

UFCW



SOLIDARITY 2011

NORTHERN AND CENTRAL CALIFORNIA FOOD NEGOTIATIONS

ISSUE No. 3

Benefits Under Attack

Citing non-Union competition, the employers seek extreme reductions in workplace standards.

Every member must join the fight to defend your wages, benefits and job protections.

Our contract talks with the major food employers have taken a turn for the worse. Every member needs to join the fight to defend our wages, benefits and job protections.

The three Unions in the UFCW Solidarity Alliance — UFCW 8, Local 5 and Local 648 — have been meeting with Raley's/Nob Hill/Bel Air, Save Mart/Lucky and Safeway/Vons since the summer, trying to hammer out a new agreement to replace the one that was negotiated in 2007.

Even before we started, we anticipated this would be a difficult process.

We knew that the em-

Employers propose massive health care rollbacks, including elimination of retiree health care.

ployers would cite non-Union competition as a main reason for loss of profits.

We knew they would be



Jacques Loveall

President, UFCW 8
International Vice President

affected by the bad economy, which is eroding those profits even further.

We knew that higher

health costs would be a major issue in these negotiations.

And we knew they would be using all of these factors as a pretext to come after your current wages, benefits and workplace protections with scissors and saws.

Unfortunately, we were right on all counts.

Now that the employers have laid out their comprehensive proposals, we have a clear idea of the immediate challenges that confront us.

Proposed takeaways

Here's just a taste of what one employer is proposing:

- **Immediate dismissals**, without warnings, for a long list of alleged rule violations.
- **Elimination** of full-pay guarantees for full-time workers during holiday weeks.
- **Elimination** of Sunday wage premiums.
- **Elimination** of the wage premium for working a

(Please see back page)

Contract Extended

The UFCW Unions have agreed with Safeway/Vons and Save Mart/Lucky to extend the terms of the current contract until Feb. 25, 2012. After that date, the same contract terms will remain in effect on a day-to-day basis, subject to seven days' notice by any party of its intent to cancel its participation in the extension agreement. The Unions and Raley's/Nob Hill have agreed to extend the contract terms until Jan. 24, 2012. Your current wages, benefits, work rules and accruals will stay the same as long as these extensions are in effect.

Employer Proposals for Rollbacks and Takeaways

Each of the major employers in the current retail food negotiations has proposed massive cuts in your benefits and workplace protections. Here is a **partial list** of these proposed rollbacks and takeaways, with explanations on how they would affect active UFCW members and retirees in Northern and Central California. **Note:** The employers differ on their specific proposals.

	EMPLOYER PROPOSAL	PROPOSAL'S EFFECT ON YOU
HEALTH CARE FUNDING	Contributions to the health care trust fund that are not sufficient to match expected costs of benefits.	Drastic reductions in your health care benefits and higher co-pays and deductibles.
HEALTH CARE BENEFITS FOR RETIREES	Eliminate health care benefits for retirees.	Betrayal of members who dedicated their careers to the employers and were promised they could retire with dignity.
HEALTH CARE PREMIUMS	All active members would have to pay premiums for health care.	Weekly premiums of \$9 for individuals, \$15 for individuals with children, \$21 for individuals and spouses and \$23 for families.
CO-INSURANCE MAXIMUMS	Annual co-insurance maximum would be raised to \$1,333 per person or \$4,000 per family.	Higher yearly out-of-pocket costs for health care.
SUNDAY PAY	Eliminate all wage premiums for working on Sundays.	Lower take-home pay.
FULL-PAY GUARANTEES ON HOLIDAY WEEKS	Eliminate guarantee of full-week pay for full-time workers on weeks when a store is closed for a holiday.	Lower take-home pay for full-time workers on weeks when holidays occur.
SIXTH-DAY WAGE PREMIUM	Eliminate the wage premium for working the sixth day in a calendar week.	Lower take-home pay by eliminating a contractual guarantee of overtime premiums.

	EMPLOYER PROPOSAL	PROPOSAL'S EFFECT ON YOU
HOLIDAY RULES AND PREMIUMS	Reductions and eliminations of holiday wage premiums. Managers can force as many employees as they want to work on Christmas Eve and New Year's Eve.	Lower take-home pay for work on holidays. You could be forced to work on Christmas Eve and New Year's Eve without regard to your seniority.
NIGHT WORK RULES AND PREMIUMS	Shift interval protections reduced or eliminated. Wage premiums for night work reduced or eliminated.	Lower take-home pay for night work. You could be forced to work in the morning following a late-night shift and receive only straight-time pay.
DISMISSALS WITHOUT WARNING	Immediate dismissals, without warning, for a long list of alleged rule violations.	Loss of due-process protections. You could be terminated without warning.
VACATIONS	Sharp reductions of vacation guarantees.	You would have to work several more years to qualify for additional vacation weeks.
RESPECT FOR RELIGIOUS REQUIREMENTS	Elimination of an employer's obligation to respect the religious requirements of employees.	The employer would not be required to respect your religious obligations concerning days off and other issues.
UNION RIGHTS	Elimination of our Union's right to establish temporary picket lines to protest contract violations by the employer.	Loss of an important means of enforcing your rights under the contract.
PREVIOUS EXPERIENCE	The employer would determine the starting rate of pay for new employees who have previous experience.	If you join a new company, the employer would be free to disregard the pay level you already achieved.
ALL JOB CLASSIFICATIONS	Roll back wage rates to 2009 levels. Replace wage progressions with a 25-cent annual increase until "experienced."	Lower wages for all job classifications. Adds additional years of work to progression toward journey status.
MEAT CUTTERS	Require presence of only one Journeyman or Apprentice Meat Cutter each day. Other job requirements eliminated.	Reduces work hours and positions for Meat Cutters.

Frequently Asked

About the 2011 Grocery Contract Negotiations

1. What are these negotiations all about?

Your Union is negotiating a new contract with the management of Raley's/Nob Hill/Bel Air, Safeway/Vons and Save Mart/Lucky. This will determine your wages, health benefits and retirement benefits. It will also specify your work rules, which include grievances, seniority rights, holiday pay, Sunday pay, nighttime premiums, vacations, sick leaves and other issues that affect your job.

2. When was the last contract negotiated and when did it expire?

The previous contract was negotiated in 2007 — just a few months before the economy collapsed — and expired on Oct. 8, 2011. Union workers have been and currently are protected by a series of temporary extensions of that contract. Both the Union and the employers must agree to these extensions and either side may decide not to continue them. Contract extensions are typically agreed to when progress continues in the negotiating process.

3. What is the current status of negotiations?

These are the most difficult negotiations in decades. The employers have made proposals that contain significant cuts to the over-

These proposals include massive rollbacks to the health care plan and total elimination of retiree health care. They would reduce your take-home pay and diminish your rights on the job.

all compensation package.

These proposals include **massive rollbacks to the health care plan** and **total elimination of retiree health care**. They would reduce your take-home pay and diminish your rights on the job. If the employers had their way, contract language affecting vacations and wage premiums for working evenings, Sundays and holidays would be made worse or eliminated.

More details about these proposed rollbacks and takeaways appear on pages 2 and 3 of this newsletter.

4. Why are these negotiations so much more difficult than in the past?

There are at least four main reasons:

a. Non-Union retailers are invading our region at an accelerated pace, eating away at the market share of Union retailers. Non-Union competitors provide pay and benefits that are inferior to those of Union employers. This puts pressure on Union retailers to lower their standards to stay competitive.

b. The current negotiations are taking place under much more difficult economic conditions. Employment and income levels are down and that affects consumer spending and profits. The employers note that the last contract instituted steep improvements, including the largest wage increases in the history of our negotiations, just as traffic to stores and revenues started to drop.

c. The federal health care reform law enacted last year is imposing new requirements on your Union's health plans. For example, children of health plan participants now must be covered through the age of 26. This adds to the costs of maintaining health care.

d. Overall health care costs are still increasing at an alarming rate, with another 25 percent increase projected over the life of the new

Unanswered Questions

Protests in Northern and Central California



Striking back against non-Union retailers — Through the Your Bread and Butter campaign, activists are participating in dozens of picket lines in front of non-Union stores owned by Fresh & Easy (above), Nugget (above right), Walmart (right) and other companies. Union employers have cited competition by non-Union retailers as they propose drastic reductions in workplace standards.

contract. This translates into a \$3 increase per hour worked by every employee, just to cover the increase in health care costs at the current level of benefits.

5. What is market share?

Market share is the percentage of employers who have Union-negotiated contracts for their workers.

When Union market share is high, employers are more likely to agree to pay better wages and bene-

fits. But when non-Union retailers like Walmart, WinCo and Fresh & Easy move into the area, they undercut the standards for everyone. Union employers feel competitive pressure to cut their wages and benefits, and that hurts all workers in the industry.

6. How badly has non-Union competition hurt Union employers like Raley's, Safeway and Save Mart?

It depends on the region and

other factors, but Union employers have suffered almost a 15 percent overall loss of business to non-Union competitors who are exploiting their workers by paying them substandard wages and providing little or no benefits.

7. How does market share affect me?

The Union employers point out that competition by non-Union stores is hurting their profitability.

More: Frequently Asked Questions

About the 2011 Grocery Contract Negotiations in Northern and Central California

Continued from previous page

One company says it has to reduce costs by 10 percent in order to compete against the likes of Walmart, WinCo and Fresh & Easy. Most of the savings would come out of *your* take-home pay and benefits.

Already, the employers have been cutting hours for workers and even closing entire stores.

If this trend is not reversed, there will be catastrophic setbacks to health care, wages and job security.

8. How are the current negotiations in Northern and Central California different from those in Southern California and other parts of the country?

Union members in Northern and Central California currently earn the most expensive package of wages and benefits in the country. In large part this is because the market share of Union employers is different in our part of the state.

Now that the market share of Union employers is under attack here, we must fight back to protect our wages and benefits. We must focus our energies against the real threat: non-Union competition.

9. How are we addressing the creep of non-Union competition?

Already, the employers have been cutting hours for workers and even closing stores. If this trend is not reversed, there could be catastrophic setbacks to health care, wages and job security.

Our Union has had many successes in slowing the invasion of non-Union stores, but we need to do much more. It is crucial to reverse the current dynamics in which competitive pressures from non-Union chains drive down the standards for everyone. A new campaign called Your Bread and Butter aims to replace this “race to the bottom” with a “race to the top” in which higher standards are the goal for everyone.

10. Why is YourBreadAndButter.com important to these negotiations?

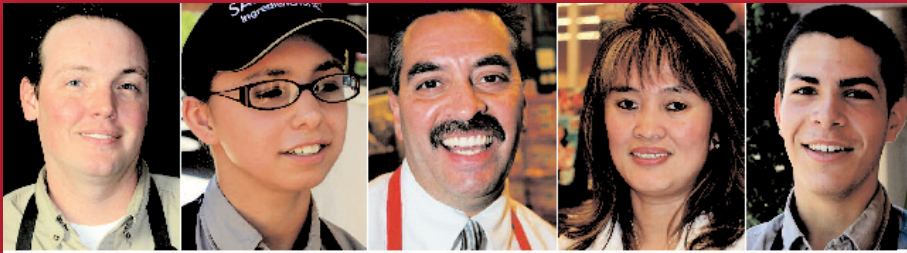
Through YourBreadAndButter.com, we inform non-Union supermarket workers and the public about the importance of raising the standards for everyone who works in the industry.

As non-Union workers learn about the superior wages and benefits earned by Union workers, they will seek improvements in their own standards. This will reverse the current trend in which Union employers feel pressure to pay lower wages and provide inferior benefits.

11. How does YourBreadAndButter.com work?

Visitors to the site are able to compare the wages, benefits and working conditions of various supermarket chains. They are encouraged to invest themselves in the cause by describing their opinions and experiences as employees and shoppers. And they are briefed on developments in the supermarket industry, including negotiations with retail food employers.

We expect all workers to realize they can have better pay and health care if they are able to bargain collectively. And we expect shoppers at grocery stores to be more con-



Grocery workers are part of the 99%



In addition to fliers and picket signs (above), the Your Bread and Butter campaign uses a broad spectrum of communications tools to build support for raising standards in the grocery industry.

Everyone benefits from higher standards in the grocery industry!

YourBreadAndButter.com
Higher Standards in the Grocery Industry for Everyone

scious of the way those stores treat their workers.

In addition to the website, the campaign will employ the entire spectrum of communication tools, including handbills, Facebook updates, information cards, newsletters, contests, direct mailings, radio and TV commercials, door hangers,

It's better to walk a picket line in front of a non-Union store while you are still collecting wages and benefits than it is to walk a picket line in front of your store during a labor dispute.

buttons, T-shirts, balloons, banners — you name it.

12. What can I do to help protect my wages, benefits and working conditions against the threat of non-Union competition?

Fight, fight, fight!

Volunteer in the Your Bread and Butter campaign. Visit the website and learn about the issues affecting the grocery industry. Complete the questionnaire and look for alerts about actions in your area.

Even in our modern era of computer technology and social media, nothing delivers a message to the shopping public better than a picket line.

We have dozens of picket lines at non-Union stores and intend to establish more in the near future. **Your participation is crucial!**

Please keep in mind that it's better to walk a picket line in front of a non-Union store while you are still collecting wages and benefits than it is to walk a picket line in front of your store during a labor dispute.

In addition, we are going door-to-door in neighborhoods near non-Union stores to explain our message that grocery workers are the mainstay of the middle class and that higher standards in the industry benefit everyone in the community.

Finally, please ask your friends and family members to shop only at Union stores. Don't set foot into a non-Union store until it starts to recognize the needs and concerns of its workers.

Always remember that **Solidarity Works!**



Benefits Under Attack

(Continued from front page)

sixth day in a calendar week.

- **Reductions and eliminations** of holiday wage premiums and work protections.
- **Reductions and eliminations** of nighttime wage premiums and work protections.
- **Elimination** of our Union's right to protest employer violations by establishing temporary informational picket lines.
- **Elimination** of voluntary staffing rules on holidays.
- **Elimination** of an employer's obligation to respect workers' religious requirements.
- **Severe takeaways** in vacations.

In the face of these demands, our Union is determined to protect and enhance our members' living standards. We will resist every attempt to gut our hard-won workplace protections, just as we are determined to defend our wages and health benefits.

Your Bread and Butter tackles underlying problem

As we push back against the employers' takeaway proposals at the bargaining table, it is evident we must tackle the underlying problem of competition by non-Union companies head on.

We must reverse the decline in Union market share in order to protect and enhance the standards we have worked so hard to establish over many decades.

To turn the current situation around, we need to apply pressure on our non-Union competitors to raise their standards for the benefit of all. That is why our Union has launched a bold new program called Your Bread and Butter.

It is a campaign that rallies grocery workers — both Union and non-Union — and the public at large to support good wages and benefits.

Visitors to the YourBreadAndButter.com website are encouraged to share



Dozens of picket lines are already in place to raise awareness among workers and the general public of the importance of setting higher standards for everyone in the grocery industry. **YOU** are needed to volunteer and expand these lines and to defend **YOUR** wages, benefits and workplace protections.

their opinions and hopes concerning standards at the stores where they work and shop. They are also informed of progress in supermarket negotiations in California and across the country.

Through this program, we are raising awareness of supermarkets as the last bastion of middle class jobs in our communities. In turn, widespread awareness of the higher standards at our Union stores will, inevitably, encourage other retailers to raise their own standards.

Every Union member must help!

Union members must strike back at the non-Union companies that are directly threatening our members' standards of living.

If every UFCW 8 member dedicated a little time each month to this effort, we would have an enormous impact.

Dozens of picket lines are already in place to raise awareness among workers and the general public of the importance of setting higher standards for everyone in the grocery industry. **YOU** are needed to volunteer and expand these lines and to defend **YOUR** wages, benefits and workplace protections.

Ask your District Union Representative about opportunities to participate in this crucial cause.

Now is the time for all good men and women to come to the aid of their Union!

Stay strong, stay united and together, we will prove that... **Solidarity Works!**