

Nabisco unilaterally implements its terms on union workers

Two years after talks stopped, Mondelēz-Nabisco is leaving the union pension and giving two years of retro raises

By Don McIntosh

Mondelēz is unilaterally implementing parts of its final union contract offer at Nabisco bakeries around the United States. The move comes after a two-year standoff during which no negotiations have taken place — and three days after the expiration of a company ultimatum. Mondelēz asked its roughly 2,000 union workers to agree to let it worsen their health benefits and withdraw from the union-sponsored pension plan in exchange for a one-time \$15,000 contract ratification bonus, pay raises, and a new 401(k); the company said the bonus offer would be valid through May 20 only. Bakery, Confectionery, Tobacco and Grain Millers (BCTGM) rejected the company's request that union members vote on that offer.

Then the company notified BCTGM May 22 that it intended to implement two aspects of its offer — wage and retirement — and laid out the details in a May 23 letter to workers.

"It's another cutesy move by the company," said Ron Baker, BCTGM International Strategic Campaign Coordinator. "We're certainly not done with them."



"Hands off Our Pensions!" said signs in vehicles all over the employee parking lot at the Portland Nabisco plant. Bakers Local 364 officers helped to distribute them to show opposition to company plans to withdraw from the union-sponsored pension. (From left: Local 364 secretary-treasurer Victor Weekes, president Jason Lind, and vice president Leo Lovato.)

As spelled out in the letter, workers will get a set of pay increases retroactive to the March 1, 2016 expiration of their previous union contract. That means they'll get back pay checks equal to what they would have made if they'd gotten the company's proposed 2.25 percent annual wage increases on March 1 of 2016, 2017, and 2018. For full-time workers whose pay has been frozen at about \$26 an hour, the back pay amounts to about

\$4,000 before taxes.

The company is also halting contributions to the Bakery and Confectionery Union and Industry International Pension Fund effective May 23, and instead will begin to contribute to a 401(k)-type retirement savings account managed by Fidelity Investments. The contributions will range from 26 cents to \$4.73 an hour, depending on employee age, with the oldest employees getting the biggest hourly contributions.

Notably, Mondelēz is not yet implementing other parts of its final offer, including less generous health insurance terms. Mondelēz proposed that workers pay deductibles of \$200/ \$400 (for single/family coverage) and face out-of-pocket maximums of \$1500/ \$3000, while for the first time paying \$28 to \$68 a month toward the insurance premium.

The moves by Mondelēz to hold the line on wages, pension and health care costs for its union member workers comes at the

same time the company is paying executives such as astronomical salaries that even shareholders are objecting. At the company's May 16 annual meeting, shareholders passed a non-binding advisory resolution by 55 percent that rejects last year's outsized compensation to Mondelēz' outgoing and incoming CEOs.

Mondelēz paid its longtime CEO Irene Rosenfeld \$17.3 million last year; she left the company in November after five years as CEO. Then Mondelēz paid her successor Dirk Van de Put \$42.4 million. That included \$30 million in stock awards, a \$10 million cash bonus, \$975,000 in stock options, a \$1 million incentive-plan payout, \$268,000 in other compensation, and a base salary of just under \$163,000 for the 41 days of work he performed in 2017. Some \$38 million of the total was supposedly a "make whole" package compensating him for what he would have made if he stayed at his previous employer, privately-held frozen french fry maker McCain Foods.

Mondelēz also gave raises totaling \$8 million to its chief financial officer and "chief growth officer."

And as Crain's Chicago Business newspaper pointed out, this was while the company's stock dropped 3.45 percent in value, even as the S&P 500 index for equivalent companies rose 10.46 percent.

...VA privatization

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than the rest of America, and one that suffers from very specific conditions, from traumatic brain injury to post-traumatic stress disorder (PTSD) to Lou Gehrig's disease, which is related to exposure to Agent Orange during the Vietnam War.

VA doctors specialize in treating those and many other service-related conditions. They also spend more than twice as long with patients in their office visits than doctors in the private sector. And as salaried public employees, they have no incentive to overtreat.

Healthcare journalist Suzanne Gordon, author of a 2017 book about veterans healthcare policy, says the VA health system has gotten an unfairly bad reputation in recent

years, mainly because of a wait time scandal in which the Phoenix VA hospital was falsifying wait time records. The wait time scandal led to the passage of the VA Choice Act, in which opening the door to private care was sold as a temporary solution to the wait time problem. But there's evidence the problem was overstated to begin with, and that the VA system is the victim of a double standard: A 2014 RAND Corporation study that was mandated by the VA Choice Act found that VA wait times are not notably worse than wait times in other health systems.

AFGE legislative and political organizer Ian Hoffman calls the VA Mission Act a Trojan horse. Entering under the guise of an expansion of care, it will divert VA patients to more ex-

pensive, less effective private care, and will reduce patient numbers at VA facilities, which will then serve as the justification for the closures the bill enables.

"If in five years you've outsourced enough, you'll have a lot of underutilized facilities that look like they should be closed — because you've rigged the game," Hoffman says.

Privatization is a very real agenda for the Trump administration. After Trump fired VA

secretary David Shulkin by tweet on March 28, Shulkin wrote, in an op-ed in the *New York Times*: "They saw me as an obstacle to privatization who had to be removed. That is because I am convinced that privatization is a political issue aimed at rewarding select people and companies with profits, even if it undermines care for veterans. ... The department's understanding of service-related health problems, its groundbreaking research and its special

ability to work with military veterans cannot be easily replicated in the private sector."

Every Republican in Congress voted for the VA Mission Act. In the House, it passed 347 to 70, with 70 Democrats voting "no" and 116 Democrats joining 231 Republicans voting "yes." In the Senate it passed 92 to 5, with only Oregon Democrat Jeff Merkley, Bernie Sanders (I-Vermont), and three other Democrats voting in opposition.

WHAT S.2372 DOES

- **More home care:** Expands access to home health aides to vets from all eras
- **Privatization:** Greatly expands a program that pays for vets to get care from private doctors
- **Closure:** Creates a commission to recommend closure of under-utilized veterans health facilities, at the discretion of the VA chief, not Congress

HOW LOCAL MEMBERS OF CONGRESS VOTED

FOR

Senator Ron Wyden (D-OR)
U.S. Rep. Peter DeFazio (D-OR)
U.S. Rep. Kurt Schrader (D-OR)
U.S. Rep. Greg Walden (R-OR)
Senator Maria Cantwell (D-WA)
Senator Patty Murray (D-WA)
U.S. Rep. Jaime Herrera-Beutler (R-WA)

AGAINST

Senator Jeff Merkley (D-OR)
U.S. Rep. Earl Blumenauer (D-OR)
U.S. Rep. Suzanne Bonamici (D-OR)