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Label Letter

Union Label & Service Trades Department, AFL-CIO

BCTGM members reject Hostess Brands Inc. final offer

Members of the Hostess Brands, Inc.'s, largest labor unions were asked for deep concessions to the company that filed for bankruptcy for the second time in less than a decade.

In January, the makers of Twinkies and Wonder Bread filed for Chapter 11 and sought to abrogate their union contracts under bankruptcy code 1113. In doing so, the company hoped to force a concessionary contract upon members of the Bakery, Confectionary, Tobacco Workers and Grain Millers International Union (BCTGM) and International Brotherhood of Teamsters (IBT).

In August, after months of bankruptcy proceedings, the company presented its last, best offer to both unions. Included in the company's requested contract concessions are another round of wage cuts—employees took a salary reduction when the previous owners, Interstate Bakeries, filed for bankruptcy in 2004. Wage compensation would immediately drop by 8 percent for everyone, including management, and workers will be asked to pay seventeen percent more into their health insurance plans, larger pension contributions, and revised work rules.

Leadership from both unions had stated they could not endorse the company's offers but presented the proposals to the roughly 19,000 unionized employees.

BCTGM members rejected the offer by over 90 percent. Union members in every region of the country and every segment of the company's operations overwhelmingly opposed the proposal. In many locations, the vote to reject the proposal was unanimous.

In announcing the vote results, BCTGM International President Frank Hurt stated, "Throughout this entire bankruptcy process, I have been crystal clear with Hostess management that our members will determine the

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Real story of US bank failures: More than 25% of US households can't afford bank services

Some 28.3% of U.S. households is either "unbanked" or "under-banked." That's an increase of 821,000 since the same survey in 2009. This is the real story of bank "failures" in the U.S. in recent years. Consumers have been let down by a banking system that has abandoned retail service: ordinary checking and savings accounts, check cashing, currency services, according to the biannual survey by the Federal Deposit Insurance Corporation.

The majority of respondents said they believe they did not have enough money or that they do not need or want an account. Three in 10 households nationally do not have a savings account. One in 10 do not have a checking account. One in four households used so-called "alternative financial services," also

known as payday check cashing or payday loan businesses over the year.

The survey, conducted in partnership with the U.S. Census Bureau, reflects a general withdrawal of America's big banks from what most consumers understand to be traditional banking services. Instead, the big banks have added substantial charges for servicing accounts and processing transactions.

The American Bankers Association claims that it costs banks up to \$300 a year to service an ordinary checking account. "There has to be a recognition that there are costs to providing accounts and those costs have to be covered," according to an official of the Association quoted in the Washington Post.

The loss of banking services hits hardest in middle and low-income com-

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DO BUY

**There's a party goin'
on right here**

**A celebration to last
throughout the years**

**So bring your good
times, and your
laughter too**

**We gonna celebrate
your party with you...**

Editors note: as with all Do Buy lists this list does not include all available union-made products and services. We welcome your suggested additions and invite you to add your products to our online database at www.unionlabel.org

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As the holidays roll in we'd like to help you plan your union-made celebration

You'll need invitations

Union printers, graphic designers, and mailers represented by CWA-PPMWS and GCIU can help you prepare beautiful invitations. Find your local union printer at www.cwaprintshops.com or at www.gciu.org

And a venue

Use this guide to find a union hotel where UNITE HERE members are employed. You'll be supporting good union jobs, and will find a friendly face to greet you on your journey. www.hotelworkersrising.org/HotelGuide

Maybe some live music

AFM Entertainment: for a professional, affordable, and memorable event. The AFM-operated booking agency allows AFL-CIO brothers and sisters throughout the US and Canada to be certain that genuine professional union musicians are hired when booking musical acts. www.afmentertainment.org

And for the perfect outfit

Shop at Macy's for your holiday wares. Macy's workers are represented by UFCW.

From UNITEHERE!

- Sterlingwear of Boston
- Joseph Abboud
- Southwick New England Shirt Company

Champagne and wine to toast the season

Try some of these lovely champagnes and wines union-made by members of the United Farm Workers (UFW) and the United Food and Commercial Workers (UFCW). Find complete listings of union-made wines online at www.ufw.org and www.ufcw.org.

- Chateau Ste. Michelle
- Columbia Crest
- St. Supery
- Dollarhide Ranch
- Scheid Vineyards Inc.
- Balletto
- Charles Krug
- C.K. Mondavi
- Gallo of Sonoma
- Charles Krug Vintage
- Chase – Limogere
- Cisco
- CK Cellars
- CK Mondavi
- Coastal Vinters
- Cook's
- Holland House





HOSTESS, *continued from page 1*

outcome. On August 14, the company presented to us their Last, Best, Final and Non-negotiable offer, which we sent to our local unions. The results speak for themselves.”

Hurt concluded, “Our members made an informed decision. The BCTGM International Union respects the will of our members. We encourage Hostess Brands to pay the \$50 million in pension contributions it owes our members and come to the bargaining table with a fair and reasonable proposal for its workers and legitimate business plan that provides the foundation for a future world-class wholesale baking company and not fatter bank accounts for Wall Street investors.”

Hostess CEO Gregory Rayburn said if the unions did not accept the offer Hostess would be forced to liquidate all company assets. It remains unclear at press time how the company will proceed.

Teamsters working for Hostess narrowly

accepted contract modifications. More than 4,400 Teamsters voted in the national mail ballot referendum, with 2,357 voting to approve and 2,043 voting to reject.

In a September 14 statement from Teamsters, General Secretary-Treasurer Ken Hall stated, “This has been a very difficult and trying year for our members at Hostess and, should the restructuring go forward, we pledge to push and hold Hostess management accountable to create a successful business that provides greater job security for our members.” Prior to the membership vote, Hall stated “We are not and cannot endorse the company’s final offer, but given that the likely consequence of rejecting it outright means the loss of your jobs, it is our duty to inform you, to the best of our ability, of what the offer means to you and your livelihoods and to let you [the membership] vote on your future and the future of Hostess.” ■

Walk in my shoes

Scott Larsen, CONDUCTOR/ENGINEER UNION PACIFIC RAILROAD

I am a Conductor and Engineer for Union Pacific Railroad based in Spokane, Washington and a member of United Transportation Union Local 1505. I also am the local’s legislative rep.

I have worked as a conductor for the railroad for eight years and as an engineer for two years. As a conductor I am responsible for all of the operations of the train. I set cars out, pick cars up, perform line switches, fill out all of the paperwork and verify that all of the hazardous materials are properly placed on the train. I am responsible for all operations of the train.

As an engineer I drive the train. Delivering anything from grain and coal to televisions and automobiles to any of Union Pacific’s 23 states across the western two-thirds of the United States.

I am on call 24-hours a day, seven days a week, 365 days a year.



I get a call from the company two hours before I am to report to work, any time day or night. Once I report to work I will travel from my home terminal to my away terminal which can be anywhere from a six-hour to a twelve-hour workday. At the away terminal, the company puts me up in a railroad hotel, one of many around the country, until I am called to report to work and travel back to my home terminal.

The union plays an important role in my job at the railroad. They are there if someone gets in trouble and, more importantly, the UTU helps to ensure that safety is the number one priority. They really are the backbone of the railroad. ■



Label Letter

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BANK FAILURES, *continued from page 1*

munities. In the past five years, banks have closed dozens of branches in neighborhoods with median household incomes of \$25,000 or less while shifting those resources to areas where the median income exceeds \$100,000.

Banks also claim that they need income streams to offset what they lost when federal authorities imposed a cap on debit card swipe fees.

Changes in banking laws 10 years ago resulted in scores of mergers and consolidations, with big banks gobbling up the smaller and huge chains to the extent that, today, four of the largest banks in the nation control more than half of all bank assets. Furthermore, large banks have turned to highly profitable corporate banking and speculation, virtually abandoning retail banking services. ■



Spotlight the Label: AWIU

The International Association of Heat and Frost Insulators and Allied Workers (AWIU or Insulators) is a trade union in the United States and Canada. It is affiliated with the AFL-CIO and the Canadian Labour Congress.

The union was formerly known as the International Association of Heat and Frost Insulators and Asbestos Workers, but the name was changed to reflect a symbolic new direction away from the hazards of exposure to asbestos. One of the major jobs of the members of the union has long been the safe removal of hazardous asbestos-containing materials, which were previously used in many construction products, such as insulation, adhesives, caulks, and flooring tiles. Ever wondered why the Insulators use a salamander in their logo? According to the Western Lake Erie Insulation Industry website the salamander is associated with its unique ability to live in fire.

The AWIU adopted the salamander from the beginning as part of its logo because of the fire-resistant element. ■

Labor banking and finance alternatives

Are you one of the millions of “underbanked” Americans? Feeling dissed or ripped off by the banking system? You do have alternatives. Thousands of local unions sponsor or partner with employers in federal or state chartered credit unions where savings and checking accounts are insured and credit and loan services are provided—typically at reduced costs compared to rates at big banks. Credit unions are co-ops, where members actually govern operations and establish policies through an elected credit union board. Banks with connections to the labor movement have been around for nearly a century. In the 1920s, when the U.S. economy was on the verge of the Great Depression, a handful of banks with ties to the labor movement emerged to serve union members.

The Amalgamated Clothing & Textile Workers Union (ACTWU) created one such bank to provide passbook savings accounts, credit and checking services for the largely immigrant workforce in the garment industry. ACTWU has passed on through a series of mergers to become the present day **UNITE HERE** and the **Amalgamated Bank of New York** it created continues to operate, known today as simply **Amalgamated Bank**.

Amalgamated Bank of Chicago, once a branch of its New York cousin, is now an independent and labor-supported bank with retail branches in Chicago and its suburbs and a nationwide customer base for its credit card and other services.

The Labor Bank, an institution sponsored by the **International Brotherhood of Boilermakers (IBB)** has also been in business since the 1920s. It has undergone a modernization and is now vigorously competing for retail banking business among union members and their unions nationwide.

Union Plus, the affinity credit card and discount program sponsored by the **AFL-CIO**, is one of the better-known programs of the labor movement. It provides low-cost credit card services to members of unions that have signed on as well as a huge range of consumer-oriented discount programs—from car rentals to travel and legal services, mortgage lending, low-cost consumer loans and more.

Ameriserv Financial in Pennsylvania, is a lesser known union friendly bank with 23 retail locations, whose employees are represented by the **USW**.

First Trade Union Bank is headquartered in Boston but serves a nationwide customer base.



Tom Johnson (L) and Randy Cruse, representing the Bank of Labor, provide information to delegates attending the Building and Construction Trades Department Legislative Conference in Washington, D.C., earlier this year.

From Olympic uniforms to US infrastructure, voters believe in ‘Buy America’

As the Games of the XXX Olympiad opened in London in late July, people around the United States were outraged to find out that the uniforms our athletes would wear while marching into these ceremonies were made in China. Even Congress got involved—Senator Kristen Gillibrand (D-NY) and her Democratic Senate colleagues from New York, New Jersey, Pennsylvania and Ohio introduced legislation that requires the U.S. Olympic Committee to outfit Olympic athletes in ceremonial uniforms “sewn or assembled in the United States” for future Olympics.

The U.S. public echoed similar outrage and Olympic designer Ralph Lauren acknowledged his misstep and vowed the 2014 uniforms would indeed be “made-in-the-USA.”

The political fallout was unified. Democrats and Republicans both heeded the call for team USA’s uniforms to be made in America.

U.S. labor has historically been vocal in support of Buy America laws and policy, and frequently frustrated over how both parties have tended to allow wide loopholes for evading them. AFL-CIO President Richard Trumka echoed the call for strong “Buy America” policies earlier this year in his speech to the Center for National Policy. “We must demand that Congress start talking about a different order of magnitude—something north of \$4 trillion in the coming decade to rebuild our 20th century infrastructure and construct a 21st century infrastructure—from roads to rail, modern airports, universal broadband and clean, innovative energy technology. That investment must be accompanied by strong “Buy America” laws to ensure that we actually make things our tax dollars are paying for. A stronger America is the legacy we should leave our children and grandchildren,” Trumka said.

Voters believe in ‘Made in America’

“Made in America” policies are hugely popular, a survey conducted for the Alliance for American Manufacturing (AAM) by the Mellman Group concluded. Nearly 9 out of 10 Republicans and Independents and 91 percent of Democrats said they support “Buy American” preferences. Overwhelming majorities of people from all political parties said they supported “Buy

We must demand that Congress start talking about a different order of magnitude—something north of \$4 trillion in the coming decade to rebuild our 20th century infrastructure and construct a 21st century infrastructure...

*—Richard Trumka,
AFL-CIO President*

America” policies that would mandate that taxpayer money can only be used on goods that were made in America. The survey of 1,200 Americans shows that 97 percent of the people polled have a favorable view of goods manufactured in the United States. In addition, the results showed a high level of support for strong “Buy America” programs for public works.

“Buy America” policies aren’t new. The Jones Act—introduced in 1920—requires that all goods transported by water between U.S. ports must be carried in U.S.-flag ships, constructed in the United States. The Buy

America Act requires all federal government agency purchases of goods be produced in the U.S. The Berry Amendment requires the Department of Defense to give preference in procurement to domestically produced, manufactured, or home grown products, most notably food, clothing, fabrics, and specialty metals.

Although the policies aren’t new, waivers are often granted and items sourced from outside of the U.S. AAM’s poll shows that 89 percent of voters believe that Congress should institute policies that support U.S. manufacturing.

Two representatives from Chicago, Reps. Dan Lipinski (D) and Adam Kinzinger (R), believe that U.S. policies should focus on rebuilding a strong manufacturing industry. The two have cosponsored a bill (HR 5865) called the American Manufacturing Competitiveness Act of 2012. The legislation would create a 15-member panel of experts who would formulate strategy to promote “growth, sustainability and competitiveness for U.S. Manufacturing.”

The board would have five members appointed by the President—the U.S. Secretary of Commerce, two governors from different political parties, and two other members who have served in the executive branch of government. The additional ten members would be appointed from the private sector by leaders of House and Senate from both sides of the aisle.

The legislation passed the House 339 to 77, on September 12, with nearly equal support among Democrats and Republicans.

The AAM has long called for the establishment of a national manufacturing strategy and commends the House for passing such legislation, read a statement on the AAM website.

Lipinski calls this legislation a “linchpin” to protect the middle-class worker. ■

The AFL-CIO has approved the boycott of the following companies:

Palermo Pizza, Milwaukee, Wisc.

As many as 90 of Palermo Pizza's production workers in Milwaukee have been on strike since June 1 because of Palermo's failure to recognize its efforts to form a union. Workers complain about issues of pay, discrimination and safety through Voces de la Frontera, the group representing them.

Last year, workers with decades of service approached Palermo's management to discuss serious health and safety problems, such as reports of severe lacerations from machines without adequate safety protections and complained of poor training.

The company also has paid thousands of dollars in fines in the past four years to settle complaints with OSHA. In one case, Palermo's management initially refused time off for the injured worker to heal.

Palermo's recently sought to exploit the Immigration Department's (ICE) audit process in an attempt to quell its labor problems. Currently, ICE has issued a stay on its audit at Palermo's because of the ongoing labor issues.

Despite the efforts of workers to work with management, Palermo's executives Giacomo and Angelo Fallucca repeatedly have met these efforts with retaliation and threats. In fact, Palermo's is under investigation by the National Labor Relations Board for charges it unlawfully threatened and discharged employees for asserting their rights to organize a union as a means of addressing workplace issues.

Hyatt Global Boycott*

On Monday, July 23, 2012, Hyatt workers and allies formally launched the global boycott of Hyatt. Hyatt has singled itself out as the worst hotel employer in America. Hyatt has abused housekeepers and other hotel work-



ers, replacing longtime employees with minimum wage temporary workers and imposing dangerous workloads on those who remain. In response, Hyatt workers have taken bold steps to end mistreatment, speaking publicly about abuses, going on strike, and now, launching a global boycott of Hyatt.

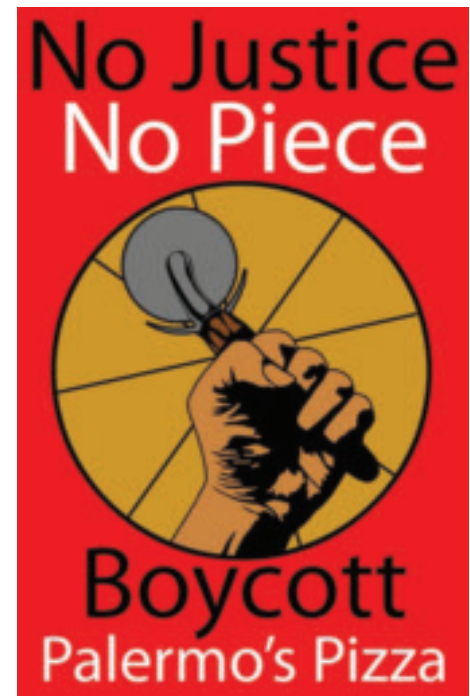
"Hyatt systematically abuses housekeepers and other hotel workers, and it is unacceptable in 2012 that women endure debilitating injuries because of the work they do cleaning rooms," said John Wilhelm, the President of UNITE HERE. "We call on Hyatt to end its systematic abuse of housekeepers and adopt the recommendations made by the federal government to reduce the physical strain associated with housekeeping work."

Some Hyatt locations have contracts in place; see the "Don't Buy" list to see which Hyatts are NOT part of the boycott.

Hardin, Lazarus and Lewis, LLC

AFSCME has instituted a boycott of the Hardin, Lazarus and Lewis law firm in Hamilton County, Ohio, for "dual unionism." The firm is representing the

Hamilton County JFS Association in an attempt to decertify AFSCME as the bargaining representative for employees of the Hamilton County Dept. of Job and Family Services. AFSCME prevailed in the decertification election, but Lazarus is fighting the vote. ■



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WASHINGTON, D.C.

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EndNotes

By Rich Kline, *President, UL&STD*

Who built structural unemployment and can it be renovated



Unemployment rates start at 8-plus percent. Factor in the underemployed, the discouraged, teenagers,

recent college graduates and the rate jumps higher.

Some say that this high unemployment is not simply the result of the recession, as they note the recession officially ended many months ago. For the affected workers the cause is less important than the impact, of course. Terms of art used by economists don't reflect the human misery suffered by so many Americans.

In fact some of the wretched jobs statistics are the result of deliberate policies made by successive presidencies and congresses over many decades. Joblessness

has been built into our economy. It's time to renovate.

In their most recent book, *The Betrayal of the American Dream*, Donald L. Bartlett and James B. Steele, analyzed the current jobs crisis. The Pulitzer Prize-winning authors wrote *America: What Went Wrong* in 1992. Since then, the plight of workers in America has gotten worse.

Bartlett and Steele document how the rich and corporations pay less in taxes. They graphically describe the loss of manufacturing jobs—30 percent of the workforce in 1950 and only 11 percent in 2000. They cite numerous instances of companies that outsource jobs to low wage and unregulated countries with the encouragement of U.S. trade policies and tax incentives.

The book notes the transfer of high tech and research and development jobs which cut employment immediately and threaten future jobs, if not whole industries.

These aspects of our economy are consequences of actions taken by both Republican and Democratic administrations. In fact, much of the harm done to workers and the middle class are products of the only bipartisanship seen in Washington. Now with corporate political campaign funds directly affecting our electoral process as the outcome of the Supreme Court's "Citizens United" decision

the situation has become more dire.

We have permitted other nations to provide assistance and subsidies to their industries, thus enabling them to drive ours into oblivion. Bartlett and Steele use the example of China's support for its domestic solar manufacturers to illustrate the point. Between 2008 and 2010, "China's export of solar cells and panels to the United States rose a phenomenal 350 percent," and the domestic solar market's pricing collapsed, devastating the industry here, an industry and a technology that was invented in the United States.

Ultimately, the major point to be taken from the book's anecdotes, statistics and histories is the role played by government in orchestrating the decline in jobs. Regardless of which party wins in November, the unemployment rate, the decline of manufacturing, the shrinking of the middle class and the restricted future for coming generations will endure if government policies don't change.

A litmus test for political candidates should include pledges to fight for tax fairness, to win fair trade policies and back American manufacturing, to fund improvements in infrastructure to keep America competitive and to fight the export of American jobs. Not too much to ask of our public servants, is it? ■