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

Reported by:
CHARLES D. HOFFMAN

PROCEEDINGS
(9:00 a.m.)

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

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.

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.

I want to share with you some quick, quick words from Martin Luther King Junior. He said this. "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."

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.

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
knowledge and your understanding.

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

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

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

Father, we pray for our membership, those that are unemployed, those that are sick and afflicted. Pray that you would lift them up, give them encouragement and strength in these troublesome times. And Father, we do pray for President Ault and his staff. We pray that you would continue to give them the strength and encouragement to do the job that they have so well done.

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

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

PRESIDENT AULT: Presentation of colors will be by the Honor Guard from Nellis Air Force Base. Our National Anthem will be sung by Molly Tennant. Mollie if you're in the room, would you please come forward.

(WHEREUPON, The colors were brought forward.)

(WHEREUPON, The Star Spangled Banner was performed.)

(WHEREUPON, Oh Canada was performed.)

PRESIDENT AULT: While everybody is standing and the colors are retired, it's a sad, sad occasion when we lose our bothers and sisters in the labor movement. And I'd like to have a moment of silence for all of our brothers and sisters who have passed since our last meeting. And if could just take just a moment of silence, I would be forever grateful.

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

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

Ever since this has gone to a volunteer service, there doesn't seem to be a recognition that
these folks are still doing the same thing that we
did when we had the draft. And when everybody had
to go, people were more interested in what was going
on in the military than they are today. But it
doesn't diminish by one amount or anything else, the
sacrifices that our sons and daughters in the
military are making. And with that, I would like
for a big round of applause for our military that,
in particular, our sons, daughters and our members.
(Applause.)

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

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

PRESIDENT AULT: We're going to do a brief
introduction of the Executive Council, the people
that are the backbone of our organization, the
vice-presidents of the Metal Trades Department. And
we'll begin with President Newton Jones of the
Boilermakers.
(Applause.)
International President Tom Buffenbarger,
Machinists and Aerospace Workers.
(Applause.)
General President, Pat Finley, Cement Masons.
(Applause.)
General President, Walter Wise, Iron Workers.
(Applause.)
General President, Jimmy Grogan, Heat Frost
Insulators.
(Applause.)
And those that couldn't be couldn't be with us
today include General President Billy Hite, with the
UA.
(Applause.)
And International President Vincent Giblin,
with the IUOE.
(Applause.)

At this time, I'd like to introduce my staff in
the back of the room. And if you guys have got any
complaints, if you've got any accolades, if you've
got anything you want to say about the convention,
how it was set up, I didn't do it. The lady that
did it is my executive assistant, Lisa Johnson,
Lisa. Here she comes.
(Applause.)
Our general representatives from the West
Coast, from the Ironworkers, Tom Schaffer.
(Applause.)
General representative from the East Coast and
federal employee specialist from the IM, Jim Seidl.
(Applause.)
Our very capable and wonderful people that do
all of our PR and all of our website, Greg Kenefick.
(Applause.)
And his daughter, Tara. Where is Tara?
(Applause.)
And that's the little engine that chugged and
could. That's us, that's the Metal Trades
Department.
At this time, we're going to bring forward the chairman of the Rules Committee, and the Rules Committee, to make a report. Rules Committee? Jim, could you see if they are ready to make their report? It's kind of hard to start a convention without rules.

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

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

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

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

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

You know, we're on the side of God. We are doing God's work. You know it's as simple as right and wrong. Labor is right, and I don't mean the right wing, I mean we're right. If you stop and think about our goals and what we are trying to achieve, it's right and wrong. It's good versus greed. It's very basic, it's black and white. It is not gray, it's not muddled. And one of the things that makes me get up every morning and go to bed every night feeling good is that we are trying to help people. We are trying to raise people up, and it feels good.

How many people in here believe in what you're doing, and when you go to bed at night, you can sleep? I mean I can. It's a wonderful feeling, knowing that you're doing the things that are supposed to be done. And it's very basic. I was talking to Cecil Roberts the other day. And for those that don't know him, Cecil is a good friend of ours from the mine workers. And Cecil and I were sitting across a cup of coffee, and we were just
talking. And he said, "Ron, the Sago Mine Disaster just galvanized America, and seeing what happened. -- he said -- you know we're trying to save people's lives."

We've got 14.7 million unemployed workers. What's labor doing? Labor is trying to get the jobs back. Everything we are doing is to try to bring America back. You know the words of Martin Luther King Jr. that were so eloquently spoken when we did the invocation this morning tells it all. We are in a challenge like we've never seen. Labor is attacked at every single level: either at the council level, the local lodge level, the district level, the international level and nationally. We're being attached at every single level today. And it's just amazing that people seem to have forgotten what labor brings to the table. You know the infrastructure in America is in bad shape. If we just would pass the jobs bill, we could put millions and millions of people back to work.

(Applause.) And the funny thing about it is Eric Cantor, who is the Republicans that is blocking this stuff in the House, had advanced some of the very same initiatives in his legislative agenda just a couple of years back. So, it's amazing the things that they won't pass are the very same things that they had put forward. So we're doing God's work, we're doing the heavy lifting. We've had some amazing runs. We've done some wonderful things, and we've got some big challenges.

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

(Laughter.) That last act of defiance has got to be there with us. We've got to say, "By God, not on my watch." I've got an 11-year-old daughter. How many people in here have got sons and daughters? My daddy gave me something, and I cherish it. It was a heritage. What kind of heritage are we going to give our children? What kind of opportunities are we going to pass down to the next generation? If we don't do it, brothers and sisters, it ain't going to get done. We can't wait on Congress. We can't wait on the president. We can't wait on the White House. We can't wait on the next election. We've got to do this ourselves, and what's within what we can do, we should do. You can make a difference. Every person in this room can make a difference.

You know somebody. You can reach out and touch somebody. You have in your power the ability to change things. I'm challenging everybody, before you leave this convention, to rededicate yourself to saying we are going to make a difference. We are going to make a change. We can do it if we all do it together. Because labor has a saying. "United we can't be defeated." And it's true. Look what the little tiny Metal Trades Department put together and held together and worked together, and defeated Rumsfeld. It was a done deal. We never gave up. And we're not going to give up on any of our agenda
items. The things that you put forward, we're not
giving up on. We're never going to give up on it.
When we set in those meetings, and we looked
them in the eye and we said, "We will never stop
fighting this. You will never win this battle

because we will never give up."

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

MR. BUFFENBARGER: Thank you, President
Ault. The Committee on Rules is prepared to make
its report. I refer all of you to the copy of the
Department's constitution. You'll see on the second
d page, rules of order for the convention. These are
the traditional rules that we have adopted at past
conventions. As you can see, they are very simple
and straight forward rules.
We request and expect the assistance of
everyone in this room and the conduct of this
convention in a civil and fraternal manner. The
chair would entertain a motion for the adoption of
the rules.

SPEAKER FROM THE AUDIENCE: So moved.

ANOTHER SPEAKER FROM THE AUDIENCE:

Second.

MR. BUFFENBARGER: Motion duly made and
seconded. Do you want to conduct the vote, Ron?
MR. AULT: Tom, you've done such a
masterful job, I ought to leave it up to you. The
motion has been made and seconded. Discussion on
the motion?
(No response.)
Hearing no discussion on the motion, all in
favor of the motion signify by the sign of aye.
(A chorus of ayes.)
All opposed, nays.
(No response.)
It is adopted. With the gratitude of the
convention, Tom, we appreciate the Rules Committee's
report, and we appreciate your work.
At this time, we're going to have one of our
first speakers come forward. He is good a friend of
labor, been a good friend of ours, Metal Trades. Ed
Smith is the CEO of Ullico Incorporated. January
13th of 2011, Ed was elevated to the Chief Executive
Officer of Ullico, after serving as the president of
Ullico since May of 2008. Ullico was founded in
1927 as the Union Labor Life Insurance Company, and
today, provides insurance and financial solutions
for labor unions, union employers, union benefit
funds and union members. Prior to becoming
president, Mr. Smith served as Ullico's executive
vice-president from 2007 until 2008. Before joining
the Ullico, Ed had a long and distinguished career
at the Laborers International Union of North
America, and before retirement, he was elected
business manager of Laborers Local 773 at 21 years
of age, one of the youngest business managers in the
labor movement.
Ed later became the International Union
vice-president Midwest regional manager, serving
over 58,000 laborers members. He also served as
assistant to the general president. Ed was formerly chairman of the Illinois State Board of Investment, chairman of the National Alliance of Fair Contracting, member of the Illinois Department of Labor Advisory Board, and he has been a key benefactor in the Therapy Center of Cartersville, Illinois. The Therapy Center is an organization that assists physically disabled children. Additionally, Ed has served as a board member of the I Can Read Program, a program committed to helping children with reading and learning disabilities.

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

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

Ed and his wife, Betty, reside in Alexandria, Virginia, has two children, daughter, Jordan, and son, Matt. Give us great big warm Metal Trades greeting to Ullico's CEO, my friend, Ed Smith.

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

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

Let me also start with -- I came from New Orleans. I was down in New Orleans for the International Foundation Employee Benefit Plans on Saturday and Sunday and Monday, and I flew up here yesterday, and the most important thing I took away from that meeting was I heard a great joke. So, I hope you are going to bear with me while I tell you about the taxicab driver and the nun.

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

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

So, the nun said, "Well, let me just ask you a
couple of questions. Are you single?" He said, "Yes, I am.
She said, "Are you Catholic?" He said, "Yes I am."
She said, "Well, why don't you just take the
next exit, and we'll see if we can't do something
about that." So, the taxicab driver takes the next
exit, and sure enough, she plants a kiss on him that
would make a sailor blush. They get back out on the
highway, going downtown, she sees the guy starts
kind of tearing, she can see in the rearview mirror.
She says, "Son, now what is the matter?" And
he said, "Well, I've got to confess. I lied to you.
I'm married, not single, and I'm Jewish, I'm not
Catholic."

And the nun said, "Don't worry about it. My
name is Kevin. I'm on my way to a Halloween party."
(Laughter.)
All right, let me tell you a little bit about
Ullico. And I want to start just with the dais up
here, and thank President Grogan, who is on our
Board of Directors at Ullico. And one of the things
I'm going to tell you a little bit about today is a
new infrastructure fund that we started. And I want
to say that President Wise of the Ironworkers was
our latest investor in that fund. I'll tell you a
little bit about it in a few minutes, out of the
Ironworkers Shopman's funds. So, we are very
grateful to the Ironworkers. And President Finley,
who is here with the Cement Masons. He was the
first investor in our fund, out of his Kansas City
fund. I'll tell you a little bit about that in just
a second.
Well, talking about union's financial
institutions, President Jones is here with the
Boilermakers. I can't be up here without talking
about the Brotherhood Banquet, the Boilermaker's
own, which is another great labor institution that
Ullico is looking forward to doing a lot of business
with in the near future. And it's another one of
those tools that we have to use.
And Tom, one time I told you -- I don't know
if you remember -- I got, the machinists have got a
close place in my heart because my 88-year-old
mother was a shop steward in one of your plants one
time. It was actually a text run later on, but she
was a shop steward for the machinist's, and a
machinist for many years, even going back to World
War II. So, my mother and father are both union
members. My dad was a laborer, my mom a machinist.
And Ron mentioned my kids, and they are both union
members as well, as well as my wife, Betty. So, we
are 100 percent union family.
Let me tell you just a little bit about Ullico.
And try to play off what Ron said, because Ron laid
out a great vision for what we've got to do. And
obviously Ullico, for those who don't know anything
about it, is like no company in America.
Ullico is 100 percent owned by the labor
movement. 100 percent of our shares are owned by
either union pension fund or union treasuries
themselves. Our Board of Directors is a who's who
of the American labor movement: from President
Trumka of the AFL/CIO; Mark Ayers, who is secretary
treasurer of our company. He is going to speak to
you later today, from the Building Trades, is on our board. Joe Hunt, who is president emeritus of the Ironworkers before Walt, is chairman of our board; Joe Hansen, who is president of the United Food and Commercial Workers, also head of Change to Win, is also on our board; Ed McElroy of the teachers.

We've got a tremendous board and its laborers company. And every day at Ullico, what we try to do -- and if you remember two things, what this company is all about. Our mission at Ullico is to protect the labor movement and help grow the labor movement, and everything we do has those things in mind, and I'll talk to you about them.

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

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

They want to privatize their profits and socialize their losses. That means we get to pay for them through bailouts, okay? Wall Street is not our friend, and we know that.

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

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

Let me talk to you just a little bit about -- we divide Ullico, basically in our investment and our insurance. And not to get too technical, but let me try to make it where when you think of Ullico, many of you know about our J for Jobs program. That's an example of our double bottom line investment. What that is, for 32 years, union pension money has been invested in Ullico's J for Jobs, and over 32 years, it's had over a seven and a half percent return. And I'm telling you, we went through some very, very dark days a couple of years ago. I'll mention those in a second.

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

So, I always call it the double bottom line.
What we do is, number one is we get a good return for our investors. But number two, we put people to work. That's the double bottom line.

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

( Applause. )

Thank you. Look, I know many people think, well, J for Jobs is just a building trades product. But I've got to tell you, earlier this year, one of our projects, that we had funded that was completed, was a J W Marriott Hotel, and I went to the ribbon cutting. And if you know about Marriott, they're usually about as anti-union as they can be. Marriott has a rotten reputation when it comes to organized labor. But here's a project that we funded with others, and I was going to the ribbon cutting, and I've got the loan documents. Before I got on the plane in Washington, to go to the ribbon cutting, and in our loan documents, it said that as a condition of the loan, all the workers at that hotel would have a neutrality agreement and would have card check recognition so that every employee at that Marriott would be union.

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

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

I said, "Well, keep me posted because I want to make sure you get a good collective bargaining agreement." But my point being, the only way that would've ever happened was had we conditioned the loan of the money with the specifications in the loan. Because by putting that in the loan document, we were able to secure a neutrality agreement, which allowed those workers to form a union. That's what Ullico is all about.

Thank you Ron.

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

So, we had many of our directors and unions say, "Look, we would like to take some of our treasury money and our general account, health and welfare money, training money, what have you, and put it to work as well. We're getting two percent,
one percent whatever, on our money. So, we created,
last year, a fund called the Work America Fund, for
non-pension assets. And we've raised about 130
million dollars in no time.
So what we did with that money, we put that
money out, between five and a half and seven and a
half percent, in loans in 15 million dollar
increments because we wanted to get diversity. We
wanted to make sure we didn't have all of our eggs
in one basket. And we put that out to create jobs.

And how do you create jobs with a 15 million
dollar loan? Well I'll tell you, I'll give you one
eexample. Pace University is one of our dormitory
loans. It's a 95 million dollar project. We have
15 million of it. The electrical work on that job
was awarded to a non-union contractor. Under our
language, our specifications, it has to be 100
percent union. They had to remove that non-union
electrical contractor, replace it with a union
electrical contractor.
That's all new construction, a 95 million
dollar job. We've got 15 million dollars in it, so
we control the labor language. We're getting a good
return on our investment, and we turned that portion
of the work that was not union around. That's our
Work America Fund, that's a fund where you can do a
lot with a little, and that's one of our success
stories. It's a brand new fund.

Thank you. Well, let me tell you about a fund
that I'm very, very excited about that we created
this February. It's called Ullico's Infrastructure
Fund. And you can't turn on the news, Ron mentioned
it in his remarks. Look, the American Society of
Civil Engineers gives our infrastructure in this
country a D minus. Okay? Our infrastructure is
crumbling. We used to be the envy of the world with
our infrastructure. Now our infrastructure is 100
years old, 50 years old, 60 years old and what do we
know? There is not enough money in Congress.
There's no federal money. I hope they pass the
National Infrastructure Bank, and I hope they put
prevailing wage when they pass it, so that we have a
source of money.

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

What we do is we will use labor's language so
that the construction work on infrastructure is done
union. We'll make sure that the workers, if it's an
existing infrastructure after it's built, whether it
be a road, bridge, water treatment plant, electrical
grid, power plant, whatever it is, that all the
workers on that project are union going forward.
And we also have, and this was very, very important
to President Wise of the Ironworkers and everyone
else, is we have the fabrication piece in our
language so that the material that goes in those infrastructure projects will be fabricated in the Union shops. That's our language and our Ullico's Infrastructure Fund.

Now, let me tell you what we are going to do. We're going to do the same things I talked about with that Work America Fund. This is an equity fund. We can take little dollars and make a big difference. When you look at how infrastructure is being privatized in America, and when you look at the Macquarie's and the companies from around the world coming in with high fees and buying community infrastructure, where the community is losing control of their assets, that is exactly the opposite of what Ullico will do.

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

When you get an income stream every year paying to that pension fund every year to pay those pensions, and all those jobs are protected, that community is protected, that's the goal of Ullico's Infrastructure Fund. We're going to take our own money, create our own jobs, rebuild America's infrastructure ourselves, with the labor movement. That's what we're going to do with Ullico's Infrastructure Fund. I want you to learn everything you can about it. We're going to educate you on it, we want you to get excited about it, and we want you to invest in our infrastructure fund.

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

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

We had their back; we paid 2 million dollars in legal fees. We were glad to do it. That's what we're there for, so we can continue that fight, so those workers will have a union. That's through Ullico's Union Liability insurance. It's a way to keep the unions strong and sound, without being bankrupt.

We had a case with the laborers, my union, Pulty Homes, that sued the laborers. The laborers won the case. Ullico picked up the legal tab throughout that entire campaign. That's what we do
through our union liability insurance.

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

(Laughter.)

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

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

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

When the Bernie Madoff stuff hit, what did we
do? We had a whole group of friends in upstate New
York that had all been sold Bernie Madoff Investment
Group through one of those feeder funds.

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

I used to be chairman of a fund called Central
Laborers Pension Fund. It was one of the biggest
funds in my union. Had a case, Hines and Smith
versus Central Laborers, went all the way to the
United States Supreme Court. Ullico, this was long
before I was at Ullico, Ullico paid every nickel.
Federal District Court, Seventh Circuit Court of
Appeals and the Supreme Court. Ullico had my back
when I was chairman of that pension fund. That is
what we do. Let me leave you with a saying that
my mother used to say. She used to say, "You've got
to have three bones in your body. - she said - the
first thing you've got to have is a funny bone.
Because if you can't laugh at life, life's going to
be pretty tough."

Second thing she said, "You've got to have a
wish bone. - and she said - you've got to put some
hard work and effort behind those wishes and they
But she said, "The main bone you have to have is a backbone. Because life is tough out there, and somebody is going to try to take advantage of you, and you've got to have a backbone to stand up for what you believe in."

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

Thanks for listening to me, have a great convention.

(Appause.)

PRESIDENT AULT: Like I said, we've got to do it. At this time, we're going to call on the report of Credentials. Are you ready for your preliminary or your full report? Larry Holbert, Chairman, Sheet Metal Workers International Union. Larry.

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

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

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

SPEAKER FROM AUDIENCE: Second.

PRESIDENT AULT: Second. Motion is made and seconded. Discussion on the motion?

(No response.)

Discussion on the motion? Hearing none, all in favor of accepting the Credentials Committee report, say, Aye. (A chorus of Ayes.)

All opposed, nays.

(No response.)

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

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

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

PRESIDENT AULT: (To Audience) Oh, come on now, you can do better than that. PRESIDENT WISE: What did you do to them last night? It's a great pleasure and honor for me to be here to address you as vice-president of the
Building Trades, of the Metal Trades, and also as
general president of the Iron Workers International
Union.

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

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

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

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

attack the public sector workers, our union workers,
but they also attack the non-union workers. Because
they have this opinion that decent wages, pensions,
safety protections are not in their best interest.
They are an assault to profit, so why have these
things? And they attack us because of that. And we
are attacked because they are putting politics in
front of our country, and they're putting power before ethics, and they're putting profits before people. And that's what the battle is that we have to wage. And we ask ourselves, why are they allowing our heavy industrial capabilities to disappear? Our manufacturing capabilities to disappear? Why are they allowing our infrastructure to deteriorate? Why are they rejecting possible solutions? And why are they asking for these tremendous sacrifices from the workers and tremendous sacrifices to work our economies.

And you look at it, what does it come down to? They do not want to increase taxes to the previous levels for the people who prospered the most during these past 10 years. That's what it comes down to. Everything is stymied, everything is stopped. We are not going to rebuild our country. We are not going to do this. We are not going to have these things because certainly, we can't increase taxes to the top 2 percent of the country, back to the levels that they previously had, and to the people who prospered most from the deficit spending, and that's what it comes down to. And that's where the battle lines are drawn. And that's why we have to fight. Because the future of generations to come is going to rest on what happens over these next couple of years. It's going to set the pace for how labor is viewed in this country and how citizens are viewed in this country. And that's what we have to defend. And one thing I can tell you, the Ironworkers are going to be there to stand shoulder to shoulder with you when we go toe to toe with all of our enemies. We will be there together. We will be there in solidarity. We will be there united. Because the people in this room, the people in the Metal Trades, the people in the Building Trades, the people in organized labor, we have to stand together because this will determine what happens in to the future.

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

(Pause.)

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

PRESIDENT FINLEY: Thank you, President Ault, it's an honor to serve on this Executive Board of this Metal Trades. And I want to thank each and everyone of you for the work you do out there. And I'm not going to take long time, but I don't care about the deficit. I don't care if taxes go up or taxes go down. I don't care about gays in the military. I just want congress to get off their no good, fat, lazy asses and get good hard-working Americans back to work. Thank you.

(Pause.)

PRESIDENT AULT: Wow, I like that. International President Newton Jones, Boilermakers.
MR. JONES: Well, thank you Ron, and thank all of you. First Ron, I want to just say that you and your team do a fantastic job for the Metal Trades, for our members, for our unions throughout the year, especially on the Hill. I know it's tough, but you hang in there and you do a great job. So we appreciate it, and we also appreciate what each of our delegates here does every day, like President Finley said, and the members out there who are not as recognized as they should be for the work they do in building our ships and building our submarines, in building so much of our infrastructure that society enjoys every day. They don't see it, and I think it's time, more that we tell our story, and I'll show you some films we've developed. Ron, maybe you saw some at our convention, but it's time we told the history of the work we do, so that those in America understand that the jobs that you do everyday help them turn the tap on and have water flow or turn the electricity on by flipping a switch or the air conditioning or otherwise.

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

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

Well, thank you, thank you all.

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

(Please.)

PRESIDENT BUFFENBARGER: Thank you, Ron.

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

We're proud to be a part of this department,
and we're proud of you. Because in this room,
represents leadership. And we have kept the spirit
of solidarity alive and well and thriving in the
most divisive times in our generation.

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

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

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

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

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

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

(Applease.)

The notable case I'll tell you about is called
Boeing. Many of you have read about it in the
newspaper, seen the attacks upon this union, upon
organized labor, upon the National Labor Relations
Board by right wing corporatists, can't even call
them capitalists anymore. Yet, how dare a
government agency created in 1935, signed into law by a great U.S. president, Franklin Roosevelt, with these words at the signing. "The right of the American worker to form and join free trade unions is protected by the Office of the President of the United States."

The last time we've ever heard such strong words come from the chief executive. And today, all these years later, in filing a charge, exercising the rights of members, that a company misled, lied, and connived and conspired to punish workers who may choose to strike to get a good contract, a fair contract. It is now brought to the fore, a real challenge. They've introduced legislation to defund the National Labor Relations Board, to take away the ability of our members to exercise their rights, to enforce the law. They're out to deny workers the right in some states to even talk about unions. The governor of South Carolina is quoted as recently as last week that she will not allow unions in South Carolina. That's a violation of the law. Well brothers and sisters, this has been a tough fight for us. It's very expensive too, to have a hearing under way, beginning last summer in Seattle. It will probably take the better part of a year. The Boeing company has 17 lawyers, the worst of the worst anti union busting law firms, somebody from each, representing them. This, as a matter of fact, is a circus because they are fighting with one another in the court room against two, two labor board attorneys and the IAM attorney on this case. Thirty four times Boeing has gone to federal court to resist federal subpoenas for information. Thirty four times Boeing has lost in the federal court. There is something to this case, brothers and sisters. Can't talk a lot more about it, but when it all comes out, you're going to understand why we made the fight. We will prevail against all the threats, not only to the machinists but to all unions and all workers in this country. And we will expose what real corporatism is about in America today, and it's not about America.

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

Last thing I want to say. Is Ed Smith still in the room? Chairman of Ullico, gave great remarks. His company does good things for the labor movement. He told you a story about a guy kissing a nun. He didn't tell the one about Pope Benedict, who I had the pleasure to meet this past June, coming to the United States to speak before a large gathering in Atlanta. And as the pope departed from his plane,
there was a big limo waiting for him and a driver. The Pope was whisked into the car, and the car sped off to the site of the meeting. And on the way there, the Pope tapped the driver on the shoulder and said, "You know, one of the pleasures I've had in life that I haven't been able to exercise since I've been Pope is driving. And you know, I'm German by ancestry, and I'm used to driving at high-speeds, and your roads here are so wonderful. They are so straight, and they seem so smooth. Would you mind trading places with me and allowing me to drive?"

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

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

Well, the trooper is ready to panic at this time because he recognizes the Pope. And he says, "Well just stay right here. - he said - this might be one of those special situations, and I should call in to my dispatcher and get some advice."

Patrolman goes back to his car, fumbles the radio receiver, picks it up, calls the dispatcher and in a panic he says, "I've got one of those special situations, I need advice."

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

"No, it's bigger than the mayor."
"Is it a congresswoman?"
"No, it's bigger than a congresswoman."
"You've got the senator pulled over?"
"No, bigger than the senator."

He said, "The governor, you pulled over the governor?"
"No, he's bigger than the governor."
"For crying out loud, you didn't pull over the president of the United States, did you?"
"No, he's bigger than the president of the United States."

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

Then the trooper said, "I don't know, but he's got the Pope for a driver."

(Laughter.)

So, brothers and sisters from all the Machinists that are proud to be a part of this department, to all of you, thank you for everything you do. Thank you for your support, and your solidarity. Thank you for your help in all the political fights we're engaged in all across America today. And thank you for being there and who you
are. You're all great trade unionists. Thank you very much.

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

MR. GROGAN: Thank you, Ron.

(Applause.)

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

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

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

I think the most immediate thing we all can do to show where we're at is we need to be out next week, all of us, no matter what part of the country. If everyone of us can send some people into Ohio, we need to defeat that Kasich Bill. We need to show everybody where we stand.

(Applause.)

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

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

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

(Paused for laughter.)

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

PRESIDENT AULT: Is brother Jimmy Williams
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.

(Applause.)

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

(WHEREUPON, A break was taken.)

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

At this time, we are going to call on our
report of Audit Committee. The chairman of the
Audit Committee is Tony Walencik, director of the
Shop Division of the Ironworkers. His co-members
are Dennis Phelps, international rep for the IBEW, and Charlie Johnston, Junior, international rep for the laborers. And if that committee will come forward and make their presentation at this time.

Brother Chairman.

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

PRESIDENT AULT: You heard the report. A motion is in order to accept the committee's report. Do I have such an order?

SPEAKER FROM THE AUDIENCE: So moved.

PRESIDENT AULT: Move to accept and seconded?

SPEAKER FROM THE AUDIENCE: Second.

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

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

(A chorus of ayes,)

There is such a thing as a railroad you know. All opposed, nays.

(No response.)

Ayes have it and so ordered. With the compliments of the convention, the committee is dismissed. Thank you so much gentlemen.

(Applause.)

A few years ago at our last conference, we had my dear friend and brother Rick Brown, the president of the National Federation of Federal Employees, District 1, IM lodge address the conference. And since that time, Rick passed away. A tragedy, great loss to me personally, and in his place, Bill Dougan became the president of an NFFE. And Bill has been a great friend and a great supporter of the Metal Trades Department. Bill helped us found the Federal Workers Alliance. He has been a rock, an anchor for us. He has been a terrific president of the Federal Workers Alliance, someone who I rely on and someone who helps the Metal Trades every day up on Capitol Hill and in our coalition to look after federal workers issues and to advance the issues of our federal employee organizations.

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

His tenure has played a key policy maker role in a number of government agencies and nonprofit forums. He was the founder and elected chairman of the Federal Workers Alliance. That's a coalition of...
22 unions representing over 300,000 federal employees in shaping government-wide workforce policies. Internally, President Dougan has overseen the revitalization of the union's organizing and communication strategies. Under his leadership, these efforts have markedly increased the union's membership. He's committed a great deal of time and resources to rebranding the union through effective communications with current and future members, promoting a mixed strategy that utilizes traditional and new media, modern promotion of materials and multifaceted federal employee outreach programs. President Dougan has expanded the union's voice to new individuals and forums nationwide.

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

He steered the union through the untimely loss of its former beloved leader, Rick Brown. Earlier, Bill Dougan served four years as president of NFFE's Forest Service Council, which represents approximately 95 Forest Service Local Unions, with over 30,000 permanent and seasonal bargaining unit members. With a focus on membership growth, training and union officials and lobbying, the Forest Service Council became the largest in NFFE. Within the halls of the Senate and the House, the Forest Service Council became established as a respectful advocate for issues important to those it serves. During this time, he also served as the union team leader in negotiations with the Forest Service national collective bargaining agreement, which is known as the master agreement, often recognized as one of the best in the entire federal sector.

Bill was born November 20th, 1953 in Los Angeles, California. He is a graduate of the Humboldt State University and -- damn, I can't even pronounce that. I'm from Arkansas, you guys have to excuse me. Don't give me these real hard words to pronounce. This thing has got three syllables. A-R-C-A- Arcata, California, I guess that's the way to say it. With a Bachelors of Science in Forestry Management and has completed graduate studies at Oregon State University, Washington State University and the University of Washington.

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

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

I'd like to take this opportunity to thank President Ault for inviting me to speak at your convention. I've had the privilege to work with Ron these past four a half years, since I came to
Washington D.C., and I'm happy to say that Ron has taught me a lot about this business in that time. And I'm grateful for his continuing counsel and proud to call him my friend and brother. He's been a rock solid, steadying influence, a voice of reason within the labor community, and I want you all to know that, and to let you know that you are very lucky to have him as your president of Metal Trades. You all know that organized labor in this country is under attack. The media, congress and much of the public paint unions and their members as underworked, overpaid and having unprecedented retirement and health benefits, well beyond the benefits received by the rest of the workers in this country.

Union membership is at an all-time low nationwide, with about 6 percent of the private-sector workforce being members of a union, and about 30 percent of the public sector workforce being union members. In particular, federal employees have become the focus of attention for the media, congress and much of the public. They have become the poster child for big government and are seen as a major contributor to, and cause of, the national debt.

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

In addition, about 400,000 current federal workers are eligible to retire over the next three years. In the private and public sectors, we've seen the attacks on pensions, healthcare and wages come at the bargaining table, as well as from city, county and state governments. Labor is being asked to give back hard earned benefits that made it possible for our members to earn a living wage and to provide for their families through their working career and into their retirement.

And we've seen the attacks at the very core of what it means to be a union, attacks on our right to collectively bargain. What started in Madison, Wisconsin has spread across the country as other state governors and legislatures seek to vilify labor as the cause of their fiscal woes and seek to make us pay, through stripping our right to bargain on behalf of the working men and women that we represent.

Taken in total, that is the landscape we find ourselves in, and within which we must work for change. The easy path would be for us to become discouraged, to hang our heads and choose to just give up. But that is not what we are about, and that is not who we are. That is not our proud history. At this moment in time, when the very worth and dignity in being a worker in America is being called into question, we must stand strong and stand together. We must continue to build membership and organize the unorganized. Our very survival depends on our ability to grow and to identify and mentor our future leaders within our
unions. If we don't or won't do this, we will eventually go out of business.

We must go on the offensive and change the frame of reference in the ongoing debate of what the future will be for working men and women in this country. We cannot afford to continue to let our critics define this struggle while we sit back and respond to their characterizations of us. I firmly believe that the house of labor is up to this challenge. If we are going to take our country, if we are going to stand up for the working class in this nation and the worth and dignity of all workers across planet Earth, then it's time for each of us to screw our feet into the ground and screw in our hearts and screw in our minds and commit to take action.

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

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

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

(President Ault)

President Dougan: Appreciate it, thank you.

President Ault: And I am indeed proud to call Bill by friend. We are going to do something a little different. It's important for us to all know each other. We all work together, we all do things together. And for that, we need to know who is here today. So, we're going to start all the way in that back corner, since everybody wants to sit all the way in the back. We're going to start in the back, on that very last row. The first person is going to stand up, tell everybody your name and where you're from and what you do and whether you are company. And if you are company, what you title is. If you are union, where you're from, what your local is, and what your title is. And we'll start right away. (Whereupon, Each member of the audience stood up and introduced themselves.)

President Ault: Pretty diverse group. Behind the curtain, we've introduced the folks. Bob Moses is from the AFL/CIO on loan to us, to do all of our IT. It is a privilege and honor to introduce our keynote speaker, someone who I've gotten to know
over the last few years very well, someone who I
work together with on many things, and who we
coalesce on a lot of things, particularly energy
employee worker compensation, work, developing jobs,
tamping down jurisdiction disputes, working on
labor's agenda, advancing the agenda for trade
unions and a host of other things that just go
beyond the pale.

Coming out of the IBEW was a director of the
Heavy Highway Program for the IBEW in the
construction—

PRESIDENT AYERS: Construction

PRESIDENT AULT: Construction Maintenance.

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

But my dear friend, the president of the
Building and Construction Trades Department of the
AFL-CIO and someone who's been very kind to me and
worked with us during a very recent tragedy, when we
lost a dear friend of both of ours. And we went to
the funeral of Abe Breehey, the legislative
political person with the IBEW (IBB), who was also someone
that we relied on heavily in both departments to do
the heavy lifting on energy, particularly, the
carbon issues that face both departments. And
that's Mark Ayers. Let's give Mark a great big warm
Metal Trades welcome.

(Please.)

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

Now, I want to tell you my comments this
morning are going to be a little bit rougher than
they normally are if you have heard me before. I
usually try to be a proper and polite. But with
this political season going on, I think it's time to
crank it up a notch. Not all of you are going to
agree with me, just don't throw apples or oranges,
just hear me out. It's a privilege again for me to
be here today at the 69th convention of the Metal
 Trades Department.

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

(Applause.)

Ladies and gentlemen, brothers and sisters, it
is indeed, again, a pleasure for me to be here with
you today. But I come here today, really with a
conflicted heart. On the one hand, my heart
continues to ache for the millions of Americans, many of whom are proud union brothers and sisters, who are still in a freefall as a result of the greatest economic disaster since the Great Depression.

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

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

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

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

Now, let me repeat that, so it will really soak in. A 275 percent increase in income since 1990. Brothers and sisters, it's time to stand up and make it right. Now, with data like that staring us in the face, is it a wonder that frustrated protesters on Wall Street and in cities across the United States and around the world are so genuinely angry and frustrated that they have taken to the streets? Today, working Americans are effectively missing, as I said, 500 billion dollars a year in wages, while the incomes of the richest Americans continue to rise in exponential fashion. And the worst part of this entire equation is the troubling fact that there is no credible set of ideas from either political party that would rectify this troubling situation: the rich continuing to get richer, while the middle class falls further and further behind. And nobody seems to want to do anything about it.

It's time to stand up and make it right. Now, I tell you what. The time is long past for our true
political friends to either put up or shut up.
(Applause.)
I don't know about you, but I've had it up to here with the bull shit that we continually have to endure from our so-called friends. The time has come for them to get off their asses and to forcefully declare just whose side they really are on. Do they support the collective bargaining rights of teachers and first responders? Will they stand up and defend project labor agreements and preventing wage loss? And are they willing to stand up and defend America's shipbuilding industry and protect the livelihoods of skilled craft workers like those of the Avondale Shipyard? In other words, brothers and sisters, are these politicians willing to stand up and make it right? Because if they aren't, then we don't need to stand up for them on election day, do we?
(Applause.)

You know as I see it, brothers and sisters, the protests we are seeing all across America may grow into something larger and more organized, or they may not. But after the peaceful protesters in Oakland, California were brutally attacked the other week, and when economic data about the growing gaps between the rich and poor continue to shower over us, I predict it's only going to get bigger. But either way, what will never go away is the resolve of that broad coalition of middle class Americans who are rising up in righteous anger over a system that has repeatedly, repeatedly, lied to them, which means they lied to us.

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

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

As usual, not a single Republican, not a single one will vote for anything that President Obama seeks to do. And that sad spectacle my friends is what has people so damned angry. Each of the proposals in the Obama Jobs Bill is supported by overwhelming segments of the American public. Significant and sustained infrastructure investments enjoy the consistent support of vast majorities of Americans. And these proposals have also enjoyed Republican support in the past. But today, the Republican attitude to the American people is this. Your opinion doesn't mean a thing to us; we don't care. And if you decide to keep that man in the White House in 2012, we'll block anything that you and he want to do.

Brothers and sisters, the time is now to stand up and make it right. The president is showing leadership, and he is showing courage, and I truly think that he has finally reconnected with his political soul. I believe he finally understands that we are at this critical juncture in our nation's history and that his political opponents are cravenly attached to a treasonous strategy of
political and economic sabotage.
Now these Republican rats, rats, like John Boehner and Mitch McConnell, they don't care if you have a job or you have a job, or you have a job. Their only concern is that Barack Obama doesn't have a job come January 2013.

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

Brothers and sisters, the time is now. It's now, to stand up and make it right. We've got one year from yesterday to stand up and make it right. Now, I've also got another message for Mitch McConnell and John Boehner, as well as the seven pinheaded dwarves who are vying for the Republican presidential nomination.
Now, this isn't about Barack Obama; this is about America. This is about leadership, and through their incessant political pandering to the Tea Party conservatives who now effectively control the United States Congress, the Republican Party leadership in Washington D.C. and all around the country has completely abdicated any sense of leadership.
We are in a national emergency, but they couldn't care less. We've been grappling with the national jobs crisis for three years, but they couldn't care less. In fact, one of the highest priorities of Republican governors all across the land is not related to job creation. It's focused on erecting stringent roadblocks that would deny people the right to vote, especially the elderly and the minorities.
We'll tell you what, the Republican Party had better start paying attention to what's happening on the streets throughout America. And they had better start caring about the anger permeating from the American middle class. And to be very clear on this point, there is severe whole swath of weak kneed Democrats that had better start caring about us too. (Applause.)
All of them, all of them, had better start caring about disgusted Americans, many of whom are members of our unions who are increasingly focused on cleaning house on both sides of the aisle next year.
Now, that is because the time is now to stand up and make it right. Brothers and sisters, this is a line in the sand moment. For our generation of American labor leaders, we need to remind our friends on both sides of the aisle that this isn't a family dispute at the dinner table. It's a damned class war that supersedes Democrats versus Republicans and quite frankly this is war and the middle class is getting its ass kicked. Take it to the bank every day, we get a swift kick in the butt, every single day.

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

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

It requires us to stand up and make it right. And I'll tell you something else, if Republican politicians or Rush Limbaugh or Fox News, if they want to talk about class warfare, then all I have to say to them is bring it on, we're ready. (Applause.) Because I'll tell you, what conservatives fear the most is what's happening right now on the streets of America. Large and diverse masses of American citizens, most of whom live paycheck to paycheck, if they have a job at all, are finally starting to rise up and demand their fair share of America's economic pie.

Make no mistake, class warfare has been waged on the American middle class by the wealthiest people and many corporations in the U.S. for far too long. And on that battlefield, the richest Americans have thus far won, but not for long. Brothers and sisters, we've got plenty of reason to rumble, and our message to all of our political friends is quite simple. Get with us and get tough or get the hell out of our way. (Applause.) Because they aren't in Washington to protect their jobs. They are there to protect our jobs, American jobs, not jobs in yet another low-wage exporting zone halfway around the world, like Panama, Columbia or South Korea, with all the protections the United States' political system can provide.

It's long past time for our friends to decide if they're going to remain part of the problem or if they're going to become part of the solution because there is no acceptable bipartisan approach to screwing the poor, to screwing our seniors, to
It's time now to stand up and make it right. You know sisters and brothers, I didn't spend nearly six years of my life during the Vietnam era, protecting a country that I loved, to hand it over to a bunch of greedy right-wing bastards — (Applause.)

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

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

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

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

In March 25th, 2009, President Barack Obama designated Carol Waller Pope as the chairman of the Federal Labor Relations Authority, after designating her to serve as acting chairman on February 19th, 2009. Nominated by both President William J. Clinton, George W. Bush, she served as a member of the authority since November 2000. She is the first FLRA career employee to serve as chairman and member. Chairman Pope began her federal career as an attorney with the Employee Benefits Division of the Office of Solicitor, U.S. Department of Labor in 1979. Oh, you can't be that old; you're so pretty.

MS. POPE: My birth year is not a part of my bio. (Laughter.)

PRESIDENT AULT: I noticed that.

She began her FLRA career with the FLRA Office of the General Counsel, Boston Regional Office, in February of 1980. In 1994, she joined the Office of General Counsel headquarters staff in D.C. serving
first as executive assistant to the general counsel
and then as the assistant general counsel.
As assistant general counsel, she held
responsibility for management of the administrative
review process for over 400 unfair labor practice
charged dismissals annually.
A native of Pittsburgh, Pennsylvania, Chairman
Pope earned a Bachelor of Arts degree from Simmons
College, and a Jurist Doctorate degree from
Northeastern University School of Law.
Chairman Pope is admitted to practice before
the Supreme Court of the United States, the United
States Court of Appeals and the First and Fifth
Circuits and the commonwealth of Massachusetts. She
is the recipient of the Distinguished Achievement
and Leadership awards from the American Bar
Association, Federal Labor and Employment Law
Section and Simmons College.
Let's give Carol Pope a great big Metal Trades
welcome.
(Applause.)

MS. POPE: I thought I had a hard act to
follow with the jokes, but thank you for flipping
the switch on the schedule giving me an opportunity,
as a private citizen, to hear the call to arms of
Mr. Ayres because I think it's an important message.
Not one that I speak to in my role as chairman of
the FLRA, but certainly as a private citizen, I
appreciate his remarks.
I want to start off by thanking Mr. Ault,
President Ault, for having me here. I think I am
correct in saying that I may be the first chairman
of the FLRA that's been honored with an invitation
to speak at your conference. We are about 33 years
old, half of the age of the Metal Trades department.
And so, it's taken a long time for us to get an
invite, but I'm pretty proud to be the first one to
be here.
I want to thank the distinguished Executive
Council members who shared the dais with me today.
What's not a part of my bio, but the importance of
my being here today, and I want to step back and
make it a personal statement, and that is my
appreciation for the Metal Trades Council.
It's not a part of my bio, the Metal Trades
department, but what you should know is when
President Ault spoke to my starting in the Boston
Regional Office a couple of years after law school,
I really grew up learning labor law and labor
relations by working with the Portsmouth Naval
Shipyard and the Metal Trades Counsel at Portsmouth
Naval Shipyard. And at the time, the president was
John O'Brien, and I was a scared person coming out
of law school and walking into a shipyard in
Portsmouth. And your president emeritus, I want to
thank him, John Meese. I was really even more
frightened when John Meese would be on the shipyard,
and I was there investigating a case for the FLRA.
But the foundation, of what I learned as a part of
working the cases that are filed by the Metal Trades
department at the Portsmouth Naval shipyard, is
really an important cornerstone of my career. So,
it's important for me to acknowledge and give a
shout out to the guys that are here from Portsmouth
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
23   Management Relations Statute. And one of the tenets
24   of that statute is to promote, protect and preserve
25   public sector collective bargaining. It's not just
26   collective bargaining in Wisconsin that is under
27   attack. You should know that collective bargaining
28   in the federal sectors is under attack as well.
29   Issues like official time are being questioned
30   again, under the Executive Order of Partnership.
31   Its tenets that are very much the core of the
32   statute that we administer.
33   We are neutral, which means on any given day,
34   the decisions that we issue, and I'm one of three
35   members that issue decisions for the Federal Labor
36   Relations Authority. And on any given day, somebody
37   is a winner, and somebody is a loser, and because
38   unions and individuals representing unions file the
39   bulk of our charges, by and large, unions lose a lot
40   of cases before us. But what's important in my
41   message for you to take away is that it is important
42   for the FLRA, regardless of the outcome of the case,
43   to be represented as giving you a fair shake when
44   you come before us. Giving you decisions that you
45   can understand and appreciate and apply to what you
46   do everyday.
47   Often I speak to managers in the federal
48   sector. I don't often get opportunities to speak to
49   a convention of union leaders. Give me an
50   opportunity to thank you for what you do everyday.
51   And the beauty of my being here, for my own
52   perspective, is that once again, after 14 years of
53   being away from investigating cases and dealing with
54   you on a day-to-day basis. Because now, all I see
55   is the paper, the appeal that you filed that
56   represents your real-life issue, the real-life
57   people that the decisions affect. Its important for
58   me to come back and put a face to those cases.
59   Often times, it's difficult to remember that
60   behind that issue is something that's very important
61   to the workers that, that case represents. And so,
62   I have a tremendous respect for all of you and your
63   leadership as first-line stewards.
64   I truly believe that the hardest job there is
65   out there is to be a first line steward and a
66   first-line supervisor. Mr. Ayres spoke to the
67   political discord in Washington, and there is a lot.
68   What there can not be, in the role of the FLRA to
69   give you tools for success, there cannot be discord
70   in the workplace, on the shop floor.
71   Part of the role of the FLRA is to promote
72   efficient and effective government. And if there is
73   labor discord in the workplace, we haven't done our
74   job. It took me a lot of years after law school,
75   because going to law school, one, I thought I would
76   go to law school to be F. Lee Bailey and do criminal
77   law. I didn't know, at the time when I was in law
school, that labor law was a part of my genes and birthright. I grew up in Pittsburgh as the bio does say. It doesn't say my year of birth, but I did grow up in Pittsburgh, and if you know Pittsburgh or any part of middle America and the rust belt, labor news is the local news, is the head off news. I grew up knowing about the teachers union and Al Shanker. I mean, I was 10 or something, and I knew who Al Shanker was. And there was no reason for me to know that, other than Pittsburgh is a labor town. I'm the daughter, the proud daughter of a steel worker. I know the impact of unions. I know what happened when the steel mills closed in Pittsburgh and how it affected my uncles and their families. My dad was advanced and had retired, but the impact in what labor does, and what labor does every day, and what we must do moving forward to support you is critical. It's critical to America, but it's critical to individual lives.

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

When we don't issue quality decisions or timely decisions, and for eight years or so, the prior eight years before I became chairman in 2009, we accumulated a backlog of cases because we weren't doing our job.

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

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

Over 300 unfair labor practice arbitration decisions and negotiability issues that were pending before my side of the house, the authority. And if justice is delayed, then justice is denied. And so, issues became moot and stale.

We're sorry about, but we have made tremendous strides. We've all but eliminated the backlog on the authority side of the house. We had close to 300 cases that were over two years old. And when I say over two years old, there were cases that were four years old and five years. We're down to 34 cases that are over two years old. We have an
internal goal to eliminate those by the end of the year, and we're working pretty hard to achieve that goal.

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

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

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

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

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

And what that means is there are now people in the regional offices and headquarters whose sole mission is to provide you the tools for understanding the law, understanding your relationship but also facilitating better relationships.

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

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

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

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

We are using and leveraging technology despite our small size and limited resources. We have improved our website, and I urge you to go to the
There are tools on that website: manuals, guidance, information that will help you in your job every day, when you are trying to give good advice and guidance to an employee that needs your help. And they come to you for your help and for your leadership and for your guidance. So please, use our website. We have provided new and improved search engines for you to review and search all of the FLRA decisions including decisions of the administrative law judges. That's what will help inform you, as you do your job. So, I urge you to move forward with partnership, continually be about improving and learning and applying your knowledge of the law, and your responsibilities under your own contract.

I say to managers everyday, "If you don't have on your desk a copy of your contract and a copy of the labor/management relations statute, you're not doing your job because you don't know the law and you don't know your own contract provisions." The same holds true for labor leaders, for the representatives of all of the individuals. And you're charged with a pretty important role, and that is to represent all the employees, regardless of whether they are members or not.

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

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

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

(President Ault: We've got a nice desk clock that we're going to ship to you. And it's underneath, where you don't even have to report it. So, thank you so much.)

(President Ault: Too many papers. Our next speaker comes to us from Pascagoula, Mississippi. Irwin Edenzon is the corporate vice-president of Huntington Ingalls Industry. He is the president of Ingalls Shipbuilding. Irwin Edenzon is the corporate vice-president of Huntington Ingalls Industry, president of the Ingalls Shipbuilding. Named to this position in 2011, he is responsible for all programs and operations at Ingalls Shipbuilding, including U.S. Navy destroyers, amphibious assault and surface
combat programs and the US Coast Guard Cutter Program. He also has responsibility for Continental Maritime, a San Diego shipyard that services and supports the Naval ships stationed on the West Coast and A-M-S-E-C, a full time provider of engineering, logistics and technical support services. Both Continental Maritime and A-M-S-E-C are subsidiaries of Huntington Ingalls Industries.

Prior to this position, since 2008, Irwin Edenzon served as secretary, vice-president and general manager for Northrop Grumman Shipbuilding, Gulf Coast Operations. Prior to this appointment, Edenzon served as a director of Future Carrier Programs and senior vice-president of Technology Development and fleet support for Northrop Grumman, Newport News, Virginia. Named to this position in 2007, he successfully led efforts to increase Newport News' strategic focus on execution of fleet maintenance business that included surface ships, submarines and commercial ship repair. Prior to joining Northrop Grumman in 1997 as director of international programs, Edenzon was vice-president of business development for Textron Marine and earlier served as director of product line and contracts management at Sperry Marine.

He began his career in Florida with Sperry Offshore, a company that developed and built saturation diving systems, manned submersibles and remote controlled underwater vehicles for off-shore service companies, the U.S. Navy and international navies. During his 10 years with that company, Edenzon held management positions in business development, contracts and programs. Edenzon received a Bachelors Degree in criminal justice, Magna Cum-Laude from Rutgers University, and a Masters Degree in business administration from Florida Atlantic University.

An active member of the community, Edenzon received the 2009 Outstanding Community Leader of the Year award for Southern Mississippi. He is a member of the Gulf Coast Business Council and Advisory Board Member for the University of Mississippi's Center for Manufacturing Excellence, and serves on the Board of Directors for Special Olympics of Mississippi. He currently serves as the chairman of the USO Gulf Coast Advisory Council, and is past chairman of the USO of Hampton Roads Board of Directors.

Huntington Ingalls designs, builds and maintains nuclear and non-nuclear ships for the U.S. Navy and Coast Guard and provides aftermarket service for military ships around the globe. For more than a century, HII has built ships and more ship's classes than any other U.S. Naval shipbuilder, employing nearly 38,000 employees in Virginia, Mississippi, Louisiana and California. Its primary business divisions are Newport News Shipbuilding and Ingalls Shipbuilding. For more information, please go to HuntingtonIngallsIndustries.com. Irv Edenzon, please come forward.

(MR. EDENZON: I think next time we'll send something ahead, which is about three sentences, instead of letting you go on the website.)
Ron, I appreciate the invitation. My title as president of Ingalls Shipbuilding, the part of my title I'm most proud of is that I am a shipbuilder. And I'd like to recognize a few folks in the audience here who help us do that every day.

Mike Crawley, president of the Pascagoula Metal Trades Council. And for those of you who don't know, we celebrated his 45 year anniversary yesterday, coming to the shipyard. So congratulations, Mike, on that significant accomplishment.

(Applause.)

Jim Cash is our business manager for the International Brotherhood of Electrical Workers, Local 733. Andrew Croome, President of New Orleans Metal Trades Counsel. And I'd like to call out somebody in particular, Frank Ludgood, (phonetic) he and I spent some pretty chilling morning, I guess it's been about 6 weeks ago. We did a 575 ton lift of a deckhouse, and Frank's riggers did it. And I told him, I said it was the most boring thing I had done in a long time and that's exactly the way it needed to be. So thank you, Frank, you did a great job.

(Applause.)

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

Of the 17,000 men and women of Ingalls Shipbuilding, more than 14,000 are engaged in shipbuilding at our three sites on the Gulf Coast. You should also know that more than half of those are your fellow union members. And as a part of Huntington Ingalls Industries, along with Newport Shipbuilding, we have almost 38,000 folks building and fixing ships every day.

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

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

The nation had the capacity to build that 600 ship fleet 30 years ago, and the largest of the shipbuilders 30 years ago are still around today building a fleet half the size. Thirty years ago, the big six shipyards got almost 100 percent of the navy's shipbuilding budget. Now, almost 20 percent of that budget is used to buy small ships from smaller shipyards.

The market versus capacity economics don't work, and tough decisions had to be made, and we
made them. All the while, we're focused on building
great ships. Our shareholders provide the capital
to build and maintain our shipyards, and they hold
us accountable for returns on their investment, and
they should. They can take their money and invest
it anywhere.

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

We have a good plan, and we're executing it.
The better and more efficient we get at it, the more
affordable ships we can build and the more ships
we'll sell. The faster we get there, the faster we
can change the discussion from protecting jobs to
growing them.

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

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

As for the future of Ingalls, we've got a
decent backlog of work, and we're negotiating a few
more contracts. But the process is taking too long,
but we're slugging it out. The contracts are
getting more challenging and the shareholders more
demanding. It's my job to ensure that we meet our
commitments to our shareholders and to our
customers, so that we have the capital that we need
to build the ships and make them more affordable.
That's how we are going to keep as many good
shipbuilders as we can working on the Gulf Coast,
because I also have a commitment to them.

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

And we buy material and parts and components
from 49 states around the nation. These are also
good industrial jobs. It doesn't matter whether
it's radars, airplanes, tanks or trucks. If we take
federal funds to create new jobs from defense
programs, will the new jobs be as good or will there
be as many? Personally, I don't want to see my
fitters and welders trading their tools and torches
for shovels.

If we're going to talk about protecting and
creating jobs, perhaps we should change our approach
from shovel ready to shipyard ready or factory ready, where a trained workforce is at risk of being laid off. Defense contractors, shipyards in particular, are a training engine for skilled craftsmen and women.

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

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

I could talk to you about why I think we need a Navy, but I'll let history tell that story. But I can assure you, as long as we have a Navy and a Coast Guard, we intend for the Ingalls' shipbuilders to continue to build it and maintain it. As the debate about the federal budget rages on, my job is to get us ready for a range of potential outcomes. I am hopeful congress will support a strong Navy and Coast Guard and the ships they require. I am confident that we can build them, and we will build them with union labor. We both want to build more ships. We need to make sure the folks who will decide know how important these current jobs are as a foundation for the economic recovery plan, instead of becoming a casualty of it. First we need to protect, then we can grow.

Thank you for inviting me to speak to you today.

(President Ault)

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

MR. EDENZON: Thank you.

PRESIDENT AULT: Thank you so much, appreciate it. At this time, we're going to have a report from the Committee on the President's Report. Is that committee ready to make its report? Here we go. That committee is currently not ready to report, but they will be shortly. So while that committee meets to get ready to make the report, James McCourt is on the committee, Clarence Rashada, Jeff Owen, Scott Murphy and Phillip Venoit. Did I pronounce that right, Phil? From Vancouver.

Venoit, that must be French. And if you will meet outside the door with brother McCourt. And at this time, I'd like to bring forward Keith Maddox, the strategic director of the AFL's office, well, let me get it right. Keith Maddox serves in the Office of the AFL/CIO, where he works on strategic campaigns. Keith has served in a number of positions at the
AFL/CIO: director of strategic campaigns, national field director, assistant to the director of organizing, deputy director for the Southern Region, and Georgia state director.

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

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

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

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

I mean, as many of you know, we've watched so many of these jobs disappear. So well, if we get this little clicker to working here. So, just move it for us back there; it's not working up here. So as we began to talk about Avondale Shipyards, many of you, I know, have heard about Avondale. It was a lengthy process to organize Avondale. Many, many years ago, went through a long, lengthy process to organize it down on the coast of Louisiana. And so when you start talking about Avondale Shipyards, just closing it, you start talking about 12,000 jobs total that are impacted, when you look at the 5,000, just under 5,000 jobs at the shipyard. And then you look at the indirect jobs. This is about a 2 billion dollar impact on the Gulf Coast, across the Gulf Coast to Mississippi, Alabama, Louisiana. There's about 43 states that actually have contractors, but really that Gulf Coast, those three states that I just named, sizable employment, jobs.

And so one of the things, first things that we, when we first began to talk about it and think about what could we do to save that shipyard, we really focused on Navy work, which is what Avondale, and we just heard the CEO of Ingalls Shipbuilding, the work that they have been focused on. And as we began to push, there was some movement by the federal government to talk about expediting some ships and moving them up
a couple of years. But as we got into all this budget cuts and all the discussions about, we've got to cut. In congress, all the discussions began to zero in on we've got to cut costs, cut costs. It became very clear that the path of military ships was not the angle that we had to go. So the new focus then became on commercial ship building. One of the first things that -- when we began discussions with Huntington Ingalls and at that time, it was still Northrop Grumman but then as Huntington Ingalls began to spin off -- as we began those conversations, several things came into play.

First and foremost, everybody agreed the Naval path was really difficult. Everybody agreed the commercial path was somewhat challenging as well. So, we began to think about all the different alternatives. One of the first things that was on the table was there was an incentive, actually, for the shipyard to close. There was about a 310 million dollar incentive that was being applied for by the company that would, basically, where they would get reimbursed for the severance packages that were negotiated between the Metal Trades unions. The cost of mothballing the facilities. But also incentives for savings, by transferring the work to the English shipyard. Everybody agreed to all that. The problem was those incentives made it very difficult to overcome because there was, basically, incentives for closing this facility and putting people out of work. Our first thing that we started talking about was that has to come off the table. Why don't we try to see if there's any path for incentivizing this to move towards keeping the facility open.

And as we began to think about this, there was all kinds of things that we had to do. We had to get the Department of Transportation engaged, the Department of Defense, the Department of Labor. There was meetings with the White House and the administration. There was a whole movement on the ground between the shipyard workers and the Metal Trades in New Orleans, the Building Trades was, I mean, all over this in New Orleans, the American Federation of Teachers on the ground in New Orleans. The local business community really came out. I mean, the most unbelievable thing was the workers at Avondale Shipyard. The Metal Trades went out and, within less than 30 days, signed up 500 small businesses onto a letter to the president, that went to the Department of Defense officials, Department of Labor, talking about the importance of why they needed to salvage this shipyard, why it needs to be saved because of the impact it was going to have on them.

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

All got professors and grad students working on a research project on the impact of what this would do
on the Gulf Coast. Bipartisan support from
basically, congressional, you've got Democrats and
Republicans from congress, both the Senate and the
House. You've got the state legislature in
Louisiana, both Democrats, Republicans, the
governor. And basically, now what's on the table,
where we are at today is there is still some hope
for keeping this alive. What you now have today is
there's about, as we would say, there's about 500
dollar reasons. The federal government has agreed
that the 300 million dollars that was in discussions
about incentivizing the closure, they are now saying
that 300 million dollars can be used as an incentive
to keep that facility open. So, there is
discussions about how that money can be utilized in
job training and conversion to a commercial
shipyard.

There is also, the state of Louisiana, two
weeks ago, announced that they were putting 214
million dollars on the table, primarily around job
training and other conversion to commercial
shipbuilding on the table. So, you've now got 500
million dollars plus on the table as an incentive to
keep this moving forward.

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

And then, you start to look at the commercial
side of this, on commercial shipbuilding. The U.S.
builds less that one percent of the large commercial
ships worldwide. At the end of 2009, there were a
little over 9,200 large commercial ships on what
they call the world order book. The U.S. only had
98 of those. You start looking to big players:
China had 3,578; South Korea, 1,675; Japan almost
1,300.

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

And so, as you begin to look at that, the
Department of Transportation, their argument is
there needs to be more port to port. More port to
port freight that moves from port to port and moves
around the East Coast, the Gulf Coast and the West
Coast, but also moves up the Mississippi and our
other major river systems. Those water systems are
there. There is dredging requirements, there's
collection projects that would need to be done at
some of these ports. But the argument is short sea
shipping. There is now, certified under there,
there is about 18 Marine highway corridors. There's
eight projects and six initiatives that's been
certified by the Department of Transportation.
There's a huge potential here. These would require
Jones Act, would fall under the Jones Act
And this is a huge opportunity. This is a little
bit of the system that the federal government has
been looking at. And then, just, the reality is we
heard folks talking earlier today about we've got to
have good jobs in this country.

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

So just a couple other stats. The steel
industry saw, just in the last three years, in about
a nine year period, you saw the tonnage in steel
drop from 91 1/2 million tons from 97. So you saw 6
million tons of steel fall in that ten year period.
The big thing that stands out for me is the bottom
little bullet point. We've lost 8 million
manufacturing jobs since 1979, and at the same time,
our population has increased by 40 percent. So I
mean, when you look at the numbers of jobs that
we've lost, it's huge, huge impact. So the fact is,
is going to commercial building, bringing back
commercial shipbuilding in this country is huge,
not only for shipbuilding, but for manufacturing.
It's great for the transportation trades throughout,
highways as well as waterways. The maritime trades,
this is a boom, construction trades. Ports have to
be updated, all kinds of construction opportunities,
manufacturing and then ports. The first thing, when
we met with the Port of New Orleans around this,
they were all over it. They got it right off the
bat. I mean, this is all the top officers along
with our unions at the ports. And they got it right
away, what this would mean for them.

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

How do we move from there? Well, Percy is here
today. I don't want to go into much of this, but
one of the paths for moving forward is a company by
the name of American Feeder Lines, who is now on the
same, who wants to build ships in this country, who wants to build them union, wants to build them with American products, has expertise that backs them, from doing this over in Europe. And the reality is they want to build ships at Avondale Shipyards. But also, if things go the way that we're talking about, it's not just a boom for Avondale. It's a boom for all of our shipbuilding industry, is to move forward on this.

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

(MR. PYNE: It's getting close to lunch time, so let me not take too much of your time. Let me not also pretend to be somebody I'm not. I was born lucky; I'm an American. And I think all of us, as Americans, have a responsibility to our children and our grandchildren that we do something and we leave them with something that is lasting and that will preserve what was already been built and given to us.

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

Only one asked the government for no money. We were nominated as one of those eight people, and according to the DOT, maybe they're blowing smoke at me, excuse me, because we did the most complete job. And what did they give us? They gave us the Gulf Coast and the East Coast. I guarantee you that I would not have taken the time, risked our own money, had it not been for a meeting that we had in Washington with the gentleman sitting to my right.

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

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

So, having participated in 9/11, personally, it is particularly gratifying for me to be here today and working on Wall Street, across the street.
from the New York Stock Exchange, I feel real comfortable here in the casino. Here, I know the rules. If we win, we get to keep it, and if we lose, we pay the penalty and not be bailed out.

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

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

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

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

As far as infrastructure, it's falling apart, and it's falling behind. How do we change it? Let me give you some facts that might just frame the issue for you. Our transportation system ranks 15 in the global competitive index. Eleven percent of the 690,000 bridges in our country are more than 50 years old and are graded structurally deficient.

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

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

Overall, 31 percent of the nation vehicle miles traveled every single year travel over to deficient pavement. And if you take that number, translate it up to the urban areas, 47 percent of the urban highways are rated deficient. The new regulations for truckers will make it more difficult for them to
move. The Clean Air Act will have its effect.

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

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

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

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

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

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

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

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

I'll give you some other facts. To create one-mile of urban highway costs between 20 and 50 million dollars. To create one-mile of the United States marine highway costs you exactly zero. The port network is, in fact, in place for containerized
freight, don't have to do anything. We may have to
do some dredging, excuse me. We have the capacity
in the existing commercial shipyards, which is
underutilized in my opinion, for commercial
building. These are not liabilities. The
commercial shipyards in China and Korea and Germany
are considered strategic assets. How do we use this
resource? This wonderful highway? Just think of
the most congested highway that you travel on
everyday and think of no cars and no trucks on it.
Well, our solution or our thought is that you just
build a modern, green, efficient, fuel-efficient,
green assets and use the highway. Who is going to
build the assets? You are. Nobody else can. Can
we build today as cheaply as maybe the Koreans think
they can, or the Chinese? Maybe not. Could they
build in 1969, when I first went to Korea, as
efficiently as they do today? No, they didn't even
exist. The first ship that was launched at the
Hyundai Ulsan yard, 1974. 1974, we were light years
ahead of them. The last time the nation was in
peril, in my opinion, like this, 4 million men and
women built 5,000 - it's a matter of history - ships
between 1942 and 1945 for a cost of 12 billion
dollars.

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

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

Some of those ships, probably on average, burn
between 50, and we've heard numbers up to 140 tons
of fuel a day. A new modern small container feeder
ship in the world burns about 10. So the economics
aren't about the crew size. The economics aren't
about the cost. The economics are about fuel.

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

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

And the last statement may be a bit
controversial, but I'm going to make it regardless.
If the banks that you put your money in don't
support your community and American businesses that
create jobs and sustain jobs, move your money to
banks that do.

(Applause.)

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

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

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

(Applause.)
PRESIDENT AULT: Thank you.
MR. PYNE: Thank you.
PRESIDENT AULT: We've got a nice little
gift we'll mail to you. Now, the Officers Committee
is ready to make their report. And while they are
coming up, we are going to run a very short video.
(WHEREUPON, A video was played.)
You'll see R. Thomas Buffenbarger in front of
that march there.
and guests, it is my distinguished honor to report on the president's report to the delegates assembled here at the 69th convention of the Metal Trades Department. The Committee for the President's Report consists of Ed Witkowski, Clarence Rashada, Jeff Owen, Scott Murphy and Philip Venoit.

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

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

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

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

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

SPEAKER FROM THE AUDIENCE: So moved.

PRESIDENT AULT: Do I have a second?

SPEAKER FROM THE AUDIENCE: Second.

(No response.)

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

(A chorus of ayes.)

PRESIDENT AULT: All opposed nays.

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

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

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

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

Organization: Joseph Sellers Junior, chair; James Pressley, co-chair; Lynn Tucker Junior, Quintin Jones, Jim Payne, Mike Crawley, Brent Hall, and Don Bongo.
Resolutions: Pat Finley, chair; Bill Courtien, co-chair; Warren Mart, Tommy Fisher, Joe Standley, Dave Molnaa, Rich McClees and Steven Beal.
Constitution: Walt Wise, chair; Warren Fairley, co-chair; Billy Borchert, John Tippie, Robert Martinez Junior, John Taylor, Lynn Lehrbach.

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

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

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

So, the committees, room assignments. Let me find out first on the -- the Resolution and Constitution Committees, we've got some rooms. I've got to find out from Lisa what -- Skyview 2 and 3.

So Skyview, whichever one you want. Walt, which one do you want, 2?

MR. WISE: Two is fine.
PRESIDENT AULT: Okay, Walt Wise's committee will be in Skyview 2. Pat Finley's will be in Skyview 3. The chairs will set their own rules as far as how they conduct their business.

Thank you.

(Off the record comments, pictures and moving people around.)

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

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

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

And then, the other reason they wanted us to talk today was to find out what you think that we can do to better facilitate the website, make it more user-friendly and give you more information. So, we can do a little bit of a Q and A, and I'll
try and answer whatever questions you might have. Anyone? No. Okay well, there is a registration area on our website where you can give us your name, your e-mail address. It's a members only section. It'll ask you a few questions, ask you to solve a small math problem at the bottom of the page, so we can hopefully avoid spam. You'll create your own username and password and that will give you access to areas on the website that other people don't, the general population doesn't have access to. A lot of that will contain contracts and organizing information, anything that we don't feel is for public consumption.

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