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Grocery workers ratifying new contracts

Grocery workers at major supermarkets in Oregon and Southwest Washington are voting on new collective bargaining agreements this month, bringing an end to nearly two years of negotiations that was steering toward a strike.

At press time, new contracts had been ratified at Fred Meyer (Kroger), Safeway, Albertsons, and QFC stores in Portland, Vancouver, Eugene, The Dalles, Hood River, Newberg, Bend, Newport, and Burns. Voting will take place in other parts of the state through Feb. 20.

United Food and Commercial Workers (UFCW) Local 555 represents approximately 14,000 grocery clerks, meat cutters, and central checkout clerks at the stores. A 45-member Unity Bargaining Committee has been in negotiations for more than 22 months with Allied Employers Inc., a Kirkland, Washington-based firm representing grocers. It is the first time in the union's history that contracts from each geographic region within its jurisdiction — from Klamath Falls, Oregon, to Longview, Washington — were bargained simultaneously.

Up until late January, employers had budged very little on their demands to increase the minimum waiting time to receive full health care coverage (from



Portland area grocery workers and meat cutters listen to details of a labor agreement reached last week between UFCW Local 555 and Safeway, Fred Meyer, Albertsons and QFC stores.

43 months to a minimum of 78 months), and to double the out-of-pocket annual maximum for family coverage to \$12,000. Employers also wanted the ability to schedule workers seven days a week without any days off or having to pay overtime, effectively eliminating the five-day work week.

Having seen enough, the union scheduled a series of statewide strike vote/contract update meetings for members throughout the month of February. That action prompted the employer group to engage in a four-day, 68-hour marathon bargaining session starting Jan. 29. Those talks resulted in

an offer the union was willing to take to its membership for a vote.

"This was some of the toughest bargaining in bad times that I've ever seen," said Secretary-Treasurer Jeff Anderson, a 36-year member of the union.

Anderson said employers agreed to merge the Portland area medical plan with the Joint Labor Management Retail Trust. JLMRT covers employees from Salem to the California border, in Central Oregon, in far Eastern Oregon, and in Southwest Washington.

Employers will increase funding for medical insurance by 14.87 percent; JLMRT members will see their Level 3



benefits improve, with deductibles reduced from \$500 to \$300 and annual out-of-pocket costs reduced from \$5,000 to \$3,000. After annual deductibles are met, the plan will pay 85 percent of the bill, a 10 percent increase

from the previous contract.

Contract expiration dates also were altered so that Portland will lead off in the next round of bargaining starting in June 2015. The union wanted its largest group to be first out of the blocks because it provides more power at the bargaining table. In the past, the Portland unit bargained toward the end, after smaller contracts downstate had already been completed. Additionally, the time span between when the first and last contracts expire was narrowed from 30 months to 16 months.

Anderson acknowledged that the contracts also contained "some awful stuff," but he said it was probably the best the bargaining committee was going to get, short of a strike. Workers will get a raise of 25 cents an hour over three years; it will take new hires more hours to reach journey-level status; and they won't be paid time-and-a-half when working holidays.

The new contracts for the Portland area expire in June 2015; Vancouver expire in December 2015; The Dalles/Hood River expire in June 2016; Eugene expire in February 2016; Newberg expire in September 2015; McMinnville expire in August 2016; Bend expire in July 2015; Burns expire in December 2015; Lincoln City/Newport expire in August 2016.

Daimler Trucks to lay off 250 union workers at Swan Island plant

Daimler Trucks North America will lay off 250 union production workers at its Swan Island truck plant March 1, part of a 1,300-worker downsizing throughout North America "due to the present softening of economic conditions."

The layoffs do not impact managers, supervisors, engineers, and support staff, or nearly 2,000 nonunion white-collar workers at Daimler's Portland headquarters, said Joe Kear, business representative of Machinists Lodge 1005.

The Portland manufacturer of heavy-duty Western Star trucks currently has a unionized workforce of 930.

Hardest hit by the layoffs is Machinists Lodge 1005, which will lose 180 members. Teamsters Local 305 will lose 44 members; Sign Painters and Paint Makers Local 1094 will lose 25 members; and Service Employees Local 49 will lose four members. For the Machinists Union, that means all employees hired on or after June 1, 2011, will be laid off. For Painters Local 1094, all

employees hired on or after Sept. 6, 1994, will be laid off. All Teamsters Local 305 employees hired on or after Nov. 14, 2011 will be laid off. And all Service Employees Local 49 members hired on or after Feb. 23, 1998, will be laid off. Workers will have four years of call-back rights.

Labor's Community Service Agency and Worksystems Inc. are meeting with impacted workers to assist with career counseling and other support services. Kear told the Labor Press that Daimler Trucks North America also will file a petition for federal Trade Adjustment Assistance.

In October 2011, Freightliner announced with great fanfare that it would hire 350 shop workers in 2012. At the time, it had a unionized workforce of approximately 700.

"Orders were up, they had a backlog, and they anticipated orders would keep going up. But those orders never materialized," Kear said.

The expanded workforce eventually caught up with the backlog, and because new orders were

slow coming in, Daimler in 2012 imposed temporary shutdowns, furloughing workers for one, two, and three days at a time. The last three-day shutdown was in late January.

After the March 1 layoffs, the plant will go from two shifts producing 34 trucks a day, to one shift producing 26 trucks a day. Half-a-dozen shop floor managers and supervisors from swing shift will be reassigned to day shift.

The union workers are in the final months of a three-year contract that expires June 28. Bargaining for a new contract will begin in a few months.

Daimler (formerly Freightliner) actually was preparing to close the Swan Island manufacturing plant in October 2008. But after learning that it would incur substantial "legacy" costs to its union workers if it closed, the German-owned company rescinded the planned closure with the proviso that the unions agree to wage and benefit concessions, which they did.

Wages at the truck plant have been frozen for

four years, Kear said.

Daimler notified North Carolina state officials that, effective April 1, it plans to lay off 715 employees at its truck plant in Cleveland, 405 workers at its plant in Mount Holly, and 80 people at its Components and Logistics business in Gastonia. The company is in the process of building a 311,000-square-foot warehouse to support the parts plant in Gastonia. The \$25 million facility is slated for completion in August.

Production workers in North Carolina are members of the United Auto Workers.

Daimler also operates a huge nonunion manufacturing plant in Saltillo, Mexico. There was no announcement of any layoffs there.

Daimler said in a statement that it resorted to the layoffs "due to the present softening of economic conditions that has adversely impacted the entire North American commercial vehicle industry." The cuts, it said, will "synchronize current production rates to incoming orders."