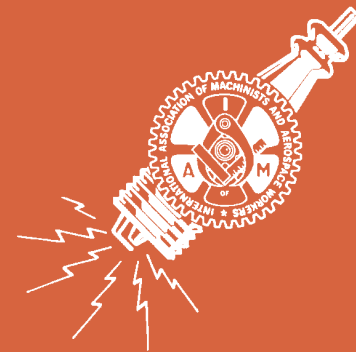


The IAM District 190 Sparkplug



VOL. 7, NO. 2

February/March 2005

Serving the Active and Retired Members of IAM District Lodge 190

IAM will fight to keep Maersk jobs

On January 27, Local 1546 received a fax with a troubling announcement. Pacific Marine Maintenance (PMMC), the employer of 38 IAM members at the Port of Oakland, five members in Long Beach and 72 in Tacoma, announced that the Maersk Shipping Lines had cancelled their contract. As of April 1, their parent company, Pacific Crane Maintenance (PCMC), was taking over the contract.

"This was a total surprise," says M.C. Alvarez, Local 1546 shop steward, who's worked at the Oakland port facility for 15 years. "We have no idea what this means for us. All I know is that most of us have been here 10, 15, even 25 years. The IAM has represented the mechanics here since the 1960s. We don't want to lose these jobs."

Alvarez' fears are not unfounded. "This whole procedure is a sham," says Local 1546 Area Director Don Crosatto as he vowed to put the union's full force into fighting to keep these members' jobs.

PMMC has virtually no assets. It's managers and officers are also PCMC employees. The company owns no property or equipment and it uses PCMC's offices. It has never bid on any other work. "Is it a parent company, a sister company, or a sham alter-ego? All we know is that PCMC works exclusively with the ILWU," says Crosatto.

Initially, Maersk had invited other companies to bid on the work in Oakland and Tacoma. Several of these companies had IAM contracts. "However, two weeks later, Maersk told the other companies not to bother bidding. Next, we learned that PCMC was given the work without other bidders."

The likely scenario is that the "new" employer will only re-hire a few of the IAM members. Because the ILWU doesn't have any available mechanics in Oakland, Crosatto thinks they'll bring ILWU members up from Southern California to work and will fill out the workforce by hiring new mechanics off the street. In fact, they already have help-wanted ads in the paper.

IAM fight-back strategies

"We have many factors working in our favor," says Directing Business Rep Jim Beno. "While it's true that the PMA contract with the



Local 1546 members who work at Maersk's Port of Oakland facility are ready to fight to keep their jobs.

ILWU states that they would get work on all "new" terminals, Oakland's terminal is 40 years old and Tacoma's is 20 years old, so it's hard to call them "new."

Beno also thinks the union has a strong case with the Labor Board if the company refuses to hire the existing workforce. "Nothing changes from March 31 to April 1 in terms of the work. The same equipment needs the same work done to it, and the same managers will be running the show. They have no good reason to displace anybody, let alone the whole workforce," Beno adds.

While Beno expects Maersk to try to fold these facilities into the ILWU coast agreement, the Labor Board has ruled in past cases that they can't do so without a vote of the workers affected. "We believe we could easily win that vote," he says.

But Beno is realistic about the limitations of the Labor Board. "It's no slam dunk. Their recent decisions have been anti-union and they don't have a history of acting quickly." As soon as the Local heard PCMC's announcement, they started to craft a variety of strategies to fight it.

> **Utilizing Measure I: Oakland's worker retention ordinance.** The primary focus of this initiative, passed by Oakland voters in 2002, is to call on all Port of Oak-

land contractors to pay a living wage. An additional clause calls for any contractor replacing a previous contractor to retain the prior employer's non-management employees for at least 90 days, unless there is cause for discharge or layoff.

The company did give employees interested in keeping their jobs one week to submit their resumes. "Every one of us completed a resume and submitted it, individually or as part of the union package," says Alvarez. "We

also had 100% of the union members sign a petition that we submitted at the same time."

If the union discovers that the company has discriminated against older workers or union activists in determining who to rehire, they will additionally file NLRB and EEOC charges.

> Working internationally.

Maersk, based in Denmark, has offices in 125 countries. The IAM's

International Affairs Department has connections with the Danish Metalworkers Union, who works in Maersk's giant shipbuilding facility in Denmark. "That's where the big decisions are made," Crosatto says.

> Ensuring the environmental safety of Maersk's facility expansion plans in Oakland.

"Depending on how smoothly the environmental permits go through, this process can take a year or drag on for eons," adds Crosatto.

> Demanding immediate payment on PMMC's unfunded pension liability.

When PMMC goes out of business in April, they will be leaving more than \$9 million in unfunded pension liability in Oakland and Tacoma. "The bill's got to be paid. If we can't get PCMC to cover it, then ultimately Maersk will pay it," says Crosatto. "They might not have been counting on this particular liability."

"This is a global company in an anti-union environment. But keeping these jobs is a major priority for us," says Crosatto. "We'll use every weapon at our command to stop this raid on our jurisdiction."

"This is a global company in an anti-union environment. But keeping these jobs is a major priority for us."

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AROUND THE LOCALS



1,000 years of union membership is honored by Local 1584

Local 1584 held its Veteran Awards luncheon at Francesco's Restaurant in Oakland on December 7, 2004, giving the Local an opportunity to honor its 15 to 50-year members.

District 190's Directing Business Rep Jim Beno, Administrative Assistant Herman Howell and retired Business Rep Bob Moffatt attended the event. Daniel P.L. Borrero, President of Local 1584's Retiree Club reminded everyone of the importance of attending Local Lodge meetings.

Many thanks to retired Grand Lodge Rep Dick Harden for selling raffle tickets for three bottles of homemade wine donated by retired DBR Frank Souza.



Local 1584 members receive their 15, 20, 25, 30, 35, 40, 45, and 50-year pins at the Annual Veterans Award Luncheon, held in Oakland on December 7, 2004.

Local 1101

With 50 contracts to negotiate in 2005, including the South Bay Dealer Association, most of the independent dealers and miscellaneous auto and industry agreements, Local 1101 Business Reps will be more than a little busy.

Area Director Glenn Gandolfo reports that he and Business Rep Jim Schwantz concluded all of the agreements that had expired through the end of 2004, with the exception of Sunnyvale Toyota (which appears to be an attempt to bust the union), Noranda Recycling (formerly Micro Metallics) which should be concluded by the time you receive this newsletter, and Hertz Rent-A-Car, which is being coordinated with Oakland and San Mateo.

Gandolfo warns that the coming

negotiations may be difficult, possibly leading to a labor dispute. "Although no one wants to take this course of action in this economic climate the storm clouds are gathering."

Rumors are bound to start, usually through managers. "The line we expect to hear," says Gandolfo, "is 'you better get the union out or you guys will be on strike.'"

Gandolfo urges members to try to stay focused on the issues. "Your wages are insufficient for this area, your pension has been frozen for three years and your health and welfare contributions are unbearable. **Be prepared.**"

Local 1101 plans to conduct seminars on finances and pension issues in the coming months.

"Take the time to get involved," Gandolfo says. "Come to the meetings, respond to the surveys and read

all notices carefully. If in doubt, call the office."

Health Care Notice

The rates for the Health & Welfare insurance for those employees covered under the Santa Clara County Automotive Trades Trust Fund (UAS) will be increasing from \$626 for Kaiser and \$590 for Self-Funded to \$735 for both plans. Benefits are supposed to remain the same. Since the self-funded plan is now going to be insured, there should be no increases during the one year contract period beginning February 1, 2005.

Local 1596

Area Director Tom Brandon reports that Local 1596 has reached a tentative Agreement with Henry Curtis Ford in Petaluma.

The Local is still in negotiations at Hansel Automotive, and the 75 members at KVAL Machinery in Petaluma are holding their proposal meetings because their contract expires at the end of March.

Local 1546

Business Rep Mike Cook reports that three of the four Oakland truck dealerships settled their contracts, "and they were decent settlements," including 4% wage increases and other contract improvements.

In the last few months, three com-

panies have sold to private equity investors. AMR Ambulance (Laidlaw sold them to Onex in Toronto). Fabco, owned by TTI of Chicago was sold to Accuride, owned by KKR. And Parmalat sold Mothers and Archway Cookies to Catterton Partners/Insight Holdings, which owns lots of other food companies.

One plus one equals???

The coming merger of two off-dock container repair companies in Oakland will bring 12 new members from Global Intermodal to join the 26 currently at Container Care who are already members of Local 1546. That's the good news.

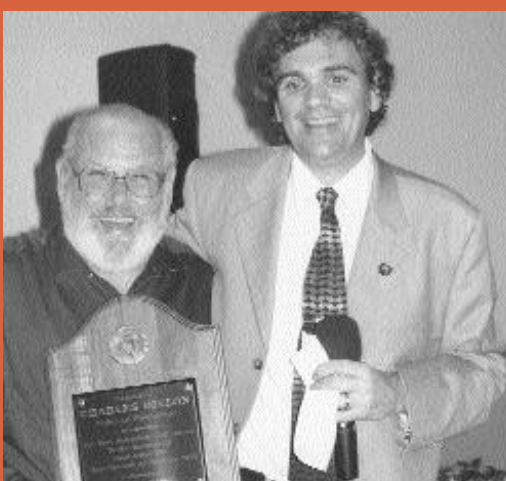
Because both companies have been in serious financial straits, they hope the merger will make the new company more competitive and improve its financial condition.

Currently the employees pay 40% of their health and welfare and have been on a wage freeze for three years. "Our hope is that with fewer competitors in the industry, customers won't be able to play one off the other to get lower rates," says Business Rep Pat Woodward.

As a result of joining the union, the Global employees will get a pension, for the first time, and improved health care as well.

A similar merger took place last year in Long Beach and Global's employees there joined Local 1484.

Local 1546 steward honored



Chuck Dillon (L) accepts plaque from Don Crosatto

Chuck Dillon, a mechanic who recently retired from Volvo of Pleasanton received the Steward of the Year award from Local 1546 at its annual Stewards Dinner, held on December 11, 2004 at the Willow Park Country Club.

"Chuck worked closely with the four other stewards at that facility to hold the shop together in tough negotiations," said Area Director Don Crosatto. "We're dealing with the Hendrick Group here, and they're tough—we

have to fight for every penny." Crosatto says that Chuck helped fend off at least two attempts to de-cert the union and in the process, helped unify the shop. "He was never shy about representing the guys when called on the carpet," Crosatto added.

Before coming to Local 1546, Chuck was President of Local 428 in Stockton. Unfortunately, when Valley VW, the last union dealership in Stockton closed its doors, Dillon sought employment in the Bay Area.

"Chuck was a true leader of the Local and helped facilitate the merger of Local 428 into Local 2182 in Sacramento when the time came. Local 428 used to put on some hellacious crab feeds and Chuck was one of the cooks. That crab feed got quite a reputation," says DBR Jim Beno.

Crosatto reports that more raffle prizes were distributed at this dinner than in previous years, including two \$500 gifts. "And our Steward of the Year won one of them!"

The IAM District 190

Sparkplug



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AROUND THE LOCALS



Local 2182

At presstime, the members of Local 2182 who work at Crystal Cream in Sacramento have a tentative agreement for a five-year contract that includes a new disability plan, maintenance of benefits with the employer paying the total cost of health and welfare over the term of the contract. Area Director Mark Martin expects members to ratify the agreement.

Martin also reports that the union has filed new charges against Geweke Ford for threatening and harassing union supporters. "One member was choked by a co-worker but both employees were written up," Martin says "Apparently this company has minimal concern about violence in the workplace."

Over at Teichert Construction, bad weather forced the company to lay off 18 employees. Martin says that the union was concerned the company was outsourcing work. "But after a very positive meeting with the company, our fears have been allayed. As of February 2, everyone will be brought back," Martin says.

Business Rep Skip Hatch reports that the members at Redding Kenworth ratified their new three year agreement which includes the addition of the California Machinist 401K Plan.

And the members at Calaveras Materials also have a new three year contract that includes maintenance of benefits on health and welfare, \$1.30 increase in year one, with flexibility for pension contribution increases.

And the wage and pension reopener for the last year of Omega Tank and Truck's contract resulted in increased wages and a doubling of the pension contribution.

Local 1414

The Local 1414 members at Rector Motors in Burlingame just ratified their five year contract, which includes a \$5 increase in wages, Maintenance of Benefits, a near doubling of the pension contribution, the addition of the Machinists 401K as a supplement, and bereavement leave.

"The contract also includes a clause mandating that everyone wears the IAM patch on their shoulder as part of their uniform," says Business Rep Pedro Mendez, who was joined by Don Barbe in negotiations.

Rolling Pin stays union

When Rich Foods of Buffalo, NY bought out Rolling Pin Manufacturing in South San Francisco, nobody knew if they would try to dump the union. Fortunately, the new company invested in Rolling Pin precisely because they couldn't compete with the excellent products put out by the Local 1414 members.

Rich Foods has agreed to recognize the union contract, and Business Rep Pedro Mendez is hopeful of forming a good partnership.

The company is looking to get new accounts. "They want to grow, which should mean more members down the line," Mendez adds. "These folks don't make the big bucks, but we're glad they were able to keep their seniority and have job security."



Central Labor Council brings unions together on January 22 to support IAM at Future Ford of Concord.

Fight for Future continues

After three months, Local 1173 members continue to picket Future Ford of Concord every Wednesday and on weekends, as well as bringing the picket force to Future Ford's Roseville store on scattered Saturdays.

It all started when the dealership was sold and the new owners refused to recognize the union, hiring back only a few of the employees.

"Before they took over, the new owners told our members not to look for new jobs, because they'd be taken care of. But they only hired back 6-7 of our guys, keeping a majority of the workforce non-union," says Area Director Mark Hollibush. "We've been able to find everybody new union positions. But we are not going to allow them to bust our union here."

The union filed complaints with the NLRB, but they have not yet gotten word if the Labor Board will issue a complaint against the company.

Hollibush, Business Rep Rick Rodgers and many members have testified before the Contra Costa Board of Supervisors, and the City Councils of Pleasant Hill and Martinez. Each of these bodies has passed unanimous resolutions requesting that the owners bargain with the union on behalf of their workers. The union's next step is to take the issue to the Concord City Council, and use the political clout behind these resolutions to push the company into bargaining.

In the meantime, at a Contra Costa Central Labor Council rally on January 22, Art Pulaski, Executive Secretary treasurer of the California Labor Federation announced that Future Ford and all other dealers owned by this employer have been placed on the AFL-CIO statewide boycott list.

ORGANIZING STRUGGLES

NLRB bias against workers impacts union organizing campaigns

Bushwhacked by Labor Board

The rulings of the National Labor Relations Board have poured out one after another in recent months, with many decisions tilting in favor of employers. The Labor Board has:

- made it more difficult for temporary workers to unionize and for unions to obtain financial information from companies during contract talks.
- ruled that graduate students working as teaching assistants do not have the right to unionize at private universities, and
- given companies greater flexibility to lock out workers in labor disputes.

In a decision that affects 87% of American workers, the board has denied nonunion employees their "Weingarten Rights"—the right to have a co-worker present when managers call them in for investigative or disciplinary meetings.

This rash of anti-union, pro-employer decisions is hardly a sur-



prise to experts on labor relations and union organizers. The labor board has five seats. For much of 2004, Republicans had a 3-to-2 majority, but two members stepped down in December, resulting in a 2-to-1 Republican majority. When the unfilled seats are filled, the Republican majority will be 4-1.

"I think we have a labor board as conservative as any time since the Reagan board," George Washington

University Professor Charles Craver said. "It really troubles me because we're revisiting a lot of cases that have been fairly well settled."

New organizing hurdles

"We're already experiencing how an anti-union Labor Board makes organizing so much tougher," says

Jesse Juarez, Area Director for Organizing. "We've brought several good cases to the NLRB. Sometimes it takes months to get a decision, like at U-Haul. The company hasn't complied with a subpoena that the board issued in August, but nothing's happened to them."

In some cases, when the union gets a positive ruling from the regional labor board, it's overturned in Wash-

ington, D.C. Juarez says this happened with the Lexus of Concord campaign. "We started organizing them in 1997 and filed several unfair labor practice charges. At two separate trials in Oakland, we won on every charge. But the company appealed to the D.C. circuit, and the charges were overturned. Ultimately, we lost the case and the whole campaign."

More recently, when the union tried to organize the appliance techs at Sears, the company fired a 10-year employee for supporting the union. "We felt he was discriminated against and we had a solid case," Juarez says. But the Labor Board didn't see it same way. "He lost his job; we lost support—and consequently the organizing campaign."

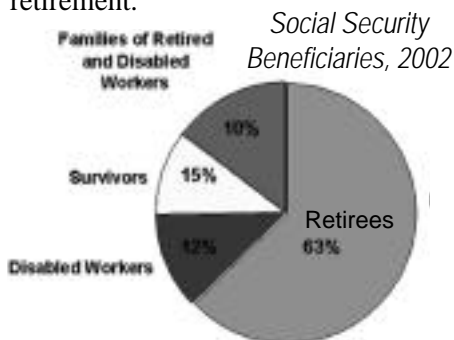
"This agency is supposed to protect working people—but it's been useless," Juarez said. "We may have to go back to an old-fashioned form of organizing, like in the days when there was no labor board."



FREQUENTLY ASKED QUESTIONS ABOUT SOCIAL SECURITY

Who gets Social Security benefits?

Social Security provides retirement benefits to workers, their spouses, and their dependents, survivorship benefits to family members of workers who have died, and disability benefits to workers who become disabled before retirement.



What types of benefits does Social Security offer?

Retirement benefits are guaranteed monthly benefits that increase each year at the rate of inflation and are paid for the worker's entire life.

Contributions to Social Security are based on a worker's earnings—the number of years a worker has contributed to the program and on the earnings during those years.

Workers are entitled to their full retirement benefits once they reach the

normal retirement age (NRA). Additional benefits can be paid for spouses if their own benefits would be lower than 50% of the worker's retirement benefits. A worker can receive additional benefits for dependents, such as children or elderly parents. In 2002, 29.2 million retirees received Social Security benefits and 3.2 million spouses and children of retirees received benefits.

Disability benefits are payable to workers who are no longer able to work due to a physical or mental impairment. In 2002, 5.5 million disabled workers received Social Security benefits and 1.7 million spouses and children of disabled workers received benefits.

Survivorship benefits are paid to a surviving spouse and dependent children upon a worker's death. In 2002, 6.9 million individuals received survivor benefits. Less than two-thirds of Social Security beneficiaries are actually retirees.

Is Social Security going broke?

Social Security is not going broke. By the end of 2002, Social Security held over \$1.5 trillion in assets, enough to pay two years of benefits without any additional income.

The Social Security trustees estimate that Social Security can pay full benefits until the year 2042. Thereafter, Social Security can still pay more than two thirds of its promised benefits through 2078.

Social Security will take in more in income than it will pay out in expenditures until 2018.

Between 2018 and 2028, interest income earned on the trust fund assets is forecasted to make up the difference between income and expenditures.

After 2028, Social Security is expected to draw down its trust funds to pay for the expenditures that are not covered by income.

Finally, sometime between 2042 and 2052, the trust fund surplus is expected to be depleted, and annual revenue into the program is projected to be less than expenditures.

While Social Security may face a financing shortfall after 2042, the program is not facing an immediate crisis. A number of options are available to pay for the shortfall, such as tax increases, new government debt issues, or benefit cuts.



Rich Bernal, a Local 1414 member who has led more than 100 union members at Charles Schwab's Social Security privatization. The theme of his January 25 event was "Don't pick our pocket."

How are the trust funds invested?

Social Security trust fund assets, currently worth over \$1.5 trillion, are invested in special non-tradable government bonds. This investment allocation has been chosen because government securities, such as treasury bonds are the safest form of financial investment.

For more information: Economic Policy Institute, www.epinet.org/content.cfm/issueguide_socialsecurity



What's wrong with Individual Accounts?

Some political leaders and special interest groups are deliberately undermining support for the system—and pushing for individual investment accounts in place of Social Security's guaranteed, defined benefits. While individual accounts are being sold as a free lunch, they really come at a high price.

Why not privatize Social Security?

Privatization would cost a bundle—and the burden of paying for it would be devastating for working families.

Initially, at least, we'd have to pay for two Social Security systems at the same time: today's program for current beneficiaries and the privatized system. The added costs would require:

- > Raising the retirement age to 70 or older;
- > Deep cuts in guaranteed benefits;

"This could be huge...
—An executive who di...
"Wall Street would be out of preserving...
economist at the

- > Cutting or eliminating Social Security
 - > Creating huge new deficits
 - > Some mix of these things
- Raising the retirement age would be especially hard on African American men, whose life expectancy is 66.1 years.

SHOP TALK: If social security is in a crisis, what's the solution?



Gary Lourenco
BFI-San Carlos
Local 1414

"I don't know if Social Security will be there down the line. That's why we pushed so hard to get the union. Now we'll have a real pension, not just a 401K."



Ezequiel Escobar
Flexi-Van
Local 1484

"I'm not informed on this issue as I'm still young. But with the Republicans taking money out of Social Security, there may not be any left for me. Privatizing will lead to benefit cuts."



Abe Tinoco
BFI-San Carlos
Local 1414

"It's questionable if Social Security will make it. That's why we went with the union—to get a better pension and better benefits."



Simon Ramirez
Flexi-Van
Local 1484

"Social Security should be left alone, with even more contributions added to it. Most Americans don't have pensions so they will depend on Social Security only."



John Gigli
BFI-San Carlos
Local 1414

"I'm not worried about Social Security for myself. But for the future, I don't know. Some say it'll be gone by 2018, others say it's 2050. One problem is 50% of it goes to people who shouldn't be getting it."

ity blues.....



in the Muni RR body shop, joins more San Francisco offices to protest Social Security. San Francisco Labor Council-sponsored to line yours."

for me when I retire.

FACT: Social Security has provided a lifeline to millions of Americans with millions of checks, and in more than 60 years has never missed a payment—and this track record can continue. Social Security basically is a sound system that can meet 100% of its obligations for the next 37 years, and with responsible changes it can continue to do so indefinitely.

MYTH #3: The Social Security trust funds will run out of money in 2042.

FACT: The Social Security trustees project that the Social Security trust funds, now growing by \$165 billion a year, will be drawn down to zero in 2042 if no changes are made. (The Congressional Budget Office says the date is 2052.) But after 2042, Social Security will **not** be broke. As it does today, Social Security will continue to collect payroll taxes from workers and employers. In fact, Social

MYTHS & FACTS ABOUT SOCIAL SECURITY

MYTH #1: In the year 2018, according to President Bush, a crisis will begin that will leave the system bankrupt by 2040.

FACT: Both dates are wrong. Actually, the Social Security trustees predict that in 2018 Social Security will pay more in benefits than it takes in. But Social Security is currently building reserves for this very reason. Social Security actuaries project that in 2018, Social Security's trust fund will hold \$5.3 trillion in assets, and the trust fund's assets will increase by another \$1 trillion in the decade after 2018 and reach \$6.6 trillion by 2028.

MYTH #2: Social Security won't be there

Security payroll taxes will be sufficient to finance nearly 70 percent of the payments that will be owed to the program's beneficiaries. With responsible modifications to the program, Social Security will be able to continue meeting 100% of its payment obligations to retirees, disabled workers and survivors.

MYTH #4: Social Security won't be able to pay for all the baby boomers when they retire.

FACT: When the boomers were babies, their parents and the government found ways to provide for them, to build new schools and later to finance expensive college educations for many of them. And ever since the baby boomers were born, we have known they would begin retiring by 2010. So the Social Security tax deliberately has been set higher than necessary to help defray the costs of the baby boomers' retirement. This money has been saved in the Social Security trust funds, which currently have more than \$1.5 trillion in assets. Finally, we should not look only at the number of retirees but also at the number of dependents (retirees and children) per worker. It is projected that in 2030, there will be about 79 dependents per 100 workers—well below the ratio in 1965 of 95 dependents to 100 workers.

MYTH #5: Ending all the bureaucratic waste would solve the projected shortfalls for Social Security.

FACT: Administrative costs for Social Security are less than 1 cent per dollar paid out in benefits. This is much lower than the average administrative costs of 12-14% for private insurers. In Chile, which instituted a system of mandatory private savings accounts in the early 1980s, administrative costs exceed 20%.

MYTH #6: We can't afford Social Security anymore.

FACT: The Social Security system was put in place during the Depression. If we could afford it then, we can afford Social Security today when the country is four times richer. The United States is the richest country in the world, and we can provide for our elderly—as do nations not nearly as rich as we are.

vestment (private) Accounts?

for us." ... State Street Bank, ... want to be identified ... not make a cent ... current system." ... Teresa Ghilarducci, ... University of Notre Dame

We could expect privatization to cost more than Social Security long after the transition period.

Social Security spends 1% of its money on administration. Administrative costs for private insurance range between 12-14%, according to the American Council of Life Insurance.

Privatization would replace guaranteed benefits with benefits dependent on workers' luck or skill as investors and the ups and downs of the stock market.

While the stock market has performed well in recent years, stocks do fall. Since 1956, there have been nine major downturns in the stock market. Prices have tumbled by 20% or more for months and even years at a time. If Social Security is privatized, pray you don't retire the day or year after a crash.

Privatization would mean millions in fees for banks, insurance companies and investment firms.



MYTH #7: I would have a lot more to retire on if I put my money in the stock market rather than paying into Social Security.

FACT: Social Security benefits are guaranteed, lifelong and protect whole families. The security of these benefits—which provide the foundation of retirement, disability and survivor protections for working families—should not depend on how well individual workers can play the market or whether a worker retires shortly after the stock market has plunged.

—Sources: Center for Budget Policy Priorities, AFL-CIO



Frank Fernandez
Flexi-Van
Local 1484

"I've worked all my life. I need to know what I will get and not take a chance or gamble with my retirement benefits. Let's protect Social Security."



Michael Cook
BFI-San Carlos
Local 1414

"It's a big mistake to privatize it—you risk having no money there when it comes due. They should shore it up, but privatizing is a horrible mistake. The rich people will be fine, but the middle class will be in trouble."



Hank Stolk
ConGlobal
Local 1484

"I don't believe Social Security is in crisis—I once heard there were 16 workers for every retiree. I don't agree with President Bush' plan to privatize Social Security; this will always be a solid safety net."



Ted Wood
BFI-San Carlos
Local 1414

"The baby boomers have a problem with Social Security—I don't know if there will be enough for us. Maybe privatization could work, but it's a total change."



Fernando Ortiz
ConGlobal
Local 1484

"I'm not sure. I've worked and I'm not too happy with my returns. I don't trust the Bush Administration, especially with the cost of the war. I didn't vote for him and don't agree with privatizing Social Security."



Pension Updates

AI pension fund diversifies its investments for better returns

When the high tech bubble finally burst in 2001, the IAM's pension fund, Automotive Industries, was not alone in feeling the pinch. The stock markets' decline impacted every pension plan in the nation.

Looking at the trends, the AI trustees agreed that the plan needed to make major changes in how it makes its investments. "Most important, we agreed that we have to further diversify the fund to try to obtain better investment returns," said Directing Business Rep and AI Trustee Jim Beno.

In early 2003, the AI Pension Plan began the process by selecting a new fund investment consultant, Craig Dobbs, of the Indianapolis-based Dobbs Group. His charge is to diversify the asset classes within the Plan's investment portfolio and to track fund performance.

"Research has shown that over the long run, investors who diversify their investment portfolios are more likely to reach their long-term financial objectives, with lower risk," says John O'Donnell of the Dobbs Group. "A prudent diversified strategy uses many different asset categories, such as large cap stocks, small cap stocks, international equities and fixed-income securities."

"It was an intriguing process," explains Beno. "The Dobb's Group's computer system researched all the different managers who invest in each type of asset class and narrowed it down to the top six managers. They showed us the managers' investment histories over time, how they invest and what their style is. The Board of Trustees then selected our top 2-3 choices for each class and invited those fund man-

agers to make a presentation to us. Only then did the Board make a decision on which manager to hire for each class."

Prior to starting the diversification process, the Plan had four asset classes—core fixed income, core large cap stocks, small cap value stocks and real estate. Now, the Plan has nine asset classes, each managed by their own top expert.

"Four years ago, our only investment manager was McMorgan," says Beno. "Our investment consultant said that we needed to diversify to get the best returns out of the market. By diversifying, we now have our monies invested in markets where McMorgan didn't invest."

The Board also revised its investment guidelines, in terms of how diversified the fund must be. All of these managers have a niche within that guideline. For example, the Dobbs Group will watch to ensure that no investment is going above its designated percentage of the portfolio. They re-balance the fund on a continuous basis, so we're not too heavily invested in any one area.

Beno said that the Dobbs Group provides the Trustees with monthly investment reports from each fund. "If anything stands out, we can put them on a watch list, and start looking for other managers."

The AI fund has started moving monies into these new managers' hands over the last year. "We're taking advantage of some of the positive things happening in the market over the last six months, but it'll take time and patience to build up our portfolio," Beno adds. "We've already seen some better returns, and hope it keeps improving."

Here are the current asset classes and the investment managers hired to manage those funds:

Fixed Income

Core: Morgan & Company—high quality fixed income securities such as U.S. Treasuries and Corporate Bonds.

High Yield: New York Life Investment Management—lower quality, higher yielding corporate fixed income securities.

Equities

Large Cap Value: Fifth Third Asset Management—large cap stocks that are considered by to be under-valued.

Large Cap Core: Chartwell Investment Partners—large cap stocks that have both value and growth characteristics.

Large Cap Growth: New Amsterdam Partners—large cap stocks that have long-term growth potential.

Mid Cap Growth: Northern Capital Management—mid cap stocks that have long-term growth potential.

Small/Mid Cap Value: NWQ Investment Management—small to mid cap stocks that are considered to be under-valued.

International: Brandywine Asset Management—non-U.S. stocks that are mid to large in size that are considered to be under-valued.

Real Estate:

Direct Real Estate: McMorgan & Company—invests in direct real estate throughout the U.S.; also invests in mortgages.



Health Care Updates

Bargaining together for health

In an effort to hold down health care costs, 14 Taft-Hartley health plan funds, including Automotive Industries, have formed the California Health Care Coalition to set care standards, hold down costs and pool their bargaining power.

Representing 500,000 union members, the Coalition includes trustees from both labor and management. DBR Jim Beno and Area Director Don Crosatto represent AI at Coalition meetings.

The group will identify providers with unusually high costs, such as the 13 Sutter hospitals in Northern California. In 2003, the California Public Employees' Retirement System says it dropped Sutter from its network because of high charges. They'll also negotiate jointly with Kaiser, Pacificare and the prescription drug companies.

"Even though we lost Prop 72—the Health Care Initiative—the vote

in California was actually the closest that any initiative has come in the country to mandate health care," says Beno. "It's not a dead issue by any means, because health care is still in crisis mode. Even though the bill was defeated, we need relief."

The unions that have signed on so far include the Carpenters, Operating Engineers, UFCW, AFSCME, Calif. School Employees Association, Cement Masons, Field Ironworkers and SEIU.

By joining this coalition, the Machinists hope to increase their bargaining power. "We're all faced with the same problem and can't fight the issues alone," Beno said. "AI has 10,000 participants—25,000 with families—but we're still small. If you start adding in the other unions, we have a much bigger voice to negotiate how the providers set rates and charge for services."

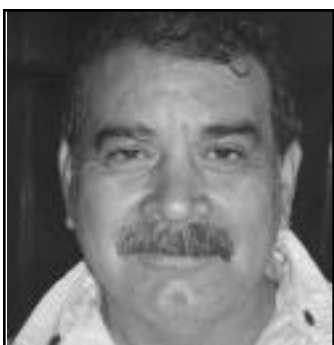
ATPA

ASSOCIATED
THIRD PARTY
ADMINISTRATORS

ATPA is the administrator for the
Automotive Industries Health & Welfare
and Pension Trust Funds.

Contact us at 510-836-2484

SHOP TALK: If social security is in a crisis, what's the solution?



Mario Del Hoyo
Marine Dockside
Local 1484

"I don't agree with President Bush or the Republicans. If Social Security is in trouble I think we can work on the problem by putting in more contributions. I do disagree with privatization."



Fred Chavez
BFI-San Carlos
Local 1414

"I don't think there's enough money right now to pay for the guys going out, but I don't know how privatizing it would work out—it could go both ways."



Rigoberto Conrado
Marine Dockside
Local 1584

"President Bush is attempting to manufacture a political crisis to make drastic changes to Social Security at OUR expense. I don't support him on privatization."



David Garcia
BFI-San Carlos
Local 1414

"They should privatize it. It's my money; I don't need the government to invest my money. When we retire, there's not going to be enough there. I've done pretty well on my own."



Roberto Ayala
Marine Dockside
Local 1484

"I don't know too much about the proposed changes to Social Security. I do know that we need to protect it as this is important to me."

Discussions about future directions rage on the web

Controversy in the labor movement

Since the founding of the AFL-CIO nearly 50 years ago, our employers have changed, our industries have changed, technology has changed, and the global economy has changed. Despite many accomplishments of which we are justly proud, the labor movement has not kept pace with these changes. Today, workers and their families are paying the price. It is urgent that bold improvements be made now so that working people can speak with a strong, united voice...

With that call, the AFL-CIO launched its website in January to promote discussion about how to organize and grow in the future. The discussion began many months before this, however, when Service Employees International Union President Andy Stern made his own proposal about how the labor federation should re-make itself.

To date, proposals have been submitted by national unions, including the IAM, service employees, laborers, firefighters, postal workers, communications workers, roofers, teachers, Teamsters, cement masons, engineers, government workers, transit workers and others, as well as from State Federations and Central Labor Councils have weighed in, as have several trade and industrial departments, constituency groups, and community partners.

How should we strengthen the union movement for the future? What will it take to give working families the power we need to balance corporate power? How do we make the most of the solidarity and

energy of the 2004 presidential election campaign? And most important, what will it take for the union movement to grow?

Many of the answers to these questions have to do with how the AFL-CIO spends its money—should the primary focus be on organizing new union members, establishing a labor television network, or more political mobilization?

Another set of answers is more structural: how should the federation itself be organized? The SEIU and some other unions have championed the concept of merging the 58 current unions into a smaller core of 15-20 that each represent industrial sectors. The IAM has taken the lead in opposing this direction in the name of democracy and member choice.

In mid-February and early March, the AFL-CIO Executive Council will discuss the various proposals. In the spring, they are expected to issue recommendations, which will likely be voted on at the Federation's convention in July.

Hours of fascinating reading can be found on the web at: www.aflcio.org/aboutaflcio/ourfuture/ or www.unitetowin.org. Both websites have sections for union members to add their input.

Notice to members interested in state legislation

On May 23-24, the State Labor Federation and Building Trades are holding their Joint Legislative Conference in Sacramento. This event includes political speakers, workshops on the issues, and a day for lobbying. The Machinists California Conference will follow on May 25.

Area Director Tom Brandon, who coordinates the Cal Conference suggests that if you're interested in being a delegate to either event, you should get yourself named as a delegate to both. Talk to your Area Director or Business Rep for more information.

And a little more applause, please...

The Sparkplug won first place for General Excellence for a regional publication with less than 20,000 circulation from the International Labor Communications Association, an organization of labor journalists affiliated with the AFL-CIO.

The awards were presented at a luncheon in Washington, D.C. in November.

"We think the paper does a great job, and we know that the IAM recognizes it as one of the highest quality District Lodge newspapers," says DBR Jim Beno. "It's great to be recognized by labor journalists from other unions as well. Special congratulations to our editor Debra Chaplan."

The New 2005 California State Employee Girly-Men Handbook

By Arnold Schwarzenegger (as reprinted by Myprinceyboy)

SICK DAYS: We will no longer accept a doctor's statement as proof of sickness. If you are able to go to the doctor, you are able to come to work.

PERSONAL DAYS: Each employee will receive 104 personal days a year. They are called Saturday and Sunday.

LUNCH BREAK: Skinny people get 30 minutes for lunch as they need to eat more, so that they can look healthy. Normal size people get 15 minutes for lunch to get a balanced meal to maintain their average figure. Fat people get 5 minutes for lunch, because that's all the time needed to drink a Slim Fast.

DRESS CODE: It is advised that you come to work dressed according to your salary. If we see you wearing \$350 Prada sneakers, and carrying a \$600 Gucci Bag, we assume you are doing well financially and therefore you do not need a raise. If you dress poorly, you need to learn to manage your money better, so that you may buy nicer clothes, and therefore you do not need a raise. If you dress in-between, you are right where you need to be and therefore you do not need a raise.

BEREAVEMENT LEAVE: This is no excuse for missing work. There is nothing you can do for dead friends, relatives, or coworkers. Every effort should be made to have no employees attend to the arrangements. In rare cases where employee involvement is necessary funeral should be scheduled in the late afternoon. We will be glad to allow you to work through your lunch hour and subsequently leave that much earlier.

RESTROOM USE: Entirely too much time is being spent in the restroom. There is now a strict 3-minute time limit in the stalls. At the end of three minutes, an alarm will sound, the toilet paper roll will retract, the stall door will open and a picture will be taken. After your second offense, your picture will be posted on the company bulletin board under "Chronic Offenders."

Thank you for your loyalty to our Great State. We are here to provide a positive employment experience.

—THE GOVERNATER

Moving?

Send the mailing label on this newspaper to your Local Union office.

See Calendar on page 8 for your local union's address.

SHOP TALK: If social security is in a crisis, what's the solution?



Trevor Franco
BFI-San Carlos
Local 1414

"I don't know what the answer is. The baby boom generation contributes to those retired now. By the time I retire, I'll be shorted. The government needs to find solutions—either take it away completely or improve it."



Rudy Morales
ConGlobal
Local 1484

"I don't trust the Bush Administration nor do I trust Bush with his plan. There is no guarantee my money will be there when I retire. I hope they don't make drastic changes now that will affect me later."



Elias De La Cruz
BFI-San Carlos
Local 1414

"The president can talk all kinds of s--t. We paid the money in. They're supposed to give it back. It's supposed to be there."



Alfred Lopez
Organizer
Local 1484

"They should leave Social Security alone. If the government didn't take revenue from the fund, we wouldn't need to privatize Social Security."



Pascual De La Cruz
BFI-San Carlos
Local 1414

"I don't think we'll have any money left if the President gets what he wants. I hope the people protest."

Mechanic's wife hits the street with IAM-built motorcycle wheelchair

After Bonnie Bowers was diagnosed with Multiple Sclerosis, one of her symptoms was difficulty walking. However, she quickly learned that getting from her home outside of Manteca into the town to shop was an all-day and sometimes dangerous affair. The fastest available wheelchair only went 7 miles per hour, which could be a challenge going up overpasses or on highly trafficked country roads.

Her husband Jerry, a 30-year member of Local 1546 and a motorcycle and drag racing enthusiast, knew that there had to be a better way, and if need be, he would invent it.

The result is a set of motorcycle wheelchairs—one for her and two for him. One of these is a dragster, capable of going 130 mph!

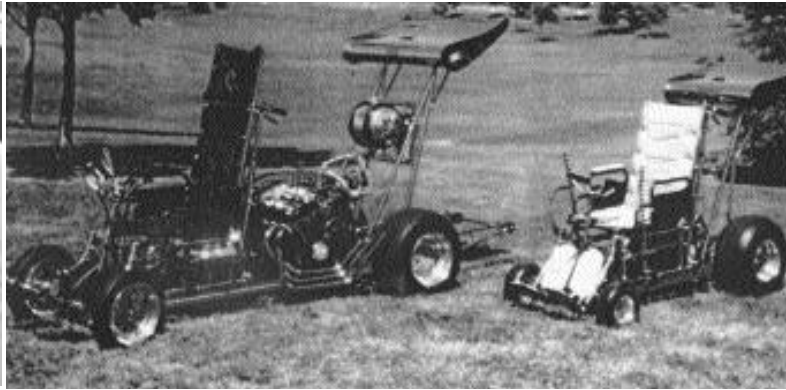
Jerry, who owns Jerry's Truck and Trailer Refrigeration in Manteca,



Left: Bonnie and Jerry Bowers.

Wheelchair Left—HIS—1979 Honda engine, BCX 1000, 6 cycle., hand-operated, air shift, nitrous 200 horsepower, turns 11,000 rpm instantly, junior dragster slicks. 130 mph wheelchair.

Wheelchair Right—HERS—Pro Street Wheelchair. Honda 110 engine, automatic 4-speed, low and high range, all hand-operated. Runs at 50 mph in high range.



built Bonnie's first motorcycle chair from the ground up. Starting with an old Honda three-wheeler engine, Jerry says he "put the wheelchair on the ground, the motor right behind it, and then I eyeballed it and put it all together. It was only tack-welded when I rode it for the first time, and I loved it."

Bonnie's wheelchair shifts with a lever that comes up on the left side of the steering wheel. Jerry says it's designed so she can shift and clutch with one lever.

"After having so much fun building her chair, I decided to build myself one," he says. His, though, has about 10 times the displacement: "I used a

'79 CBX 1000 engine." He added a blower and nitrous oxide, which he says should be good for about 210 horsepower. An air-shifter handles gear selection.

Jerry says he never takes his on public streets, though. "I know I'd get in trouble with mine,"

Bonnie, on the other hand, uses hers daily. "I love it," she says. "It draws a crowd everywhere I go. It's great to just keep up with traffic."

Jerry and Bonnie enjoy taking their motorcycle wheelchairs to custom hot rod bike and car shows, where they always get an enthusiastic response.

What's next for Jerry? He put out a challenge to Monster Garage star Jesse James to build his own chair with a Harley engine, for a race. So far, he hasn't gotten a response.

UNION MEETINGS



District Lodge 190

7717 Oakport Street
Oakland, CA 94621
510-632-3661

Executive Board Meeting

Fourth Tuesday of each month at 6:30 p.m.

February 22 • March 22 • April 26

General Delegates Meeting

Fourth Tuesday of each month at 7:30 p.m.

February 22 • March 22 • April 26

Local 801

7717 Oakport Street,
Oakland, CA 94621

Membership Meeting

Third Thursday of the month at 4:00 p.m.

February 17 • March 17 • April 21

Meetings are held at the Carpenters' Hall, in Reno.

Local 1101

3777 Stevens Creek
Blvd., Suite 320
Santa Clara, CA 95051
408-551-2280

Stewards Meeting

First Thursday of each month at 6:00 p.m.

February 3 • March 3 • April 7

Executive Board Meeting

Second Thursday of each month at 5:30 p.m.

February 10 • March 10 • April 14

General Membership Meeting

Second Thursday of each month at 6:30 p.m.

February 10 • March 10 • April 14

All meetings are held at the above address. Check union office for room.

NOTE: New office hours: Mon-Thur. 8 am-5 pm

Friday: 8 am-4 pm.

For Reps: Call ahead for appointment/availability

Local 1173

1900 Bates Ave., # H
Concord, CA 94520
925-687-6421

Executive Board Meeting

Second Thursday of each month at 6:30 p.m.

February 10 • March 10 • April 14

Membership/Shop Stewards Mtg.

Third Thursday of each month at 6:30 p.m.

February 17 • March 17 • April 21

Local 1414

150 South Blvd.
San Mateo, CA 94402
650-341-2689

Shop Stewards Meeting

First Thursday of each month at 6:00 p.m.

February 3 • March 3 • April 7

Executive Board Meeting

Second Thursday of each month at 6:00 p.m.

February 10 • March 10 • April 14

General Membership Meeting

Third Thursday of each month at 6:30 p.m.

February 17 • March 17 • April 21

Retirees Club

First Wednesday of June, Sept., Dec., March at 11:00 a.m. All are welcome!

March 2, 2005 • June 1 • September 7 • December 7

Local 1484

1261 Avalon Blvd.
Wilmington, CA 90744
310-835-6688

Executive Board Meeting

Third Thursday of each month at 6:00 p.m.

February 17 • March 17 • April 21

General Membership Meeting

First Tuesday of each month at 6:00 p.m.

February 1 • March 1 • April 5

Retiree Club

Third Wednesday of each month at 1:00 p.m.

February 16 • March 16 • April 20

Local 1528

713 16th Street
Modesto, CA 95354
209-529-9210

Executive Board Meeting

First Wednesday of each month at 5:30 p.m.

February 2 • March 2 • April 6

General Membership Meeting

First Wednesday of each month at 7:00 p.m.

February 2 • March 2 • April 6

Local 1546

10260 MacArthur Blvd.,
Oakland, CA 94605
510-638-6705

General Membership Meeting

First Tuesday of each month at 7:00 p.m.

February 1 • March 1 • April 5

Shop Stewards Meeting

First Tuesday of each month at 5:30 p.m.

February 1 • March 1 • April 5

Executive Board Meeting

Thursday preceding membership meeting at 6:30 p.m.

January 27 • February 24 • March 31

Retiree Club Pot Luck Luncheon

First Wednesday of each month at 12 noon

February 2 • March 2 • April 6

Alcoholics Anonymous: Every Saturday, 9 a.m.

Local 1584

8130 Baldwin Street
Oakland, CA 94621
510-635-2064

Membership Meeting

Third Thursday of each month at 7:00 p.m.

February 17 • March 17 • April 21

Executive Board Meeting

Preceding Monday at 7:00 p.m.

February 14 • March 14 • April 18

Retirees Club

First Tuesday of each month at 12:30 p.m.

February 1 • March 1 • April 5

Local 1596

4210 Petaluma Blvd. No.
Petaluma, CA 94952
707-795-0085

Membership Meeting

Third Tuesday of each month at 7:00 p.m.

February 15 • March 15 • April 19

Executive Board Meeting

Third Tuesday of each month at 6:30 p.m.

February 15 • March 15 • April 19

Local 2182

967 Venture Court,
Sacramento, CA 95825
800-458-9200

Executive Board Meeting

Second Tuesday of each month at 6:00 p.m.

February 8 • March 8 • April 12

General Membership Meeting

Second Tuesday of each month at 7:00 p.m.

February 8 • March 8 • April 12

Retirees Club - VISTA CLUB

Third Wednesday of each month at 11:00 a.m.

February 16 • March 16 • April 20