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# Label Letter

Union Label & Service Trades Department, AFL-CIO

## Supply Chain Issues Expose the Need for Reshoring



In a study released by NTT Data on the current state of the global supply chain nearly 70 percent of companies surveyed said supply chains have become too global. The 2022 26th Annual Third-Party Logistics Study, which included data gathered this spring from surveys and one-on-one interviews with almost 350 companies, illuminates critical issues faced by logistics managers worldwide.

Since the onset of COVID-19, the US has seen supply chain weaknesses. From the initial scarcity in personal protective equipment to the shortage of microprocessors, challenges emerged in linking suppliers of goods on one side of the planet to sources of demand on the other.

“Nearshoring and reshoring absolutely is going to happen. It has been happening quietly for the last few years,” says Kevin Smith, CEO of Sustainable Supply Chain Consulting told *Forbes* magazine.

According to the study, 83 percent of shippers surveyed reported they saw a disruption in the supply of key materials this year. Nearly half of those surveyed, 45 percent, said they anticipate having to

adjust production location over the next three years to minimize effects of a single breakdown in the global supply chain.

Defense Department supplier, M2 Global, recognized the global supply chain issues when the Suez Canal was blocked for six days. M2 President Douglas Carlberg said his company is no longer using the “just-in-time” fulfillment model to source its materials. “Instead of waiting to run out of materials, I’m out there running to get them. I’m not taking the risk.”

The “just-in-time” model was pioneered by Japanese carmaker Toyota and became popular in the U.S. in the 1970s. The idea is that a company sources material just before they’re needed in the manufacturing process.

Steve Ottemann, chief operating officer at PSI, which produces tire pressure systems for long-haul trucks, says his business is booming but he’s seen longer lead times and unpredictability with overseas suppliers, leading him to seek out domestic manufacturers. His issues began before the pandemic, in 2019, when Trump slapped 25 percent tariffs on select Chinese imports.

**“Nearshoring and reshoring absolutely is going to happen. It has been happening quietly for the last few years,”**

—Kevin Smith, CEO of Sustainable Supply Chain Consulting

Things have only gotten worse as COVID cases have caused severe backlogs at China’s largest port.

Harry Moser, president of the Reshoring Initiative, a consulting firm aimed at bringing American manufacturers back to the U.S., says that the “just-in-time” supply chain model is “dangerous.”

Moser says most companies could lower their costs by as much as 30 percent by bringing their operations back to the U.S. He offers companies an online calculator that he says shows companies how much they could save by reshoring. According to Moser, since 2010, more than 4,700 companies have brought some or all of their manufacturing back to the U.S., creating more than a million manufacturing jobs.

While it remains to be seen if the pundits are right about more reshoring due to the supply chain issues exposed during COVID, President Biden has pushed for more made-in-America purchasing starting with Executive Order 14017 “America’s Supply Chains,” as well as immediate actions made to support and strengthen American supply chains to promote economic and national security and support good-paying union jobs.

The E.O. directed a whole-of-government approach to assessing vulnerabilities in, and strengthening the resilience of, critical supply chains. ■

# EPI Report: Four-Million Jobs Would be Supported Annually by the ‘Build Back Better’ Agenda

A recent report issued by the Economic Policy Institute (EPI) shows that President Biden’s ‘Build Back Better’ agenda would support four million jobs annually. The report assesses the potential macroeconomics of two pieces of legislation pending in Congress: the Infrastructure Investment and Jobs Act (IIJA), which incorporates elements of the American Jobs Plan (White House 2021a, 2021c, 2021d), and Congress’s \$3.5 trillion (over 10 years) budget reconciliation bill, still being written in Congress, which incorporates measures proposed under the Biden Administration’s American Families Plan of the Build Back Better agenda (White House 2021b).

According to EPI, the two pieces of legislation amount to just over \$4 trillion in new spending over 10 years.

## THE REPORT FINDS:

- Combined, the IIJA and budget reconciliation package would provide fiscal support for more than 4 million jobs per year, on average, over the course of the 10-year budgeting window, through direct spending and increased indirect demand in related industries. The analysis does not account for dynamic effects of the planned investments,

though these policies are also certain to raise business and worker productivity, and to create faster and more equitably distributed long-run economic growth and increased tax revenues.

- The budget reconciliation package under consideration would support a far greater number of jobs than the IIJA. On its own, the IIJA will provide fiscal support for 772,400 jobs per year, or 19% of the total jobs supported by the combined package. In comparison, the budget reconciliation is expected to support more than 3.2 million jobs per year, or 81% of the total jobs. The budget reconciliation’s outsize economic impact flows from its more significant financial commitment to public investments.
- Manufacturing industries would see a significant boost under these combined plans, with more than 556,000 jobs supported annually.
- The planned investments would support more than 312,000 jobs annually in construction industries.
- The budget reconciliation would vastly expand caregiving jobs to address unmet needs in child care and elder care, supporting 1.1

million jobs per year. Such investments in universal pre-K, child care, and long-term care would not only disproportionately provide jobs for women—and particularly for women of color—but would also enable millions to participate more fully in the workforce at higher productivity and to earn higher compensation. This social infrastructure investment would facilitate increased accumulation of human capital critical for America’s long-term economic prosperity; and it would provide crucial relief to family budgets straining to balance work with the costs of caregiving.

- Climate-related and other environmental provisions in the legislation would support more than 763,000 jobs annually. This includes jobs supported by investments in electric vehicle infrastructure and federal procurement of clean technologies, public transit, power infrastructure, climate resilience, agriculture and forestry innovations, environmental remediation, and scientific research and development, among other measures.

Find the full report online at [www.epi.org](http://www.epi.org) ■

## AFL-CIO Welcomes Women’s Soccer League Players Association



The National Women’s Soccer League Players Association (NWSLPA) became the AFL-CIO’s 57th affiliate after receiving a direct charter in September. The NWSLPA represents players who make up the 10 teams in the league, advocates for them as they navigate their careers, and champions the growth of the league and the women’s game. The NWSLPA, which represents some 200 players, is deep into its #NoMoreSideHustles campaign, calling for fair pay and bringing attention to the athletes’ experiences having to work side jobs to make ends meet.

“We are honored to affiliate with the AFL-CIO. This is truly a historic moment for the NWSL Players Association,” said NWSLPA Executive Director Meghann Burke. “As we negotiate our first contract, solidarity is our strength. Through this affiliation, we are formally united with workers who have come before us to demand respect and dignity in the workplace.”

The league is in its ninth season and is scheduled to add two expansion teams in 2022, which then will bring it to a total of 12 teams across the country. ■

# Nabisco Strike Ends: BCTGM Members Overwhelmingly Accept New Contract

## VICTORY ACHIEVED THROUGH COURAGE, SACRIFICE AND SOLIDARITY

Members of the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (BCTGM) working for Nabisco/Mondelez in Portland, Ore., Aurora, Colo., Richmond, Va., Chicago, Ill. and Norcross, Ga., have voted overwhelmingly to accept a new collective bargaining agreement. Approval of the contract ends the BCTGM's strike against Nabisco which began on August 10.

In commenting on the membership vote to ratify the new contract, BCTGM International President Anthony Shelton stated, "This has been a long and difficult

fight for our striking members, their families and our Union. Throughout the strike, our members displayed tremendous courage, grit and determination.

"The BCTGM's striking members made enormous sacrifices in order to achieve a quality contract that preserves our Union's high standards for wages, hours and benefits for current and future Nabisco workers. Their sacrifice will benefit all BCTGM members and working people around the country for years to come. Those Brothers and Sisters who walked the picket lines

day in and day out are true BCTGM heroes.

"The BCTGM is grateful for the outpouring of fraternal support and Solidarity we received from across the labor movement in the U.S. and around the world.

"We offer our deepest gratitude to AFL-CIO President Liz Shuler for directing the full resources and power of the AFL-CIO at the federal, state and local levels in support of our striking members and our Union. This support was critical to the success of the strike.

"The BCTGM has shown, once again, that this Union will do whatever it takes, make any sacrifice, take on any employer or adversary in order to preserve the rights and jobs of our members and the standard of living of BCTGM families." ■

## Pandemic and Labor Shortages Spur Workers to Seek Union at Starbucks

Starbucks has successfully beaten back numerous union challenges over the years and it has gone to great lengths to discourage unionizing. The company was even cited in June by an administrative law judge for unlawfully firing two employees to stop a unionizing effort in Philadelphia.

But chronic understaffing, intensified during the pandemic, has led to Starbucks workers in Buffalo to file petitions to unionize at three area stores.

The employees are seeking to hold elections store-by-store, each of which has about 20 to 30 workers, though the company has asked the labor board for a single vote. In a hearing held by the NLRB, Starbucks' attorney Alan Model said, "The facts and the law do not support holding individual and separate elections."

Model is arguing that because of the similarities among the stores, any labor vote should include employees at all 20 locations across the Buffalo area not just the three stores seeking to unionize.

Law requires 30 percent of eligible workers sign union cards for a workplace to qualify for a vote. The union, organized under Workers United as an affiliate of the Service Employees International Union and calling itself Starbucks Workers United, says they have "strong majorities" at each of the stores.

Shift supervisor and union supporter Alexis Rizzo told the New York Times that "pandemic labor shortages—the fact that for once we're not totally disposable, they need us—it was the perfect time" [to unionize]. Rizzo has met with union organizers on and off over the years but told the Times that the timing just never felt right.

Since filing for an election, workers in Buffalo received a text message inviting them to attend several listening sessions to "discuss what their experience with the company has been." A company spokesman, identified by the Times as Mr. Borges, said those sessions are standard at the company.

Employees say the company has stoked fear since the filing. A Buffalo barista told the Times that several shift supervisors at her store, who had previously discussed the store's problems openly had become "tense and uncommunicative after being called into a meeting with a manager."

Members of the organizing committee have asked Starbucks CEO Kevin Johnson to endorse a list of "fair election principles." They include refraining from explicit and implicit threats against workers. ■

## Old Dutch Employees Prepare for Negotiations

The Union Advocate reports that workers at Old Dutch are preparing for contract talks this fall, in which they "intend to push the company to ease increasingly taxing workloads."

The members of Bakery, Confectionery, Tobacco, and Grain Millers (BCTGM) Local 22 in Minneapolis are "angry because they're working a lot of overtime, and they say the company doesn't pay enough to recruit and retain workers," said Local 22 President Wally Borgen.

The complaints from Old Dutch employees echo the grievances voiced by Frito Lay and Nabisco employees that led to strikes at those plants this year.

Borgen says that the dissatisfaction over unsafe workloads and lack of work-life balance among the food processing workers has spread to his local in a big way.

Old Dutch Foods manufacturer potato chips and other snack foods. Their product line includes brands such as Old Dutch Potato Chips, Dutch Crunch, Ripples, Cheese Pleasers and Restaurante Style Tortilla Chips. ■



# Latest Strike - Kellogg's Workers Fighting Against Forced Overtime, Erosion of Wages, Benefits

On October 5, 1,400 BCTGM members at Kellogg's cereal plants in Battle Creek, Mich. (Local 3G), Omaha, Neb. (Local 50G), Lancaster, Pa. (Local 374G) and Memphis, Tenn. (Local 252G) went on strike against their employer. The strike stemmed from Kellogg's proposals to modify or take away health benefits, retirement benefits, and vacation pay and to remove the Union Label from cereal boxes.

The workers also claim that the company's proposal to remove the union label from boxes is a precursor to moving more of their work into Mexico, muddying the consumer's ability to determine where their cereal was made.

Another issue prompting the strike was the proposal to expand their current two-tiered employment system, with new hires making less money, paying more out-of-pocket for health insurance and having no access to pension benefits.

Their last contract created a class of "transitional" employees who are paid lower and receive lesser benefits. The contract stipulated that the transitional employees must have a path to become so-called "legacy" employees and that no more than 30 percent of the existing workforce can be classified as transitional. As older employees quit or retire, the transitional employees move into the legacy status. Kellogg's is proposing an elimination of the 30 percent cap, making it impossible for the newer workers to ever reach the higher paid status.

Although pay rates vary by position, workers said there is currently a roughly \$12-per-hour difference between legacy employees and transitional employees in many roles. Transitional employees pay health care costs that their legacy counterparts don't and are on a lesser retirement plan.

Kellogg's claims that employees can make around \$120,000 a year, but the striking workers counter that claim by pointing out that to make that much, they had to work overtime including 12- or 16-hour days, often seven days a week.

In an article in the Huffington Post, Kellogg's worker and BCTGM Local 3G President Trevor Bidelman, who is a fourth-generation employee at the plant,

told the news outlet, "When you look at the Battle Creek area, getting into Kellogg's was a career," he said. "Now they want to turn it into a job. What they don't understand is you're only in a job until you find a better one and grab it."

"This fight is about the people coming up behind us. We've got to say enough is enough."

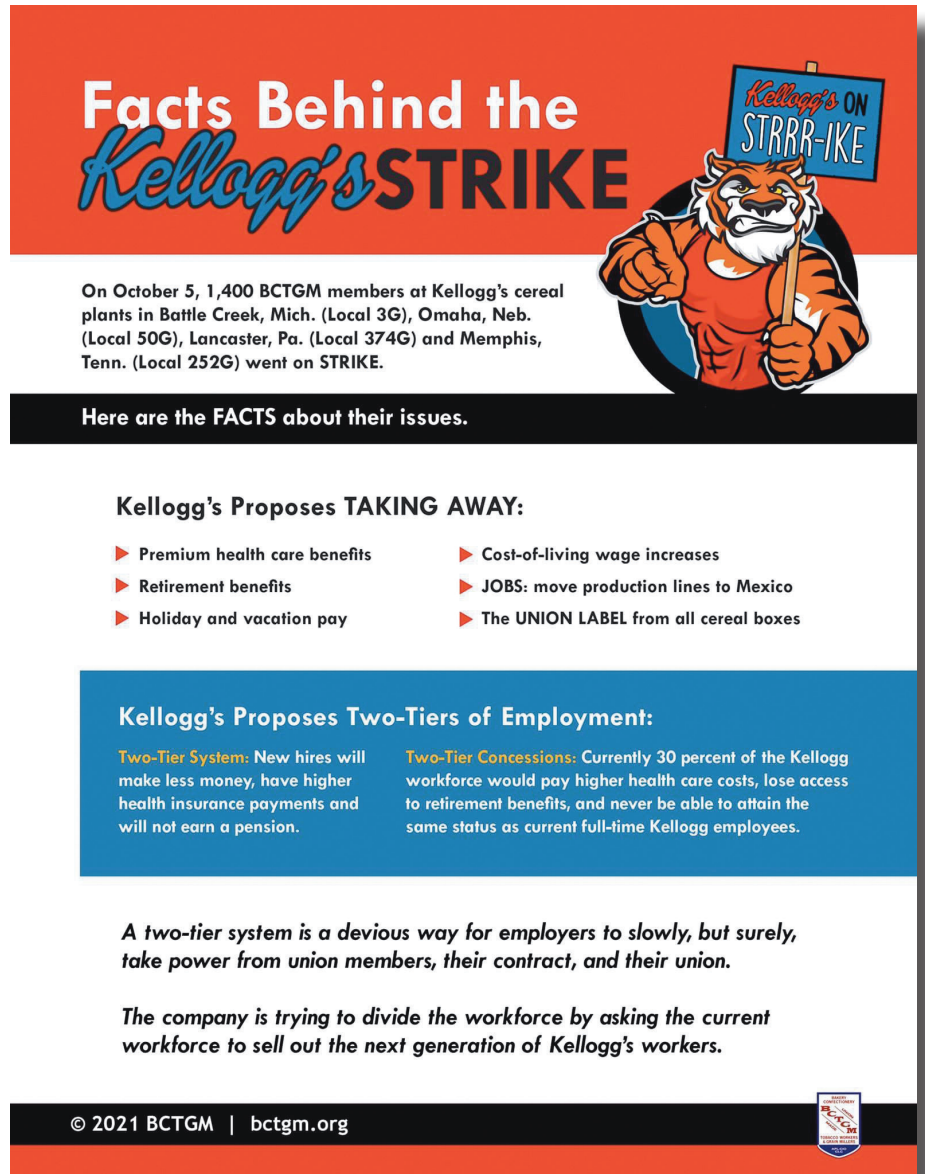
On the overtime issue, Bidelman said his longest personal stretch of consecutive workdays without a break was 116.

Many unionized companies would rather pay an overtime penalty with their

existing workforce than hire more employees entitled to benefits under the union contract.

Two-tier systems are used by employers to help drive a wedge between the workforce. When the employees agreed to the two-tiered contract six years earlier, they did so because the company was threatening to move jobs out of the country.

By removing the cap on transitional employees, Kellogg's would be able to exacerbate the discord and further erode union power. ■



## Facts Behind the Kellogg's STRIKE

On October 5, 1,400 BCTGM members at Kellogg's cereal plants in Battle Creek, Mich. (Local 3G), Omaha, Neb. (Local 50G), Lancaster, Pa. (Local 374G) and Memphis, Tenn. (Local 252G) went on STRIKE.

Here are the FACTS about their issues.

### Kellogg's Proposes TAKING AWAY:

- ▶ Premium health care benefits
- ▶ Retirement benefits
- ▶ Holiday and vacation pay
- ▶ Cost-of-living wage increases
- ▶ JOBS: move production lines to Mexico
- ▶ The UNION LABEL from all cereal boxes

### Kellogg's Proposes Two-Tiers of Employment:


**Two-Tier System:** New hires will make less money, have higher health insurance payments and will not earn a pension.

**Two-Tier Concessions:** Currently 30 percent of the Kellogg workforce would pay higher health care costs, lose access to retirement benefits, and never be able to attain the same status as current full-time Kellogg employees.

**A two-tier system is a devious way for employers to slowly, but surely, take power from union members, their contract, and their union.**

**The company is trying to divide the workforce by asking the current workforce to sell out the next generation of Kellogg's workers.**

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## IATSE Strike Averted

A nationwide strike that would have started October 18 was averted when the International Alliance of Theatrical Stage Employees (IATSE) reached a tentative three-year agreement with the Alliance of Motion Picture and Television Producers (AMPTP) for The Basic and Videotape Agreements which affects 40,000 film and television workers represented by 13 West Coast IATSE local unions.

The proposed contract addresses core issues including: reasonable rest periods; meal breaks; a living wage for those on the bottom of the pay scale; and significant increases in compensation to be paid by newmedia companies.

"This is a Hollywood ending," said IATSE International President Matthew Loeb. "Our members stood firm. We are tough and united."

IATSE union members were prepared to withhold their labor and go on strike until issues related to the quality of their lives were addressed, he said.

"We went toe to toe with some of the richest and most powerful entertainment and tech companies in the world, and we have now reached an agreement with the AMPTP that meets our members' needs."

The AMPTP is a trade association that represents major employers and producers of television and film including Walt Disney Studios, Warner Bros., Paramount Pictures, Apple, Netflix, and Amazon, among others.

The tentative agreement, which still must be ratified by IATSE members, includes enhanced pay and benefits, daily rest, and improved working conditions.

IATSE members will be briefed by their local leaders on full details and language of the tentative agreement. A ratification vote will be held with members casting ballots online.

"Our members will see significant improvements, but our employers also will benefit," said Mike Miller Vice President and Motion Picture Director for IATSE. "This settlement allows pre-production, production and post-production to continue without interruption. Workers should have improved morale and be more alert. Health and safety standards have been upgraded." ■

## NLRB to Issue Harsher Penalties for Unfair Labor Practices

### UNLAWFUL FIRINGS, INTERFERENCE IN UNION ACTIVITY SUBJECT TO PENALTIES

The new general counsel of the National Labor Relations Board, Jennifer Abruzzo, has issued a series of memos recently that signal a change in the NLRB's treatment of Unfair Labor Practices. Regional offices can now use broad discretion to issue harsher penalties to employers found violating federal labor law. A September memo encouraged the regional boards to seek significant damages and to impose a wide array of "remedies available to ensure that victims of unlawful conduct are made whole for losses suffered as a result of unfair labor practices."

The memo continues to outline a variety of far more worker-friendly, union friendly NLRB directives for the Regions, including ordering:

- Union access to employee contact information and employer bulletin boards, along with equal time to address employees if they've been subject to "captive audience" meetings by their employers.

- Reimbursement of organizational costs if an employer has engaged in unlawful conduct during an election such that an election is set aside.
- Extended posting periods for notices where the unfair labor practices have been pervasive and occurred over significant periods of time.
- Training of employees, including supervisors and managers, both current and new, on employees' rights under the National Labor Relations Act and/or compliance with the Board's Orders.
- Issuance of "broad cease and desist orders" for interference in employees' rights under the NLRA.

Abruzzo's memos send a message to employers that the NLRB's focus is shifting to favor employee and union rights in the workplace. ■





# Holiday Dinner

## TURKEY

- » Foster Farms
- » Butterball
- » Hoffmann's Turkey breast
- » Honest John Turkey
- » Boar's Head
- » Thumann's
- » Ham
- » Cook's Spiral Sliced Honey Ham
- » Tyson

## DINNER ROLLS

- » Parkerhouse
- » Arnold
- » Francisco
- » George Weston
- » Sara Lee

## VEGETABLES

- » Birds Eye
- » Hanover foods frozen vegetables
- » Del Monte Canned vegetables
- » Cranberries/Cranberry Sauce
- » Dole
- » Ocean Spray

## STUFFING

- » Stroehmann
- » Kraft Stove Top Stuffing

## SIDE DISHES

- » Betty Crocker
- » Kraft mac & Cheese
- » Dessert
- » Redi Whip and Cool Whip
- » Entenmann's
- » Marie Callender's
- » Sara Lee

## RETAIL BAKESHOPS

- » Giant
- » Albertsons
- » Brown & Cole
- » Byerly's
- » Dave's Supermarket
- » Fred Meyer
- » Haggen's
- » Jerry's
- » Roth's family Markets
- » Rosauer's
- » Safeway Inc.
- » Schnuck's
- » Supervalu (Albertsons, Cubs)
- » Vons

## WINE & CHAMPAGNE

- » Almaden
- » Barrelli Creek
- » Bartles & Jaymes
- » Black Box
- » Carlo Rossi
- » Charles Krug
- » Chateau Ste. Michelle
- » Columbia Crest
- » Corbett Canyon Vineyard
- » Dubonnet
- » Fairbanks
- » Franzia
- » Frei Brothers
- » Gallo Estate Wines
- » Lejon Vermouth
- » Livingston Cellars
- » Mission Bell
- » Peter Vella
- » Rancho Zabaco
- » Robert Mondavi
- » Scheid Vineyards
- » Sheffield Cellars
- » Snoqualmie Vineyards
- » Turning Leaf
- » Weibel
- » Cook's





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# EndNotes



## Label Letter

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By Rich Kline, *President, UL&STD*

## Globalization and Its Woes



The downside of globalization has long been apparent: diminished industrial capacity, job losses and service industry disruptions are major examples. Foreign-made goods from autos to tee shirts and services from call centers to medical testing would be better sourced at home.

The current upheaval in US supply chains has been occasioned by the pandemic and Trump administration trade policies, according to some observers. The real issue is the vulnerability that the situation exposes. The United States is unable to provide adequately for its needs. Consumer goods, military gear, technology and more are dependent on off-shore suppliers, some of whom have little affection for the United States.

It is well past the time to correct this problem. President Biden has called for buying American-made goods for government use. Many industries see the virtue in having suppliers near at hand as opposed to having their necessities parked on container ships in overwhelmed ports.

Consumers pay inflationary prices for short-stocked goods from overseas. Why continue to put up with this?

The infrastructure legislation languishing in Washington along with Biden's Build Back Better program would go a long way to improving what is a grave economic issue that harms American workers and their families on many levels. Reshoring industry creates jobs lost to globalization and strengthens families, communities, industries and the country.

Pass the Infrastructure and Build Back Better bills and bring jobs home. ■