

THE PROCESS NEWS

By the International Union of Operating Engineers,

Locals 351 & 564

VOLUME 1, ISSUE 4 DECEMBER 2014

PRODUCTIVITY VS. WAGES

According to a recent report from the Department of Labor, the productivity of the American worker during the last quarter grew by a higher percentage than initially thought. The US output of goods and services was up 4.9 percent, in large part due to companies hiring workers at the fastest rate since the end of the recession.

While the data shows that workers are being more productive, the labor costs for the study period actually fell 3.7 percent. Included in this, wages for workers fell 1.3%.

An article on Marketwatch noted that productivity is usually a good indicator of a country's well-being. When productivity rises, companies make higher profits, invest their cash, pay higher dividends to share holders, and higher wages to employees. However, since even before the recession of 2008, high productivity has not translated into higher wages as it is expected to do. They say

that economists are not sure why wages are not rising along with productivity.

The Economic Policy Institute examined the issue in 2012 and offered a few explanations. They found that productivity was fairly linked to wages from 1945 to around 1970. In other words, if workers were 2% more productive, their wages rose approximately 2% as well.

Starting in 1970, the link between productivity and wages began to decline. According to their research, basically between 1945 and 1970, both rose approximately 100%. However, between 1970 and 2011, productivity rose a cumulative 155% or so and wages rose about...13%. Note: these are "real wages". In other words, how much you can purchase with your wages.

The EPI offered a few explanations for the divergence of wages and productivity. Not surprisingly, they found that a major

cause is the shift to more and more going to the highest earners. Basically, during the last 40 years or so, the top 1% saw extraordinary gains, the top 10% saw great gains, the middle class saw very little gains and the bottom lost ground.

They also noted that a larger and larger percentage of our economy is now spent on "capital income" and less and less on labor. The wealthiest folks make money on interest and dividends now, instead of by producing goods.

We'd like to point out that mimicking the separation between productivity and wages is the decline in the percentage of the population who belong to labor unions and bargain collectively for their wages and benefits.

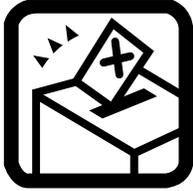
You're tired of hearing unions point out how things have gotten worse for workers since union membership began dropping? Well, we challenge you to explain it in any other way.



INSIDE THIS ISSUE:

| | |
|-----------------|---|
| UNION DEMOCRACY | 2 |
| ORGANIZING | 2 |
| UNION STEWARDS | 3 |
| FALLING OIL | 3 |
| TRICKLE DOWN? | 4 |
| SCA PAY | 5 |
| SCOTUS | 6 |





UNION DEMOCRACY

During Bob Dole's 1996 presidential campaign he repeatedly referred to the big "union bosses" who were backing Bill Clinton. And Bob Dole is not alone, when it comes to union leadership most people refer to them as "bosses" (even a lot of union members).

This has helped big business spread the misconception that unions are impossible bureaucracies that are organized from the top-down. When in

actuality, unions, especially your local union, are probably the most democratic organizations in the country.

Think about it. Can you and your coworkers vote out your supervisor and elect someone who is more fair? If you all don't like the new production schedule, can you vote on changing it? And even in regards to our political process, sure you get to vote, but we can all agree that money plays a huge role in those elections.

Your local union is different. You elect the officers (usually with little or no money spent on campaigns), you vote on your contracts, you vote on if a strike is necessary, and you may serve as a steward or trustee.

So you have a real say in how your local union operates. And while your local union is part of the international union in Washington DC, it can pretty much set its own agenda and priorities.

EVERY MEMBER IS AN ORGANIZER

Our unions can be most successful if we continue to expand the market share of our members. The more members we sign up, the larger our market share, the more bargaining power we will have each time contract bargaining comes around. That is why organizing is so vital.

In most North American unions, an organizer is a paid member who assist non-union workers in winning a union at their workplace. Since organizing is key to the success of any union, the role of organizers is one of the most im-

portant in the organization.

However, while we'd like to have dozens of people who's only job is to sign up new members, most unions only have the budget for 1-2 paid organizers. This is why it is vital for EVERY MEMBER to be an organizer.

If there are non-union people at your workplace who could benefit from the IUOE, talk to them about it. Is your cousin complaining about how he hasn't gotten a raise in 5 years? Why not tell him about our collectively bar-

gained for raises and great benefits? Do you work at a facility where some of your coworkers chose not to join the union, even though it is available to them? Start a conversation with them about why they should join up. If you see someone at the grocery store wearing a shirt from a non-union shop...start educating them!

If you need some pointers in how to start these conversations, contact your local union. We'll put you in touch with our staff organizers, who are happy to assist you.

"THERE IS CLASS WARFARE ALRIGHT, BUT IT IS MY CLASS, THE RICH CLASS, THAT'S MAKING WAR, AND WE ARE WINNING" - WARREN BUFFETT



FEDS INVESTIGATING FATAL DUPONT LEAK

Sadly, last month 4 workers lost their lives at work due to a methyl mercaptan leak at a Dupont Chemical plant about 25 miles southeast of Houston.

The workers were apparently

responding to a leak in a valve when they were overcome by the poisonous fumes.

Feds are investigating how this could happen in what is

already such a highly regulated process. "We're going to be looking at those programs to see what the breakdown was," said Daniel Horowitz, managing director of the Chemical Safety Board.

ROLE OF UNION STEWARDS

So, you form a union at your workplace. Is that it, are you done with all the hard work? Nope. In order for your union to be effective you have to remain active. Everyone should attend the monthly meetings, everyone should vote in officer elections, and if you want to go further, you might want to consider being a shop steward.

It is often said that the steward is the most important position in the union. While their responsibilities differ from place to place, often they are the ones on the front lines who make sure the company is adhering to the contract. If the company unjustly disciplines a coworker the steward is the first line of defense. Stewards are gener-

ally the “face” of the union at your workplace.

If you are already a leader at your workplace, or if you are interested in becoming more involved in the union process, look into being a steward. Our local unions can assist you with the training needed to effectively help your coworkers.

“YOU LOAD 16 TONS, WHAT DO YOU GET? ANOTHER DAY OLDER AND DEEPER IN DEBT. ST PETER DON’T YOU CALL ME ‘CAUSE I CAN’T GO, I OWE MY SOUL TO THE COMPANY STORE.”
- TENNESSEE ERNIE FORD

COMMON LABOR TERMS

Per capita - the amount local unions pay to the international union for each member.

Pinkertons - though originally referring only to the agents of the Pinkerton Detective Agency, later it became applied to any hired strike-breakers.

Prevailing Wage - the average wage in a given industry for a geographic area - used to set the Davis Bacon wages.

Rank and File - the members of the union.

Ratification - the formal acceptance of a bargained contract by the membership. The membership votes to ratify or not.

Real Wages - The purchasing power of wages. Real wages gains are much lower than nominal wage gains. In other words, you earn twice as much as people did 30 years ago, but you can not

afford to buy twice as much as someone 30 years ago.

Representation election - the election conducted by the NLRB to determine if workers want to join a union.

Right to work - laws enacted in some states that allow for workers at a unionized workplace to refuse to pay dues, though the union is still required to represent those workers.

BACK WAGES FOR SHALE WORKERS

The US Department of Labor’s Wage and Hour Division has found significant overtime violations among contractors working in the Marcellus Shale region of Pennsylvania and West Virginia. These violations have resulted in the employers agreeing to pay about \$4.5 million in back wages to 5,310 employees.

“Recovering wages for these workers will help them pay the rent, buy food for the

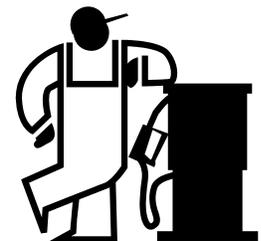
table and clothing for their children. And it will help ensure that employers who play by the rules and pay their employees the wages that they earned are not undercut by those who gain advantage by cheating the system and their workers,” said US Secretary of Labor Thomas E. Perez.

Most of the violations found in the two year enforcement initiative were related to improper payment of overtime.

They also found that some employees were incorrectly classified as exempt from overtime.

Fracking usually involves numerous contractors on sites. Mark Watson, regional administrator for the US DOL Northeast division noted this contributed to the problem.

“The more fractured an industry is, the more likely there will be significant labor law violations.”.



\$655,000 IN LOST BENEFITS TO BE REPAYED



In 2012, McDonald Transit Associates, through its subsidiary Travis Transit Management, took over some fixed route services in Austin Texas and made some changes to its employees' health insurance and retirement plans.

The Amalgamated Transit Union, Local 1091 filed a charge with the National Labor Relations Board that those changes were in violation of the National Labor Relations Act. The Fort

Worth office of the NLRB agreed with ATU 1091.

On November 7th, McDonalds Transit and the union entered into a board settlement agreement, which was approved by an administrative law judge, in which the company will pay \$655,000 as compensation for losses incurred by the about 600 employees as a result of the unlawful health and pension changes.

The employer also agreed to post a notice in the workplace advising the workers of the alleged violations and their rights under the National Labor Relations Act.

This illustrates why it is not only important to form a union at your workplace, but that you also have to remain vigilant to make sure that employers are always following the law...and to stick together to remedy the situation when they are not.

THE FAILURE OF TRICKLE-DOWN ECONOMICS

Since 1980 or so the republican party has put forth the value of trickle down economics. Basically, starting with Ronald Reagan, those on the right said that if we rig the system so that the wealthy get much richer that the benefits would "trickle down" to the rest in society.

For about 35 years, we have reworked the tax code to allow the rich to avoid paying their share of taxes, we've reduced regulations and oversight of industry, we've weakened government agencies that work to protect citizens, and we've started allowing billionaires to blatantly buy elections. Also, we've allowed big business to buy legislation that was solely designed to weaken labor unions and thereby reduce workers' power at the bargaining table.

Yeah, we know. It sounds nuts. And that is because it is. But that is exactly what has happened for the last few decades.

Now, yet another think tank has released a study showing that trickle down economics has had a negative effect on western societies.

Speaking about the UK, the Organization for Economic Cooperation and Development (OECD), found that by following the trickle down policies put in place by Margaret Thatcher, the rich got richer, the poor got poorer.

The resulting growth in inequality has had a negative impact on the economy as a whole. The OECD said that between 1985 and 2010, economic growth was reduced by almost 10% due to the rise in inequality.

They also stated that rising inequality reduced growth in economies around the world during the same timeframe. 10% less in Mexico and New Zealand, 9% in Finland and Norway, and between 6% and 7% in the US, Italy and Sweden.

The OECD recommended that western governments should redo their tax systems to ensure that the wealthy pay their fair share. In other words, they advocated for returning to a system that was more similar to what we had in the 1950's-1960's...you know, when the rich paid their fair share, when union membership was growing, and when we built the biggest and best middle class in the history of the world.

PEOPLE FEEL LIKE THE SYSTEM IS RIGGED AGAINST THEM, AND HERE IS THE PAINFUL PART, THEY'RE RIGHT. THE SYSTEM IS RIGGED". SENATOR ELIZABETH WARREN

US LABOR HISTORY PART 4

On December 28th, 1936 one department of workers at a General Motors manufacturing plant in Cleveland sat down on the job, vowing to stay there until GM signed a national agreement with the United Auto Workers. By the end of the day 7,000 other workers at the facility joined in the sit-down strike. Two days later, workers occupied Detroit's GM Fisher Body Plant #2 with the same goal. On December 31st, 1936 workers at Fisher Plant #1 entered the facility and escorted management and security out of the plant, joining in on the rapidly expanding sit down strikes that would bring the world's largest corporation to the table.

Other facilities were shut down during January 1937 and by February 3rd, 1937, General Motors agreed to recognize the workers' union and begin negotiations. Over 400,000 manufacturing workers, seeking representation and a voice in their workplace, joined the United Auto Workers in 1937 alone.

With the successes realized by the workers at GM, an estimated 300,000 workers engaged in 477 other sit down strikes in 1937. Parts plants, cigar factories, and bakeries all organized using the sit-down.

In 1940, as the depression was ending, FDR was elected to a third term as president, and Adolf Hitler's troops occupied most of Western Europe. America's unions, like the population as a whole, were divided over the preparations for war. However, after the bombing of Pearl Harbor, most unions joined in a pledge to not strike for the duration of the war.

The country united to fight against fascism in Europe and the Pacific and war time production ramped up considerably. The massive increase in spending on military goods was necessary to win the war, and it also generated record profits for corporations that were over twice the pre-war average. Following the war, with tens of thousands being

laid off, and equally as many soldiers returning from Europe and the Pacific wishing to return to civilian jobs, a wave of strikes swept across the nation. During the first 12 months, there were 4,600 strikes involving more than 5 million workers.

The UAW asked General Motors for a 30% increase in wages, which may seem high, but it was calculated that there had been a 33% increase in the cost of living. President Truman recommended that the wages be raised about half of that and the UAW agreed, however the company refused. Electrical workers, packinghouse workers, and those in the steel industry asked for the same raise. When all refused, each industry went on strike. By March 1946, the companies agreed and all four industries went under national pattern agreements.

These strikes illustrated the power that workers have when they stick together.

More next time.

*"TRUE
INDIVIDUAL
FREEDOM CAN
NOT EXIST
WITHOUT
ECONOMIC
SECURITY AND
INDEPENDENCE.
PEOPLE WHO ARE
HUNGRY AND
OUT OF A JOB
ARE THE STUFF
OF WHICH
DICTATORSHIPS
ARE MADE." -
FRANKLIN D.
ROOSEVELT*

SERVICE CONTRACT WORKERS CAN DISCUSS PAY

Part of an executive order signed by President Obama earlier this year specifies that federal contractors must allow their employees to discuss their wages. The change requires any contractor who does at least \$10,000 worth of business annually for the federal government to update

existing employee handbooks and to post a notice in an obvious place in the workplace.

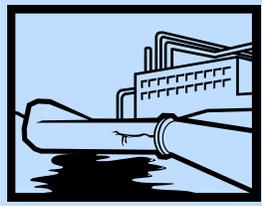
The regulation protects employees who disclose their pay and compensation to other workers from being fired or disciplined. It does not require employees to share

their compensation information with anyone, nor does it require the company to provide that information to those who ask.

The goal of the order is to promote fair pay in the workplace.



CHENIERE GETS ADDITIONAL \$2.5 BILLION



Cheniere Energy Inc. has sold an additional \$2.5 billion in convertible notes to fund the development of its Corpus Christi area LNG export terminal.

EIG Management Co and RRJ Capital II are buying the notes, which can then be converted into common stock in Cheniere. Also reported, RRJ will retain the right to transfer a portion of its \$1 billion in notes to Tamasek holdings, a Singapore state

owned investment company.

A previous investment (\$2 billion) came from the Blackstone Group LP.

Construction is expected to start at the Corpus Christi facility in 2015.

Construction at Cheniere's Sabine Pass LNG Export terminal is well under way. It is being developed on 1,000 acres near the mouth of the Sabine River ship channel in southwest Louisiana. Utiliz-

ing two docks approximately 3.7 miles from the coast, the Sabine Pass LNG Terminal will load liquefied natural gas onto specially designed ships to be sent overseas.

Bechtel appears to be providing the majority of the Sabine Pass crane work, with Deep South Crane doing some of the heavy lifting.

SUPREME COURT CASE ON UNPAID TIME

"INTEGRITY STAFFING DID NOT EMPLOY ITS WORKERS TO UNDERGO SECURITY SCREENINGS." - JUSTICE THOMAS

Imagine that you work at a facility where your employer trusts you so little that they make you go through a security screening each day before you can go home. Not only that, but the security screening takes place after you have clocked out.

So, essentially, you are being required by your employer to stay at work for 5, 10, 15 minutes each day without being paid for it.

Doesn't make much sense, does it? Well, it does to this supreme court. In a ruling this month, the court said that even though the Amazon warehouse workers were required by their employer to wait for the security check, that the security check itself was not necessary to the worker's jobs, so no pay. Um...does that mean that the workers can refuse to take part in the screening and just go home after they clock out?

Probably not.

The court did say that addressing this issue might be done at the bargaining table. Unfortunately these Amazon workers are not unionized. This is not the first time this Supreme Court has ruled against workers and for business. In fact, this Supreme Court has proven itself to be the most pro-business in history.

ASK
QUESTIONS.
LISTEN TO
THE
ANSWERS.

TIPS FOR TALKING TO CO-WORKERS ABOUT THE UNION

- Ask questions and then listen. What are their concerns about the employer? What would they like to see happen to improve things?

- Tell them that change is possible, that improvements can happen...if everyone

sticks together.

- Don't make up answers. If you don't know, tell them you will find out the answer.

- Push coworkers to get more involved. If they are willing to talk, ask them to sign a card, if they will sign a card,

see if they will be on the organizing committee.

- If anyone is treated unfairly at work, try to rally support for that person, whether or not they support the union organizing effort.

You can make this happen!

The Outdoor Corner

OUTDOOR GIFT IDEAS

Note - this is not an endorsement of any of these products. They are just things that we think are cool...

Split a lot of firewood at your place? Ok, so probably more common in Oklahoma and Iowa than Texas or Louisiana. Sure you could just use your old axe from Lowes...but how about the **Vipukirves Leveraxe**? Designed and made in Finland, the Leveraxe looks a bit daunting...actually it looks like a great tool to be used during a zombie apocalypse. \$359 on

Amazon.

Is it time for a new pair of boots? Instead of getting another pair of Chinese made boots at the sporting goods chain store, consider a pair of **Thorogood handcrafted boots** made right here in the USA by union labor. Available in a variety of styles, they start at about \$135.

www.theunionbootpro.com.

Next up is the new **Patriot Gas Grill from MHP Outdoor Grills**. Founded in the 1950's, MHP produces top notch American-made grills. The Patriot has a thick cast

aluminum body and porcelain coated cast iron cooking grids. MHP grills are available in many outdoor cooking stores nationwide.

If you are one who frequently travels far offshore or deep into the wilderness where ice is not available...maybe you've thought of getting one of the super coolers on the market. Check out the **Yukon series from Igloo**.

Made at their plant near Houston, TX, Igloo claims they will keep ice for 7 days. They start at a 50 quart for about \$329.



MERRY
CHRISTMAS
AND A
HAPPY NEW
YEAR!

HOLIDAY GAME RECIPES

Grilled Venison Bites

1 lb. venison
1 lb. bacon
16 ounces Italian dressing
1-2 tbs. Cajun seasoning
Cut venison into bite size bits, cut bacon into 3-4 inch strips. Wrap each piece of venison in the bacon and secure with a toothpick. Marinate overnight in the dressing.
Season and grill until crisp.

Beer-battered Dove Breast

30 Dove Breasts, bone in
4 cups vegetable oil
2 cups flour
1 tbs. baking powder
1 tsp. salt
1 beer

Rinse the dove breasts, heat oil in medium pot. Combine flour, baking soda, and salt, slowly whisk in beer until uniform, batter each breast. Cook 5-7 minutes in hot oil, turning once. Season to taste.

Snowshoe Hare with Onions

2 snowshoe hares or 2 rabbits, cut into 7 pieces
Seasoned flour
3 tablespoons oil
3 large onions, sliced
1 cup water
1 cup sour cream
1/4 tsp. thyme, pepper and salt

Dredge pieces in seasoned flour and sauté the rabbit in oil until brown. Transfer to

oven safe dish. Cover with onion slices, add seasonings, water and sour cream. Bake in oven at 300 for 1 hour.

Elk/Bison Chili

2 lbs. ground elk/bison
1/2 cup onion, 3 garlic cloves
2 cans diced tomatoes
1 can pork and beans
4 tbs. salsa
1 tbs. brown sugar
1 tbs. chili powder

In a Dutch oven, cook meat and garlic over medium heat until no longer pink.

Stir in remaining ingredients and bring to a boil. Reduce to simmer and cover for 2 hours



IUOE Local 351
111 East Coolidge St.
Borger, TX 79007

Type address here or use Mail Merge
to automatically address this
publication to multiple recipients.

DOWNTOWN HOUSTON WORKERS!

The IUOE has been the main organization that trains and represents stationary engineers for over a hundred years. If you work in a building in downtown Houston as an engineer or a maintenance/HVAC technician, and want to work together to improve your job, call Local 564!

THE PROCESS NEWS

Local 351

111 East Coolidge St.
Borger, TX 79007
806-274-4501

Local 564

2120 N Brazosport Blvd
Richwood, TX 77531
979-480-0003

www.workers-united351.org

www.workers-united564.org

