



Vol. XXXVII, No. 3
May-June 2012

Label Letter

Union Label & Service Trades Department, AFL-CIO



Turnaround Continues for Heavy Manufacturer In Pennsylvania

It was a near death experience for the Elliott Company and the 290 USW members employed at the company's Jeannette, Pennsylvania factory. The century old firm was slated for shutdown five short years ago. Today Elliott is committed to a \$110 million expansion, including the addition of 300 more workers by the year 2015 and the purchase of new equipment over the next three years.

In May, the Label Letter toured the factory and spoke with management and union officials about the turnaround.

With its recovery, Elliott also stands out as an example of what the Obama Administration would like to see in the rebirth U.S. manufacturing. More than 67% of the turbomachinery the company makes is exported.

In 2009, the condition of the 110-acre manufacturing complex was appalling. Long

known as the world class of the turbine and compressor industry, Elliott manufacturing in Jeannette was headed for oblivion. Expensive equipment was exposed to the elements, protected only by tarps. Tons of iron pipe, castings, materials and scrap littered the interior as well as the exterior fringes of the buildings. A small stream that ran alongside the property was choked with trash and debris. The dingy outside appearance mirrored a bleak future for the workers, the company and the town of Jeannette.

Ebara, the company's Japanese owner, was frustrated and determined not to lose any more money. But then something happened.

The Union had gone four years without a labor agreement. "Right up to the last day we thought we would be on strike, and that certainly would have been the end for manufacturing and us, and the end for the

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Postal Unions Battle On Capitol Hill to Save USPS

Unionized workers in the U.S. Postal Service continue their battle on Capitol Hill to save the service from a barrage of cuts that the unions charge are politically motivated and unnecessary.

The unions have secured support among a bipartisan majority in the U.S. House of Representatives for separate bills that would maintain six-day deliveries by the Postal Service and recalculate the current formula for pre-funding retiree benefits—the latter has resulted in huge end-of-year payments by USPS and a surplus of some \$50 to \$75 billion to fund future retiree benefits. Freeing up that money for USPS to use in operations would enable the service to show profits from its operations, the unions maintain.

Postal unions continue to make their case for similar measures in the U.S. Senate.

The effects of the recession, combined with the onerous and unusual requirement for prefunding retiree benefits has resulted in chronic cash shortages for the Postal Service despite indications that the USPS parcel delivery service is moving toward new levels of profitability. **The National Association of Letter Carriers (NALC)**, for example, notes that profits for USPS shipping services rose 10.3% in the second quarter of 2012, to \$7.3 billion.

With a combined membership of nearly 410,000 workers, NALC and its sister union, the **American Postal Workers Union**, represent the largest majority of USPS personnel.

The unions argue that no other enterprise in the nation faces such onerous funding requirements for retiree benefits. Furthermore, they point out, USPS has already downsized by more than 110,000 jobs since 2008.

Still, **Rep. Darrell Issa (R-CA)**, chair of the House Government Oversight Committee, and Postal Service Subcommittee Chair **Dennis Ross (R-FL)** continue to push legislation that would impose radical and punishing changes on USPS, including what the unions describe as a "takeover" of the USPS along with harsh changes in Postal Service collective bargaining that would virtually scrap contractual rights for USPS workers. ■

UNION
DO BUY
MADE

I scream,
you scream,
we all
scream
for...
**Union-Made
ICE CREAM!**

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As the temperature rises this summer, what could be better than a cool ice cream sundae?

Make your union-made sundae using
these products from members of the
BCTGM, IAMAW, UFCW, IBT and the UAW.

Bowls, Dishes and Scoops:

Libbey Inc. Tulip Sundae Serveware,
Banana Split Bowl or
Supreme Sundae Dish
Kitchen-Quip Ice Cream Scoops
Vollrath Kitchen Essentials

Ice Cream Brands:

Good Humor
Breakstone
Breyers
Labelle
Laura Secord
Carvel
Kraft
Land-O-Sun Dairies
Perry's

Toppings:

Hershey's Chocolate Sauce*
Frito Lay Peanuts
Planters Peanuts
Cool Whip
Country Fresh Cream

** Hershey operates a number of non-union
manufacturing facilities in the U.S. and
Mexico that produce Hershey products,
including Reese Peanut Butter Cups and more.*



How Do We Revitalize American Manufacturing? Buy American!

BY REP. CHRIS MURPHY (D-CT)



It's getting tough to pick up a newspaper or switch on a television these days without hearing some pretty grim economic news. Since 2001, over 42,000 factories have closed and five million manufacturing jobs have been lost across the country. In the same period, Connecticut lost tens of thousands of manufacturing jobs—from 2001 to 2011, total manufacturing employment fell from 234,000 to 166,000. In a manufacturing state like mine, those aren't just abstract numbers. These are our family members, our friends and our neighbors.

But what if the story of American manufacturing didn't have to end that way? What if a few simple ideas could create hundreds of thousands of jobs and help revitalize our manufacturing economy in Connecticut and across America?

Consider this: between 2007 and 2010, we sent \$53.5 billion in U.S. tax dollars overseas to purchase goods for the Department of Defense alone. That money pays salaries

and buys materials in other countries while unemployed Americans struggle to make ends meet. Not only is this costing American jobs, but it also doesn't make sense to purchase goods for our national security from foreign countries. Not when we could be putting those dollars to work here in America.

For over 75 years, we've had a law on the books to steer federal purchasing towards U.S. companies – **the Buy American Act**. But over the years, loopholes, exceptions, waivers and caveats have been built into the law, allowing too many tax dollars to be spent on goods from foreign companies.

In any given fiscal year, a federal agency grants thousands of waivers to the Buy American Act. In fact, for the last four years that we have data, the Department of Defense alone issued 161,711 waivers to the Buy American Act. In the final year of President Bush's term 65,000 waivers were issued, a 450% increase over the previous year, shipping millions of American tax dollars overseas and affecting thousands of manufacturing jobs in the U.S.

There is no doubt that this trend is hurting Connecticut's manufacturers, and that's what I'm working every day to change.

Last July, I successfully passed an amendment to the State Department funding bill that would apply the language of the Buy American Act to purchases made for items

used by the State Department overseas. Currently, Buy American provisions only apply to the purchase of items that will be used within the United States, but in 2009 and 2010 alone, the Department of State spent over \$1 billion on articles, materials and supplies manufactured outside the United States. Requiring our embassies to comply with the Buy American Act is a simple but effective way to create American jobs through smarter procurement policy.

Last August, I released the results of a survey of 151 Connecticut manufacturers conducted by my office. The news was good: half of all manufacturers reported plans to add jobs in the next year. And the data from the survey regarding the obstacles manufacturers face in creating these new jobs is already helping me develop new legislation to attack these problems.

Creating jobs and revitalizing our manufacturing sector is never going to be easy, but those goals remain my number one focus in Congress. Manufacturing is far from dead in this country—in fact, my experience has convinced me that the industry is in on the verge of a rebirth that will put Americans back to work, and I'm working hard to ensure that Connecticut leads the way.

Chris Murphy represents the 41 towns of Connecticut's Fifth Congressional District. ■

Living Union App Coming Soon To Smart Devices



Work continues on the Department's *Living Union* smart phone app. The plan is to bring information about union-made products and services to the fingertips of union families. Meanwhile, we encourage you to visit the Union Label website (unionlabel.org) and "friend us" on facebook. Send us your own ideas about how we can do a better job promoting the union label. ■

TSA's 9-11 Commemoration Featured Made-in-China Bracelets

The federal Transportation Security Administration incurred the wrath of a number of lawmakers last year when it purchased thousands of bracelets to commemorate the 10th anniversary of 9-11 from a Chinese source. But, TSA was not the only federal agency ignoring Buy American statutes. Earlier this year, Bloomberg News reported that some \$84 billion in government purchases came from foreign sources.

"While your goal of commemorating the tragic events of that day is one we all share as Americans, this purchase could have, and should have, been done in a

way that supports American jobs," wrote Connecticut Rep. Chris Murphy (D) in a letter to TSA Administrator John Pistole. "By awarding this contract to a company that imported the items from China, a country with questionable labor practices, a dismal record of human rights violations and a manipulated currency, your agency denied American workers the opportunity to manufacture these commemorative bracelets with pride here in the United States."

Murphy co-chairs the bipartisan congressional Buy American Caucus along with Rep. Walter Jones (R-AL). ■

Turnaround, *continued from page 1*

town of Jeannette,” explained **USW Local 1145 Unit President Alan Rudick**. Many of the town’s 10,000 residents, its school district as well as local businesses are affected by the Elliott facility.

With the help of the Federal Mediation & Conciliation Service and mediators **Jacques Wood** and **Jack Yoedt**, the 2008 contract was settled. With the lowest of expectations, union members elected a new leadership team in 2009 with a vague directive to “hold on and keep up the fight.”

One of the first bridges to be built came at Elliott’s Customer Appreciation Day when, according to long established practice, company top management hosted representatives from many of the world’s largest energy, gas and oil companies that buy the multi-million dollar turbines and compressors that Elliott produces. The union was not invited.

“We crashed the party and made some promises to the company and the customers. The executives from Elliott took us at our word. That’s when we realized that we had to step up,” Rudick and his colleague **Woody Held, Unit 2380 president**, stated.

Today, Elliott Company, now known as the Elliott Group, is bustling with labor and

management working together redesigning and refurbishing work spaces, installing sophisticated cutting and fabricating equipment. Floor space is clean and efficient from the front of the factory, where materials and orders flow in, to the far end where workers prepare elaborate crates the size of rail cars to ship out the final product.

“Look at the restrooms on the factory floor,” says **Unit Griever Tim Wilkinson**. “They’re exactly the same as the executive washrooms.” Impeccably clean and gleaming with stainless steel fixtures, it’s just one more point of pride that reflects the mutual respect that has been nurtured over the past three years.

In 2006 corporate officials had already begun executing a business plan to sell off anything of value.

“No one wanted the shutdown, but at the time no one knew how to stop it either,” explained Rudick, who, along with his board colleagues, was just recently re-elected to a second term as USW unit officers at Elliott.

When they were first elected the union officers knew things had to change. “Our union has always been good at fighting, but we really didn’t know at the time who we were fighting with, why or what we were fighting for,” Rudick explained.

According to management, the negative attitude was shared. In the words of **Chief Operating Officer Art Titus**: “There was no trust.”

The new attitude at Elliott is pervasive. **Unit Seniority Chairman Denny Kowatch** describes the change: “It’s been slow in coming, but gradually, our members are coming around to the notion that it’s okay to drink the company cool aid.”

Kowatch continued, “We always said: ‘We’re union strong.’ That suggests that we’re ready to do battle, but what we’ve discovered is the union makes us strong enough to change when we need to and take a new direction when we must. That’s what the union means.”

The transformation shows up in big and little ways in the quality of work life on the shop floor, such as:

- ▶ Safety has become the number 1 priority. The plant has experienced a sharp decline in workplace injuries, reflecting a joint effort in safety to drive toward a zero incident rate.
- ▶ A grievance procedure that comes up with solutions, not just “wins” for one side or another. For instance, when an employee in the fabrication shop inspection department complained that



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The Jeannette, PA, factory will add 300 more workers over the next three years.

there was no formal process for moving up the ladder within the department, the parties set up a progression system that spells out the grades, steps and experience requirements at four departmental levels. Grievance resolved.

- ▶ Union representatives sit in with management (and speak up) during new hire interviews. “What other company in the world does that?” asks Rudick.
- ▶ Labor and management worked together to clean up the factory’s fringe areas; jointly reorganized material storage plans and loaded 320 tractor trailers with junk and debris for recycling. The project linked to the Western Pennsylvania Conservancy to protect the small stream that runs through the property, earning an award from the Pennsylvania Soil Conservation District.
- ▶ A formal paid training program conducted under contract between Elliott and Westmoreland Community College. The training is classic skilled manufacturing education. Paid while they learn, students study tool and die processes, metrology, specialty blue print reading, physics, math, metal grinding and

computer numerical controls. “We’re training young people for a job that will last them until retirement,” says **Westmoreland Professor Jim Arnold.**

- ▶ Clear commitment to two-way communications, even a beefed up steward network to enable management and the union to understand what’s going on at all times. For example, when a union steward discovered that two rank and file members were having difficulty getting along with each other, the steward worked with management to resolve the issue. “We’re here to get the job done and that kind of conflict gets in the way,” according to Wilkinson.
- ▶ Elliott employees have planted a garden in a small green space inside the factory grounds where neat rows of vegetables—including exotic Japanese garlic plants—are sprouting to one day be served in the employee lunchroom.
- ▶ A gym and weight room used by employees during lunch breaks or before and after shifts, complete with a professional trainer.

For years, workers and management endured what might best be described as a

“surly” relationship. “We were mushrooms, told only what we had to know,” Kowatch said. “Now the company asks labor for ideas on efficiency and production and we’re glad to give them.”

Elliott Industrial Products Div. **Production Manager Douglas Besser** is in charge of repurposing and laying out space for some of the new equipment that Elliott is installing. He points to a large vacant space between two massive CNC machines used to cut and shape 36-inch steel castings. In time, that space will become the Testing Department where assemblies are tested for defects. Previously, hydro testing was done hundreds of yards away, necessitating costly and time consuming processes to move the product back and forth. The change comes at the suggestion of workers on the shop floor.

There’s something proud and stubborn about Western Pennsylvania and its people. “That’s what Ebara’s executives saw in us,” explains Rudick. “United Technologies gave up on us 20 years ago, but we didn’t quit. This is a new opportunity to manufacture the future for us, for our union, for the company and our community. We’ll never give up on ourselves.” ■



Manhole Covers from India?

Union Label challenge: Survey the manhole covers in your community. Can you find one made in America? Why not?

Does Your Union Printer Market Its Label?

Over a century ago, when the labor movement began to aggressively promote union labeled products to show buyers the difference that trained, skilled and dedicated union workers make in product quality, the printing “bug” was already in widespread use. It’s difficult today, if not impossible, to find union labels on clothing, tools, toys and other everyday products, even when they are union made. But that’s not true in printing.

For the most part printing continues to be a service done by small, local businesses and it is the label that sets unionized

shops in a class above the rest.

If your shop is not “marketing” its label to potential buyers then it isn’t doing all it could do to bring in new business and hold on to the reliable customers it has.

The label adds value to your printed pieces and it proclaims that the work in that shop is done by skilled union members working for good wages under decent conditions as stipulated by a valid collective bargaining agreement. ■

Adapted from Sector News, a publication of the CWA Printing, Publishing & Media Workers Sector.

Walk In My Shoes

PAUL HAHN, IBEW Apprentice

IBEW, WASHINGTON DC & HELMETS TO HARDHATS

Upon completion of high school I decided to serve my country by joining the United States Navy. I was trained to be a Hospital Corpsman, and served 10 years before deciding to separate from the military. During this time I learned many valuable leadership and interpersonal skills that would be an asset, no matter what career path I chose. Toward the end of my obligated service, I attended the Transition Assistance Program (TAP) class that helps separating service members move into civilian employment and preparedness. During this class, I found out about Helmets to Hard Hats, a program that aids veterans in the transition from the military into a career within the building trades. As soon as I could, I went onto the Helmets to Hardhats website and became a member.

Before separating from the service, I began the application process to become an apprentice within the IBEW’s Inside Wireman Program. I was accepted and started my training in March of 2008. This was a whole new world and learning curve that would present challenges requiring a tremendous amount of commitment. I was no stranger to this sort of challenge. Being a former service member, we become committed to nothing short of excellence.

The first three years of the curriculum within this program is the core part. We attended school one day every other week

for eight hours, year-round. Apprentices are required to take a test every time we attend class. During the two weeks between classes, I spent about 15–20 hours studying and completing assignments. After completion of the three core years, we attend night school in which we choose a journeyman level course every 14 weeks to complete the remaining two years of the program.

In conjunction with the classroom education, apprentices work for a variety of contractors throughout our time in the program. We transfer every 14 months to give us a wide variety of experiences within the industry.

I am now working for an independent testing company that does comprehensive low and medium voltage electrical equipment services including NETA acceptance and maintenance testing, planned and emergency field services, engineering studies, retrofitting and refurbishing electrical equipment. I am assigned to NASA Goddard in Greenbelt MD where we maintain high voltage transformers. We are doing a variety of tests such as winding resistance, transformer turns ratio (TTR), and oil maintenance and sampling.

There are many challenges in this industry. Unemployment is definitely one of them and during this recession the construction industry took a pretty heavy hit. Here in the Nation’s Capital, we have about 10% of our A-Journeymen out of work, which is pretty



Paul Hahn: Former Navy Corpsman nears the completion of his IBEW apprenticeship. Hahn was recruited through the Building Trades Helmets to Hardhats program.

close to the national average.

However with the training and experiences of the union craftsman from programs such as this one, I have tremendous optimism for our future as organized labor. While we are not the cheapest guys in town, we pride ourselves on our quality and getting the job done right the first time.

I am continuing to educate myself in preparation for the transition from apprentice to journeyman. In parallel with my apprenticeship training, I am also pursuing a Bachelor’s degree in Business Administration from the National Labor College. I am also member of a couple of groups in the Washington DC area that educate young people on the importance of unions and the need for the current generation’s involvement. ■

PERIODICALS
POSTAGE PAID
WASHINGTON, D.C.

TIME VALUE

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EndNotes

By Rich Kline, *President, UL&STD*

Elliott Plant Refutes Stereotypes



Union members and union leaders are accustomed to opposition. We have heard the old saws about how the Labor Movement's day is over, its battles won and its reason for continuing weakening daily.

We have survived continuing attacks from the right wing, from corporate and financial marauders and we have defended working people, union members and the unorganized alike.

Despite this cultural and political antagonism to our mission and our actions, we persevere.

On the other hand, apathy and ignorance of the Labor Movement, its history, successes and ongoing struggles for justice, are another and very real threat. Frequently, we encounter people who don't recognize the name of the AFL-CIO. These folks often draw their impressions of labor leaders from the stereotypes embedded in popular entertainment.

For all of these reasons, the example set by USW Local 4572 and the Elliott Corporation in Jeannette, Pennsylvania, is heartening.

The USW and its local union recognized that its employer was in its death throes.

The union stepped up and said, "We want to keep this plant going." Management in Jeannette said, "let's get together and make it work." Corporate owners in Japan gave their support, including massive capital investment. And the federal government, through the Federal Mediation and Conciliation Service, provided the guidance to set up cooperative communications to improve plant operations and promote a sense of dignity and respect.

Elliott ships union-made-in-the-USA compressors and turbines all around the world to demanding customers in the energy industry. More than 67 percent of its products are exported. Elliott is highly successful and well respected in the industry for meeting the highest standards for the gear it sells and for the satisfaction of its white- and blue-collar workforce. This is exactly what the Obama Administration and its progressive allies in Congress see as the trend that can redirect America's manufacturing base toward a positive balance of trade. The Elliott story—and others like it—deserves to be told to the widest audiences.

As a Labor Movement, we have to counter both negativity toward and ignorance of our objectives and our accomplishments. The resurgence of Elliott's Jeannette plant should be an element in that campaign.



Finally, a comment about the United States Postal Service: it's fixing it that left it broke. Remove the extraordinary and unfair pension benefit prepayments forced upon the USPS. Consider the significant suggestions from the postal unions about how to improve the service and finances of the USPS.

Full disclosure: the Label Letter is mailed quite satisfactorily through the Post Office. On a personal note, I pay my bills, write friends and family and look in my mailbox for newspapers, magazines and mail, all courtesy of the post office. As a post office customer, I am not concerned about bugs, hackers or computer glitches.

Since Ben Franklin set about developing the postal service as a colonial administrator in 1753, the USPS has been a major element in the development and strength of the United States. Some who favor privatization of mail delivery cite false economies as justification, while their real motivation is the enrichment of powerful private interests and an attack on the postal unions and their members.

We believe that the USPS is a key factor in the open transfer of ideas and information vital to a free society. Cutting postal service is a ruse to justify further cuts because of lost business. Once upon a time, mail was delivered once a week in summer, once a month in winter. Ben Franklin began the process that took us to our present system's capability. We cannot allow this cornerstone of our democracy to be dismembered. ■