in Chicago on February 18.

The Teamsters Union has a comprehensive contract campaign plan in place. It is grassroots-driven, with input from both the rank-and-file and union officers. But its success will depend on the unity and militancy of the entire union.

Make sure that your carhaul members are kept fully informed of the process, and direct them to the campaign website at <http://www.teamster.org/carhaulunity03.htm> or the toll-free hotline at 866-TEAMSTR.



Contract Status

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scheduled, and a strike authorization vote was scheduled for completion on February 3.

Nonetheless, Teamster negotiators have already achieved numerous improvements in contract language, addressing such issues as safety and health and subcontracting. Improvements were also achieved in the supplemental agreements covering the Eastern, Central, Southern and Western regions, including:

- More flexibility for taking vacation days;
- Language addressing paid-for time issues and improved time off;
- Improved working conditions for sleeper cab drivers;
- Limits on subcontracting;
- Improved bidding procedures for road drivers;
- Limits on 10-hour days; and
- Improvements for being paid for delay time.

Welcome to the Organization

The Organizing Department continues to enhance its staff to support the Teamster Union's mandate of organizing the unorganized.

Recent key appointments include:

- Mike Clark, Eastern Region Organizing Coordinator;
- Manny Valenzuela, Western Region Organizing Coordinator;
- Rebecca Hanscom, Lead Organizer; and
- Iain Gold, Strategic Organizing Analyst.

"With our talented and diverse staff, we are well positioned to pursue effective campaigns in all of our strategically important industries," said Jeff Farmer, Teamsters Organizing Director.

Labor Department Creates New Hoops for Unions

New Requirements are Blatant Attack on Labor

In December, the U.S. Department of Labor (DOL) issued a proposed rule that dramatically boosts the level of financial details it requires from labor unions.

“Although the DOL says that these new reporting requirements are intended to improve the ‘transparency’ and ‘accountability’ of unions, in reality they are a blatant attack on labor and will certainly harm union members,” said Tom Keegel, Teamsters General Secretary-Treasurer.

Among the many changes to Form LM-2 Labor Organization Annual Report sought by the Bush Administration are:

- A breakdown of union expenses similar to that typically required in a “Beck” calculation;

- A categorical breakdown of disbursements to officers and employees, including the percentage of time spent on such activities as bargaining, organizing and lobbying;
- Membership numbers broken down into a half-dozen categories, including agency fee payers; and
- Broadly expanded data covering union investments, receipts and expenses.

“If this rule is implemented, not only will reporting expenses greatly increase, but anti-union groups such as the Right-to-Work Foundation will have all the information they could ever possibly want via the Internet,” Keegel warned.

A Solid Retirement

Teamsters Reviewing Central States Pension Fund

In response to the decline in the value of assets of the Central States Pension Fund, the Teamsters Union took the extraordinary step of retaining the services of outside consultants to perform a combined independent investment and actuarial evaluation of the fund.

Two nationally recognized and respected firms, Independent Fiduciary Services (IFS) and Watson Wyatt Worldwide, will conduct the review.

The Central States Pension Fund is a multi-employer pension fund, and under federal law the Teamsters Union itself has no control over the management or investment strategy of the fund.

Although many pension funds are suffering in the current climate, the Central States Fund suffers from the added handicap that the number of retirees drawing benefits significantly outnumbers the active participants for whom contributions are being made. This makes investment returns particularly critical and means that the current bear market has hit the fund particularly hard.

“The bad investment climate along with the bankruptcy of Consolidated Freightways makes it imperative that the union do its own independent evaluation of the Central States Pension Fund,” said Teamsters General Secretary-Treasurer Tom Keegel. “While we cannot tell the federal government, the trustees or the fund’s named fiduciaries what to do, we owe it to our members to fully assess what the real story is.”

What You Don't Know Can Hurt You

The Politics Of Pension Reform

The White House and some members of Congress are supporting a plan to make it easier for large companies to convert their traditional pension plans to a less costly and less secure cash balance plan. The Bush Administration calls these plans a “viable alternative,” even though they pose significant risks to workers 40 and older.

Some 300 to 700 companies nationwide, involving 8 million workers and \$334 billion in assets, have converted their defined benefit plans to cash balance plans. To date, over 800 claims of age discrimination have been filed with the Equal Employment Opportunity Commission in connection with the new plans. The U.S. General Accounting Office in 2000 determined that cash balance plans could reduce pensions for older workers by up to 50 percent.

Cash balance plans were initially permitted by the first Bush Administration in 1991 and then banned by the Clinton Administration in 1999. George W. Bush and congressional Republicans are trying to resurrect this bad idea. The Treasury Department has already issued an Advanced Notice of Proposed Rulemaking, which is the initial stage for unions to show opposition and possibly kill harmful changes governing traditional (defined benefit) pension plans.

Central States Rescinds Prohibited Reemployment Rules

On January 28, the Central States Pension Fund announced that the trustees of the fund voted to rescind the “prohibited reemployment” rules that were adopted in July 2002.

The action was taken on the initiative of International Vice President At-Large Fred Gegare who was elected as a fund trustee late last year. Gegare and the other employee trustees were able to persuade a clear majority of the fund trustees to act in response to complaints by local union officials, members and retirees concerning various aspects of the rules implemented in July 2002.

As a result of the trustees’ action the prohibited reemployment rules will revert to the rules that were in effect prior to July 2002.

Fighting For Fair Trade

It may be a new year, but the Teamsters are fighting the same old battles for fair trade, as the Bush Administration seeks to expand the principles of the failed North American Free Trade Agreement (NAFTA) into every corner of the globe.

A trade agreement has been finalized with Chile and Singapore, yet only advisors with special clearance get to review it at the U.S. Trade Representative's office in Washington. The next step is congressional approval. With President Bush now

enjoying Fast Track trade authority, the agreement will be voted straight up or down, with no amendments permitted. In the coming weeks, the U.S. also will begin negotiations on a number of similar

trade agreements, including the Central American Free Trade Agreement, a pact with sub-Saharan nations and a Moroccan trade agreement.

Later in the year are negotiations in Miami for the Free Trade Area of the Americas (FTAA). The FTAA would expand NAFTA to all of the nations in the Western Hemisphere, except Cuba.

Also upcoming is the next round of talks of the World Trade Organization (WTO). The Teamsters were out in force at the "Battle in Seattle" during the last round, and will send representatives to this meeting in Mexico to draw attention to workers' rights.



Hoffa Appointed to Trade Commission

General President Jim Hoffa has been appointed by President George W. Bush to the Advisory Committee for Trade Policy and Negotiations (ACTPN).

"It is a great honor to serve on the committee and advise President Bush on trade matters," Hoffa said. "I look forward to being a voice for working families and helping our country formulate a trade policy that helps the American worker."

The ACTPN serves to advise the President on the negotiation of new trade deals, implementation of U.S. trade law and the resolution of trade disputes. Each member serves a two-year term.

"U.S. trade policy has not focused on the economic impact of unfair trade deals on working families," Hoffa said. "We must shape a trade policy that meets the needs of working families and ends the economic race to the bottom."

Tax Breaks for the Rich

Bush Plan Priorities are Wrong

With unemployment rising and war clouds closing in, dramatic action is required to stimulate the economy. Unfortunately, the Bush Administration's solution is to stimulate the gains of the wealthy.

"We need an economic plan that benefits working Americans, not just the wealthy," said Jim Hoffa, Teamsters General President.

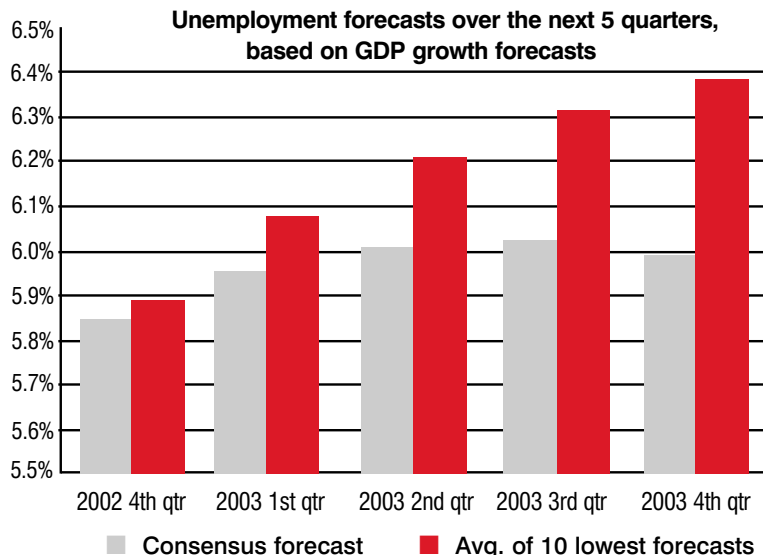
Under the Bush plan, the top one percent of Americans, whose average income is \$1.1 million, would save more than \$30,000 in taxes each year, according to Citizens for Tax Justice.

Yet typical earners (\$29,000 to \$46,000 annually) would save only \$289, and those between \$16,000 and \$29,000 just \$99. Meanwhile, the budget would get socked by \$676 billion over 10 years, not including hundreds of billions more in interest.

Economists have

proposed a number of alternative stimulus methods, including a rebate on payroll taxes, plus targeted investments in communities, such as school repairs, environmental cleanups and the extension of unemployment benefits.

"To get out of this downturn, we've got to work our way out with new jobs," said Lawrence Mishel, President of the Economic Policy Institute. "Businesses need customers and people need jobs to give them money to spend."



No Joy in Mudville

Teamsters Call 'Foul' at 'Baseball-Style Arbitration'

Some of the nation's largest air carriers are conspiring to gut the Railway Labor Act (RLA) in order to impose contract settlements on their workers.

Last year, airline lobbyists succeeded in having legislation introduced that would have created, "a bizarre and unworkable statutory scheme that permits the Secretary of

Transportation to impose, under vague standards, compulsory arbitration in airline labor-management bargaining disputes," wrote General President Jim Hoffa and other leaders of the AFL-CIO Transportation

Trades Department to the U.S. Senate. It was "part of a campaign by the major air carriers to tilt the delicately balanced collective bargaining process in favor of airline management, thereby making it nearly impossible for labor-

management disputes to be resolved at the bargaining table."

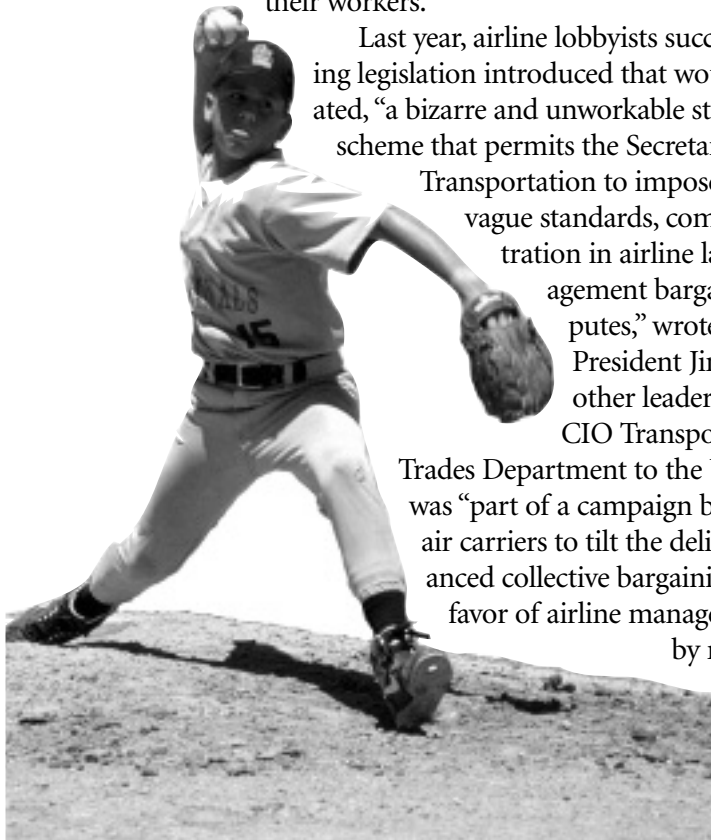
Under what management refers to as "baseball arbitration," all airline and railroad negotiations would be settled in an arbitration arena, and strikes would be prohibited. Similar legislation is expected to come up in the new Congress.

Although the air carriers' purported financial straights have qualified them for federal bailout money and positioned them to demand concessions from their workers, they have spared no expense in hiring top-flight Washington lobbyists to convince Congress to further restrict workers' rights.

Underhanded on Overtime

In a related development, big business may try again in the 103rd Congress to greatly weaken the Fair Labor Standards Act.

Under current law, employers must pay time-and-a-half for work in excess of 40 hours per week. Proposed legislation would permit private-sector employers who offer comp time as a substitute to refuse leave requests if not made "within a reasonable period" or that would "unduly disrupt" operations. Also under consideration is a proposal to replace the 40-hour workweek with an 80-hour two-week period.



Where Does It Hurt?

Airlines Seek to Slash Health Care

In virtually every industry where Teamsters work—from carhaul to freight, from construction to warehouse—employers are using the skyrocketing cost of health care as a bargaining chip in contract talks, as well as a way to trim payroll expenses.

Nowhere is this more evident than in the airline industry, where carriers, large and small, seek to shift the cost burden onto their workers.

Case in point: Allegheny Airlines recently gutted health care coverage of its 1,200 Teamster mechanics, fleet agents and passenger service agents, resulting in up to \$700 taken from workers' monthly paychecks to finance parent US Airways' bankruptcy reorganization.

"Allegheny's conduct is despicable," said Jim Hoffa, Teamsters General President. "US Airways repeatedly promised that no worker making \$30,000 per year or less would be asked to take a pay cut, but here they are trying to cut the wages of fleet and passenger service agents—almost all of whom make less than \$30,000 a year."

This is a nearly 600 percent hike in worker health care contributions, on top of an increase imposed by the company last October. The contributions amount to between one-fifth and one-sixth of gross pay.

Unfortunate World View

A similar tactic is being used by World Airways to put the squeeze on Teamster flight attendants. By paying health care premiums, these workers would see a net pay reduction of three to seven percent.

In December, after seeking a fair contract for more than 30 months, the flight attendants voted 280–39 to reject the company's latest concessionary contract offer and authorized the union to seek a strike release from the National Mediation Board.

"The company is not moving forward and we are not giving any more concessions," said Margo Brady, a 35-year Teamster and member of the Negotiating Committee. "It is our right to strike and we are urging the NMB to let us do so."





**A Message
from Teamster
General President
James P. Hoffa**

A Difficult Two Years

Dear Brothers and Sisters:

We know that with Republicans now controlling both houses of Congress and the White House, we can expect policy changes that will threaten organized labor.

This is what we can expect to see during the next two years:

- Easier confirmation of conservative appointments to the federal bench and to agencies that regulate our affairs, such as the National Labor Relations Board, the National Mediation Board and the Federal Mediation and Conciliation Service;
- Further tax cuts for the wealthy, financed in part by cutbacks in worker assistance programs;
- Additional free-trade incentives for American employers to move production and jobs overseas;

- New efforts to privatize Social Security; and
- Attempts to weaken laws and regulations that protect workers' rights and safety.

The Teamsters Union is determined to fight for justice, regardless of the political climate. We will not stand idly by and watch the clock turned back. We will spare no effort to shield the gains we have made and protect the interests of our members.

Remember, UNITED WE WIN!

Fraternally,

The Teamsters Union is determined to fight for justice, regardless of the political climate.

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The Teamster Leader

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