

# At the 'Big 3' grocers, bargaining begins with UFCW

Bargaining has begun over new union contracts for 10,000 workers at Fred Meyer, Safeway and Albertsons stores in Portland and Bend, Oregon. And for the first time, United Food and Commercial Workers (UFCW) Local 555 will be bargaining with all grocery, meat, central checkout, and non-food contracts at a single table.

But if union members thought they'd no longer be fighting employers over sick leave — now that a new Oregon law will guarantee it for all workers statewide — they were disappointed when the two sides traded initial proposals Sept. 15.

The existing contracts provide up to 120 hours a year of paid sick leave, but workers can't use the leave until the third day of an illness. Local 555 President Dan



"We want to see a wage increase for our members. ... And we want to make sure our health and welfare plan isn't defunded."

— UFCW Local 555 president Dan Clay

Clay says for many years the union proposed first-day sick leave, but never got anything but "hell no" from grocery employers. So Local 555 worked hard to win paid sick leave for all — first in Portland and Eugene, then statewide. The new Oregon law, which takes effect Jan. 1, lets workers take the sick leave the first day they're sick.

"Our employers have responded by proposing to eliminate all contractual sick leave

obligations," Clay told the Labor Press. In other words, Kroger and newly-merged Safeway and Albertsons want grocery workers to give up the 120-hour benefit and accept the 40-hour statewide minimum instead.

Still, Clay said bargaining might go more smoothly than three years ago, when the employer group had to rescue pension and health plans ... and workers got raises of just 25 cents an hour. Now the union's

multi-employer pension is up to 93 percent funding — thanks to the financial market rebound and extra money that employers kicked in. And the two health and welfare plans have merged and are in better shape financially.

"We want to see a wage increase for our members. We want to make sure that the pension plan stays solid. And we want to make sure our health and welfare plan isn't defunded," Clay said. The two sides haven't presented wage and benefit proposals yet, but the union plans to propose significant wage increases, Clay said.

The union will also look at how workers are scheduled and how many hours they get. Right now, too many can't get more than part-time hours, Clay said. And the union wants schedules

posted with 21 days notice; currently they're posted on Thursdays for the following week.

The previous three-year contracts for the Portland and Bend areas expired in June and July, but their terms remain in effect, and it's standard UFCW practice to bargain after contract expiration.

Last time, Local 555 was able to get the Portland and Bend contracts to expire before its contracts elsewhere in the state, to give the biggest bargaining unit a chance to set standards to be adopted elsewhere. Those other contracts all come up for renewal over the next 14 months, and local union representatives from those units are observing the Portland and Bend talks. The two sides will next meet on Oct. 26 and 27.

## How the Big 3 became the Big 2

The last time Local 555 bargained, it was with the "Big Three" multi-employer group that included Kroger (Fred Meyer's parent company), Safeway, and Albertsons. The group has since become the "Big Two." Albertsons — owned by an investor consor-

tium led by private equity firm Cerberus Capital Management — acquired Safeway in January for \$9.2 billion. As a condition of approving the merger, anti-trust regulators at the Federal Trade Commission required the merged company to sell 168 of its roughly 2,400

stores. The 18-store Haggen supermarket chain, which is controlled by the private investment firm Comvest Partners, bought 146 of them. But the Bellingham, Washington-headquartered Haggen quickly ran into trouble with its massive expansion, and began laying off



employees and closing stores. On Sept. 8, it filed for Chapter 11 bankruptcy. Haggen has said it's closing stores because there are no interested buyers. But

UFCW leaders say there's no sign Haggen looked for buyers. Haggen and Kroger-owned QFC have separate UFCW contracts from the Big 3.

Providing auditing and accounting services to labor organizations and employee benefit plans since 1941

## Union nominees sought for labor relations awards

The Oregon chapter of the Labor and Employment Relations Association (LERA) is seeking nominations of union stewards and officers for its annual Maggie Awards. The awards recognize people who have achieved excellence in labor-management relations. Individuals honored must have demonstrated integrity and commitment to the collective bargaining process, and have extensive experience in collective bargaining.

Winners will be announced at an awards ceremony following LERA's annual conference Nov. 17 at the World Trade Center, 121 SW Salmon St., Portland.

Nomination forms are available at [www.OregonLERA.com](http://www.OregonLERA.com).

For more information, email [president@oregonlera.com](mailto:president@oregonlera.com).



**MKA** MILLER KAPLAN ARASE LLP  
CERTIFIED PUBLIC ACCOUNTANTS SINCE 1941

Jeffrey Goss / Catherine Gardner  
971.255.0546  
[MillerKaplan.com](http://MillerKaplan.com)