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METAL TRADES DEPARTMENT
of the
AFL-CIO

69th CONVENTION

NOVEMBER 2, 2011

BALLY'S HOTEL AND CONVENTION CENTER
3645 Las Vegas Boulevard, South
Las Vegas, Nevada
89109

9:00 a.m

21

Reported by:

22

CHARLES D. HOFFMAN

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PROCEEDINGS

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(9:00 a.m.)

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(A video plays while the audience take their seats.)

4

PRESIDENT AULT: This is a short video of
our workers at our different locations. We thought
we'd kind of kick this off. This is at the Hammer
facility at Hanford, Washington. Previously, it was
ship building and shipyards.

9

(Video continues.)

10

Good morning. Welcome to the 69th Convention
of the Metal Trades Department of the AFL/CIO, and
welcome to Las Vegas. We are going to call the
convention to order, and we'll start off with the
invocation by Randy Beal. Randy, would you come
forward. Randy is from Columbus Metal Trade Counsel
in Columbus, Georgia.

17

MR. BEAL: Thank you, President Ault,
General Executive Council, brothers and sisters,
delegates and guests. It's my privilege and my
honor to give the opening prayer for your
convention. If we could all stand together please.

22

I want to share with you some quick, quick

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words from Martin Luther King Junior. He said this.

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"History is a great teacher. Now, everyone knows
that the labor movement did not diminish the
strength of the nation but enlarged it by raising
the living standards of millions. Labor
miraculously created a market for industry and
lifted the whole nation to undreamed levels of
production. Those who attack labor forget these
truths, but history remembers them."

10

Brothers and sisters, that's encouraging
words, but I want to challenge all of us today not
to rest on our past victories and our past
accomplishments. But rather than do that, let's
work together in unity and solidarity to strive to
face the challenges of tomorrow. And by doing so,
we will write new pages in the books of history.
Let us pray.

18

Heavenly Father, we thank you for this day.
Father, we thank you for your goodness. Father, we
thank you for the opportunity to bow down before
your throne of grace, to seek your wisdom, your

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20

21

22 knowledge and your understanding.

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1 Father, we pray that you bless each and every
2 union here, but we pray that you would help them be
3 prosperous and grow their membership in the years to
4 come. Father, we pray that they would do this not
5 by the destruction of others, but by the needs of
6 organizing the unorganized.

7 Father, we pray that you would help open doors
8 to those that we wish to organize. Let their hearts
9 and their ears be receptive to our words. Father,
10 we pray now for each and every person that is here.
11 Thank you for the safety you provided them getting
12 here. Father, we pray that you would do the same on
13 our way home.

14 Father, we pray for our leadership. We pray
15 for each general president, general secretaries of
16 each union. Father, we pray that you would continue
17 to give them wisdom to lead our unions in the
18 direction that you would have them to go.

19 Father, we pray for our membership, those that
20 are unemployed, those that are sick and afflicted.
21 Pray that you would lift them up, give them
22 encouragement and strength in these troublesome

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1 times. And Father, we do pray for President Ault
2 and his staff. We pray that you would continue to
3 give them the strength and encouragement to do the
4 job that they have so well done.

5 Father, we pray now for our convention. We
6 pray as we enter into our business, that you would
7 help us to do the things you have us to do. Father,
8 we pray that you would give every speaker here the
9 words you would have them to speak, and let their
10 message ring in our hearts.

11 Father, we love you and thank you for all that
12 you have done for us. We pray these things in Jesus
13 name, Amen.

14 PRESIDENT AULT: Presentation of colors
15 will be by the Honor Guard from Nellis Air Force
16 Base. Our National Anthem will be sung by Molly
17 Tennant. Mollie if you're in the room, would you
18 please come forward.
19 (WHEREUPON, The colors were brought forward.)
20 (WHEREUPON, The Star Spangled Banner was performed.)
21 (WHEREUPON, Oh Canada was performed.)

22 PRESIDENT AULT: While everybody is

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1 standing and the colors are retired, it's a sad, sad
2 occasion when we lose our brothers and sisters in the
3 labor movement. And I'd like to have a moment of
4 silence for all of our brothers and sisters who have
5 passed since our last meeting. And if could just
6 take just a moment of silence, I would be forever
7 grateful.

8 (WHEREUPON, The room recognized a moment of
9 silence.)

10 PRESIDENT AULT: Thank you. We want to
11 salute our members who are in harm's way, who are
12 serving in our military. We have so many of our
13 sons and daughters at the point of the spear. The
14 labor movement is composed of working folks and most
15 of the working folks go in the Army, in the service.
16 So, we've got more of our people serving than
17 anybody else. So, we want to just take a second and
18 reflect back upon the sacrifices.

19 Ever since this has gone to a volunteer
20 service, there doesn't seem to be a recognition that

21 these folks are still doing the same thing that we
22 did when we had the draft. And when everybody had
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1 to go, people were more interested in what was going
2 on in the military than they are today. But it
3 doesn't diminish by one amount or anything else, the
4 sacrifices that our sons and daughters in the
5 military are making. And with that, I would like
6 for a big round of applause for our military that,
7 in particular, our sons, daughters and our members.
8 (Applause.)

9 At this time, I'd like to bring up Don Bongo,
10 the president of the Hawaiian Metal Trades, to lead
11 us in the Pledge of Allegiance. Don. Don is also a
12 member of the military and has served with
13 distinction.

14 MR. BONGO: Please join me in saying the
15 Pledge of Allegiance.
16 (WHEREUPON, The Pledge of Allegiance was recited by
17 the audience.)

18 PRESIDENT AULT: We're going to do a brief
19 introduction of the Executive Council, the people
20 that are the backbone of our organization, the
21 vice-presidents of the Metal Trades Department. And
22 we'll begin with President Newton Jones of the
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1 Boilermakers.
2 (Applause.)

3 International President Tom Buffenbarger,
4 Machinists and Aerospace Workers.
5 (Applause.)

6 General President, Pat Finley, Cement Masons.
7 (Applause.)

8 General President, Walter Wise, Iron Workers.
9 (Applause.)

10 General President, Jimmy Grogan, Heat Frost
11 Insulators.
12 (Applause.)

13 And those that couldn't be couldn't be with us
14 today include General President Billy Hite, with the
15 UA.
16 (Applause.)

17 And International President Vincent Giblin,
18 with the IUOE.
19 (Applause.)

20 At this time, I'd like to introduce my staff in
21 the back of the room. And if you guys have got any
22 complaints, if you've got any accolades, if you've
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1 got anything you want to say about the convention,
2 how it was set up, I didn't do it. The lady that
3 did it is my executive assistant, Lisa Johnson,
4 Lisa. Here she comes.
5 (Applause.)

6 Our general representatives from the West
7 Coast, from the Ironworkers, Tom Schaffer.
8 (Applause.)

9 General representative from the East Coast and
10 federal employee specialist from the IM, Jim Seidl.
11 (Applause.)

12 Our very capable and wonderful people that do
13 all of our PR and all of our website, Greg Kenefick.
14 (Applause.)

15 And his daughter, Tara. Where is Tara?
16 (Applause.)

17 And that's the little engine that chugged and
18 could. That's us, that's the Metal Trades
19 Department.

20 At this time, we're going to bring forward the
21 chairman of the Rules Committee, and the Rules
22 Committee, to make a report. Rules Committee? Jim,
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1 could you see if they are ready to make their
2 report? It's kind of hard to start a convention
3 without rules.

4 While we are waiting on the Rules Committee,
5 I'd love to take a little editorial license. We've
6 gone through some tremendous challenges since our
7 last convention. We've had some successes, and
8 we've had some disappointments. But overall with
9 your help and the help of the Executive Council and
10 the International Union, I think we've come through
11 this last four years pretty well. We've done some
12 amazing things.

13 Together, we've had some significant victories.
14 One of the biggest victories, I think was due to our
15 good friend and some of the political work we did up
16 in New Hampshire with Carol Shea Porter. We took a
17 law that had been passed, a bad law that had been
18 passed, the National Security Personnel System. We
19 were able to delay, delay, delay through legal
20 actions of O'Donahue and O'Donahue and our partners
21 in the DOD Defense Workers Union Coalition. But we
22 were able to keep that, and then Carol Shea Porter

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1 defunded it as a congresswoman.

2 Carol Shea Porter was a person that had never held
3 office, and it was through the office of our
4 councils, our political activity that we were able
5 to elect Carol. And Carol's first order of
6 business, something she promised us that she would
7 work hard to defeat NSPS.

8 Our Pearl Harbor Group led by at Matt Hamilton,
9 who has since passed away, Operating Engineer,
10 worked very hard with OCAKA and our Hawaiian
11 delegation. We were able to prevent that from ever
12 being imposed.

13 We're doing the same thing again. We're
14 working the same scenarios again on the legislation
15 that would bring harm. It's amazing that if you
16 never give up, no matter what the odds, and if
17 you're tenacious and you just keep saying, "By God,
18 it's wrong."

19 You know, we're on the side of God. We are
20 doing God's work. You know it's as simple as right
21 and wrong. Labor is right, and I don't mean the
22 right wing, I mean we're right. If you stop and

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1 think about our goals and what we are trying to
2 achieve, it's right and wrong. It's good versus
3 greed. It's very basic, it's black and white. It
4 is not gray, it's not muddled. And one of the
5 things that makes me get up every morning and go to
6 bed every night feeling good is that we are trying
7 to help people. We are not trying to hurt anyone.
8 We are trying to help people. We are trying to
9 raise people up, and it feels good.

10 How many people in here believe in what you're
11 doing, and when you go to bed at night, you can
12 sleep? I mean I can. It's a wonderful feeling,
13 knowing that you're doing the things that are
14 supposed to be done. And it's very basic. I was
15 talking to Cecil Roberts the other day. And for
16 those that don't know him, Cecil is a good friend of
17 ours from the mine workers. And Cecil and I were
18 sitting across a cup of coffee, and we were just

19 talking. And he said, "Ron, the Sago Mine Disaster
20 just galvanized America, and seeing what happened. -
21 he said - you know we're trying to save people's
22 lives."

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1 We've got 14.7 million unemployed workers.
2 What's labor doing? Labor is trying to get the jobs
3 back. Everything we are doing is to try to bring
4 America back. You know the words of Martin Luther
5 King Jr. that were so eloquently spoken when we did
6 the invocation this morning tells it all. We are in
7 a challenge like we've never seen. Labor is
8 attacked at every single level: either at the
9 council level, the local lodge level, the district
10 level, the international level and nationally.
11 We're being attacked at every single level today.
12 And it's just amazing that people seem to have
13 forgotten what labor brings to the table.

14 You know the infrastructure in America is in
15 bad shape. If we just would pass the jobs bill, we
16 could put millions and millions of people back to
17 work.
18 (Applause.)

19 And the funny thing about it is Eric Cantor,
20 who is the Republicans that is blocking this stuff
21 in the House, had advanced some of the very same
22 initiatives in his legislative agenda just a couple

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1 of years back. So, it's amazing the things that
2 they won't pass are the very same things that they
3 had put forward. So we're doing God's work, we're
4 doing the heavy lifting. We've had some amazing
5 runs. We've done some wonderful things, and we've
6 got some big challenges.

7 What I'm trying to say is don't give up. We've
8 got to be like that mouse floating down a creek with
9 the hawk coming down with them talons, and we - -
10 well, I can't do that, but anyhow, you know what I'm
11 talking about.
12 (Laughter.)

13 That last act of defiance has got to be there
14 with us. We've got to say, "By God, not on my
15 watch." I've got an 11-year-old daughter. How many
16 people in here have got sons and daughters? My
17 daddy gave me something, and I cherish it. It was a
18 heritage. What kind of heritage are we going to
19 give our children? What kind of opportunities are
20 we going to pass down to the next generation? If we
21 don't do it, brothers and sisters, it ain't going to
22 get done. We can't wait on Congress. We can't wait

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1 on the president. We can't wait on the White House.
2 We can't wait on the next election. We've got to do
3 this ourselves, and what's within what we can do, we
4 should do. You can make a difference. Every person
5 in this room can make a difference.

6 You know somebody. You can reach out and touch
7 somebody. You have in your power the ability to
8 change things. I'm challenging everybody, before
9 you leave this convention, to rededicate yourself to
10 saying we are going to make a difference. We are
11 going to make a change. We can do it if we all do
12 it together. Because labor has a saying. "United
13 we can't be defeated." And it's true. Look what
14 the little tiny Metal Trades Department put together
15 and held together and worked together, and defeated
16 Rumsfeld. It was a done deal. We never gave up.
17 And we're not going to give up on any of our agenda

18 items. The things that you put forward, we're not
19 giving up on. We're never going to give up on it.

20 When we set in those meetings, and we looked
21 them in the eye and we said, "We will never stop
22 fighting this. You will never win this battle

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1 because we will never give up."

2 Frank Carelli was there. Exactly what we said,
3 Frank, wasn't it? Didn't we tell them that? We
4 told them at the table. "Secretary Rumsfeld, it
5 don't matter that you got it passed. We will never
6 give up." Brothers and sisters, just don't give up.
7 Is the committee ready to make the report?

8 MR. BUFFENBARGER: Thank you, President
9 Ault. The Committee on Rules is prepared to make
10 its report. I refer all of you to the copy of the
11 Department's constitution. You'll see on the second
12 page, rules of order for the convention. These are
13 the traditional rules that we have adopted at past
14 conventions. As you can see, they are very simple
15 and straight forward rules.

16 We request and expect the assistance of
17 everyone in this room and the conduct of this
18 convention in a civil and fraternal manner. The
19 chair would entertain a motion for the adoption of
20 the rules.

21 SPEAKER FROM THE AUDIENCE: So moved.

22 ANOTHER SPEAKER FROM THE AUDIENCE:

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1 Second.

2 MR. BUFFENBARGER: Motion duly made and
3 seconded. Do you want to conduct the vote, Ron?

4 MR. AULT: Tom, you've done such a
5 masterful job, I ought to leave it up to you. The
6 motion has been made and seconded. Discussion on
7 the motion?

8 (No response.)

9 Hearing no discussion on the motion, all in
10 favor of the motion signify by the sign of aye.
11 (A chorus of ayes.)

12 All opposed, nays.

13 (No response.)

14 It is adopted. With the gratitude of the
15 convention, Tom, we appreciate the Rules Committee's
16 report, and we appreciate your work.

17 At this time, we're going to have one of our
18 first speakers come forward. He is good a friend of
19 labor, been a good friend of ours, Metal Trades. Ed
20 Smith is the CEO of Ullico Incorporated. January
21 13th of 2011, Ed was elevated to the Chief Executive
22 Officer of Ullico, after serving as the president of

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1 Ullico since May of 2008. Ullico was founded in
2 1927 as the Union Labor Life Insurance Company, and
3 today, provides insurance and financial solutions
4 for labor unions, union employers, union benefit
5 funds and union members. Prior to becoming
6 president, Mr. Smith served as Ullico's executive
7 vice-president from 2007 until 2008. Before joining
8 the Ullico, Ed had a long and distinguished career
9 at the Laborers International Union of North
10 America, and before retirement, he was elected
11 business manager of Laborers Local 773 at 21 years
12 of age, one of the youngest business managers in the
13 labor movement.

14 Ed later became the International Union
15 vice-president Midwest regional manager, serving
16 over 58,000 laborers members. He also served as

17 assistant to the general president. Ed was formerly
18 chairman of the Illinois State Board of Investment,
19 chairman of the National Alliance of Fair
20 Contracting, member of the Illinois Department of
21 Labor Advisory Board, and he has been a key
22 benefactor in the Therapy Center of Cartersville,

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1 Illinois. The Therapy Center is an organization
2 that assists physically disabled children.

3 Additionally, Ed has served as a board member
4 of the I Can Read Program, a program committed to
5 helping children with reading and learning
6 disabilities.

7 In addition to his current duties at Ullico, Ed
8 also serves as a member of America's Agenda
9 Healthcare For All. He also sits on the board of
10 American Rights at Work, a nonprofit organization
11 that advocates for the ability of workers to join
12 unions.

13 Graduated from Shawnee College with an
14 Associate of Arts degree in 1992. He received a
15 college first outstanding alumni award. Ed was the
16 first member of the Laborers International Union to
17 graduate from the National Labor College with a
18 Bachelor's degree. In 1978, Ed graduated from
19 Harvard University Trade Union Program.

20 Ed and his wife, Betty, reside in Alexandria,
21 Virginia, has two children, daughter, Jordan, and
22 son, Matt. Give us great big warm Metal Trades

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1 greeting to Ullico's CEO, my friend, Ed Smith.
2 (Applause.)

3 MR. SMITH: Good morning everybody, how
4 are you doing? Do you believe all that stuff? He
5 read it just the way we wrote it. About half of
6 it's true.

7 Hey, I want to tell Ron what a great job he
8 does. How about giving it up for Ron Ault. Does he
9 do a tremendous job? He thanked the staff and
10 everybody here. He talks about this little Metal
11 Trades Department. I was going to tell you this
12 little Metal Trades Department and the unions that
13 are affiliated -- Ron, I don't know if you know
14 this -- you've got over 3 billion dollars of assets
15 under management at Ullico, with the unions that
16 belong to the Metal Trades. I would say that's
17 pretty good change, wouldn't you, 3 billion dollars?
18 So, I want to say thanks to all of you in this room.

19 Let me also start with -- I came from New
20 Orleans. I was down in New Orleans for the
21 International Foundation Employee Benefit Plans on
22 Saturday and Sunday and Monday, and I flew up here

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1 yesterday, and the most important thing I took away
2 from that meeting was I heard a great joke. So, I
3 hope you are going to bear with me while I tell you
4 about the taxicab driver and the nun.

5 So, a nun come out of the airport there in New
6 Orleans, gets in a taxicab, going down to the
7 downtown. Many of you have been to New Orleans.
8 You know it's a pretty good drive, and the nun is
9 sitting in the back seat of the cab says, "Son, I
10 notice you keep looking in the rear view mirror. Is
11 there a problem?"

12 And the taxicab driver says, "Well, it's kind
13 of embarrassing, but I've always had a fantasy that
14 I wanted to kiss a nun."

15 So, the nun said, "Well, let me just ask you a

16 couple of questions. Are you single?" He said,
17 "Yes, I am."
18 She said, "Are you Catholic?" He said, "Yes I
19 am."
20 She said, "Well, why don't you just take the
21 next exit, and we'll see if we can't do something
22 about that." So, the taxicab driver takes the next

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1 exit, and sure enough, she plants a kiss on him that
2 would make a sailor blush. They get back out on the
3 highway, going downtown, she sees the guy starts
4 kind of tearing, she can see in the rearview mirror.
5 She says, "Son, now what is the matter?" And
6 he said, "Well, I've got to confess. I lied to you.
7 I'm married, not single, and I'm Jewish, I'm not
8 Catholic."

9 And the nun said, "Don't worry about it. My
10 name is Kevin. I'm on my way to a Halloween party."
11 (Laughter.)

12 All right, let me tell you a little bit about
13 Ullico. And I want to start just with the dais up
14 here, and thank President Grogan, who is on our
15 Board of Directors at Ullico. And one of the things
16 I'm going to tell you a little bit about today is a
17 new infrastructure fund that we started. And I want
18 to say that President Wise of the Ironworkers was
19 our latest investor in that fund. I'll tell you a
20 little bit about it in a few minutes, out of the
21 Ironworkers Shopman's funds. So, we are very
22 grateful to the Ironworkers. And President Finley,

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1 who is here with the Cement Masons. He was the
2 first investor in our fund, out of his Kansas City
3 fund. I'll tell you a little bit about that in just
4 a second.

5 Well, talking about union's financial
6 institutions, President Jones is here with the
7 Boilermakers. I can't be up here without talking
8 about the Brotherhood Banquet, the Boilermaker's
9 own, which is another great labor institution that
10 Ullico is looking forward to doing a lot of business
11 with in the near future. And it's another one of
12 those tools that we have to use.

13 And Tom, one time I told you -- I don't know
14 if you remember -- I got, the machinists have got a
15 close place in my heart because my 88-year-old
16 mother was a shop steward in one of your plants one
17 time. It was actually a text run later on, but she
18 was a shop steward for the machinist's, and a
19 machinist for many years, even going back to World
20 War II. So, my mother and father are both union
21 members. My dad was a laborer, my mom a machinist.
22 And Ron mentioned my kids, and they are both union

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1 members as well, as well as my wife, Betty. So, we
2 are 100 percent union family.

3 Let me tell you just a little bit about Ullico.
4 And try to play off what Ron said, because Ron laid
5 out a great vision for what we've got to do. And
6 obviously Ullico, for those who don't know anything
7 about it, is like no company in America.

8 Ullico is 100 percent owned by the labor
9 movement. 100 percent of our shares are owned by
10 either union pension fund or union treasuries
11 themselves. Our Board of Directors is a who's who
12 of the American labor movement: from President
13 Trumka of the AFL/CIO; Mark Ayers, who is secretary
14 treasurer of our company. He is going to speak to

15 you later today, from the Building Trades, is on our
16 board. Joe Hunt, who is president emeritus of the
17 Ironworkers before Walt, is chairman of our board;
18 Joe Hansen, who is president of the United Food and
19 Commercial Workers, also head of Change to Win, is
20 also on our board; Ed McElroy of the teachers.

21 We've got a tremendous board and its laborers
22 company. And every day at Ullico, what we try to do

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1 -- and if you remember two things, what this
2 company is all about. Our mission at Ullico is to
3 protect the labor movement and help grow the labor
4 movement, and everything we do has those things in
5 mind, and I'll talk to you about them.

6 Ron talked about the problems that we've got in
7 the economy, the problems that we've got with lack
8 of jobs, the problems that we have with the deficit,
9 the problems that we have with the politicians.
10 And I want to say, I want to echo, he said it very,
11 very well. Look, what we have to do as a labor
12 movement is take things into our own hands.

13 The one thing we know we can't count on is Wall
14 Street. I mean, Wall Street will take your pension
15 money. They'll take your union's money. They'll
16 turn around and use it against you. They'll find a
17 way to put our members out of work, drive our wages
18 down, and we know that they are not held
19 accountable.

20 They want to privatize their profits and
21 socialize their losses. That means we get to pay
22 for them through bailouts, okay? Wall Street is

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1 not our friend, and we know that.

2 If you look at what has happened over the last
3 30 years, we've had tremendous advances in CEO pay
4 and all the things that Wall Street has done. It
5 didn't create one damn job. They created a lot of
6 financial instruments that's got us in this mess.

7 If you look at Congress, and I love what you
8 said, Ron, about you can't count on Congress either,
9 we know that. Look, what you said, and I want to
10 just echo it again. Who can we count on? We can
11 count on ourselves. We can count on the labor
12 movement, on our members and on our unions and on
13 our union employers. And you had the employers at
14 dinner last night. I want to say we can't do it
15 without the union employers.

16 Let me talk to you just a little bit about --
17 we divide Ullico, basically in our investment and
18 our insurance. And not to get too technical, but
19 let me try to make it where when you think of
20 Ullico, many of you know about our J for Jobs
21 program. That's an example of our double bottom
22 line investment. What that is, for 32 years, union

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1 pension money has been invested in Ullico's J for
2 Jobs, and over 32 years, it's had over a seven and a
3 half percent return. And I'm telling you, we went
4 through some very, very dark days a couple of years
5 ago. I'll mention those in a second.

6 But in addition to that seven and a half
7 percent return that we paid those pensions, we've
8 created over 600 billion, with a B, hours of work
9 for union craftsmen. Because every one of those
10 investments has to have union built, union
11 construction, so we create jobs with that
12 instrument.

13 So, I always call it the double bottom line.

14 What we do is, number one is we get a good return
15 for our investors. But number two, we put people to
16 work. That's the double bottom line.

17 Let me just talk to you about this latest
18 economic crisis. Ullico was hit just like every
19 other company, and we had our first negative year in
20 '09 that we ever had. We were down nine percent.
21 Up until '09, we never had a negative year. Tough,
22 tough, tough times. Let me tell you this, we had
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1 commitments, and we kept every commitment. And in
2 the last 18 months, Ullico has funded 1 billion 4
3 hundred million of projects and kept every union
4 craftsmen working on every commitment we made, so
5 that they would have health insurance for their
6 families, build on their pensions and their wages
7 and take care of their families. That's what we've
8 done over the last 18 months, 1 billion 4 hundred
9 million in jobs.
10 (Applause.)

11 Thank you. Look, I know many people think,
12 well, J for Jobs is just a building trades product.
13 But I've got to tell you, earlier this year, one of
14 our projects, that we had funded that was completed,
15 was a J W Marriott Hotel, and I went to the ribbon
16 cutting. And if you know about Marriott, they're
17 usually about as anti-union as they can be.
18 Marriott has a rotten reputation when it comes to
19 organized labor.

20 But here's a project that we funded with
21 others, and I was going to the ribbon cutting, and
22 I've got the loan documents. Before I got on the
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1 plane in Washington, to go to the ribbon cutting,
2 and in our loan documents, it said that as a
3 condition of the loan, all the workers at that hotel
4 would have a neutrality agreement and would have
5 card check recognition so that every employee at
6 that Marriott would be union.

7 Well, I called John Wilhelm, president of Unite
8 Here, before I got on the plane. I said, "Hey John,
9 I'm reading this, I'm going out there, - I said -
10 are these words on paper or is this actually true?"

11 He said, "Let me tell you. Marriott did what
12 they said, they actually gave us a ballroom. We had
13 all the employees in; they signed cards. They did
14 recognize the union, and we're negotiating our first
15 contract with Marriott right now in that location."

16 I said, "Well, keep me posted because I
17 want to make sure you get a good collective
18 bargaining agreement." But my point being, the only
19 way that would've ever happened was had we
20 conditioned the loan of the money with the
21 specifications in the loan. Because by putting that
22 in the loan document, we were able to secure a
0030

1 neutrality agreement, which allowed those workers to
2 form a union. That's what Ullico is all about.
3 Thank you Ron.

4 I want to talk about a couple of other things.
5 We created, last year in the worst of times, another
6 fund called the Work America Fund. And J for Jobs
7 can only take pension money, under the rules.

8 So, we had many of our directors and unions
9 say, "Look, we would like to take some of our
10 treasury money and our general account, health and
11 welfare money, training money, what have you, and
12 put it to work as well. We're getting two percent,

13 one percent whatever, on our money. So, we created,
14 last year, a fund called the Work America Fund, for
15 non-pension assets. And we've raised about 130
16 million dollars in no time.

17 So what we did with that money, we put that
18 money out, between five and a half and seven and a
19 half percent, in loans in 15 million dollar
20 increments because we wanted to get diversity. We
21 wanted to make sure we didn't have all of our eggs
22 in one basket. And we put that out to create jobs.

0031

1 And how do you create jobs with a 15 million
2 dollar loan? Well I'll tell you, I'll give you one
3 example. Pace University is one of our dormitory
4 loans. It's a 95 million dollar project. We have
5 15 million of it. The electrical work on that job
6 was awarded to a non-union contractor. Under our
7 language, our specifications, it has to be 100
8 percent union. They had to remove that non-union
9 electrical contractor, replace it with a union
10 electrical contractor.

11 That's all new construction, a 95 million
12 dollar job. We've got 15 million dollars in it, so
13 we control the labor language. We're getting a good
14 return on our investment, and we turned that portion
15 of the work that was not union around. That's our
16 Work America Fund, that's a fund where you can do a
17 lot with a little, and that's one of our success
18 stories. It's a brand new fund.

19 (Applause.)

20 Thank you. Well, let me tell you about a fund
21 that I'm very, very excited about that we created
22 this February. It's called Ullico's Infrastructure

0032

1 Fund. And you can't turn on the news, Ron mentioned
2 it in his remarks. Look, the American Society of
3 Civil Engineers gives our infrastructure in this
4 country a D minus. Okay? Our infrastructure is
5 crumbling. We used to be the envy of the world with
6 our infrastructure. Now our infrastructure is 100
7 years old, 50 years old, 60 years old and what do we
8 know? There is not enough money in Congress.
9 There's no federal money. I hope they pass the
10 National Infrastructure Bank, and I hope they put
11 prevailing wage when they pass it, so that we have a
12 source of money.

13 But following Ron's comments about we have to
14 do this on our own, Ullico created its own
15 infrastructure fund. We know that infrastructure is
16 crumbling. What else do we know? We know that we
17 have a lack of jobs in this country. And what else
18 do we know? We know that our pensions are
19 underfunded and need a vehicle, an investment
20 vehicle, where they can earn good returns so that
21 our pensions can be paid to our members and our
22 retirees. That's what Ullico's Infrastructure Fund

0033

1 does.

2 What we do is we will use labor's language so
3 that the construction work on infrastructure is done
4 union. We'll make sure that the workers, if it's an
5 existing infrastructure after it's built, whether it
6 be a road, bridge, water treatment plant, electrical
7 grid, power plant, whatever it is, that all the
8 workers on that project are union going forward.
9 And we also have, and this was very, very important
10 to President Wise of the Ironworkers and everyone
11 else, is we have the fabrication piece in our

12 language so that the material that goes in those
13 infrastructure projects will be fabricated in the
14 Union shops. That's our language and our Ullico's
15 Infrastructure Fund.

16 Now, let me tell you what we are going to do.
17 We're going to do the same things I talked about
18 with that Work America Fund. This is an equity
19 fund. We can take little dollars and make a big
20 difference. When you look at how infrastructure is
21 being privatized in America, and when you look at
22 the Macquarie's and the companies from around the

0034

1 world coming in with high fees and buying community
2 infrastructure, where the community is losing
3 control of their assets, that is exactly the
4 opposite of what Ullico will do.

5 We will work with the community, with the
6 workers that work in the community. We'll make sure
7 that the community is protected. There will be low
8 fees, that we'll have an income stream. The
9 beautiful thing about infrastructure investing with
10 pension fund investing is they're long-term assets.
11 When you have an electric grid, when you have a
12 sewage treatment plant, wastewater treatment plant,
13 a bridge, a highway, those are elongated assets,
14 okay?

15 When you get an income stream every year paying
16 to that pension fund every year to pay those
17 pensions, and all those jobs are protected, that
18 community is protected, that's the goal of Ullico's
19 Infrastructure Fund. We're going to take our own
20 money, create our own jobs, rebuild America's
21 infrastructure ourselves, with the labor movement.
22 That's what we're going to do with Ullico's

0035

1 Infrastructure Fund. I want you to learn everything
2 you can about it. We're going to educate you on it,
3 we want you to get excited about it, and we want you
4 to invest in our infrastructure fund.

5 Let me turn and talk just about a couple of
6 other things on the other side of the ledger. Let
7 me talk to you about a way to protect unions. I
8 said we help grow unions and create jobs, that's J
9 for Jobs, our Work America Fund, our Infrastructure
10 Fund. Let me tell you how we protect unions.

11 I talk about, and some of you heard me say this
12 -- through our union liability insurance. There
13 was a campaign, Smithfield Packing, that the UFCW
14 and Change to Win went through. Smithfield sued and
15 said they were going to stop that organizing
16 campaign. Ullico had their back. We paid 2 million
17 dollars in legal fees under the union liability
18 policy so that union could not be broken, that
19 campaign could continue on, and today, those workers
20 are working under a collective bargaining agreement
21 at Smithfield Packing today.

22 We had their back; we paid 2 million dollars in

0036

1 legal fees. We were glad to do it. That's what
2 we're there for, so we can continue that fight, so
3 those workers will have a union. That's through
4 Ullico's Union Liability insurance. It's a way to
5 keep the unions strong and sound, without being
6 bankrupt.

7 We had a case with the laborers, my union,
8 Pulty Homes, that sued the laborers. The laborers
9 won the case. Ullico picked up the legal tab
10 throughout that entire campaign. That's what we do

11 through our union liability insurance.

12 If you are a union leader, and you haven't been
13 investigated by the Department of Labor, I've got to
14 ask if you're really a union leader.

15 (Laughter.)

16 I spent my career, I was with the laborers, I
17 was one of those bad unions where they were always
18 on me. Look, only in America are you guilty until
19 proven innocent if you are a union leader. If you
20 work for a corporation, something happens, they pay
21 your legal bills. Union can't pay your legal bills.

22 Ullico's union leader policy has the back of
0037

1 every union leader. When the Department of Labor is
2 on them or anybody is on them, that's what we do.
3 We pay the union leader legal bills, and we're proud
4 to pay them. We know what they're up against
5 everyday, fighting the good fight that Ron talked
6 about. That's what Ullico does. We've got the
7 union leaders' backs. They don't have to worry
8 about am I going to go bankrupt, am I going to pay
9 out of pocket, am I going to lose my home? We've
10 got you covered through our Union Leader Policy.
11 That's what Ullico is about. What did I say? We
12 protect unions. We protect union leaders, and we
13 help grow unions. That's our mission each and every
14 day.

15 We have our fiduciary insurance. If you are a
16 trustee on a health and welfare fund, a pension
17 fund, a training fund, you serve for no pay. All
18 you do is put yourself at risk. We cover those
19 trustees better than anybody. We know that world.

20 When the Bernie Madoff stuff hit, what did we
21 do? We had a whole group of friends in upstate New
22 York that had all been sold Bernie Madoff Investment
0038

1 Group through one of those feeder funds.

2 We flew up there. We gathered all those
3 trustees in a room, even retired trustees, present
4 trustees. We got their legal counsel together. So
5 look, we've got your back if anything happens. If
6 they try to come after any of you for making any of
7 these investments, we're here before it ever starts.
8 We've got your back, don't worry about it. You were
9 doing your job as trustees. You got bad advice, you
10 got lied too, you got swindled. That's what
11 happened to you. It wasn't your fault. We've got
12 your back. That's what we do. That's what Ullico
13 is all about.

14 I used to be chairman of a fund called Central
15 Laborers Pension Fund. It was one of the biggest
16 funds in my union. Had a case, Hines and Smith
17 versus Central Laborers, went all the way to the
18 United States Supreme Court. Ullico, this was long
19 before I was at Ullico, Ullico paid every nickel.
20 Federal District Court, Seventh Circuit Court of
21 Appeals and the Supreme Court. Ullico had my back
22 when I was chairman of that pension fund. That is
0039

1 what we do. Let me leave you with a saying that
2 my mother used to say. She used to say, "You've got
3 to have three bones in your body. - she said - the
4 first thing you've got to have is a funny bone.
5 Because if you can't laugh at life, life's going to
6 be pretty tough."

7 Second thing she said, "You've got to have a
8 wish bone. - and she said - you've got to put some
9 hard work and effort behind those wishes and they

10 will come true."

11 But she said, "The main bone you have to have
12 is a backbone. Because life is tough out there, and
13 somebody is going to try to take advantage of you,
14 and you've got to have a backbone to stand up for
15 what you believe in."

16 That's what Ullico does. That's what the Metal
17 Trades Department does. That's what each one of
18 your unions does. You guys have got backbone.

19 Thanks for listening to me, have a great
20 convention.
21 (Applause.)

22 PRESIDENT AULT: Like I said, we've got to
0040

1 do it. At this time, we're going to call on the
2 report of Credentials. Are you ready for your
3 preliminary or your full report? Larry Holbert,
4 Chairman, Sheet Metal Workers International Union.
5 Larry.

6 MR. HOLBERT: Thank you Ron, president.
7 President Ron Ault, Executive Council, distinguished
8 guests, fellow delegates and guests. The
9 Credentials Committee, we convened, and we're ready
10 to present our report. The committee was composed
11 of Gordan McCleary, he is the secretary of the
12 committee, and Mark Van Zevern. And again, my name
13 is Larry Holbert, and I'm the chairman of the
14 committee. At this time, I would like to turn the
15 podium over to our committee secretary, Gordan
16 McCleary.

17 MR. MCCLEARY: Good morning, general
18 presidents, President Ault, brother and sister
19 delegates. After careful review and consideration
20 of all the credentials submitted, we found 94 to be
21 in order to move those to the minutes. So, at this
22 time.

0041
1 PRESIDENT AULT: You heard the report of
2 the Credentials Committee. There is 94 delegates
3 that is to be seated. I'll entertain a motion to
4 accept the committee's report.

5 SPEAKER FROM AUDIENCE: Second.

6 PRESIDENT AULT: Second. Motion is made
7 and seconded. Discussion on the motion?
8 (No response.)

9 Discussion on the motion? Hearing none, all in
10 favor of accepting the Credentials Committee report,
11 say, Aye.

12 (A chorus of Ayes.)

13 All opposed, nays.

14 (No response.)

15 And with the thanks of the convention to the
16 committee, you are dismissed. Thank you.

17 At this time, I would like to ask our
18 international and general presidents of the
19 Executive Council to come forward and address the
20 convention, make whatever remarks they feel are in
21 the interest of the convention, and we will begin
22 with General President Walter Wise.

0042
1 PRESIDENT WISE: Thank you, Ron. Good
2 morning brothers and sisters, distinguished guests.
3 How is everybody today?

4 PRESIDENT AULT: (To Audience) Oh, come
5 on now, you can do better than that.

6 PRESIDENT WISE: What did you do to them
7 last night? It's a great pleasure and honor for me
8 to be here to address you as vice-president of the

9 Building Trades, of the Metal Trades, and also as
10 general president of the Iron Workers International
11 Union.

12 At our recent international convention held
13 this past August, it was a pleasure for me to
14 introduce Ron Walt, I'm sorry, Ron Ault. It was a
15 pleasure for me to introduce Ron Ault to our
16 delegates for his comments, and was received
17 rambunctiously by the Iron Workers with a great
18 ovation for his comments and what he does for the
19 labor movement. So Ron, I want to thank you for
20 your leadership, especially during these with
21 difficult times, and especially for the work that
22 you've done at Avondale.

0043

1 You know over a year ago, we were told that
2 Avondale was closing down, and the company took no
3 steps to try to preserve it, but the Metal Trades
4 stepped forward. It was the Metal Trades that
5 galvanized the community to fight for their shipyard
6 and hopefully, that battle is going to be won, and
7 we're going to be able to secure more work for that
8 shipyard, keeping secure those thousands of jobs,
9 good paying jobs there, of union members for
10 Avondale. And it would not have been possible
11 without the work of the Metal Trades, everybody
12 involved in that campaign and for the leadership of
13 Ron Ault. So Ron, I want to thank you for that.
14 (Applause.)

15 These are difficult times. During dinner last
16 night, I was listening. Everybody is going around
17 there making introductions, and I heard different
18 Metal Trades council presidents introduce themselves
19 and many of them followed up with, "Yes, where we
20 built the best nuclear subs in the world, and yes,
21 where we built the best nuclear devices in the
22 world." And that's the pride that it brings to, and

0044

1 that's what, when you hear the political rhetoric
2 that is being generated by our enemies out there,
3 they seem to forget one very important thing. We do
4 the work. We're the one that makes all these things
5 possible from across our nation. From what we do
6 through the military, for what we do in the private
7 sector, for what we do for the roads in this
8 country, for what -- everything we do. We make it
9 possible because we do the work. And they seem to
10 miss out on the value and the skill that we bring to
11 the jobs. And we do that work not just with our
12 hands, not just from our minds, but with our hearts
13 because we're proud of what we do. We are proud of
14 what we create in the best interest of this country.
15 And we see the attacks that they bring across on
16 workers. No, not just public sector workers that we
17 are all aware of. And we know what's going to be
18 happening next week in Ohio and how we have to fight
19 for that and what we're fighting for in Wisconsin.
20 What we're fighting for all across this country to
21 preserve those rights. But it's the attacks they
22 have on workers, not just union workers. They

0045

1 attack the public sector workers, our union workers,
2 but they also attack the non-union workers. Because
3 they have this opinion that decent wages, pensions,
4 safety protections are not in their best interest.
5 They are an assault to profit, so why have these
6 things? And they attack us because of that. And we
7 are attacked because they are putting politics in

8 front of our country, and they're putting power
9 before ethics, and they're putting profits before
10 people. And that's what the battle is that we have
11 to wage. And we ask ourselves, why are they
12 allowing our heavy industrial capabilities to
13 disappear? Our manufacturing capabilities to
14 disappear? Why are they allowing our infrastructure
15 to deteriorate?
16 Why are they rejecting possible solutions? And why
17 are they asking for these tremendous sacrifices from
18 the workers and tremendous sacrifices to work our
19 economies.

20 And you look at it, what does it come down to?
21 They do not want to increase taxes to the previous
22 levels for the people who prospered the most during

0046

1 these past 10 years. That's what it comes down to.
2 Everything is stymied, everything is stopped. We
3 are not going to rebuild our country. We are not
4 going to do this. We are not going to have these
5 things because certainly, we can't increase taxes to
6 the top 2 percent of the country, back to the levels
7 that they previously had, and to the people who
8 prospered most from the deficit spending, and that's
9 what it comes down to. And that's where the battle
10 lines are drawn. And that's why we have to fight.
11 Because the future of generations to come is going
12 to rest on what happens over these next couple of
13 years. It's going to set the pace for how labor is
14 viewed in this country and how citizens are viewed
15 in this country. And that's what we have to defend
16 for. And one thing I can tell you, the Ironworkers
17 are going to be there to stand shoulder to shoulder
18 with you when we go toe to toe with all of our
19 enemies. We will be there together. We will be
20 there in solidarity. We will be there united.

21 Because the people in this room, the people in the
22 Metal Trades, the people in the Building Trades, the

0047

1 people in organized labor, we have to stand together
2 because this will determine what happens in to the
3 future.

4 (Applause.)

5 I just take one more moment, just to again,
6 thank Ron for the tireless efforts that he has in
7 the leadership of the Metal Trades Department. And
8 I would just like to, I would be remiss if I didn't
9 mention our own Tom Schaefer, our proud member from
10 Local 14, for the great work that he does as a
11 member of the staff of the Metal Trades. Thank you,
12 brothers and sisters.

13 (Applause.)

14 PRESIDENT AULT: Next, I'd like President
15 Pat Finley, with the Cement Masons, Pat.

16 PRESIDENT FINLEY: Thank you, President
17 Ault, it's an honor to serve on this Executive Board
18 of this Metal Trades. And I want to thank each and
19 everyone of you for the work you do out there. And
20 I'm not going to take long time, but I don't care
21 about the deficit. I don't care if taxes go up or
22 taxes go down. I don't care about gays in the

0048

1 military. I just want congress to get off their no
2 good, fat, lazy asses and get good hard-working
3 Americans back to work. Thank you.
4 (Applause.)

5 PRESIDENT AULT: Wow, I like that.
6 International President Newton Jones, Boilermakers.

7 MR. JONES: Well, thank you Ron, and thank
8 all of you. First Ron, I want to just say that you
9 and your team do a fantastic job for the Metal
10 Trades, for our members, for our unions throughout
11 the year, especially on the Hill. I know it's
12 tough, but you hang in there and you do a great job.
13 So we appreciate it, and we also appreciate what
14 each of our delegates here does every day, like
15 President Finley said, and the members out there who
16 are not as recognized as they should be for the work
17 they do in building our ships and building our
18 submarines, in building so much of our
19 infrastructure that society enjoys every day. They
20 don't see it, and I think it's time, more that we
21 tell our story, and I'll show you some films we've
22 developed. Ron, maybe you saw some at our

0049

1 convention, but it's time we told the history of the
2 work we do, so that those in America understand that
3 the jobs that you do everyday help them turn the tap
4 on and have water flow or turn the electricity on by
5 flipping a switch or the air conditioning or
6 otherwise.

7 So, those are all important to us, but I do
8 want to touch for a second on what Ed Smith touched
9 on, and that is that the International Brotherhood
10 of Boilermakers founded a bank in 1924. It's called
11 Brotherhood Bank and Trust. In this day and age, we
12 believe it's time for the labor movement to coalesce
13 around our union banks and away from the banks that
14 are putting our people out of work, that are working
15 against us, that are taking the profits they make
16 from our investments, from holding our trust funds
17 and enriching themselves, these CEOs, with those
18 dollars.

19 If you look at what the labor movement has, in
20 terms of the trust funds, Taft-Hartley trust funds,
21 there are 3 trillion dollars in trust funds that are
22 currently housed on Wall Street. Those are the

0050

1 funds that are enriching the enemies of labor. And
2 I think it's time that we built what I call the bank
3 of labor. There are only, as far as I can tell,
4 about three fully unionized banks in the country.
5 We are one. We are represented, our employees are
6 represented by the United Mine Workers Union. So,
7 we own over 56 percent of this bank. It has
8 survived the Great Depression. It has survived the
9 great recession of 2008. It is a strong bank, 500
10 million dollars in deposits and 6 billion dollars in
11 trust assets. We're going to be reaching out across
12 the country to all of our local lodges with the
13 opportunity to convert loans that you may now have
14 with your local lodges or training centers to a
15 union bank. And from there, we're going to build
16 the bank of labor. So, I hope that you all will
17 help us do that. We'll let you know as we are
18 developing this concept, and we see the opportunity
19 for the labor movement itself to bring its funds
20 back under one labor roof, away from Wall Street,
21 and doing the best it can for those of you who work
22 hard every day, out building America.

0051

1 Well, thank you, thank you all.
2 (Applause.)

3 PRESIDENT AULT: In the labor movement,
4 seniority has benefits. And the reason I saved
5 President Thomas Buffenbarger for last, is he is the

6 first vice-president of the Metal Trades Department
7 and the most senior member of the Executive Council.
8 And with that, I would like to bring to the podium
9 President R. Thomas Buffenbarger, Machinist.
10 (Applause.)

11 PRESIDENT BUFFENBARGER: Thank you, Ron.
12 Where did Jimmy Grogan go? He is more senior than
13 God. But brothers and sisters, it's an honor to be
14 here at the convention, and I bring you greetings
15 from 700,000 members of the Machinists across North
16 America. And Ron, I congratulate you, your staff,
17 this organization, the Metal Trades Department, on
18 the 69th Convention. It tells you what staying
19 power is all about.

20 We're proud to be a part of this department,
21 and we're proud of you. Because in this room,
22 represents leadership. And we have kept the spirit

0052

1 of solidarity alive and well and thriving in the
2 most divisive times in our generation.

3 We were left a gift by all those who came
4 before us. In many cases, our fathers, certainly
5 true in my case, our grandfathers, our mothers, our
6 grandmothers, people we have no idea who they are or
7 whatever became of them. They worked hard. They
8 had guts. They used courage to forge an
9 organization made up of many organizations called
10 the labor movement.

11 And for some of us, we were able to coalesce
12 into a specialty department called the Metal Trades,
13 because we share things in common. And we made
14 bonds of solidarity even tighter, and success has
15 been the hallmark of it. Each and every one of you
16 owes a debt to those who came before you, who sat in
17 these types of meetings before you, who made tough
18 decisions, like we have to do. And you never let
19 divisiveness destroy what we were out to achieve.

20 We live in tough times. I know that every one
21 of my colleagues at this table knows it. They felt
22 it. They're suffering, they're hurting, just like

0053

1 the machinists are.

2 We wonder, as Pat pointed out, what the
3 politicians are doing. I'm going to draw you a
4 little example. Our union has large presences in
5 many industries, but the ones that stand out for us
6 are defense, aerospace, space, rails and
7 manufacturing, certainly in transportation, large
8 chunk of our union.

9 We have gone through gut wrenching experiences
10 with consolidation of airlines, with the demise, the
11 surrender of the U.S. Space Program, to the assaults
12 on the aerospace industry and on the defense
13 industry. We know what hurt feels like, and it's
14 tough. And what makes us able to withstand it, and
15 mount a fight back is knowing our backs are covered
16 by our brothers and sisters; that's you.

17 So, don't ever think for a moment, to all of
18 you, we don't appreciate it. Because if we didn't
19 have you, and remember, all we've got is each other.
20 (Applause.)

21 The notable case I'll tell you about is called
22 Boeing. Many of you have read about it in the

0054

1 newspaper, seen the attacks upon this union, upon
2 organized labor, upon the National Labor Relations
3 Board by right wing corporatists, can't even call
4 them capitalists anymore. Yet, how dare a

5 government agency created in 1935, signed into law
6 by a great U.S. president, Franklin Roosevelt, with
7 these words at the signing. "The right of the
8 American worker to form and join free trade unions
9 is protected by the Office of the President of the
10 United States."

11 The last time we've ever heard such strong
12 words come from the chief executive. And today, all
13 these years later, in filing a charge, exercising
14 the rights of members, that a company misled, lied,
15 and connived and conspired to punish workers who may
16 choose to strike to get a good contract, a fair
17 contract. It is now brought to the fore, a real
18 challenge. They've introduced legislation to defund
19 the National Labor Relations Board, to take away the
20 ability of our members to exercise their rights, to
21 enforce the law. They're out to deny workers the
22 right in some states to even talk about unions. The

0055

1 governor of South Carolina is quoted as recently as
2 last week that she will not allow unions in South
3 Carolina. That's a violation of the law. Well
4 brothers and sisters, this has been a tough fight
5 for us. It's very expensive too, to have a hearing
6 under way, beginning last summer in Seattle. It
7 will probably take the better part of a year. The
8 Boeing company has 17 lawyers, the worst of the
9 worst anti union busting law firms, somebody from
10 each, representing them. This, as a matter of fact,
11 is a circus because they are fighting with one
12 another in the court room against two, two labor
13 board attorneys and the IAM attorney on this case.
14 Thirty four times Boeing has gone to federal court
15 to resist federal subpoenas for information. Thirty
16 four times Boeing has lost in the federal court.

17 There is something to this case, brothers and
18 sisters. Can't talk a lot more about it, but when
19 it all comes out, you're going to understand why we
20 made the fight. We will prevail against all the
21 threats, not only to the machinists but to all
22 unions and all workers in this country. And we will

0056

1 expose what real corporatism is about in America
2 today, and it's not about America.

3 Now, we have a lot to do at this convention. I
4 have a feeling we'll have some issues to have a
5 thorough debate on. I hope everybody here, with all
6 my colleagues and all of you, bring open minds to
7 the debates. They will be fun, and we'll make
8 decisions. We'll do what our members sent us here
9 to do. And as we get ready for those times, and we
10 also have, I know Ron has put together a great
11 agenda with some great speakers. We're going to
12 hear some people with vision, with ideas. Things
13 that mean jobs for our members. Those we'll want to
14 take and run with. Those that we hear from, that
15 think our day has come and gone, we will be polite
16 and send them on their way. It will be a great
17 convention, this 69th convention.

18 Last thing I want to say. Is Ed Smith still in
19 the room? Chairman of Ullico, gave great remarks.
20 His company does good things for the labor movement.
21 He told you a story about a guy kissing a nun. He
22 didn't tell the one about Pope Benedict, who I had

0057

1 the pleasure to meet this past June, coming to the
2 United States to speak before a large gathering in
3 Atlanta. And as the pope departed from his plane,

4 there was a big limo waiting for him and a driver.
5 The Pope was whisked into the car, and the car sped
6 off to the site of the meeting. And on the way
7 there, the Pope tapped the driver on the shoulder
8 and said, "You know, one of the pleasures I've had
9 in life that I haven't been able to exercise since
10 I've been Pope is driving. And you know, I'm German
11 by ancestry, and I'm used to driving at high-speeds,
12 and your roads here are so wonderful. They are so
13 straight, and they seem so smooth. Would you mind
14 trading places with me and allowing me to drive?"

15 What's the driver going to say to the Pope? He
16 pulls over, he gets in the back, the Pope gets in
17 the driver's seat and off down the road he goes, at
18 about 95 miles an hour, just like he would on the
19 Autobahn in Germany. And he is speeding along
20 enjoying himself and all of a sudden, he looks in
21 the rearview mirror to find a pair of blue flashing
22 lights about this far from his back bumper, and a

0058
1 patrolman through the windshield going. (Gesturing)
2 So, the Pope pulls over.

3 The trooper, a young trooper, just out of the
4 academy, approaches the window, taps on it, Pope
5 lowers it. He said, "Can I have." And he is just
6 stunned. "Your driver's license and registration?"
7 And the Pope says, "Well, I don't have a driver's
8 license, and I have no idea where the registration
9 is."

10 Well, the trooper is ready to panic at this
11 time because he recognizes the Pope. And he says,
12 "Well just stay right here. - he said - this might
13 be one of those special situations, and I should
14 call in to my dispatcher and get some advice."
15 Patrolman goes back to his car, fumbles the radio
16 receiver, picks it up, calls the dispatcher and in a
17 panic he says, "I've got one of those special
18 situations, I need advice."

19 "What is it?" And he says, "Well, I pulled
20 over a big black limousine, and there's somebody
21 pretty important in it." And the dispatcher calmly
22 says, "Well who is it, the mayor?"

0059
1 "No, it's bigger than the mayor."
2 "Is it a congressman?"

3 "No, it's bigger than a congressman."
4 "You've got the senator pulled over?"
5 "No, bigger than the senator."

6 He said, "The governor, you pulled over the
7 governor?"

8 "No, he's bigger than the governor."
9 "For crying out loud, you didn't pull over the
10 president of the United States, did you?"

11 He said, "No, he's bigger than the president of
12 the United States."

13 He says, "Well, who the hell could be bigger
14 than that?"

15 Then the trooper said, "I don't know, but he's
16 got the Pope for a driver."
17 (Laughter.)

18 So, brothers and sisters from all the
19 Machinists that are proud to be a part of this
20 department, to all of you, thank you for everything
21 you do. Thank you for your support, and your
22 solidarity. Thank you for your help in all the

0060
1 political fights we're engaged in all across America
2 today. And thank you for being there and who you

3 are. You're all great trade unionists. Thank you
4 very much.

5 PRESIDENT AULT: Just because you're not
6 on the podium, is not going to excuse you, brother
7 Jimmy. So, you're going to have to come up here and
8 make an address. Back at the Norfolk Naval Ship
9 Yard, one of my best friends in the whole wide world
10 was an insulator. And this insulator later
11 contracted a serious disease from his work related
12 Mesothelioma, and passed away. And that created in
13 me a sense of loss and something that prompted me to
14 start working on safety issues and all, and probably
15 one of the reasons I'm here today is asbestos. And
16 I really got dedicated and worked really hard to try
17 to create something at the shipyard to do something
18 about asbestos, and it was because of the asbestos
19 workers. They have dropped the word asbestos
20 workers. But Jimmy, it made a profound difference
21 in my life.

22 MR. GROGAN: Thank you, Ron.

0061

1 (Applause.)

2 Good morning. Well, you heard all the great
3 words up here, and particularly this morning, seems
4 to be a very religious theme running through this.
5 And I want to make everyone know, that starting with
6 the invocation and the brother that gave it, brother
7 Tom, he had said during his speech here, that we
8 should follow what the Lord tells us.

9 Well, right after Ed got done speaking, the
10 Lord was telling me that if I didn't get to the
11 john, there was going to be a mess up here. So,
12 that's where I happened to go, okay?

13 I could just stand here and say ditto to
14 everything they said. But brothers and sisters, we
15 all, I come from probably the smallest union within
16 the Building Trades for sure, and we all have an
17 obligation to help one another. You have proved
18 what we can do when we work together. In many
19 instances, and under the leadership of Ron Ault and
20 all of his staff, I want to compliment all of you
21 for the job that you do.

22 I think the most immediate thing we all can do

0062

1 to show where we're at is we need to be out next
2 week, all of us, no matter what part of the country.
3 If everyone of us can send some people into Ohio, we
4 need to defeat that Kasich Bill. We need to show
5 everybody where we stand.

6 (Applause.)

7 And it's not going to be an easy deal. And
8 yes, we could go around, knock on doors and put
9 handbills or whatever in the mailbox. And it might
10 change some people's minds. They are the things
11 that we are going to have to do in this movement,
12 okay?

13 All the words that were said up here, as I said
14 before, I could just say ditto. But since it is a
15 religious feeling here today, I'm going to throw one
16 in also, okay? And I want to apologize for my
17 voice; I've been fighting a cold.

18 But anyway, and I think it was right out here
19 at Nellis Air Force Base that this occurred. There
20 was a nun in full regalia, not the new lay person's
21 dresses. She had the full habit on. And she was
22 standing at a bus stop at Nellis, and all of a

0063

1 sudden this Air Force Private comes running by and

2 says, "Sister, please, could I hide under your
3 skirt? Just don't ask no questions." And under her
4 skirt he went, she was fine.

5 With that, the MPs come running, maybe about
6 two minutes later and they said to her, "Did you see
7 a soldier come by here?" Didn't say a word, just
8 pointed that way. So they are gone.

9 With that, the soldier gets out from underneath
10 her skirt and thanks her. He says, "Sister, look, I
11 know I didn't have time to explain to you what was
12 going on. I don't want to go back for another tour
13 to Iraq, and I'm hiding from the MPs because they
14 want to send me back there." And thanked her
15 profusely for hiding him.

16 And he said, "Sister, by the way, - he said -
17 if you don't mind me saying, you've got some
18 beautiful legs."

19 And she says, "Yeah, I know that, and let me
20 tell you something soldier, if you would have looked
21 a little higher, you would have seen a nice pair of
22 balls. I don't want to go back to Iraq either."

0064

1 (Laughter.)

2 Have a good conference and convention. And now
3 we've got away with the jokes.

4 PRESIDENT AULT: Is brother Jimmy Williams
5 in the audience? I know Jim was having, he is going
6 to have an operation Monday on his hip, so he was
7 really mobility challenged last night. I would be
8 surprised if he is here. But we also want to
9 recognize the fact that Jimmy Williams, the general
10 president of the Painters Union was with us, in
11 spirit. And if he's not here, it's because he can't
12 get here because he was in a lot of pain. He's got
13 a medical procedure he's going to have. So I also
14 want to recognize that fact.

15 (Applause.)

16 It's about time for all of us to take water
17 pills and blood pressure medicine and drink a lot of
18 coffee and do these kinds of things, and turn 60 and
19 65 years old. We'll take about a 15 minute break,
20 and then we're going to be right back here.

21 (WHEREUPON, A break was taken.)

22 PRESIDENT AULT: One of the things that I

0065

1 neglected to ask when we first started is, we're
2 kind of like the movie theater, crying babies and
3 cell phones and all that. So if anyone has a cell
4 phone that's making those beeping noises, we are
5 going to blank you for about 15 bucks to go to the
6 nonpartisan political fund contributions if it goes
7 off in here. So, we really need the money for the
8 political contributions. So feel free to make all
9 the phone calls you want, because everytime that
10 thing goes off, Tom Schaffer is going to come over
11 and say gimme 15 bucks. So, if you don't want to
12 pay the 15 bucks, we ask that you put it on mute or
13 turn it off. And I was told to turn mine off
14 because we were getting feedback through the
15 machine. Prior to my announcement, I can't go back
16 and make it retroactive. That's things we always
17 see management want to do. They want to make those
18 pay cuts retroactive to last, you know.

19 At this time, we are going to call on our
20 report of Audit Committee. The chairman of the
21 Audit Committee is Tony Walencik, director of the
22 Shop Division of the Ironworkers. His co-members

0066

1 are Dennis Phelps, international rep for the IBEW,
2 and Charlie Johnston, Junior, international rep for
3 the laborers. And if that committee will come
4 forward and make their presentation at this time.
5 Brother Chairman.

6 MR. WALENCIK: Good morning, President
7 Ault, brothers and sisters, Executive Council
8 members and distinguished guests. In accordance
9 with Article 3, Section 9 of the Metal Trades
10 constitution, the Audit Committee for the 69th
11 convention of the Metal Trades Department consisting
12 of myself, Charlie Johnston with the laborers and
13 Dennis Phelps with the IBEW, convened on Friday,
14 October 28, 2011, to review all of the finances of
15 the Metal Trades Department for the last four years
16 with the independent audit firm of Haley and
17 Associates. After our review, we concluded that the
18 Metal Trades Department has complied with all
19 constitutional and regulatory requirements with its
20 annual finances. Mr. Chairman, I move for the
21 adoption of committee's report.

22 PRESIDENT AULT: You heard the report. A
0067

1 motion is in order to accept the committee's report.
2 Do I have such an order?

3 SPEAKER FROM THE AUDIENCE: So moved.

4 PRESIDENT AULT: Move to accept and
5 seconded?

6 SPEAKER FROM THE AUDIENCE: Second.

7 PRESIDENT AULT: Any discussion on the
8 motion? Any discussion on the motion?
9 (No response.)

10 Hearing none, motion is unanimously passed. I
11 better call for a question first. All in favor say
12 aye.

13 (A chorus of ayes,)

14 There is such a thing as a railroad you know.

15 All opposed, nays.

16 (No response.)

17 Ayes have it and so ordered. With the
18 compliments of the convention, the committee is
19 dismissed. Thank you so much gentlemen.
20 (Applause.)

21 A few years ago at our last conference, we had
22 my dear friend and brother Rick Brown, the president

0068*****

1 of the National Federation of Federal Employees,
2 District 1, IM lodge address the conference. And
3 since that time, Rick passed away. A tragedy, great
4 loss to me personally, and in his place, Bill Dougan
5 became the president of an NFFE. And Bill has been
6 a great friend and a great supporter of the Metal
7 Trades Department. Bill helped us found the Federal
8 Workers Alliance. He has been a rock, an anchor for
9 us. He has been a terrific president of the Federal
10 Workers Alliance, someone who I rely on and someone
11 who helps the Metal Trades every day up on Capitol
12 Hill and in our coalition to look after federal
13 workers issues and to advance the issues of our
14 federal employee organizations.

15 Bill is a 31 year member of the National
16 Federation of Federal Employees. He's been in
17 Leadership Council, leadership positions, local
18 council and national levels.

19 His tenure has played a key policy maker role
20 in a number of government agencies and nonprofit
21 forums. He was the founder and elected chairman of
22 the Federal Workers Alliance. That's a coalition of

0069

1 22 unions representing over 300,000 federal
2 employees in shaping government wide workforce
3 policies.

4 Internally, President Dougan has overseen the
5 revitalization of the union's organizing and
6 communication strategies. Under his leadership,
7 these efforts have markedly increased the union's
8 membership. He's committed a great deal of time and
9 resources to rebranding the union through effective
10 communications with current and future members,
11 promoting a mixed strategy that utilizes traditional
12 and new media, modern promotion of materials and
13 multifaceted federal employee outreach programs.
14 President Dougan has expanded the union's voice to
15 new individuals and forums nationwide.

16 As NFFE's former national secretary treasurer
17 from 2007 to 2009, Bill took over innovative
18 measures to get the union's internal financial house
19 in order. The overseeing of the backlog and
20 membership records and institution changes in
21 accounting and financial records, which vastly
22 improved NFFE's financial health.

0070

1 He steered the union through the untimely loss
2 of its former beloved leader, Rick Brown. Earlier,
3 Bill Dougan served four years as president of NFFE's
4 Forest Service Council, which represents
5 approximately 95 Forest Service Local Unions, with
6 over 30,000 permanent and seasonal bargaining unit
7 members. With a focus on membership growth,
8 training and union officials and lobbying, the
9 Forest Service Council became the largest in NFFE.

10 Within the halls of the Senate and the House,
11 the Forest Service Council became established as a
12 respectful advocate for issues important to those it
13 serves. During this time, he also served as the
14 union team leader in negotiations with the Forest
15 Service national collective bargaining agreement,
16 which is known as the master agreement, often
17 recognized as one of the best in the entire federal
18 sector.

19 Bill was born November 20th, 1953 in Los
20 Angelos, California. He is a graduate of the
21 Humboldt State University and -- damn, I can't even
22 pronounce that. I'm from Arkansas, you guys have to

0071

1 excuse me. Don't give me these real hard words to
2 pronounce. This thing has got three syllables.
3 A-R-C-A- Arcata, California, I guess that's the way
4 to say it. With a Bachelors of Science in Forestry
5 Management and has completed graduate studies at
6 Oregon State University, Washington State University
7 and the University of Washington.

8 He and his wife, Libby, have four sons. Bill
9 Dougan, where are you? Come on up.
10 (Applause.)

11 MR. DOUGAN: Good morning brothers and
12 sisters. I bring you greetings and a message of
13 solidarity from my union, the National Federation of
14 Federal Employees, as well as from the Federal
15 Workers Alliance. As Ron said, it's a coalition of
16 22 federal unions representing more than 350,000
17 federal workers.

18 I'd like to take this opportunity to thank
19 President Ault for inviting me to speak at your
20 convention. I've had the privilege to work with Ron
21 these past four a half years, since I came to

22 Washington D.C., and I'm happy to say that Ron has

0072

1 taught me a lot about this business in that time.
2 And I'm grateful for his continuing counsel and
3 proud to call him my friend and brother. He's been
4 a rock solid, steady influence, a voice of reason
5 within the labor community, and I want you all to
6 know that, and to let you know that you are very
7 lucky to have him as your president of Metal Trades.

8 You all know that organized labor in this
9 country is under attack. The media, congress and
10 much of the public paint unions and their members as
11 underworked, overpaid and having unprecedented
12 retirement and health benefits, well beyond the
13 benefits received by the rest of the workers in this
14 country.

15 Union membership is at an all-time low
16 nationwide, with about 6 percent of the
17 private-sector workforce being members of a union,
18 and about 30 percent of the public sector workforce
19 being union members. In particular, federal
20 employees have become the focus of attention for the
21 media, congress and much of the public. They have
22 become the poster child for big government and are

0073

1 seen as a major contributor to, and cause of, the
2 national debt.

3 As a result, you've seen the continuing
4 attempts to balance budgets and shrink the debt
5 ceiling on the backs of federal workers. Salaries
6 frozen for two years, proposals to shrink retirement
7 and health benefits, proposals to arbitrarily
8 downsize the federal workforce by hundreds of
9 thousands of jobs.

10 In addition, about 400,000 current federal workers
11 are eligible to retire over the next three years.

12 In the private and public sectors, we've seen
13 the attacks on pensions, healthcare and wages come
14 at the bargaining table, as well as from city,
15 county and state governments. Labor is being asked
16 to give back hard earned benefits that made it
17 possible for our members to earn a living wage and
18 to provide for their families through their working
19 career and into their retirement.

20 And we've seen the attacks at the very core of
21 what it means to be a union, attacks on our right to
22 collectively bargain. What started in Madison,

0074

1 Wisconsin has spread across the country as other
2 state governors and legislatures seek to vilify
3 labor as the cause of their fiscal woes and seek to
4 make us pay, through stripping our right to bargain
5 on behalf of the working men and women that we
6 represent.

7 Taken in total, that is the landscape we find
8 ourselves in, and within which we must work for
9 change.

10 The easy path would be for us to become
11 discouraged, to hang our heads and choose to just
12 give up. But that is not what we are about, and
13 that is not who we are. That is not our proud
14 history. At this moment in time, when the very
15 worth and dignity in being a worker in America is
16 being called into question, we must stand strong and
17 stand together. We must continue to build
18 membership and organize the unorganized. Our very
19 survival depends on our ability to grow and to
20 identify and mentor our future leaders within our

21 unions. If we don't or won't do this, we will
22 eventually go out of business.

0075

1 We must go on the offensive and change the
2 frame of reference in the ongoing debate of what the
3 future will be for working men and women in this
4 country. We cannot afford to continue to let our
5 critics define this struggle while we sit back and
6 respond to their characterizations of us.

7 I firmly believe that the house of labor is up
8 to this challenge. If we are going to take our
9 country, if we are going to stand up for the working
10 class in this nation and the worth and dignity of
11 all workers across planet Earth, then it's time for
12 each of us to screw our feet into the ground and
13 screw in our hearts and screw in our minds and
14 commit to take action.

15 We must stand individually and collectively
16 together and take our struggle to the streets, to
17 Capitol Hill and to the voting booth. Change is
18 never easy, and change is never fast. But know
19 this. Together, we are embarking on a movement and
20 a journey that I believe will change the face of
21 labor in this country and in the world forever, and
22 I am proud to be a part of this movement and a part

0076

1 of this change.

2 I'd like to leave you with a short quote from
3 Margaret Mead, who is a noted anthropologist.
4 "Never doubt that a small group of thoughtful
5 committed citizens can change the world.
6 Indeed, it is the only thing that ever has."

7 Thank you for all you, for your members and for
8 working men and women across this country and God
9 bless you.

10 (Applause.)

11 PRESIDENT AULT: Bill, we've got a little
12 memento that we are going to ship back to your
13 office. And it's a personalized executive desk
14 clock with your name and the Metal Trades Department
15 logo and convention, so you can keep time. And
16 every time you think about the time, you'll think
17 about this time that we had together. Thank you so
18 much.

19 PRESIDENT DOUGAN: Appreciate it, thank
20 you.

21 PRESIDENT AULT: And I am indeed proud to
22 call Bill by friend. We are going to do something a

0077

1 little different. It's important for us to all know
2 each other. We all work together, we all do things
3 together. And for that, we need to know who is here
4 today. So, we're going to start all the way in that
5 back corner, since everybody wants to sit all the
6 way in the back. We're going to start in the back,
7 on that very last row. The first person is going to
8 stand up, tell everybody your name and where you're
9 from and what you do and whether you are company.
10 And if you are company, what your title is. If you
11 are union, where you're from, what your local is,
12 and what your title is. And we'll start right away.
13 (Whereupon, Each member of the audience stood up and
14 introduced themselves.)

15 PRESIDENT AULT: Pretty diverse group.
16 Behind the curtain, we've introduced the folks. Bob
17 Moses is from the AFL/CIO on loan to us, to do all
18 of our IT. It is a privilege and honor to introduce
19 our keynote speaker, someone who I've gotten to know

20 over the last few years very well, someone who I
21 work together with on many things, and who we
22 coalesce on a lot of things, particularly energy

0078

1 employee worker compensation, work, developing jobs,
2 tamping down jurisdiction disputes, working on
3 labor's agenda, advancing the agenda for trade
4 unions and a host of other things that just go
5 beyond the pale.

6 Coming out of the IBEW was a director of the
7 Heavy Highway Program for the IBEW in the
8 construction-

9 PRESIDENT AYERS: Construction
10 Maintenance.

11 PRESIDENT AULT: Construction Maintenance.

12 See, there you go. Guy from Arkansas doesn't know a
13 damn thing about a {DELETE}whore or shovel. I know that's
14 manual labor, and I'm allergic to it, but that's
15 beside it.

16 But my dear friend, the president of the
17 Building and Construction Trades Department of the
18 AFL-CIO and someone who's been very kind to me and
19 worked with us during a very recent tragedy, when we
20 lost a dear friend of both of ours. And we went to
21 the funeral of Abe Breehey, the legislative
22 political person with the {IBB}IBEW (IBB), who was also someone

0079

1 that we relied on heavily in both departments to do
2 the heavy lifting on energy, particularly, the
3 carbon issues that face both departments. And
4 that's Mark Ayers. Let's give Mark a great big warm
5 Metal Trades welcome.
6 (Applause.)

7 PRESIDENT AYERS: Well, thank you Ron for
8 that gracious introduction. As Ron said, Ron and I
9 are very close. We are good friends, but we are
10 good working partners, which is more important.
11 Whenever you have a situation where you both can
12 identify what the problem is and go after it
13 together, it makes a win/win. And also, good
14 morning to my fellow presidents, who Ron and I both
15 have the privilege of working with and working for.
16 It's great to see everybody.

17 Now, I want to tell you my comments this
18 morning are going to be a little bit rougher than
19 they normally are if you have heard me before. I
20 usually try to be a proper and polite. But with
21 this political season going on, I think it's time to
22 crank it up a notch. Not all of you are going to

0080

1 agree with me, just don't throw apples or oranges,
2 just hear me out. It's a privilege again for me to
3 be here today at the 69th convention of the Metal
4 Trades Department.

5 And as I look out upon this very impressive and
6 passionate gathering, I see my brothers and sisters
7 both in arms and in tools. Ron, it's really been my
8 privilege to work with you and your Executive
9 Council to advance our common interests. And you
10 can rest assured that the Building and the
11 Construction Trades Department will never waver in
12 its commitment to the concerns and interests of our
13 Metal Trades brothers and sisters.
14 (Applause.)

15 Ladies and gentlemen, brothers and sisters, it
16 is indeed, again, a pleasure for me to be here with
17 you today. But I come here today, really with a
18 conflicted heart. On the one hand, my heart

19 continues to ache for the millions of Americans,
20 many of whom are proud union brothers and sisters,
21 who are still in a freefall as a result of the
22 greatest economic disaster since the Great

0081

1 Depression.

2 But on the other hand my heart is beginning to
3 soar with anticipation, with hope and with resolve.
4 And that's because, thankfully, people are starting
5 to wake up in cities all across America. They're
6 waking up, and they're pushing back against a system
7 that is stacked against them at every conceivable
8 turn. And they have chosen to occupy cities as a
9 way to bring attention to the fact that, over the
10 course of the last 30 or 40 years, the rules have
11 been rewritten to benefit the rich and the
12 well-connected, while middle-class working Americans
13 have seen their small slice of the American dream
14 slip rapidly through their fingers.

15 Brothers and sisters, the great American middle
16 class has finally woken up to the fact that we have
17 been the victims of a mother of all broken promises,
18 and by God, the time is now to stand up and make it
19 right. Now, think about this for a moment. In
20 1990, about 63 percent of all business income in the
21 United States was transferred to workers in the form
22 of wages and other types of labor compensation.

0082

1 By 2005, that figure had dropped to 61 percent, and
2 by the middle of this year, it had fallen to 58
3 percent. Now, the difference from 1990 to today,
4 which amounts to roughly five percentage points or
5 so of private-sector income, is more than 500
6 billion dollars a year. In other words, we have
7 been systematically ripped off to the tune of 500
8 billion dollars this year alone.

9 And if that isn't enough to raise your
10 temperature, then consider this. The gap between
11 the incomes of the rich and the poor in what can
12 only be described as America's new gilded age is
13 truly alarming. According to an October report from
14 the Congressional Budget Office, the income gains
15 among the top 1 percent over the last three decades
16 is nothing short of breathtaking. The top 1 percent
17 of Americans have seen their income spike by 275
18 percent over the last 30 years.

19 Now, let me repeat that, so it will really soak
20 in. A 275 percent increase in income since 1990.
21 Brothers and sisters, it's time to stand up and make
22 it right. Now, with data like that staring us in

0083

1 the face, is it a wonder that frustrated protesters
2 on Wall Street and in cities across the United
3 States and around the world are so genuinely angry
4 and frustrated that they have taken to the streets?

5 Today, working Americans are effectively
6 missing, as I said, 500 billion dollars a year in
7 wages, while the incomes of the richest Americans
8 continue to rise in exponential fashion. And the
9 worst part of this entire equation is the troubling
10 fact that there is no credible set of ideas from
11 either political party that would rectify this
12 troubling situation: the rich continuing to get
13 richer, while the middle class falls further and
14 further behind. And nobody seems to want to do
15 anything about it.

16 It's time to stand up and make it right. Now,
17 I tell you what. The time is long past for our true

18 political friends to either put up or shut up.
19 (Applause.)

20 I don't know about you, but I've had it up to
21 here with the bull shit that we continually have to
22 endure from our so-called friends. The time has

0084

1 come for them to get off their asses and to
2 forcefully declare just whose side they really are
3 on. Do they support the collective bargaining
4 rights of teachers and first responders? Will they
5 stand up and defend project labor agreements and
6 preventing wage loss? And are they willing to stand
7 up and defend America's shipbuilding industry and
8 protect the livelihoods of skilled craft workers
9 like those of the Avondale Shipyard? In other words
10 brothers and sisters, are these politicians willing
11 to stand up and make it right? Because if they
12 aren't, then we don't need to stand up for them on
13 election day, do we?

14 (Applause.)

15 You know as I see it, brothers and sisters, the
16 protests we are seeing all across America may grow
17 into something larger and more organized, or they
18 may not. But after the peaceful protesters in
19 Oakland, California were brutally attacked the other
20 week, and when economic data about the growing gaps
21 between the rich and poor continue to shower over
22 us, I predict it's only going to get bigger. But

0085

1 either way, what will never go away is the resolve
2 of that broad coalition of middle class Americans
3 who are rising up in righteous anger over a system
4 that has repeatedly, repeatedly, lied to them,
5 which means they lied to us.

6 My friends, the sleeping giant has awoken. And
7 he is mightily pissed because the American middle
8 class knows that the time is now to stand up and
9 make it right.

10 Now to his credit, President Obama has put
11 forth a jobs plan, but it was blocked by
12 congressional Republicans. Now, it's being broken
13 up, and it's moved into smaller individual pieces
14 and you know what? Those pieces are being blocked
15 by congressional Republicans as well.

16 As usual, not a single Republican, not a single
17 one will vote for anything that President Obama
18 seeks to do. And that sad spectacle my friends is
19 what has people so damned angry. Each of the
20 proposals in the Obama Jobs Bill is supported by
21 overwhelming segments of the American public.
22 Significant and sustained infrastructure investments

0086

1 enjoy the consistent support of vast majorities of
2 Americans. And these proposals have also enjoyed
3 Republican support in the past. But today, the
4 Republican attitude to the American people is this.
5 Your opinion doesn't mean a thing to us; we don't
6 care. And if you decide to keep that man in the
7 White House in 2012, we'll block anything that you
8 and he want to do.

9 Brothers and sisters, the time is now to stand
10 up and make it right. The president is showing
11 leadership, and he is showing courage, and I truly
12 think that he has finally reconnected with his
13 political soul. I believe he finally understands
14 that we are at this critical juncture in our
15 nation's history and that his political opponents
16 are cravenly attached to a treasonous strategy of

17 political and economic sabotage.
18 Now these Republican rats, rats, like John
19 Boehner and Mitch McConnell, they don't care if you
20 have a job or you have a job, or you have a job.
21 Their only concern is that Barack Obama doesn't have
22 a job come January 2013.

0087

1 Brothers and sisters that right there, that
2 alone should be enough to cause burning outrage
3 among everyone in this room. Because even though
4 there are a lot of roads and a lot of bridges that
5 need fixing, and even though there's a lot of work
6 that needs to be done in schools and airports, and
7 even though it is astoundingly foolish to allow our
8 nation's shipbuilding industry to wither and die,
9 and even though there are schools all across America
10 with leaking ceilings, broken heating systems and
11 ventilation so poor that it's making students sick,
12 the Republican Party will not entertain
13 consideration of any such investment simply because
14 they so desperately want Barack Obama to fail. In
15 fact, way back in 2010 when a jobs situation across
16 this land was arguably at its worst, Senator Mitch
17 McConnell actually had the audacity to say that the
18 Republicans top priority in the next two years would
19 be to ensure that President Barack Obama does not
20 get reelected. Mitch McConnell can kiss my ass.
21 And I'll tell him he can kiss yours too.
22 (Applause.)

0088

1 Brothers and sisters, the time is now. It's
2 now, to stand up and make it right. We've got one
3 year from yesterday to stand up and make it right.
4 Now, I've also got another message for Mitch
5 McConnell and John Boehner, as well as the seven
6 pinheaded dwarves who are vying for the Republican
7 presidential nomination.
8 Now, this isn't about Barack Obama; this is
9 about America. This is about leadership, and
10 through their incessant political pandering to the
11 Tea Party conservatives who now effectively control
12 the United States Congress, the Republican Party
13 leadership in Washington D.C. and all around the
14 country has completely abdicated any sense of
15 leadership.
16 We are in a national emergency, but they
17 couldn't care less. We've been grappling with the
18 national jobs crisis for three years, but they
19 couldn't care less. In fact, one of the highest
20 priorities of Republican governors all across the
21 land is not related to job creation. It's focused
22 on erecting stringent roadblocks that would deny

0089

1 people the right to vote, especially the elderly and
2 the minorities.

3 We'll tell you what, the Republican Party had
4 better start paying attention to what's happening on
5 the streets throughout America. And they had better
6 start caring about the anger permeating from the
7 American middle class. And to be very clear on this
8 point, there is severe whole swath of weak kneed
9 Democrats that had better start caring about us too.
10 (Applause.)

11 All of them, all of them, had better start
12 caring about disgusted Americans, many of whom are
13 members of our unions who are increasingly focused
14 on cleaning house on both sides of the aisle next
15 year.

16 Now, that is because the time is now to stand
17 up and make it right. Brothers and sisters, this is
18 a line in the sand moment. For our generation of
19 American labor leaders, we need to remind our
20 friends on both sides of the aisle that this isn't a
21 family dispute at the dinner table. It's a damned
22 class war that supersedes Democrats versus

0090

1 Republicans and quite frankly this is war and the
2 middle class is getting its ass kicked. Take it to
3 the bank every day, we get a swift kick in the butt,
4 every single day.

5 And the last thing that any Republican should
6 ever talk about is class war. Because for 30 years,
7 conservative Republicans and their corporate and
8 Wall Street cronies have conducted a sustained
9 effective war on the American middle class. They
10 have quietly rigged the economic game so that the
11 vast majorities of the economic growth goes in the
12 hands of the richest one percent among us while they
13 cut our pay and benefits, while they try to destroy
14 our unions and do their level best to cut Social
15 Security and Medicare.

16 As a nation, we can and we should pursue an era
17 of shared opportunities and shared prosperity, not
18 conflict in self-interest. But it requires us to
19 think differently as a nation. It requires us to
20 view labor and management not as mortal enemies, but
21 as natural allies and partners who can each
22 contribute mightily to finding solutions that are

0091

1 equal to the scale of our challenges.

2 It requires us to stand up and make it right.
3 And I'll tell you something else, if Republican
4 politicians or Rush Limbaugh or Fox News, if they
5 want to talk about class warfare, then all I have to
6 say to them is bring it on, we're ready.
7 (Applause.)

8 Because I'll tell you, what conservatives fear
9 the most is what's happening right now on the
10 streets of America. Large and diverse masses of
11 American citizens, most of whom live paycheck to
12 paycheck, if they have a job at all, are finally
13 starting to rise up and demand their fair share of
14 America's economic pie.

15 Make no mistake, class warfare has been waged
16 on the American middle class by the wealthiest
17 people and many corporations in the U.S. for far too
18 long. And on that battlefield, the richest
19 Americans have thus far won, but not for long.
20 Brothers and sisters, we've got plenty of reason to
21 rumble, and our message to all of our political
22 friends is quite simple. Get with us and get tough

0092

1 or get the hell out of our way.
2 (Applause.)

3 Because they aren't in Washington to protect
4 their jobs. They are there to protect our jobs,
5 American jobs, not jobs in yet another low-wage
6 exporting zone halfway around the world, like
7 Panama, Columbia or South Korea, with all the
8 protections the United States' political system can
9 provide.

10 It's long past time for our friends to decide
11 if they're going to remain part of the problem or if
12 they're going to become part of the solution because
13 there is no acceptable bipartisan approach to
14 screwing the poor, to screwing our seniors, to

15 screwing our military veterans and screwing the
16 middle class, none, absolutely none.
17 It's time now to stand up and make it right.
18 You know sisters and brothers, I didn't spend nearly
19 six years of my life during the Vietnam era,
20 protecting a country that I loved, to hand it over
21 to a bunch of greedy right-wing bastards --
22 (Applause.)

0093

1 -- who view the problems and concerns of those who
2 punch a clock every day as not deserving of their
3 focus or even of their attention. And I know many
4 of you in this room didn't either. I never imagined
5 that my last battle could possibly be fought right
6 here in my homeland, to protect the very values that
7 I fought for in far away lands, like many of you.
8 But if it has to be that way, then I say let's get
9 it on, now, let's get it on.
10 (Applause.)

11 Because today, right here, begins the battle to
12 save the American dream. Right here at this
13 convention, at every convention that I have spoken
14 to this summer, it has begun. And I want you to
15 know that I stand before you as a very confident
16 man. Because as I look out among you, I can see the
17 resolve, and I could see the determination on your
18 faces. And as the great Trojan warrior, Achilles,
19 said to his troops on the eve of the battle of Troy,
20 and I quote, "My brothers of the sword, I would
21 rather fight alongside you than an army of
22 thousands. Let no man forget how menacing we are.

0094

1 We are lions. Do you know what there is waiting
2 beyond that beach? Immortality. Take it, it's
3 yours."
4 Thank you, and may God bless each and everyone
5 of you.
6 (Applause.)

7 PRESIDENT AULT: Wow. At this time, we're
8 going to call forward a dear friend of ours.
9 Someone -- we've worked together, someone who's
10 from the Federal Labor Relations Authority, a great
11 friend of federal workers, Carol Waller Pope, the
12 chairman of the Federal Labor Relations Authority.
13 Carol, if you would come forward please.
14 (Applause.)

15 In March 25th, 2009, President Barack Obama
16 designated Carol Waller Pope as the chairman of the
17 Federal Labor Relations Authority, after designating
18 her to serve as acting chairman on February 19th,
19 2009. Nominated by both President William J.
20 Clinton, George W. Bush, she served as a member of
21 the authority since November 2000.

22 She is the first FLRA career employee to serve

0095

1 as chairman and member. Chairman Pope began her
2 federal career as an attorney with the Employee
3 Benefits Division of the Office of Solicitor, U.S.
4 Department of Labor in 1979. Oh, you can't be that
5 old; you're so pretty.

6 MS. POPE: My birth year is not a part of
7 my bio.

8 PRESIDENT AULT: I noticed that.
9 (Laughter.)

10 She began her FLRA career with the FLRA Office
11 of the General Counsel, Boston Regional Office, in
12 February of 1980. In 1994, she joined the Office of
13 General Counsel headquarters staff in D.C., serving

14 first as executive assistant to the general counsel
15 and then as the assistant general counsel.

16 As assistant general counsel, she held
17 responsibility for management of the administrative
18 review process for over 400 unfair labor practice
19 charged dismissals annually.

20 A native of Pittsburgh, Pennsylvania, Chairman
21 Pope earned a Bachelor of Arts degree from Simmons
22 College, and a Jurist Doctorate degree from

0096

1 Northeastern University School of Law.

2 Chairman Pope is admitted to practice before
3 the Supreme Court of the United States, the United
4 States Court of Appeals and the First and Fifth
5 Circuits and the commonwealth of Massachusetts. She
6 is the recipient of the Distinguished Achievement
7 and Leadership awards from the American Bar
8 Association, Federal Labor and Employment Law
9 Section and Simmons College.

10 Let's give Carol Pope a great big Metal Trades
11 welcome.

12 (Applause.)

13 MS. POPE: I thought I had a hard act to
14 follow with the jokes, but thank you for flipping
15 the switch on the schedule giving me an opportunity,
16 as a private citizen, to hear the call to arms of
17 Mr. Ayres because I think it's an important message.
18 Not one that I speak to in my role as chairman of
19 the FLRA, but certainly as a private citizen, I
20 appreciate his remarks.

21 I want to start off by thanking Mr. Ault,
22 President Ault, for having me here. I think I am

0097

1 correct in saying that I may be the first chairman
2 of the FLRA that's been honored with an invitation
3 to speak at your conference. We are about 33 years
4 old, half of the age of the Metal Trades department.
5 And so, it's taken a long time for us to get an
6 invite, but I'm pretty proud to be the first one to
7 be here.

8 I want to thank the distinguished Executive
9 Council members who shared the dais with me today.
10 What's not a part of my bio, but the importance of
11 my being here today, and I want to step back and
12 make it a personal statement, and that is my
13 appreciation for the Metal Trades Council.

14 It's not a part of my bio, the Metal Trades
15 department, but what you should know is when
16 President Ault spoke to my starting in the Boston
17 Regional Office a couple of years after law school,
18 I really grew up learning labor law and labor
19 relations by working with the Portsmouth Naval
20 Shipyard and the Metal Trades Counsel at Portsmouth
21 Naval Shipyard. And at the time, the president was
22 John O'Brien, and I was a scared person coming out

0098

1 of law school and walking into a shipyard in
2 Portsmouth. And your president emeritus, I want to
3 thank him, John Meese. I was really even more
4 frightened when John Meese would be on the shipyard,
5 and I was there investigating a case for the FLRA.
6 But the foundation, of what I learned as a part of
7 working the cases that are filed by the Metal Trades
8 department at the Portsmouth Naval shipyard, is
9 really an important cornerstone of my career. So,
10 it's important for me to acknowledge and give a
11 shout out to the guys that are here from Portsmouth
12 Naval shipyard. Thank you very much for what you

13 did for me. I appreciate it.
14 (Applause.)

15 Really, I'm not a good jokester, or a
16 storyteller, so please don't laugh when I say to you
17 I'm from the federal government and I'm here to
18 help. It's not a joke, it's for real. The FLRA is
19 a neutral. As I say, we've been in business 33
20 years. I take serious the role of being a neutral,
21 and my real mission is to fulfill the mission of the
22 statute that we administer, the Federal Service Labor
0099

1 Management Relations Statute. And one of the tenets
2 of that statute is to promote, protect and preserve
3 public sector collective bargaining. It's not just
4 collective bargaining in Wisconsin that is under
5 attack. You should know that collective bargaining
6 in the federal sectors is under attack as well.

7 Issues like official time are being questioned
8 again, under the Executive Order of Partnership.
9 Its tenets that are very much the core of the
10 statute that we administer.

11 We are neutral, which means on any given day,
12 the decisions that we issue, and I'm one of three
13 members that issue decisions for the Federal Labor
14 Relations Authority. And on any given day, somebody
15 is a winner, and somebody is a loser, and because
16 unions and individuals representing unions file the
17 bulk of our charges, by and large, unions lose a lot
18 of cases before us. But what's important in my
19 message for you to take away is that it is important
20 for the FLRA, regardless of the outcome of the case,
21 to be represented as giving you a fair shake when
22 you come before us. Giving you decisions that you
0100

1 can understand and appreciate and apply to what you
2 do everyday.

3 Often I speak to managers in the federal
4 sector. I don't often get opportunities to speak to
5 a convention of union leaders. Give me an
6 opportunity to thank you for what you do everyday.
7 And the beauty of my being here, for my own
8 perspective, is that once again, after 14 years of
9 being away from investigating cases and dealing with
10 you on a day-to-day basis. Because now, all I see
11 is the paper, the appeal that you filed that
12 represents your real-life issue, the real-life
13 people that the decisions affect. It's important for
14 me to come back and put a face to those cases.

15 Often times, it's difficult to remember that
16 behind that issue is something that's very important
17 to the workers that, that case represents. And so,
18 I have a tremendous respect for all of you and your
19 leadership as first-line stewards.

20 I truly believe that the hardest job there is
21 out there is to be a first line steward and a
22 first-line supervisor. Mr. Ayres spoke to the
0101

1 political discord in Washington, and there is a lot.
2 What there can not be, in the role of the FLRA to
3 give you tools for success, there cannot be discord
4 in the workplace, on the shop floor.

5 Part of the role of the FLRA is to promote
6 efficient and effective government. And if there is
7 labor discord in the workplace, we haven't done our
8 job. It took me a lot of years after law school,
9 because going to law school, one, I thought I would
10 go to law school to be F. Lee Bailey and do criminal
11 law. I didn't know, at the time when I was in law

12 school, that labor law was a part of my genes and
13 birthright. I grew up in Pittsburgh as the bio does
14 say. It doesn't say my year of birth, but I did
15 grow up in Pittsburgh, and if you know Pittsburgh or
16 any part of middle America and the rust belt, labor
17 news is the local news, is the head off news. I
18 grew up knowing about the teachers union and Al
19 Shanker. I mean, I was 10 or something, and I knew
20 who Al Shanker was. And there was no reason for me
21 to know that, other than Pittsburgh is a labor town.
22 I'm the daughter, the proud daughter of a steel

0102

1 worker. I know the impact of unions. I know what
2 happened when the steel mills closed in Pittsburgh
3 and how it affected my uncles and their families.
4 My dad was advanced and had retired, but the impact
5 in what labor does, and what labor does every day,
6 and what we must do moving forward to support you is
7 critical. It's critical to America, but it's
8 critical to individual lives.

9 I'm here to, sort of, tell you about the FLRA.
10 That's really the purpose of my being on the agenda.
11 We've gone through some dark years. The last eight
12 years we have not served you well. And in my view,
13 as chairman of the FLRA, it's all about customer
14 service, and you're our customers. It's our
15 responsibility to give you timely quality decisions.
16 If you can't understand and apply the law, it's our
17 business to help you in that regard. It's the women
18 and men of the regional offices, and there are seven
19 regional offices across the country that you
20 interact with everyday. They are there to help you.
21 We are here to help you.

22 When we don't issue quality decisions or timely
0103

1 decisions, and for eight years or so, the prior
2 eight years before I became chairman in 2009, we
3 accumulated a backlog of cases because we weren't
4 doing our job.

5 I'm proud to say that in the two years, two and
6 a half years since I've become chairman -- and it's
7 an honor to be an Obama appointee -- for a lot of
8 years, I was the lone Democrat. And this isn't a
9 political statement. It's just a matter of fact, on
10 the Authority Board, and we didn't serve you well.

11 We have worked really hard in the last two and
12 a half years to erase our backlog, and we've made
13 tremendous strides with the leadership of the
14 general counsel, Julie Clark, who comes to us at the
15 FLRA from IFPTE and the other members of the
16 Authority, Ernie Dubester and Thomas Beck. That
17 leadership, that collaborative leadership has
18 resulted in us eliminating a backlog of almost 800
19 complaints that were sitting, waiting for an
20 appointed general counsel.

21 Over 300 unfair labor practice arbitration
22 decisions and negotiability issues that were pending
0104

1 before my side of the house, the authority. And if
2 justice is delayed, then justice is denied. And so,
3 issues became moot and stale.

4 We're sorry about, but we have made tremendous
5 strides. We've all but eliminated the backlog on
6 the authority side of the house. We had close to
7 300 cases that were over two years old. And when I
8 say over two years old, there were cases that were
9 four years old and five years. We're down to 34
10 cases that are over two years old. We have an

11 internal goal to eliminate those by the end of the
12 year, and we're working pretty hard to achieve that
13 goal.

14 Once we get timely, you will see decisions that
15 are within our internal goal of 180 days from the
16 time they are filed with the authority, but mind
17 you, they have gone through a process in the
18 regional offices as well.

19 I think, during the period where we weren't
20 serving you well, you turned away from the FLRA and
21 understandably so. I want you to come back to the
22 FLRA and understand that it's about labor law.

0105

1 That's the formal process. That's what your cases
2 are decided on.

3 But a lesson I learned is it's also about labor
4 relations. And labor relations and labor law are
5 two different things. The relationship that you
6 have with your management counterpart is what labor
7 relations is all about. It has to be built on
8 trust, information sharing and shared vision, with
9 respect to your workplace and the mission at the
10 shipyards across the country. That shared vision is
11 what will make a difference for us as federal
12 employees, as union leaders and as management
13 officials.

14 One of the things that we want to do for you,
15 to give you a tool for success in addition to
16 issuing more timely decisions, is we have ramped up
17 our activity, and hopefully, some of you have
18 participated in the training that we've offered at
19 the FLRA. We have reinvigorated our training
20 facilitation and alternative dispute resolution
21 activities.

22 And what that means is there are now people in

0106

1 the regional offices and headquarters whose sole
2 mission is to provide you the tools for
3 understanding the law, understanding your
4 relationship but also facilitating better
5 relationships.

6 You may not know, it's not a part of my bio,
7 but I am a member of the National Council on Labor
8 Management Forums. And that's pursuant to an
9 Executive Order issued by President Obama in
10 December, 2009.

11 There is concern that there hasn't been enough
12 progress made under that Executive Order since it
13 has been issued, and part of that concern is valid
14 because it's on the shop floor and in the local work
15 environments where partnership has to take place.

16 But Ron knows, and I know, that partnership
17 can't be legislated, even if it was the law to be
18 partners. You can only be partners if you engage in
19 fostering a relationship with your management
20 counterpart. We're doing a lot at the FLRA to give
21 you training to facilitate partnerships and better
22 relationships. And we've got to do more at the

0107

1 FLRA. I can give you all the statistics that I'm
2 very proud of because it represents the work of FLRA
3 employees. But really what's important is what we
4 do next. What we do moving forward. We cannot rest
5 on the success of the last two and a half years. My
6 leadership is about continually improving the FLRA.

7 We are using and leveraging technology despite
8 our small size and limited resources. We have
9 improved our website, and I urge you to go to the

10 flra.gov website. There are tools on that website:
11 manuals, guidance, information that will help you in
12 your job every day, when you are trying to give good
13 advice and guidance to an employee that needs your
14 help. And they come to you for your help and for
15 your leadership and for your guidance. So please,
16 use our website. We have provided new and improved
17 search engines for you to review and search all of
18 the FLRA decisions including decisions of the
19 administrative law judges. That's what will help
20 inform you, as you do your job. So, I urge you to
21 move forward with partnership, continually be about
22 improving and learning and applying your knowledge

0108

1 of the law, and your responsibilities under your own
2 contract.

3 I say to managers everyday, "If you don't have
4 on your desk a copy of your contract and a copy of
5 the labor/management relations statute, you're not
6 doing your job because you don't know the law and
7 you don't know your own contract provisions."

8 The same holds true for labor leaders, for the
9 representatives of all of the individuals. And
10 you're charged with a pretty important role, and
11 that is to represent all the employees, regardless
12 of whether they are members or not.

13 I had the opportunity to be a union steward for
14 a number of years for a union that a lot of people
15 don't know exist because we can't be affiliated with
16 any national union. And that is the Union of
17 Authority Employees. And I learned that it's not an
18 easy job. What management fails to recognize is
19 that as a union steward you don't advance all the
20 charges that individuals come before you. They
21 think that you never say to a union member or to an
22 employee, "No, you don't have a good case. I can't

0109

1 advance it, and here's why."

2 They think that you don't make that judgment
3 call everyday, but I know that you do. And I know
4 that you are accountable to all of the people you
5 represent. So, I am here to salute you, to thank
6 you for giving me an opportunity to speak before you
7 and to ask you to continue to hold us accountable.
8 We have a website, www.engagetheflra.gov.

9 I want your feedback. I want to know what
10 we're doing well and what we're not doing well and
11 how we can reorder our priorities to best serve you.
12 So, thank you very much for this opportunity to be
13 here today.

14 (Applause.)

15 PRESIDENT AULT: We've got a nice desk
16 clock that we're going to ship to you. And it's
17 underneath, where you don't even have to report it.
18 So, thank you so much.

19 MS. POPE: Thank you, it's a pleasure.

20 PRESIDENT AULT: Too many papers. Our
21 next speaker comes to us from Pascagoula,
22 Mississippi. Irwin Edenzon is the corporate

0110

1 vice-president of Huntington Ingalls Industry. He
2 is the president of Ingalls Shipbuilding. Irwin
3 Edenzon is the corporate vice-president of
4 Huntington Ingalls Industry, president of the
5 Ingalls Shipbuilding. Named to this position in
6 2011, he is responsible for all programs and
7 operations at Ingalls Shipbuilding, including
8 U.S. Navy destroyers, amphibious assault and surface

9 combat programs and the US Coast Guard Cutter
10 Program. He also has responsibility for Continental
11 Maritime, a San Diego shipyard that services and
12 supports the Naval ships stationed on the West Coast
13 and A-M-S-E-C, a full time provider of engineering,
14 logistics and technical support services. Both
15 Continental Maritime and A-M-S-E-C are subsidiaries
16 of Huntington Ingalls Industries.

17 Prior to this position, since 2008, Irwin
18 Edenzon served as secretary, vice-president and
19 general manager for Northrop Grumman Shipbuilding,
20 Gulf Coast Operations. Prior to this appointment,
21 Edenzon served as a director of Future Carrier
22 Programs and senior vice-president of Technology

0111

1 Development and fleet support for Northrop Grumman,
2 Newport News, Virginia. Named to this position in
3 2007, he successfully led efforts to increase
4 Newport News' strategic focus on execution of fleet
5 maintenance business that included surface ships,
6 submarines and commercial ship repair.

7 Prior to joining Northrop Grumman in 1997 as
8 director of international programs, Edenzon was
9 vice-president of business development for Textron
10 Marine and earlier served as director of product
11 line and contracts management at Sperry Marine.

12 He began his career in Florida with Sperry
13 Offshore, a company that developed and built
14 saturation diving systems, manned submersibles and
15 remote controlled underwater vehicles for off-shore
16 service companies, the U.S. Navy and international
17 navies. During his 10 years with that company,
18 Edenzon held management positions in business
19 development, contracts and programs.

20 Edenzon received a Bachelors Degree in criminal
21 justice, Magna Cum-Laude from Rutgers University,
22 and a Masters Degree in business administration from

0112

1 Florida Atlantic University.

2 An active member of the community, Edenzon
3 received the 2009 Outstanding Community Leader of
4 the Year award for Southern Mississippi. He is a
5 member of the Gulf Coast Business Council and
6 Advisory Board Member for the University of
7 Mississippi's Center for Manufacturing Excellence,
8 and serves on the Board of Directors for Special
9 Olympics of Mississippi.

10 He currently serves as the chairman of the USO
11 Gulf Coast Advisory Council, and is past chairman of
12 the USO of Hampton Roads Board of Directors.

13 Huntington Ingalls designs, builds and
14 maintains nuclear and non-nuclear ships for the U.S.
15 Navy and Coast Guard and provides aftermarket
16 service for military ships around the globe. For
17 more than a century, HII has built ships and more
18 ship's classes than any other U.S. Naval
19 shipbuilder, employing nearly 38,000 employees in
20 Virginia, Mississippi, Louisiana and California.
21 Its primary business divisions are Newport News
22 Shipbuilding and Ingalls Shipbuilding. For more

0113

1 information, please go to
2 HuntingtonIngallsIndustries.com. Irv Edenzon,
3 please come forward.
4 (Applause.)

5 MR. EDENZON: I think next time we'll send
6 something ahead, which is about three sentences,
7 instead of letting you go on the website.

8 Ron, I appreciate the invitation. My title as
9 president of Ingalls Shipbuilding, the part of my
10 title I'm most proud of is that I am a shipbuilder.
11 And I'd like to recognize a few folks in the
12 audience here who help us do that every day.

13 Mike Crawley, president of the Pascagoula Metal
14 Trades Council. And for those of you who don't
15 know, we celebrated his 45 year anniversary
16 yesterday, coming to the shipyard. So
17 congratulations, Mike, on that significant
18 accomplishment.
19 (Applause.)

20 Jim Cash is our business manager for the
21 International Brotherhood of Electrical Workers,
22 Local 733. Andrew Croome, President of New Orleans

0114

1 Metal Trades Counsel. And I'd like to call out
2 somebody in particular, Frank Ludgood,(phonetic) he
3 and I spent some pretty chilling morning, I guess
4 it's been about 6 weeks ago. We did a 575 ton lift
5 of a deckhouse, and Frank's riggers did it. And I
6 told him, I said it was the most boring thing I had
7 done in a long time and that's exactly the way it
8 needed to be. So thank you, Frank, you did a great
9 job.

10 (Applause.)

11 Ingalls doesn't just build any ships. We build
12 more classes of warships than any other shipyard in
13 the nation: from destroyers to amphibious assault
14 ships to large deck amphibious ships to the national
15 security cutters for the Coast Guard. Ingalls is
16 committed to building the best ships in the world
17 for the best Navy and Coast Guard in the world. You
18 should know that Ingalls Shipbuilding is the largest
19 private employer in the state of Mississippi and
20 currently, in Louisiana as well.

21 Of the 17,000 men and women of Ingalls
22 Shipbuilding, more than 14,000 are engaged in

0115

1 shipbuilding at our three sites on the Gulf Coast.
2 You should also know that more than half of those
3 are your fellow union members. And as a part of
4 Huntington Ingalls Industries, along with Newport
5 Shipbuilding, we have almost 38,000 folks building
6 and fixing ships every day.

7 My indication said you wanted to hear about
8 what I can do to help create jobs for skilled
9 craftsmen and women in the Metal Trades. I suggest
10 to you that the discussion for shipbuilders in
11 today's federal budget environment might more
12 appropriately be about how to protect jobs.

13 Less than 25 years ago, the United States Navy
14 at its peak had 594 ships in the fleet. Today,
15 there are approximately 285. Thirty years ago the
16 United States Navy planned a 600 ship fleet. Today,
17 the Navy's 30 year ship building plan calls for 313
18 ships, just a little bit more than half.

19 The nation had the capacity to build that 600
20 ship fleet 30 years ago, and the largest of the
21 shipbuilders 30 years ago are still around today
22 building a fleet half the size. Thirty years ago,

0116

1 the big six shipyards got almost 100 percent of the
2 navy's shipbuilding budget. Now, almost 20 percent
3 of that budget is used to buy small ships from
4 smaller shipyards.

5 The market versus capacity economics don't
6 work, and tough decisions had to be made, and we

7 made them. All the while, we're focused on building
8 great ships. Our shareholders provide the capital
9 to build and maintain our shipyards, and they hold
10 us accountable for returns on their investment, and
11 they should. They can take their money and invest
12 it anywhere.

13 Our customers, the Navy and the Coast Guard,
14 under severe budget constraints, demand ships that
15 cost less, and they should as well. Attracting
16 investors to supply the capital we need and reducing
17 the cost of ships are requirements that we have to
18 meet to preserve shipbuilding jobs on the Gulf
19 Coast.

20 We have a good plan, and we're executing it.
21 The better and more efficient we get at it, the more
22 affordable ships we can build and the more ships

0117
1 we'll sell. The faster we get there, the faster we
2 can change the discussion from protecting jobs to
3 growing them.

4 And I do mean we. I don't weld, and I don't
5 fit. I don't pull cable and I don't hook it up.
6 But I'm on ships, in the shops and around the yards
7 to talk to our craft. They want to know what we're
8 going to do to get through these challenging times,
9 and I'm depending on them and the partnership we
10 have with the leaderships of our represented craft
11 to help us prepare for the future.

12 Together, we're focused on getting better at
13 what we do and doing it better every day. We're
14 focused on safety, quality, cost and schedule, in
15 that order. Because if you don't get the first two
16 right, the second two don't matter, and we continue
17 to make progress.

18 As for the future of Ingalls, we've got a
19 decent backlog of work, and we're negotiating a few
20 more contracts. But the process is taking too long,
21 but we're slugging it out. The contracts are
22 getting more challenging and the shareholders more

0118
1 demanding. It's my job to ensure that we meet our
2 commitments to our shareholders and to our
3 customers, so that we have the capital that we need
4 to build the ships and make them more affordable.
5 That's how we are going to keep as many good
6 shipbuilders as we can working on the Gulf Coast,
7 because I also have a commitment to them.

8 But in this economic environment and this job
9 market, it makes little sense to me why we would
10 make deep cuts in defense spending, which some are
11 advocating, which could cost a million jobs
12 nationwide. When we build ships for our Navy and
13 Coast Guard, we create and sustain jobs where
14 craftsmen and women can learn life long trades, earn
15 a good wage and make a forty year career out of, in
16 our case, shipbuilding.

17 And we buy material and parts and components
18 from 49 states around the nation. These are also
19 good industrial jobs. It doesn't matter whether
20 it's radars, airplanes, tanks or trucks. If we take
21 federal funds to create new jobs from defense
22 programs, will the new jobs be as good or will there

0119
1 be as many? Personally, I don't want to see my
2 fitters and welders trading their tools and torches
3 for shovels.

4 If we're going to talk about protecting and
5 creating jobs, perhaps we should change our approach

6 from shovel ready to shipyard ready or factory
7 ready, where a trained workforce is at risk of being
8 laid off. Defense contractors, shipyards in
9 particular, are a training engine for skilled
10 craftsmen and women.

11 We have shipbuilders who have been with us for
12 40 years or more, who mentor our young new hires.
13 We have formal training programs, an exceptional
14 apprentice program and on-the-job training that
15 teach our folks a skill and give them an opportunity
16 to apply it. Ingalls Shipbuilding is a national
17 asset, not just because of the ships were build but
18 because of the people who build them. The capital
19 invested by our shareholders has given us the
20 facilities that are second to none, and I'll stack
21 my Gulf Coast shipbuilders up against any in the
22 world.

0120

1 But dealing with the budget realities and
2 the Coast Guard and Navy shipbuilding plans requires
3 tough decisions. Making those decisions is how we
4 continue to keep the shareholders in the game, our
5 customers buying ships and our employment levels as
6 stable as we can.

7 I could talk to you about why I think we need a
8 Navy, but I'll let history tell that story. But I
9 can assure you, as long as we have a Navy and a
10 Coast Guard, we intend for the Ingalls' shipbuilders
11 to continue to build it and maintain it.

12 As the debate about the federal budget rages
13 on, my job is to get us ready for a range of
14 potential outcomes. I am hopeful congress will
15 support a strong Navy and Coast Guard and the ships
16 they require. I am confident that we can build
17 them, and we will build them with union labor. We
18 both want to build more ships. We need to make sure
19 the folks who will decide know how important these
20 current jobs are as a foundation for the economic
21 recovery plan, instead of becoming a casualty of it.
22 First we need to protect, then we can grow.

0121

1 Thank you for inviting me to speak to you
2 today.

3 (Applause.)

4 PRESIDENT AULT: We've got a nice
5 speaker's gift we are going to ship to you. It's
6 got the Metal Trades, and when you look at that,
7 you'll remember our time together here.

8 MR. EDENZON: Thank you.

9 PRESIDENT AULT: Thank you so much,
10 appreciate it. At this time, we're going to have a
11 report from the Committee on the President's Report.
12 Is that committee ready to make its report? Here we
13 go. That committee is currently not ready to
14 report, but they will be shortly. So while that
15 committee meets to get ready to make the report,
16 James McCourt is the chair of the committee, Ed
17 Witkowski is on the committee, Clarence Rashada,
18 Jeff Owen, Scott Murphy and Phillip Venoit. Did I
19 pronounce that right, Phil? From Vancouver.
20 Venoit, that must be French. And if you will meet
21 outside the door with brother McCourt. And at this
22 time, I'd like to bring forward Keith Maddox, the

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1 strategic director of the AFL's office, well, let me
2 get it right. Keith Maddox serves in the Office of
3 the AFL/CIO, where he works on strategic campaigns.
4 Keith has served in a number of positions at the

5 AFL/CIO: director of strategic campaigns, national
6 field director, assistant to the director of
7 organizing, deputy director for the Southern Region,
8 and Georgia state director.

9 Keith grew up in Alabama. He is a third
10 generation member of the Machinists Union. He
11 joined the IM in 1979 while working at Miller
12 Brewery in Albany, Georgia. Keith also worked on
13 the staff of four different national unions: the
14 SEIU, southern regional director of the Teamsters,
15 southeastern organizing coordinator of the
16 Machinists, district organizer AFL/CIO Industrial
17 Union Department, organizing coordinator.

18 Also we'd like to bring up with Keith, Mr.
19 Percy Pyne, the CEO and founder of American Feeder
20 Lines. And so Keith, if you and Percy would please
21 come forward.

22 MR. MADDIX: Key it up, Greg. Ron says
0123

1 we've got to go. Good afternoon. So today, we've
2 got, I wanted to talk a little bit about Avondale
3 Shipyards and shipbuilding as a whole. So, I'll
4 talk a little bit about some of the work that we've
5 been doing. The national AFL/CIO is -- it's been a
6 little over a year ago now, time certainly flies by,
7 going on closer to a year and a half or longer.
8 When Ron contacted us at the AFL/CIO about getting
9 engaged in the Avondale Shipyard, where it had been
10 announced that the facility was closing, just to
11 have discussions about the possibility was what
12 could we do to try to save that shipyard? What was
13 the process for doing this?

14 And over the course of this time, one of the
15 things we kept hearing about and kept talking about
16 was well, Avondale Shipyard is closing. What are
17 the steps that we could do to try to preserve that,
18 or as much of Avondale that we could. But also it
19 converted into how do we save shipbuilding as a
20 whole.

21 I mean, as many of you know, we've watched so
22 many of these jobs disappear. So well, if we get
0124

1 this little clicker to working here. So, just move
2 it for us back there; it's not working up here. So
3 as we began to talk about Avondale Shipyards, many
4 of you, I know, have heard about Avondale. It was a
5 lengthy process to organize Avondale. Many, many
6 years ago, went through a long, lengthy process to
7 organize it down on the coast of Louisiana. And so
8 when you start talking about Avondale Shipyards,
9 just closing it, you start talking about 12,000 jobs
10 total that are impacted, when you look at the 5,000,
11 just under 5,000 jobs at the shipyard. And then you
12 look at the indirect jobs. This is about a 2
13 billion dollar impact on the Gulf Coast, across the
14 Gulf Coast to Mississippi, Alabama, Louisiana.
15 There's about 43 states that actually have
16 contractors, but really that Gulf Coast, those three
17 states that I just named, sizable employment, jobs.
18 And so one of the things, first things that we, when
19 we first began to talk about it and think about what
20 could we do to save that shipyard, we really focused
21 on Navy work, which is what Avondale, and we just
22 heard the CEO of Ingalls Shipbuilding, the work that
0125

1 they have been focused on. And as we began to push,
2 there was some movement by the federal government to
3 talk about expediting some ships and moving them up

4 a couple of years. But as we got into all this
5 budget cuts and all the discussions about, we've got
6 to cut. In congress, all the discussions began to
7 zero in on we've got to cut costs, cut costs. It
8 became very clear that the path of military ships
9 was not the angle that we had to go. So the new
10 focus then became on commercial ship building. One
11 of the first things that -- when we began
12 discussions with Huntington Ingalls and at that
13 time, it was still Northrop Grumman but then as
14 Huntington Ingalls began to spin off -- as we
15 began those conversations, several things came into
16 play.

17 First and foremost, everybody agreed the Naval
18 path was really difficult. Everybody agreed the
19 commercial path was somewhat challenging as well.
20 So, we began to think about all the different
21 alternatives. One of the first things that was on
22 the table was there was an incentive, actually, for
0126

1 the shipyard to close. There was about a 310
2 million dollar incentive that was being applied for
3 by the company that would, basically, where they
4 would get reimbursed for the severance packages that
5 were negotiated between the Metal Trades unions.
6 The cost of mothballing the facilities. But also
7 incentives for savings, by transferring the work to
8 the English shipyard. Everybody agreed to all that.

9 The problem was those incentives made it very
10 difficult to overcome because there was, basically,
11 incentives for closing this facility and putting
12 people out of work. Our first thing that we started
13 talking about was that has to come off the table.
14 Why don't we try to see if there's any path for
15 incentivizing this to move towards keeping the
16 facility open.

17 And as we began to think about this, there was
18 all kinds of things that we had to do. We had to
19 get the Department of Transportation engaged, the
20 Department of Defense, the Department of Labor.
21 There was meetings with the White House and the
22 administration. There was a whole movement on the
0127

1 ground between the shipyard workers and the Metal
2 Trades in New Orleans, the Building Trades was, I
3 mean, all over this in New Orleans, the American
4 Federation of Teachers on the ground in New Orleans.
5 The local business community really came out. I
6 mean, the most unbelievable thing was the workers at
7 Avondale Shipyard. The Metal Trades went out and,
8 within less than 30 days, signed up 500 small
9 businesses onto a letter to the president, that went
10 to the Department of Defense officials, Department
11 of Labor, talking about the importance of why they
12 needed to salvage this shipyard, why it needs to be
13 saved because of the impact it was going to have on
14 them.

15 You had the faith community, 150 faith leaders,
16 back on Labor Day, hosted church ceremonies talking
17 about the impact on the community, why they needed
18 to pray for Avondale. There was a whole pray for
19 Avondale campaign. There is a whole research
20 project going on with major university systems:
21 Tulane, New Orleans, the University of New Orleans.
22 Ron, what's the other one? Southern University.
0128

1 All got professors and grad students working on a
2 research project on the impact of what this would do

3 on the Gulf Coast. Bipartisan support from
4 basically, congressional, you've got Democrats and
5 Republicans from congress, both the Senate and the
6 House. You've got the state legislature in
7 Louisiana, both Democrats, Republicans, the
8 governor. And basically, now what's on the table,
9 where we are at today is there is still some hope
10 for keeping this alive. What you now have today is
11 there's about, as we would say, there's about 500
12 million reasons. The federal government has agreed
13 that the 300 million dollars that was in discussions
14 about incentivizing the closure, they are now saying
15 that 300 million dollars can be used as an incentive
16 to keep that facility open. So, there is
17 discussions about how that money can be utilized in
18 job training and conversion to a commercial
19 shipyard.

20 There is also, the state of Louisiana, two
21 weeks ago, announced that they were putting 214
22 million dollars on the table, primarily around job

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1 training and other conversion to commercial
2 shipbuilding on the table. So, you've now got 500
3 million dollars plus on the table as an incentive to
4 keep this moving forward.

5 So, that kind of transitions us to kind of the
6 bigger picture, as Ron would state. Is how do we
7 move forward? What does this mean? It's no longer
8 just about saving Avondale. That's a big, big piece
9 of this, but it's much bigger than that. And as we
10 begin to talk about that is, the first thing you
11 begin to look at is the impact on shipbuilding. I
12 mean, I don't have to tell you. Many of you in this
13 room work in that industry. Post-World War II,
14 there was 1 million shipyard workers in this
15 country. Today, it's less than 200,000. There's
16 only six major shipyards in this country left today,
17 with one of those being threatened to be closed.

18 And then, you start to look at the commercial
19 side of this, on commercial shipbuilding. The U.S.
20 builds less than one percent of the large commercial
21 ships worldwide. At the end of 2009, there were a
22 little over 9,200 large commercial ships on what

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1 they call the world order book. The U.S. only had
2 98 of those. You start looking to big players:
3 China had 3,570; South Korea, 1,675; Japan almost
4 1,300.

5 So, in comes the discussion around America's
6 marine highway, which is a project of the White
7 House and the U.S. Department of Transportation.
8 There's been a lot of discussions going on around
9 what this could mean. This is all talking about,
10 especially in this climate that we're in today,
11 about budget cuts, budget cuts, budget cuts. And I
12 know we've all talked about it. You've heard
13 earlier today about infrastructure. We know the
14 needs of bridges and roads, but the reality is
15 there's only so much that's going to get out there
16 and get done.

17 And so, as you begin to look at that, the
18 Department of Transportation, their argument is
19 there needs to be more port to port. More port to
20 port freight that moves from port to port and moves
21 around the East Coast, the Gulf Coast and the West
22 Coast, but also moves up the Mississippi and our

0131

1 other major river systems. Those water systems are

2 there. There is dredging requirements, there's
3 construction projects that would need to be done at
4 some of these ports. But the argument is short sea
5 shipping. There is now, certified under there,
6 there is about 18 Marine highway corridors. There's
7 eight projects and six initiatives that's been
8 certified by the Department of Transportation.
9 There's a huge potential here. These would require
10 Jones Act, would fall under the Jones Act
11 requirements: U.S. built ships, U.S. crude ships.
12 And this is a huge opportunity. This is a little
13 bit of the system that the federal government has
14 been looking at. And then, just, the reality is we
15 heard folks talking earlier today about we've got to
16 have good jobs in this country.

17 I mean we can argue our way about cutting
18 taxes, cutting spending. But the reality is we're
19 not going to get out of deficits until you create
20 good jobs in this country. The way to create good
21 jobs? Go back to a manufacturing base. You start
22 looking at what a marine highway -- because the

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1 reality is, is to do this type of work, the ships we
2 have in this country will not do that kind of work.
3 This requires all new ships. So, you're talking
4 about not only a marine highway system, but you're
5 talking about all new shipbuilding to make that
6 happen.

7 So just a couple other stats. The steel
8 industry saw, just in the last three years, in about
9 a nine year period, you saw the tonnage in steel
10 drop from 91 1/2 million tons from 97. So you saw 6
11 million tons of steel fall in that ten year period.
12 The big thing that stands out for me is the bottom
13 little bullet point. We've lost 8 million
14 manufacturing jobs since 1979, and at the same time,
15 our population has increased by 40 percent. So I
16 mean, when you look at the numbers of jobs that
17 we've lost, it's huge, huge impact. So the fact is,
18 is going to commercial building, bringing back
19 commercial shipbuilding in this country is huge,
20 not only for shipbuilding, but for manufacturing.
21 It's great for the transportation trades throughout,
22 highways as well as waterways. The maritime trades,

0133

1 this is a boom, construction trades. Ports have to
2 be updated, all kinds of construction opportunities,
3 manufacturing and then ports. The first thing, when
4 we met with the Port of New Orleans around this,
5 they were all over it. They got it right off the
6 bat. I mean, this is all the top officers along
7 with our unions at the ports. And they got it right
8 away, what this would mean for them.

9 Can we save Avondale and save our shipyard?
10 Can we save shipbuilding? I guess that's kind of on
11 us. The one thing I guess I would say is, certainly
12 when you talk to Ron Ault and the Metal Trades
13 Department and the unions in the Metal Trades
14 Departments, you talk to the AFL/CIO, you talk to
15 folks on the ground in New Orleans, it's worth
16 fighting for. And that's kind of, that's what this
17 whole campaign has been about. It's something that
18 is definitely worth fighting for.

19 How do we move from there? Well, Percy is here
20 today. I don't want to go into much of this, but
21 one of the paths for moving forward is a company by
22 the name of American Feeder Lines, who is now on the

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1 same, who wants to build ships in this country,
2 wants to build them union, wants to build them with
3 American products, has expertise that backs them,
4 from doing this over in Europe. And the reality is
5 they want to build ships at Avondale Shipyards. But
6 also, if things go the way that we're talking about,
7 it's not just a boom for Avondale. It's a boom for
8 all of our shipbuilding industry, is to move forward
9 on this.

10 So there's been a lot of discussions about
11 potentially hundreds of ships that needs to be
12 built. But for me, this is something that is well
13 worth fighting for. And with that, I'll turn to
14 Percy Pyne. Thank you.
15 (Applause.)

16 MR. PYNE: It's getting close to lunch
17 time, so let me not take too much of your time. Let
18 me not also pretend to be somebody I'm not. I was
19 born lucky; I'm an American. And I think all of us,
20 as Americans, have a responsibility to our children
21 and our grandchildren that we do something and we
22 leave them with something that is lasting and that
0135

1 will preserve what was already been built and given
2 to us.

3 Today, I am just going to briefly talk about
4 two things: what we are trying to do and why we
5 believe it is so important. The United States
6 government, in 2007, passed black line law, which
7 stated, "You shall recreate the United States Marine
8 Highway." It is black line law. Nobody seems
9 particularly interested in following up on that law.
10 So in '10, the government put out an RFP for people
11 that would like to be designated marine highway
12 projects under the law, which gave them, the
13 sponsors, not me, the ability to apply for all sorts
14 of different federal programs. Quite a few people
15 applied. It was a very expensive process, eight
16 were nominated.

17 Only one asked the government for no money. We
18 were nominated as one of those eight people, and
19 according to the DOT, maybe they're blowing smoke at
20 me, excuse me, because we did the most complete job.
21 And what did they give us? They gave us the Gulf
22 Coast and the East Coast. I guarantee you that I
0136

1 would not have taken the time, risked our own money,
2 had it not been for a meeting that we had in
3 Washington with the gentleman sitting to my right.

4 "You can't build ships in the United States,
5 because labor is an issue." Well, I've got 42 pages
6 of "You can't do," in this particular project, which
7 is 19 years old. So, I figured if this going to be
8 one of them that we have to discuss and overcome,
9 then I better go and meet with the people that would
10 dictate the future.

11 So, having met, supposedly, for the first
12 meeting for half an hour, we spent three hours
13 discussing shipbuilding. We went out of that
14 meeting. We went back to New York, and we said,
15 "These gentlemen understand the issues. These
16 gentlemen understand what we're trying to do. These
17 gentlemen actually know how to do it." It's one of
18 the best-kept secrets, I believe, in the United
19 States.

20 So, having participated in 9/11, personally,
21 it is particularly gratifying for me to be here
22 today and working on Wall Street, across the street

0137

1 from the New York Stock Exchange, I feel real
2 comfortable here in the casino. Here, I know the
3 rules. If we win, we get to keep it, and if we
4 lose, we pay the penalty and not be bailed out.

5 So, it's wonderful today to have this
6 opportunity to speak to you about what we're trying
7 to do, because frankly, the nation needs you. You
8 are the only people that can build the modern, fuel
9 efficient, green transportation assets of the
10 future.

11 I've been told over and over and over where I
12 live that we are now in a service economy. I don't
13 know really what that is, other than ignoring the
14 simple fact that there are an awful lot of human
15 beings or Americans here that make things. They're
16 our reason that there are 22 Toyota plants in the
17 United States. There is a reason that there are so
18 many foreign companies that are investing in
19 manufacturing facilities in the United States. It's
20 a very simple reason. That's because the United
21 States labor force is the best educated, most
22 productive in the world, save none. They're not

0138

1 stupid; maybe we are.

2 Today, your nation needs your skill in this
3 sector like it never has before. But unfortunately,
4 the nation doesn't understand it. We are trying to
5 raise the level of understanding. Let me be blunt.
6 We are at war, and there is a transportation funding
7 crisis in the United States. But if you don't
8 recognize that you are in a war, like Cancer, if you
9 don't deal with it or go after it, recognize it
10 early and deal with it, it will kill you.

11 So I'm here, not to scare you, but just to tell
12 you that in the global trade war, we are not a
13 player in the ship industry. Our fleet of U.S.
14 built 26 container ships are more than 30 years old.
15 We control less than one percent of the entire
16 global fleet. How can that be for largest trading
17 nation in the world? Don't know.

18 As far as infrastructure, it's falling apart,
19 and it's falling behind. How do we change it? Let
20 me give you some facts that might just frame the
21 issue for you. Our transportation system ranks 15
22 in the global competitive index. Eleven percent of

0139

1 the 690,000 bridges in our country are more than 50
2 years old and are graded structurally deficient.

3 Freight bottlenecks and other forms of
4 congestion cost the American public 200 billion
5 dollars or 1.6 percent of our GDP a year. Domestic
6 freight tonnage is estimated to increase 88 percent
7 by 2035. Our population is expected or estimated to
8 grow by 70 million people by 2035. Port throughput
9 is expected to double between now and 2020.

10 There is a driver shortage in the United States
11 of approximately 125 professionals. The average
12 truck driver today makes about 10 dollars an hour.
13 He is better to go to work at McDonalds. He gets
14 better benefits and better hours. Fuel prices have
15 increased four times since 2000.

16 Overall, 31 percent of the nation vehicle miles
17 traveled every single year travel over to deficient
18 pavement. And if you take that number, translate it
19 up to the urban areas, 47 percent of the urban
20 highways are rated deficient. The new regulations
21 for truckers will make it more difficult for them to

22 move. The Clean Air Act will have its effect.

0140

1 Hazmat materials, which are part of the baseline of
2 the country, manufacturing and production are being
3 regulated onto smaller and smaller footprints for
4 transportation. They may face liability insurance
5 claims which will make it virtually impossible for
6 certain things to move.

7 The professionals estimate that we need about
8 220 billion dollars a year for the next 20 years
9 just to bring the existing transportation system to
10 its function level. We don't have the money.
11 Believe it or not, today, Americans spent 17.6
12 percent of their income on some form of
13 transportation.

14 That's second only to housing and ahead of
15 food. If you don't think transportation is
16 important in this country, I'm sorry. We have to
17 make everybody understand it.

18 And here is the one that sort of makes me
19 wonder. Today, we are 100 percent reliant on
20 foreign tonnage to move our imports and exports, 100
21 percent on foreigners to move our goods in and out
22 of this country. If you don't think that's a

0141

1 problem, I do.

2 Panama Canal's expansion will finish in 2014,
3 but unfortunately, very few if any of our ports
4 today will be able to handle the new fuel-efficient
5 green monsters that will carry our goods in and out
6 of the country because the throughput in the
7 terminal capacity isn't there, because they don't
8 have a distribution system able to handle it,
9 because we don't have a short C hub and spoke
10 coastal network today.

11 There is a growing shortage internally in the
12 country of containers. Why? Because China is the
13 only place where the two major manufacturing
14 production facilities for containers are. And if
15 the Chinese need their containers, I'm telling you
16 they're going to keep them there, as they did last
17 year.

18 So I guess, if we are at the mercy of other
19 people and our transportation system is in dire
20 straits, we should think about paying attention to
21 the megatrends that are going on.

22 Bill Ford said we are in a state of global

0142

1 gridlock. So, I ask you. How are we going to move
2 our goods in the future? There is a viable
3 solution; it's called the U.S. marine highway. It's
4 is pretty simple. We have the largest, most diverse
5 and best developed coast line and river system in
6 the world. We are the largest economy. Ninety
7 percent of the population in the United States lives
8 within 150 miles of navigable water. The U.S.
9 marine highway was the development pattern and the
10 thoroughfare of our ancestors. As a matter of fact
11 until 1956, more than 50 percent of all domestic
12 trade was carried by water. Today, that is less
13 than 2 percent. There were no containers in 1956.
14 The U.S. signed the Highway Trust Fund and the rest
15 is history.

16 I'll give you some other facts. To create
17 one-mile of urban highway costs between 20 and 50
18 million dollars. To create one-mile of the United
19 States marine highway costs you exactly zero. The
20 port network is, in fact, in place for containerized

21 freight, don't have to do anything. We may have to
22 do some dredging, excuse me. We have the capacity

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1 in the existing commercial shipyards, which is
2 underutilized in my opinion, for commercial
3 building. These are not liabilities. The
4 commercial shipyards in China and Korea and Germany
5 are considered strategic assets. How do we use this
6 resource? This wonderful highway? Just think of
7 the most congested highway that you travel on
8 everyday and think of no cars and no trucks on it.
9 Well, our solution or our thought is that you just
10 build a modern, green, efficient, fuel-efficient,
11 green assets and use the highway. Who is going to
12 build the assets? You are. Nobody else can. Can
13 we build today as cheaply as maybe the Koreans think
14 they can, or the Chinese? Maybe not. Could they
15 build in 1969, when I first went to Korea, as
16 efficiently as they do today? No, they didn't even
17 exist. The first ship that was launched at the
18 Hyundai Ulsan yard, 1974. 1974, we were light years
19 ahead of them. The last time the nation was in
20 peril, in my opinion, like this, 4 million men and
21 women built 5,000 - it's a matter of history - ships
22 between 1942 and 1945 for a cost of 12 billion

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1 dollars.

2 We invented welding, we invented block
3 construction, we invented series construction.
4 Everybody else does it. Why can't we? Actually, we
5 build today the most sophisticated marine assets in
6 the world for our Navy. So, it seems to me,
7 logical, that we could in fact, if engaged, build
8 the marine assets that the country so desperately
9 needs for the future.

10 How many? A lot. Today in Europe, there are
11 over 2,000 short sea ships plying the water between
12 countries moving containers daily. In Hamburg
13 alone, the short sea effort with small ships is 156
14 callings a week. Ours, close your eyes and what do
15 you see? Nothing. So, there is a huge opportunity.
16 And after you get through building the ships that we
17 hope that you'll build for us, you can build at
18 least 26 more for the 30+ year-old ships that are
19 existing in the marine fleet of the Jones Act Fleet
20 today because they are well past their serviceable
21 life. Just one economic dimension.

22 Some of those ships, probably on average, burn

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1 between 50, and we've heard numbers up to 140 tons
2 of fuel a day. A new modern small container feeder
3 ship in the world burns about 10. So the economics
4 aren't about the crew size. The economics aren't
5 about the cost. The economics are about fuel.

6 Now, to get this done will require new
7 thinking, require risks, require commitments. But
8 obstacles, after 19 years of those frightening
9 things that you see if you lose sight of your goals.
10 And ladies and gentlemen, for every direct job you
11 lose in the United States, you lose between three
12 and four indirect jobs. If a child is not able to
13 go to school or college because his parents lost a
14 job, that's not just one child that isn't able to go
15 to college, frankly, that's at least four because
16 every direct job lost means three to four indirect
17 jobs. Not to control our coasts, in my opinion, is
18 insanity. It's not a matter of national security
19 only; it's a matter of economic survival. Let me

20 repeat that. It's not just a security issue; its
21 your survival, my children's survival.

22 So I ask you for three, humbly ask you for

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1 three favors that I respectfully ask you to help me
2 with, so that I can help you. You must believe and
3 convince everybody that you talk to that you can do
4 it. There is this, "Jones Act" which apparently is
5 a prohibition about building ships in the United
6 States. I've never seen a piece of paper stop
7 anybody from doing anything that they want to. It's
8 fairly important that you tell the nation that you
9 are able to do this job. Building ships in the
10 United States because of the Jones Act doesn't allow
11 it is an excuse, it's not a reason. You must, in my
12 respectful opinion, consider yourselves technicians.
13 There is a reason that the Korean men and women that
14 work in their yards walk around, especially in the
15 engine plant, in lab coats. These are not shovel
16 jobs. These are skills that only you have. Trust
17 me, the people in my world in Wall Street can't weld
18 anything. They can't pull a wire. They can't
19 install a rudder. You can, so then you must. You
20 must live it. You must breather it, and you must
21 believe it.

22 And the last statement may be a bit

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1 controversial, but I'm going to make it regardless.
2 If the banks that you put your money in don't
3 support your community and American businesses that
4 create jobs and sustain jobs, move your money to
5 banks that do.

6 (Applause.)

7 And if your pension funds, which I now am
8 astounded by the number of 3 trillion dollars, are
9 controlled by our friends in Wall Street -- and
10 they are not all bad people. -- and they do not
11 invest in companies that sustain and increase
12 American jobs, ask them to please move your money
13 and my money to funds that do.

14 So, we've got a lot of work to do, but luck
15 sometimes has its place. Last week, California
16 passed a cap and trade mandatory law. That means
17 that as corporations start to take a look at their
18 carbon footprint, they are going to realize very,
19 very quickly that in their transportation supply
20 chains that there is a very real and attainable
21 opportunity to take carbon out of their equation
22 simply by shifting some of their goods to transport

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1 their products by water.

2 If you can produce the assets, you will win.
3 The future will be won by those companies that are
4 able to be ahead of regulation, those companies that
5 have a vision, and those companies, in my opinion,
6 that take advantage of the wonderful, God given
7 asset that we have. You are the only people that
8 can make that asset viable. Thank you very much.
9 (Applause.)

10 PRESIDENT AULT: Thank you.

11 MR. PYNE: Thank you.

12 PRESIDENT AULT: We've got a nice little
13 gift we'll mail to you. Now, the Officers Committee
14 is ready to make their report. And while they are
15 coming up, we are going to run a very short video.
16 (WHEREUPON, A video was played.)

17 You'll see R. Thomas Buffenbarger in front of
18 that march there.

19 (Applause.)

20 PRESIDENT AULT: Brother McCourt.

21 MR. MCCOURT: Good morning. General
22 presidents, international vice-presidents, delegates
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1 and guests, it is my distinguished honor to report
2 on the president's report to the delegates assembled
3 here at the 69th convention of the Metal Trades
4 Department. The Committee for the President's
5 Report consists of Ed Witkowski, Clarence Rashada,
6 Jeff Owen, Scott Murphy and Philip Venoit.

7 So that everybody knows, the president's report
8 is in every delegate's packet that they received
9 when they registered this morning or yesterday. The
10 committee met and reviewed the present president,
11 President Ault's, report to the delegates assembled
12 here at the 69th convention of the Metal Trades
13 Department.

14 The committee has one typo correction within
15 the report. It's in the article that says, "A look
16 back" and is still a good friend, but unfortunately,
17 she lost in 2010. On the top of the second page
18 where it says, "One of the most important
19 congressional races at the time was in support of a
20 good friend, Carol Shea Porter." I reads "In
21 Connecticut." And that's a typo. It should read in
22 New Hampshire.

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1 The president's report is an in-depth and
2 detailed report of issues and accomplishments
3 pertaining to the Metal Trades Department, since the
4 68th convention of the Metal Trades that was held in
5 October of 2007.

6 The report of the president also gives a vision
7 of the future for the Metal Trades Department. The
8 Committee on the President's Report unanimously
9 voted for us not to tell any religious jokes, but
10 President Ault, the committee unanimously recommends
11 the adoption of the president's report.

12 PRESIDENT AULT: You heard the
13 recommendation of the adoption of the president's
14 report as corrected. Do I have a motion to accept?

15 SPEAKER FROM THE AUDIENCE: So moved.

16 PRESIDENT AULT: Do I have a second?

17 SPEAKER FROM THE AUDIENCE: Second.

18 (No response.)

19 PRESIDENT AULT: Hearing no discussion,
20 all in favor say aye.

21 (A chorus of ayes.)

22 PRESIDENT AULT: All opposed nays.

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1 (No response.)

2 PRESIDENT AULT: The ayes have it. With
3 that, the committee is dismissed with the thanks of
4 the convention.

5 At this time, we are going to give out the
6 convention committee assignments. For Legislation:
7 Jimmy Williams, chair; Bill Legrand, Larry Mazzola
8 Junior, Art Cantu, Frank Cyphers, Damien Kim, Ernie
9 Ordonez.

10 Health and Safety: Gary Allen, chair; Ben
11 Toyama, Charlene Burt, Greg Villanova.

12 Maritime: Newton Jones, chair; Ed Kuss, Paul
13 O'Connor, Harry Thompson and Dennis Phelps.

14 Organization: Joseph Sellers Junior, chair;
15 James Pressley, co-chair; Lynn Tucker Junior,
16 Quintin Jones, Jim Payne, Mike Crawley, Brent Hall,
17 and Don Bongo.

18 Resolutions: Pat Finley, chair; Bill Courtien,
19 co-chair; Warren Mart, Tommy Fisher, Joe Standley,
20 Dave Molnaa, Rich McClees and Steven Beal.

21 Constitution: Walt Wise, chair; Warren
22 Fairley, co-chair; Billy Borchert, John Tippie,
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1 Robert Martinez Junior, John Taylor, Lynn Lehrbach.

2 The other committees have already been named
3 and have made reports, and at this time, we will
4 dismiss the committees to their deliberations. And
5 we have a short recess for lunch, and we will come
6 back in order tomorrow morning. Also we have a
7 reception tonight from -- oop, Tara, we've got the
8 web? Okay, all right I stand corrected.

9 For all that are not on an assigned committee,
10 please stay in the room for a short presentation of
11 our website and media workshop. And then, we're
12 going to recess for the day, after that, and tonight
13 from 6:00 to 8:00 p.m., we're going to have a
14 reception. And the reception is going to be in
15 Skyview 2 and 3.

16 Tomorrow, we're going to have the convention
17 convene at 8:00 a.m. with a continental breakfast,
18 and we start promptly at 9:00 o'clock back in here.

19 So, the committees, room assignments. Let me
20 find out first on the -- the Resolution and
21 Constitution Committees, we've got some rooms. I've
22 got to find out from Lisa what -- Skyview 2 and 3.
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1 So Skyview, whichever one you want. Walt, which one
2 do you want, 2?

3 MR. WISE: Two is fine.

4 PRESIDENT AULT: Okay, Walt Wise's
5 committee will be in Skyview 2. Pat Finley's will
6 be in Skyview 3. The chairs will set their own
7 rules as far as how they conduct their business.
8 Thank you.
9 (Off the record comments, pictures and moving people
10 around.)

11 MR. LANDIS: I know you guys are ready to
12 go, so I'm going to make this very quick. The Metal
13 Trades Department has a website. I'm sure most of
14 you are familiar with it. We also have a Facebook
15 page that has been gaining a lot of traction,
16 especially with what's going on in Avondale.

17 There has been a Metal Trades Department
18 Facebook page, but there's also an Avondale SOS
19 Facebook page that we administer. Those three pages
20 have been our effort to get as much information out
21 as possible, and the main reason I think we want to
22 talk today is to encourage you to send information
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1 in to us, so that we can get your message out as
2 well.

3 We want to create a distribution list with
4 e-mail addresses, and I've got a sheet. Tomorrow
5 morning when you come in, there'll be an opportunity
6 for you to give us your e-mail. It will be in
7 alphabetical order, so you can find your name. And
8 right next to your name, there is a line for you to
9 give me your e-mail address, so I can create a
10 distribution list to get information to everyone
11 faster and more efficiently.

12 And then, the other reason they wanted us to
13 talk today was to find out what you think that we
14 can do to better facilitate the website, make it
15 more user-friendly and give you more information.
16 So, we can do a little bit of a Q and A, and I'll

17 try and answer whatever questions you might have.
18 Anyone? No. Okay well, there is a registration
19 area on our website where you can give us your name,
20 your e-mail address. It's a members only section.
21 It'll ask you a few questions, ask you to solve a
22 small math problem at the bottom of the page, so we

0155

1 can hopefully avoid spam.

2 You'll create your own username and password
3 and that will give you access to areas on the
4 website that other people don't, the general
5 population doesn't have access to. A lot of that
6 will contain contracts and organizing information,
7 anything that we don't feel is for public
8 consumption.

9 And of course, Ron's rants are always there and
10 they're fun to read. So, if anybody doesn't have
11 any questions, I think we can probably adjourn.
12 (WHEREUPON, The proceedings were concluded for the
13 day at 1:18 p.m.)

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