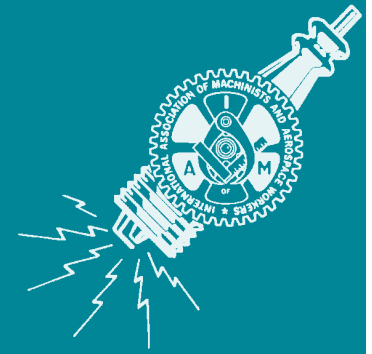


The IAM District 190 Sparkplug



VOL. 5, NO. 2

February/March 2003

Serving the Active and Retired Members of IAM District Lodge 190

The back door is tied to the front door

Economic downturn takes its toll on IAM members

As *The Sparkplug* goes to press, the President has just given his State of the Union Address. His goal for the speech was to rally the American people to support a showdown in Iraq and tax deductions for the wealthy to stimulate the economy.

What he didn't cover was the real impact of the economic downturn on working families, because it's not a pretty picture. A recent AFL-CIO report notes that:

- Unemployment is at an eight-year high and expected to grow. Ten million unemployed workers want jobs but cannot find them. According to the U.S. Department of Labor, there are 2.5 job seekers for every job opening.
- More than 2 million unemployed workers have run through their unemployment benefits. They now have no jobs—and no means of support.
- The ranks of without health care insurance rose to more than 41 million in 2001. An estimated 300,000 individuals lost health coverage during the first six months of 2002.
- Workers who still have health insurance are paying substantially more for it. Workers' premium payments rose 27% for single coverage and 16% for family coverage in 2002. Most employers are passing along more costs to workers.
- For workers who have lost billions in retirement savings, the 2002 year-end investment reports brought more bad news: The year's stock market decline marked the first three-year losing streak in 60 years.
- 592,000 less people work in manufacturing than last year. In 1989, the manufacturing sector represented an 18% share of total employment. Last year it was down to 12.8%.

Here in California

While the national picture is fairly bleak, the picture in California may be even bleaker. States are experiencing their worst financial crisis since World War II, with cumulative three-year budget shortfalls that exceed \$180 billion. Depending on who's counting, California's budget gap over the next 18 months is somewhere between \$26



and \$35 billion. That amount represents roughly \$1,000 for each person in the state.

In percentage terms, California's gap is more than the budget shortfalls of most Latin American countries. Painful cuts in spending for education, health care and the poor are almost certainly on the way.

For the first time in eight years, California legislators are talking about raising taxes. Ironically, they may be forced to take this step in part because of tax cuts and other cutbacks at the federal level.

Impact on industries with IAM members

All too many members of District 190 who work in the manufacturing sector are aware of the impact of layoffs on a very personal level. Companies from Modesto to Richmond to Fremont have closed or reduced their workforce substantially.

"The bakery industry is not in good shape," says Area Director Don Crosatto. "The large commercial bakers are at overcapacity, with smaller bakeries filling niche markets. There's recently been a buyout at Mothers Cookies in Oakland, with a number of layoffs to follow."

In the shipping business, APL is on track to lose \$200-300 million.

The company's stock is trading at 50¢. "That industry is losing a lot of money," Crosatto says. "Too many companies are chasing too little business. They have way too much capacity. The recent lockout only made it worse."

For the first time in many years, auto dealers are laying off mechanics for because the slow times are persisting. Normally, employers will endure slow times knowing how hard it is to replace mechanics, but now they're biting the bullet.

"With the state tightening its belt, less resources are available for working people—not just state employees but those who indirectly work with the state," says Area Director Mark Martin. Less money is being spent overall which contributes to a sluggish economy.

Martin sees that some of the larger companies are taking a wait-and-see approach to maintaining their trucks. "The bright spot seems to be the construction industry. But then, much of what they're working on today are jobs that were bid on a year or two ago. There's a lag time," Martin adds.

He says that auto dealerships see a similar lag. "When they stop selling cars, after a while, the supply of new cars for maintenance starts to diminish...and so does work volume. So the

back door (service) is tied to the front door (sales)."

Finally, United Airlines informed its employees that there will almost certainly be a significant number of layoffs within a few months as part of a drastic attempt to cut costs, survive bankruptcy and reinvent itself as a leaner competitor. The world's second-largest airline sought Chapter 11 bankruptcy in December—a victim of the anemic economy, the September 11 tragedy and a failed business model.

The company told its employees that they will have to come up with \$2.4 billion in reduced labor costs in 2003. The mechanics, who are members of IAM Districts 141 and 141M, resisted accepting the pay cuts.

True economic stimulus

The Bush administration's answers to these problems is a plan that dishes out nearly \$1 trillion more in huge tax breaks for the very rich and will do nothing to kick-start the economy.

It's time for policy makers to put aside contentious and lengthy debates over large changes in the tax code and focus their attention on an immediate injection of significant resources into the weak U.S. economy.

The AFL-CIO has developed a five-point plan for creating jobs and stimulating economic growth—sooner rather than later:

1. Emergency unemployment benefits.
2. Rebates benefiting low income and moderate income Americans—provided through payroll tax reductions.
3. Financial help for the states.
4. Accelerated investments in schools, roads, bridges, water, our industrial base and other infrastructure needs.
5. Minimum wage increase.

Boosting the economy will carry up front costs, but American families are already paying dearly for this period of sustained economic decline.

"Saving some of the resources currently slated to be spent on tax cuts for the wealthy and investing them in ways that help all Americans is the most responsible and affordable way to spur economic growth," the AFL-CIO study asserts. "Doing so will enable us to meet the needs of all Americans for quality health care and education, good jobs, enhanced national security and secure retirements."

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UNION PEOPLE

Hays retires; Martin named new Area Director

Hays thanks members, staff and employers

After 26 years on the staff of the IAM—working as a business rep for Local 2182 and then Area Director overseeing Locals 2182, 801 and 1528, Howard Hays is going back to the land. “I’ve got 10 acres in Newcastle, plenty of fences, buildings and animals to tend to and a 57 Chevy pick-up that I’m fixing up. I’ll definitely be busy,” Hays says.

Hays started his career and union membership at Weyerhaeuser, in Arcata, when he was 18 years old. “Next thing you know, I was on strike,” Hays recalls. In 1964, he moved to Bakersfield and worked for Hopper Machine Works, and made Sacramento his home a few years later and went to work at Wemco as a warehouseman and apprentice welder mechanic. Not long after, he became shop steward and Recording Secretary of the Local.

In 1977, Hays joined the staff of Local 2182 and never looked back. “When I left my job site, I got a one-year leave of absence so I could return without losing seniority. They’re still



Howard Hays pickets Folsom Buick-Pontiac

waiting for me to come back.” Hays says that those 26 years went by like six months. “I’ve been involved in servicing the membership, negotiations and handling grievances in automotive, machine shops, truck shops, forklift shops, production shops, and the machine and auto portions of the City of Sacramento. Every day has been something different.”

When Hays looks back on his career, he thinks about the staff that he’s worked with and the people he’s met. “Mike Day, Frank Souza and Jim Beno were excellent people to work with. I learned so much from each of them. And I know that I’m leaving this union in good hands, with Mark Martin, Skip Hatch, and Gilbert Gonzalez. And one of the best people I’ve ever worked with is Sue

Drost—her ability, efficiency and dedication are unsurpassed.”

“My personal gratification was trying to make a better life for the working people...our members,” Hays says with pride.

“Howard and I worked together since 1976,” says DBR Jim Beno. “He’s one of the most experienced Business Reps that we had. He has good common horse sense and he applied it in his day-to-day duties of enforcing contracts and handling grievances. Few Reps last as long as Howard did—hopefully he’ll have many years to enjoy a well-deserved retirement.”

As *The Sparkplug* goes to press, Hays and his wife are off to Puerto Vallarta to celebrate Howard’s retirement. “It’s been a great career, and I have to thank our members, the staff and even our employers for keeping it interesting.”

Martin’s ready for new curves

Mark Martin was promoted to Area Director, with responsibility for Locals 2182, 801 and 1528. “I attribute much of who and what I am to Howard Hays’ guidance,” says



Martin. “He took me under his wing and stumbled through my early years with me.”

Martin started working with the tools in 1981. He worked at a gas station with a small repair facility when he was in high school, and at age 20 got a union job with Lasher VW-Audi. He stayed at Lasher for 12 years serving as a shop steward and eventually joining Local 2182’s Executive Board.

“It’s been quite a challenge,” Martin says. “This job is never boring. There’s always a new curve thrown at you every day.”

Martin looks forward to his new responsibilities and serving the membership. “I expect that the future will be bright, after we get over a couple of speed bumps—like the economy and getting through the next elections.”

Larry Stewart put the guys and the shop first

Local 1546 names Steward of the Year

Area Director Don Crosatto thanked Shop Stewards—the union’s “true unsung heroes”—for their service to the union and membership at Local 1546’s 31st Annual Shop Steward Dinner, held at the Willow Park Country Club in Castro Valley on December 7. Together, he and Business Representative Mike Cook presented Larry Stewart, from East Bay Clarklift, with the Shop Steward of the Year Award.

“Without the shop stewards, Business Reps couldn’t do our work,” explained Cook. “Stewart put together a strong team at East Bay Clarklift, carried out a 10-day strike, got a contract, and then got laid off,” said Cook. “He’s got so much integrity—he put the guys and the shop first.”

“I’ve worked at Clarklift for four years, but after 9-11, I saw the business drop by 70%,” Stewart said after receiving his honors. “I put in a lot of hours setting up strike teams and doing negotiations. It just kept going and going. But we knew they’d tighten their belts when the strike was over, so in the end, I negotiated myself out of a job.”

Stewart said he was pleased and surprised to be honored by Local 1546, and he was proud of his co-workers at Clarklift. “I just hope I find another union job soon,” he said.



Don Crosatto and Mike Cook present Larry Stewart with Local 1546’s Shop Steward of the Year award.

Over 800 years of union membership



Local 1584 held its annual Retirees Luncheon on December 3 at Francesco’s in Oakland and paid special tribute to those retirees who crossed the 35, 40, 45 and 50 year mark. “In our youth, we were the future,” said Daniel P.L. Borrero, President of the Retirees Club. “The future’s now here, and we’re still needed to keep the local union alive and thriving.”

Moving? The union needs to know!

If you plan to move or have moved already, please notify your Local Union office immediately. Use the mailing label on this newspaper, or write your name, local number, and address clearly and send it to your Local.

See calendar on page 8 for your local union’s address.

The IAM District 190

Sparkplug



The Sparkplug (USPS 007966) is published bi-monthly for \$3 per year by District Lodge 190, International Association of Machinists, Oakland, Calif., a non-profit organization. Periodicals postage paid at Oakland.

The Sparkplug is the official publication of District Lodge 190 and its affiliated local lodges and notification of any meeting or election in this paper shall constitute official notice per Article B, Section 4 of the IAMAW Constitution and Articles V and VII of District Lodge 190 By-Laws.

Postmaster: Send address corrections to: The Sparkplug, 7717 Oakport Street, Oakland, CA 94621.

Beagle & Bleiweiss Communications • Debra Chaplan, Managing Editor

Members at UPS vote on first national agreement

Even while the Raiders were beating the Jets just down the road, 100 members from IAM Locals around the Bay Area met Sunday January 19 to ratify the first-ever national Machinists agreement with UPS, as well as a Northern California local supplement.

"Having a national agreement is a major step forward for the whole IAM," said DBR Jim Beno who sits on the national negotiating committee. "It means uniformity. It also means that we can use our leverage on the national level to help fix problems locally." The national agreement expires July 31, 2009.

National agreement highlights

- ▶ A total wage increase of \$5.00 an hour over the first six years; an increase in the final year will be the same as

Directing Business Representative Jim Beno explains the national contract and the area supplement, with Area Director Mark Martin available to answer questions as well.

the first increase in the next contract. (This has to do with coordinating bargaining with the Teamsters Union.)

- ▶ Wages for trailer repairmen will be set at 85% of the journeyman mechanics rate in their area.
- ▶ A total health and welfare and pension contribution increase of \$3.75 per hour for the first six years of the agreement. The increase in the final year of the agreement will be the same as the increase in the first year of the next contract;
- ▶ Establishment of improved grievance and arbitration procedure.

Local supplement highlights

- ▶ The establishment of a retiree



IAM members from across Northern California came to Local 1546 in Oakland to learn about and ratify the first UPS national agreement

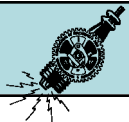
investment trust fund to help offset medical out-of-pocket costs incurred after retirement;

- ▶ Smog licenses are now voluntary instead of mandatory, with a \$500 reimbursement for all mechanics who possess and maintain a valid BAR smog license. The number of new employees eligible for reimbursement to be determined by the employer;
- ▶ Overtime language improvements;
- ▶ Increase in life insurance to \$50,000;
- ▶ Improvements in seniority language.

Vote results

About 200 District 190 members work at UPS. Votes were held on January 4 in Reno, January 11 in Fresno for Fresno & Bakersfield, and January 12 for Northern California.

"Our group ratified the national and local agreements by a two-to-one margin," Beno reported. "The last unit will vote in mid-February. We know that the Chicago group turned their proposal down, but they are back at the bargaining table for some local issues. We should know in mid-February. As far as we're concerned, our contract is settled."



ORGANIZING UPDATE

Sears appliance technicians vote on union representation

On January 17, 315 appliance technicians and about 110 support associates who work at Sears at 10 different units—from Bakersfield and Fresno up through San Bruno, Concord, and San Jose voted on joining the IAM. The results will be announced in early February.

"We have a pretty good shot at winning this," said Organizer Jesse Juarez, "but there are no guarantees."

Since 1993, there haven't been any successful union organizing drives at Sears in California. "It'll be huge if we win," Juarez added. "Our guys got encouragement from Sears employees from across the country."

Spiking the unit

In December, the NLRB ruled that the "support associates" should be part of the bargaining unit. "These customer relations, audit cashiers, parts pros, shipping & receiving clerks, shuttle drivers, parts sales associates, truck stock specialists, and fleet coordinators should have union representation," said Juarez.

"But they have different issues from the Appliance Techs who we petitioned to represent. I hope they voted for the union, and if we win, we'll represent them well. But this was a whole group of people who were more likely to vote against the union than for it."

"If this was a horse race then the union started 100 lengths behind. We may have caught up, but we'll just have to wait and see. All we can do now is wait for the tally."

Changing the agreement

Because the 10 units are so spread out geographically, Sears had agreed to have on-site voting at three sites, and mail voting for the rest of the sites. At the very last minute, the company reduced the election day workload for appliance techs from 12-14 calls down to three, and drove them to one of the voting sites. "Even the NLRB didn't expect this," Juarez says. "They ran out of challenged ballots."

Juarez feels confident that the union prevailed. "The company pulled all kinds of shenanigans. Sears never addressed their employees' concerns. All they talked about was how bad a union is."

Juarez was working on the organizing campaign for more than four months. In the last two weeks, he visited a new site on a daily basis arranging for house calling and blitzing. "The international will think I used a helicopter to get to all those places."

What kept Juarez' spirits high was the courageous men and women he worked with. "They did so much to help themselves and their fellow co-workers."

At the three sites where there was on-site balloting, the union recruited several observers who wore t-shirts emblazoned with the slogan "Fighting Machinists." Juarez reports that the company was trying to punish these union supporters by making them take a vacation day.

Juarez made sure that they were

each assigned three house calls, so that they had the same work responsibilities as the techs that Sears brought to the polls.

"I have no regrets, win lose or draw," Juarez said. "This was a challenging campaign. We'll see if justice prevailed."

Trimming the last tree at Smith



The guys at Smith Dodge tried to stay in the Christmas spirit with their tranny parts tree, but it wasn't easy. After 16 years on San Pablo Avenue in Richmond, the dealership was sold to Stead, closed on December 13 and moved up to Hilltop. "29 union guys will be out of jobs," said Shop Steward John Diederich. "We'll all take the rest of the year off, and then try to find another job in the union." The tree was the creation of technician Jim Tomiello. (L-R: Juan Vivero, Parts Tech; Robert Mora, Dispatcher; John Diederich, Auto Technician. They worked at Smith Dodge for 10, 12 and 8 years, respectively.

Demanding a union in Tracy

The technicians at Tracy Dodge marched on the boss in December, demanding a union. "We'll be having an election on February 11. The NLRB added two service writers and the dispatcher to the unit, but I'm very confident that the guys will stick with the plan and vote for the union."

Coy has a few other dealerships up his sleeve. Watch the next issue of *The Sparkplug* for the results.

Good leverage at Allison

In January, the Local 1101 members who work at Allison BMW in Mountain View ratified a 67-month contract—that's five years and seven months—that includes many improvements and no givebacks. "One of the best parts of the contract is that it now expires on May 31, which gives us good leverage for our next negotiations," says Business Representative Glenn Gandolfo.

The contract includes wage increases of \$1.25 each of the first three years and \$1.50 for years four and five, with \$.75 for the last seven months. Also, they'll have the AI Health and Welfare Plan instead of the dealers' plan, which should reduce their co-pays significantly. The pension contribution will make its way past the \$500 point, and their life insurance cov-

erage will go from \$50,000 to \$100,000. For the first time they'll have disability, orthodonture and bereavement leave.

Early deal at Dockside Machine

The members of Local 1484 who work at Dockside Machine in Wilmington got a new and improved on-dock agreement, and they weren't even at the contract's deadline. "We got the folks up to the prevailing rate at Dockside," reports Business Representative Kevin Kucera. "Some members got as much as a \$10/hour wage increase," adds Organizer Al Lopez, "and for the first time, the company will contribute \$2.10/hour to the National Pension Plan."

Kucera says that it's a small group of workers, but now they have a much better standard to work under. "While we were at it, we settled some other issues and avoided arbitration. This was a good deal."

Ellis Brooks pays up

Local 1414's 39 members at Ellis Brooks Chevrolet in San Francisco ratified their contract in December, and according to Area Director Charles Netherby, "it's a good one."

The agreement goes through July 1, 2005. They'll

get an initial wage increase of \$1.80, bringing the base wage to \$27.70 per hour. Then, for the next two years, they'll get 35¢ raises every six months, in July and January, for an end wage rate of \$29.10.

The employer agreed to pay the full cost of health care for the term of the contract, and will increase the pension contribution by \$20 immediately, and \$15 every six months.

"Marie Brooks is an excellent business woman," says Netherby. "Now she'll be able to select the very best, because on top of these wages, she pays a premium for ASE, Smog and I-Car certifications.

So she'll be able to draft the best because she can pay."

Voting — contract or not

The technicians and others covered by the South Bay Motor Car Dealers Association contract with Local 1101 will be voting on Saturday, February 1, but as *The Sparkplug* goes to press, it's not clear what they'll be voting on.

"Hopefully the dealers will come up with a package for us to vote on," says Business Representative Glenn Gandolfo. The contract expired on October 3. "We've made proposals and counter-proposals...but we can't negotiate with ourselves. First they delayed due to an illness, and then there were the holidays. We're ready to see some movement."

Gandolfo explained that the dealers in the Silicon Valley complain that they've hit hard by the economic downturn and by competition is Hollister at Gilroy. "That may be true of sales but not of service," he said. "The problem is, our guys are equally hard hit. They can't afford to live here. The Cost of Living hasn't gone down. We need a good contract with some real increases, and we need it soon."

Severance pays at Pacific Pipe

In the end, Pacific Pipe, in Oakland, employed seven members of Local 1584. And on January 1, after 40 years of being a union shop, the company shut its doors for the last time.

"We were only union of the four at Pacific Pipe that had a severance pay clause in our contract. In the end, the other unions got 10 hours pay for each year worked, while our members got a week per year," Howell said.

"They tried to get me to accept the same package as the other unions, but why would I want to do that?" Howell asked. "Instead, our members took home severance packages ranging from \$8,000 to \$57,000."

"You hope you'll never need to use that severance clause," Howell said, "but when you do, you're glad it was there in the contract."



Still on strike at Folsom Pontiac-GMC



All these techs wanted was union representation, but once the owner instituted flat rate, they had no choice but to strike. That was in August. They've kept up the picket line through the holidays and will keep it up for as long as it takes.

Mark Martin reports that John Urban, the Shop Steward at Crystal Cream raised more than \$800 from his co-workers for the Folsom Buick picketers. "He had asked management's permission to place a coffee can in the Teamsters break room to help out the strikers at Folsom Buick...and management said 'yes.' I wouldn't have even thought to ask," Martin said. "Many thanks to John and to the compassionate folks who work at Crystal."

SHOP TALK: What's the most fun thing about being a steward?



Al Fodor
Svenhard's—Oakland
Local 1546

"Nothing—it's pretty much business especially when I'm dealing with a problem between management and someone on the floor. But I like to see things done in a fair way—harmoniously!"



Bert Alameda
Livermore-Dublin Disposal
Local 1546

"You get to try to help the people you work with. Even though they don't always appreciate it, it gives you a good feeling to do something for them when you're needed."



Brad Hemsley
Summit Logistics
Local 1546

"Being part of the union and being able to serve the members to the best of my ability."



Steve Randall
Central Chevrolet/Fremont
Local 1546

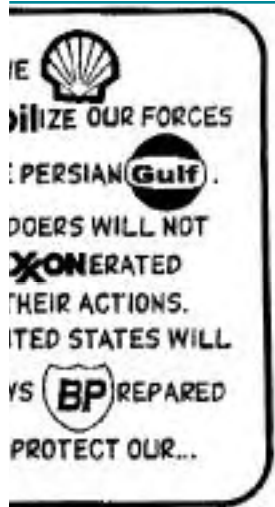
"The most fun thing is being the most popular guy in the shop...for all the wrong reasons!"



Ted Tsuda
Lexus of Pleasanton
Local 1546

"Being able to interact with the other techs, resolving the differences between techs and management and working on a workable contract."

IE LOCALS



Lashing out

The contract at Lasher Auto Group in Sacramento is coming up and Area Director Mark Martin is apprehensive. "We've had a lot of problems in the past and we're dealing with two new termination grievances right now. They fired two guys in the body shop because their productivity level was under 125%."

Martin worked at Lasher for 12 years before coming to the District's office. "We'll do what we can to develop a better level of communication and cooperation with this employer," Martin said. "But things have changed a lot since I earned my placque for dedicated service to Lasher."

Concern and a contract at Bragg Crane

The 17 members of Local 1484 who work at Bragg Crane's Long Beach and Fontana facilities finally got a new contract. "They did fairly well on wages, but we're concerned about the health and welfare," said Business Representative Kevin Kucera.

"If the cost increases continue at the rate they've been going, our members will have to kick in for copays in the third and fourth year of the contract," Kucera and Business Representative Jesse Figueroa will do what they can to keep the costs down so this doesn't have a major impact.

Tour biz slows

Since September, 2001, the tourism business in San Francisco has been on the decline. "The ripple effect has come to our shores, and we've lost a lot of jobs in the tour bus business where our people maintained the busses and shuttles," Area Director Charles Netherby explained. "We've had 30% layoffs at each USA, Franciscan Bus lines, San Francisco Shuttle Bus and RAC."

Netherby says that the union has been fairly successful in getting laid-off members new positions in other transportation companies, such as MV Transportation, Golden Gate Transit, and the city and county of San Francisco. "But a lot of those contracts are due this year, and with tightened budgets, we have to hold on to the jobs."

Myers really closes...really

The Sparkplug recently printed a picture of Richmond-based Myers Container that was really an empty lot with a 'for sale' sign out front. At the time, Business Representative Chris Rasmussen maintained that the company was all but closed, doing what they could to circumvent the contract and avoid recall rights and severance.

Even though four guys are still on the job at Myers, the company has agreed to pay 17 Local 1584 members the severance they're due. According to Area Director Herman Howell, a few members didn't report to work when they were recalled so they weren't eligible for severance. "They said that the company was dead, so why go back. Now we know—the reason was for the severance package."

There are no coincidences

For a while, it looked like there was going to be a decertification election at the Goodyear Store in Santa Rosa, and Local 1596 Business Representative Tom Brandon was getting prepared to beat it. Then, one Saturday, the petitioner informed Brandon that he would withdraw the petition and call the NLRB. The petitioner claimed that he had a change of heart after talking with Shop Steward Sherman Macaston.

The same day the NLRB called Brandon to confirm that they cancelled the election, the company called to schedule negotiations. "Coincidence? I don't think so," said Brandon. "The contract expires on January 31. We'll be meeting the last week of the month to hammer out a new agreement."

Retirement's not so easy

After 43 years operating as a union shop in Petaluma, Tom Blunt finally decided to sell his business and retire. Maybe that wasn't the best move—he had a heart attack the day after he sold the business. "Tom was a good employer. We wish him well," says Local 1596 Business Representative Tom Brandon.

Back at the shop, Brandon reports that the new owner kept every-

body on so he should be willing to sit down and negotiate. "He gave the guys a raise, which I won't contest, but he wants to drop out of the pension and health and welfare plans. And I don't think that these guys want to fight for it."

Get out of debt

"Since we came back to work after striking at Lithia Dodge of Concord, the company has been negotiating in good faith, but there's been no movement," says Area Director Vern Dutton. "They still want all the take-aways. They offered an extra \$522 for medical coverage, but it has to be their plan, and it has to be the 401K, not the AI pension. That's going backward—we can't do that. We're still living in the Bay area and they're trying to impose Oregon economics."

And the situation at Walnut Creek Honda is not much better. They're trying to take away the union medical plan, and in fact, will implement a company medical plan as of February 1. "And those guys still don't have their pension," Dutton adds.

Dutton asserts that the companies know that many of our members are in debt, and not in a position to fight. "If our members can somehow pull themselves out of debt...then they'd have real power."

Don't wait for the next *Sparkplug* to get your union news...check out the District's new website: www.iamdistrict190.org

Navy pays up after five year fight



After a five-year effort, these Local 801 members who work at the Fallon Naval Air Station in Nevada finally got a \$39,000 back payment award from Department of the Navy.



Mike Keele
Waste Management-Oakland

"Listening to all the whining and complaining!"



Philip Turgeon
Bayshore Int'l-Hayward Local 1546

"Arguing with the owner and with the service manager!"



Ralph Goucher
Crown Chevrolet-Dublin Local 1546

"Being involved with contract negotiations. I like being in there, to get the information first hand and see everybody fight back and forth."



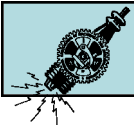
Randy Castillo
PMMC-Oakland Local 1546

"Dealing with all the different personalities. I like to deal with people and I feel I can solve problems."



Don Chin
Hertz Rent a Car-Oakland Local 1546

"I got drafted into it. The most fun part is just representing the guys as well as I can."



BENEFITS NEWS

Trustees announce change in AI Pension Plan accrual rate

The year 2002 made history—for the first time since the Great Depression, the stock market declined for three years in a row. Attributed to bad economic decisions and corporate scandal, that downward trend has resulted in a significant impact on pension plans and 401(k) plans.

In order to ensure that the Automotive Industries Pension Trust Fund remains sound and stable, in January, the Trustees announced a very important change in the Plan.

In specific, all benefits earned on or after June 30, 2003 will be credited at a 3% accrual rate. This is a change from the current 5% accrual rate which will remain in effect through June 30, 2003.

The Trustees studied several provisions in the plan, and decided not to make any other changes at this time. The Rule of 85, Joint and Survivor options and employer contri-

bution caps were all considered. The Trustees determined that these options were not enough to preserve the Plan's well-being in the long-term. Other options penalized certain groups of participants without affecting others. They determined that the best financial solution and the fairest position was to reduce the accrual rate to 3%.

As the economy began its decline, the Trustees did not feel a need for immediate adjustments. However, they decided they had to take action to protect the Plan from a growing financial burden as the economic downturn worsened and recovery continued to be elusive.

Every year in which the Plan earns under the 7.5% minimum return level creates a gap between future obligations and future assets. After three consecutive years of sub-standard performance and with the

expectation of at least one more poor performing year, the Trustees determined that the time for a change was now. To enable everyone to understand and adjust to the change, implementation of the new rate was delayed until July 1, 2003.

The Trustees have changed the benefit accrual rate a number of times over the history of the Plan. If there are significant improvements

in market performance, the Trustees could once again increase the accrual rate.

Reducing the benefit accrual rate from 5% to 3% is designed to keep the Plan healthy during this economic downturn. It is important to keep in mind that this new rate will apply only to benefits earned after June 30, 2003, and not to any benefits you earned before June 30, 2003.

New administrator for prescription drug plan

As of May 1, 2003, all IAM members currently covered by RxAmerica for their prescription drugs will be moving to Prescription Solutions. New prescription drug cards should be in the mail by mid-April. (Note: if you are covered by Kaiser Permanente, this does NOT apply to you!)

The use of high cost prescription drugs has been increasing dramatically in recent years, pushing Plan sponsors to make difficult decisions about how to allocate and manage their health care benefit budgets. After extensive research and taking into account members service problems with RxAmerica, the Trustees for both the Automotive Industries Trust and the Machinists' Trust agreed that Prescription Solutions offered the most comprehensive and

affordable services to our members and your families.

Founded in 1993, Prescription Solutions is based in California, with its mail-order pharmacy operation in Carlsbad. "This should speed turnaround for mail orders," says Administrative Assistant Don Crosatto. They have a local service office in Oakland, so the Trustees and administrators expect faster answers for service questions and problems. "They've promised us regular updates on formulary changes and more resources for member education on such issues as when to choose generics vs. name brand drugs and how to get the most bang for your buck on maintenance drugs," Crosatto adds.

Information Meeting & Year-End Update California Machinists 401k Plan

The Trustees of the California Machinists 401k Plan invite all interested members to attend one (or more) of the four information meetings that will be held over the coming months. Representatives from Smith Barney will provide the following:

- ❖ Performance updates on all investment options;
- ❖ Discuss the addition of three new funds to the investment menu and where they fit in the overall Plan asset allocation;
- ❖ Provide performance updates on the five asset allocation funds that were added during 2002;
- ❖ Revisit the significant tax and savings benefits provided by 401k Plans
- ❖ Distribute market and economic commentaries prepared by Smith Barney analysts for 2003
- ❖ Highlight important changes in the tax law which affect 401k Plans and all types of IRA accounts;
- ❖ Be available for an extended question and answer period.

Saturday, February 8, 2003

9:30-11:00 a.m.

IAM & AW Local Lodge 1546
10260 Macarthur Blvd., Oakland

Saturday, March 15, 2003

9:30-11:00 a.m.

IAM & AW Local Lodge 1173
1900 Bates, Concord

Saturday, April 12, 2003

9:30-11:00 a.m.

IAM & AW Local Lodge 1414
150 South Blvd., San Mateo

Saturday, May 10, 2003

9:30-11:00 a.m.

101 Bascom Avenue, San Jose

Meeting
Dates
&
Locations

SHOP TALK: What's the most fun thing about being a steward?



John Diederich
Smith Dodge
Local 1546

"I liked everything about being a steward. In service and parts, we were all one big family—my job was to keep the peace in the family! Unfortunately, our shop closes in a week."



Everett Ball
Wagner & Pigozzi-Oakland
Local 1546

"I don't know because I just started. So far, it's tonight's dinner."



Bob Ecklund
Fabco Automotive
Local 1546

"The monthly meetings and the dinners. It's been a good experience."



Timothy Kopp
Ford Store-San Leandro
Local 1546

"Trying to help other people who don't know the ins and outs of the process and getting their problems solved."



Tony Harris
McNevin Cadillac/VW
Local 1546

"To be able to beat up on the boss when he messes up. It's called pay-back!"

BENEFITS NEWS



“At last, the perfect health insurance group. No illnesses, no accidents, no annoying questions, no lawsuits.”



ASSOCIATED THIRD PARTY ADMINISTRATORS

ATPA is the administrator for the Automotive Industries Pension and Welfare Trust Funds and Machinist Health Plans (Active and Retiree).

You can contact us at 510-836-2484.

Save money tax-free to pay medical costs after retirement

New benefit available: Michael J. Day Machinists Retiree Investment Trust

District Lodge 190 is proud to announce a new benefit that will enable members to save up a tax-free nest egg for their medical expenses once they retire.

“It’s like a 401K plan for medical expenses,” explains Area Director Don Crosatto. “While it doesn’t solve the problem for our current retirees, it’s a valuable planning tool for our active members.”

Most IAM contracts cover medical benefits for retirees. But as our retirees know all-too well, their monthly co-pays are going up and up, and other expenses, such as prescription drugs, are taking ever-bigger bites out of their monthly nut.

Unfortunately the Funds initially established to cover retiree medical costs in the 1970s encountered the perfect storm of today’s health care

crisis. “Nobody anticipated the dramatic increases in health and welfare costs. The Funds started paying benefits before they properly accrued enough money in the plan, so the Trusts very quickly started running deficits,” Crosatto added.

“After much research and discussion, we concluded that in order to make the current plan a real benefit, the District’s active members and the employers in hundreds of companies, would all have to agree to put roughly two full years of wage increases into the retiree medical plan,” Crosatto said.

Because the Trustees know that the likelihood is nonexistent that members and employers would agree to such a dramatic plan, they came up with a different kind of option.

The Michael J. Day Trust

We named this new Trust after Mike Day because it was one of the last problems he was tackling when he died,” Crosatto said.

The way it works is that the union bargains with the employer to have the company put an amount of money for each employee into the Trust. While the funds will be pooled and conservatively invested, they are tracked in an individual account that belongs to each member.

Like a 401K, the wage deduction is made tax-free; the investment earnings and growth are tax-free and when you retire and start to use the money to pay your share of the monthly co-pay on the retiree health insurance, it will be tax free.

“Ultimately, once this fund is fully

implemented by all of our employers, and the fund itself gets bigger and members accrue larger accounts, our hope is that it will not only cover the monthly co-pay our retirees currently pay, but there will be enough in the account to cover dental care, eye-glasses or anything related to medical health,” Crosatto added.

This trust has instant vesting. If you die before getting to use it, the money in your account would become a death benefit for your family.

“This is a good, realistic solution to an ever escalating problem,” Crosatto said.

As of January 1, 2003, seven companies were already signed up for the Trust. If the membership is interested and the employer is willing, this benefit could be bargained into the annual wage allocations.

SHOP TALK: What’s the most fun thing about being a steward?



Joe Melham
Mercedes Benz of Oakland
Local 1546

“Being involved directly with management as the go-between.”



Larry Martin
Pleasanton Truck & Equip
Local 1546

“I like being the go-between with the employees and having a rapport with the company. I have to understand both positions and be a quasi-mediator.”



Don Alcantara
Hayward Chrysler-Jeep
Local 1546

“Being able to help out the guys in the shop when stuff hits the fan.”



John Francis
Rube & Dans-Oakland
Local 1546

“This dinner is it. I come from a union family—so it’s my heritage! And it’s also right to stand up for our fellow workers.”



Martin Silva
Good Chevrolet-Alameda
Local 1546

“Meeting different people from different areas is fun. I enjoy knowing what’s going on in the union and being able to relate that to the members.”

Local 1528 women come together to support union, community members

"We're tired of people saying nasty things about unions," says Tracy Ford, a member of Local 1528 and Community Services Liaison for the San Joaquin Central Labor Council. "We need to show our neighbors what we do to help our members and the community."

That's why a group of women in Local 1528 founded the Women's Committee. On January 12, they held their first meeting at the Local's Modesto meeting hall. Ten women came to the inaugural meeting prepared to roll up their sleeves and work together to take care of their fellow members.

"The goal of the committee," says Ford, "is outreach into the union and the community. Since we're having so many layoffs, our first plan is to put together a program for resume writing. We'll also set up emergency food banks for laid-off workers.

"First and foremost, we want to help the Machinists, but we'll make the community aware of what we can do for our neighbors," she

added. "In the long run, this should help the union's organizing efforts."

Committee members will each be assigned specific tasks—from set-

ting up booths at all the local festivals and the county fair to coordinating workshops and preparing food baskets.

The committee will meet on a monthly basis, "but we'll keep the specific date somewhat flexible, so that we can respond to needs as they arise," Ford says.

The Committee's founding members all work in the can industry, but their goal is for each member to recruit a new member from other industries to attend future meetings.



The founding members of Local 1528's Women's Committee at the union's Modesto office on January 12.

To join Local 1528's Women's Committee

If you're a member of Local 1528 and female, the Women's Committee wants you!

For more info, call Tracy Ford at 209-483-1096 (cell) or Martha Bauttista at Local 1528's office: 209-529-9210.

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 25 • March 25 • April 22

General Delegates Meeting

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

February 25 • March 25 • April 22

Local 801

7717 Oakport Street,
Oakland, CA 94621
800-655-2182

Membership Meeting

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

February 20 • March 20 • April 17

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

Local 1101

1150 So. Bascom # 23
San Jose, CA 95128
408-291-2550

All meetings are held at
Lion's Blind Center:
101 North Bascom Ave.
San Jose

Executive Board Meeting

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

February 6 • March 6 • April 3

Stewards Meeting

First Thursday of each month at 8:00 p.m.

February 6 • March 6 • April 3

General Membership Meeting

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

February 11 • March 11 • April 8

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 11 • March 11 • April 8

Membership/Shop Stewards Mtg.

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

February 20 • March 20 • April 17

Retirees Club Meeting

Call Local for current meeting times

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 6 • March 6 • April 3

Executive Board Meeting

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

February 11 • March 11 • April 8

General Membership Meeting

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

February 20 • March 20 • April 17

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 20 • March 20 • April 17

General Membership Meeting

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

February 4 • March 4 • April 1

Retiree Club

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

February 19 • March 19 • April 16

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 5 • March 5 • April 2

General Membership Meeting

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

February 5 • March 5 • April 2

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 4 • March 4 • April 1

Shop Stewards Meeting

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

February 4 • March 4 • April 1

Executive Board Meeting

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

January 30 • February 27 • March 27

Senior's Luncheon

First Wednesday of each month at 12 noon

February 5 • March 5 • April 2

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 20 • March 20 • April 17

Executive Board Meeting

Preceding Monday at 7:00 p.m.

February 17 • March 17 • April 14

Retirees Club

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

February 4 • March 4 • April 1

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 18 • March 18 • April 15

Executive Board Meeting

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

February 18 • March 18 • April 15

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 11 • March 11 • April 8

General Membership Meeting

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

February 11 • March 11 • April 8

Retirees Club - VISTA CLUB

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

February 19 • March 19 • April 16